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Evaluation of VOCA Programs in Central and Eastern Europe

Summary Report

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VOCA/Washington, D.C.

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Table of Contents

I. OVERVIEW 1
- A. Background to the Evaluation 1
- B. Description of the VOCA Grant 1
- C. Evaluation Scope and Methodology 2

II. FINDINGS AND CONCLUSIONS 5
- A. Client-Level Impacts 5
- B. Secondary Benefits and Impacts 8
- C. Criteria for Success 9
- D. Project Management, Monitoring and Evaluation 10
- E. Collaboration with Other Organizations 10
- F. Summary Conclusions 11

III. RECOMMENDATIONS 14

ATTACHMENTS

Levels Within the Private Sector Environment in Which VOCA Operates

Examples of Secondary Benefits/Impacts

Volunteer Report Summary Sheet Description

VOCA Project Report Summary Sheet

Logical Outcomes of VOCA Assistance

I. OVERVIEW

A. Background to the Evaluation

In response to the historic democratic reforms taking place in Central and Eastern Europe (CEE), Volunteers in Overseas Cooperative Assistance (VOCA) led a field mission to Poland in November and December of 1989 to assess agricultural development needs and opportunities in this emerging free-market economy. Based on their study, VOCA made application for and received a $1.4 million grant from the U.S. Agency for International Development (A.I.D) to initiate a farmer-to-farmer program in Poland. In April 1991, following yet more sweeping political and economic changes in the former Soviet Bloc, the program was expanded to include several other CEE countries, namely, Czechoslovakia (now the Czech Republic and Slovakia), Hungary, Romania, Bulgaria, Albania, Macedonia and the Baltic States. Funding was increased to $9.5 million and programmed to run through March 1994.

This report constitutes the end-of-grant evaluation for VOCA's work in CEE under this A.I.D grant The evaluation was carried out by Management Systems International (MSI), and is based on field work conducted in November and December 1993 in five countries: Poland, the Czech Republic, Slovakia, Hungary and Albania.

B. Description of the VOCA Grant

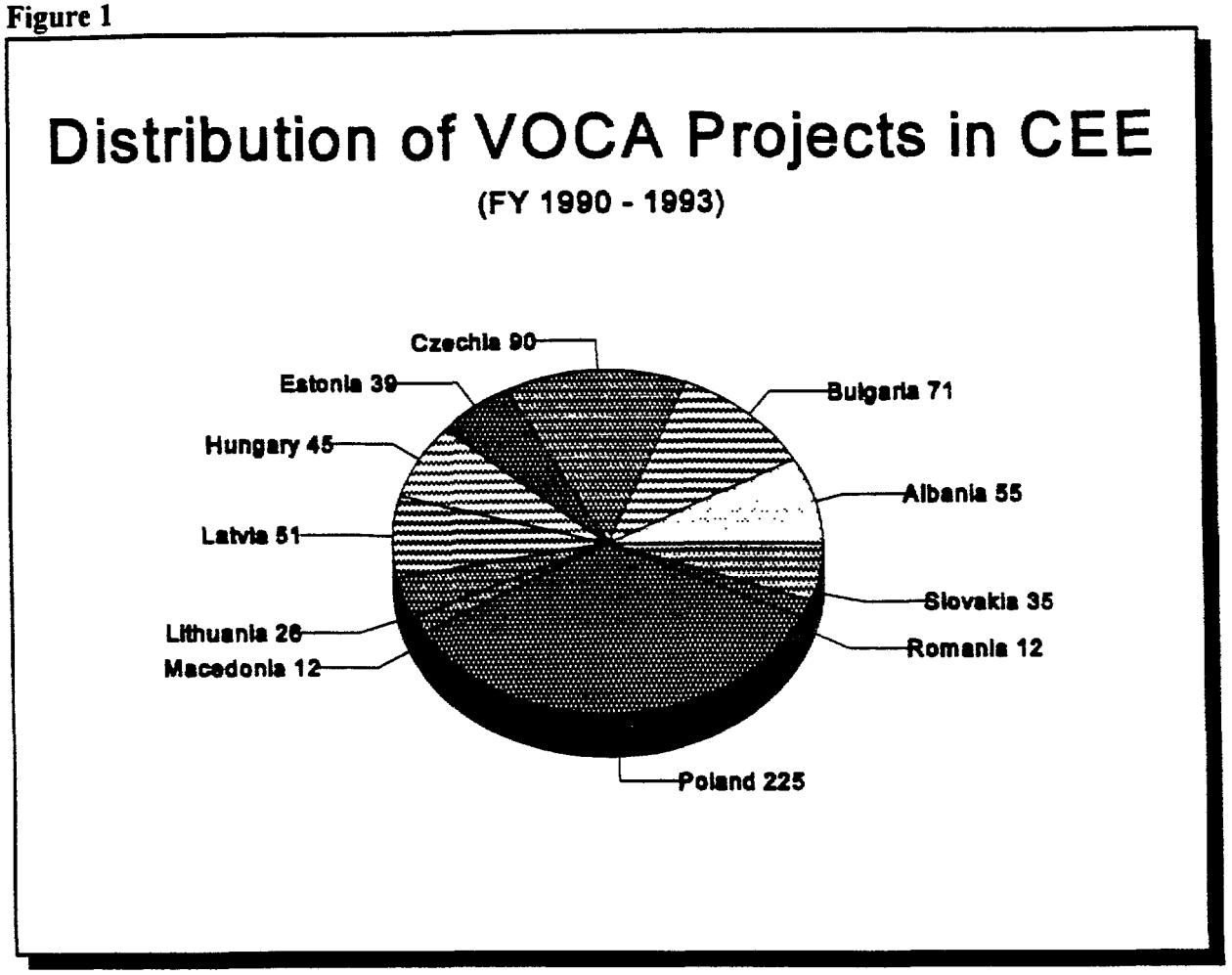
VOCA is an American private voluntary organization (PVO) that provides technical assistance and training to farmers, agribusinesses, cooperatives, banks, and policy makers by placing qualified U.S. volunteers on short-term assignments (two to four weeks duration). Under the A.I.D. Grant Agreement, VOCA emphasizes five areas:

- Creation of new, commercially viable private agricultural cooperatives, producer associations and other agribusinesses;
- Enhancement of commercial performance of existing private agribusinesses, principally in marketing and processing;
- Privatization of state agricultural enterprises;
- Creation of agricultural credit institutions to provide credit and banking services for farmers and agribusinesses; and
- Redirection of the government extension services toward the private farming sector.

VOCA follows a demand-driven approach by working with clients who have existing operations, and who are making initiatives to improve their productivity and profit. Projects are identified through an in-country staff that pays frequent visits to rural areas, networks with other development organizations, and investigates "walk-ins" who seek out VOCA's assistance. In CEE countries, VOCA is well known, and receives several referrals for technical assistance or training.

Clients share some project costs by providing co-workers, translators, and local ground transportation. VOCA covers major expenses such as international travel, housing, and meals. [1]

Figure 1



As of September 1993, VOCA had completed 661 projects, distributed among the various countries as shown in Figure 1.

C. Evaluation Scope and Methodology

This evaluation was conducted by Management Systems International (MSI) at the request of VOCA and A.I.D. The evaluation team was staffed by Russell Webster (Project Director), Douglas Daniell (Program Associate), Cathy Silverstein (Senior Associate), and Candy Mirrer (Senior Associate). The team members worked in pairs to complete field studies in Poland (October 31 to November 14), Czech Republic-Slovakia-Hungary (October 31 to November 21), and Albania (December 5 to 17). Upon completion of the field work, the team traveled to

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[1] The average cost per assignment in CEE for FY 1993 was $16,708; this includes all direct as well as indirect costs, including expenses for spouses which accompanied volunteers on 27% of CEE projects. (As of January 1994, VOCA changed its policy, and no longer covers the expense of accompanying spouses.)

Budapest, where, on December 20, it facilitated a day-long retreat with VOCA staff from Washington and the Central and Eastern Europe region. The retreat provided a forum for discussion of findings, conclusions and recommendations for the five countries included in the evaluation. Upon returning to Washington, the team debriefed with VOCA on December 23, presenting their summary findings, conclusions and recommendations for Albania. A debriefing was held with A.I.D. on January 7.

The evaluation report has been prepared in four parts, consisting of three field reports, and an overall summary of findings, conclusions and recommendations.

The team's primary scope of work was to identify what has been the impact of VOCA volunteer recommendations at the enterprise or organizational level. Areas of investigation included:

- Did the VOCA volunteer adequately address the problems of the client?
- Were clients able to implement VOCA recommendations?
- What changes occurred in the client's enterprise or operations?
- Were these changes sustained over time?

The team also assessed the effectiveness of VOCA's collaboration with other organizations working in the agriculture sector. Oftentimes, this collaboration can produce additional benefits not only to VOCA clients, but to a broader range of beneficiaries in the sector as a whole. The team noted several cases where successful collaboration has occurred.

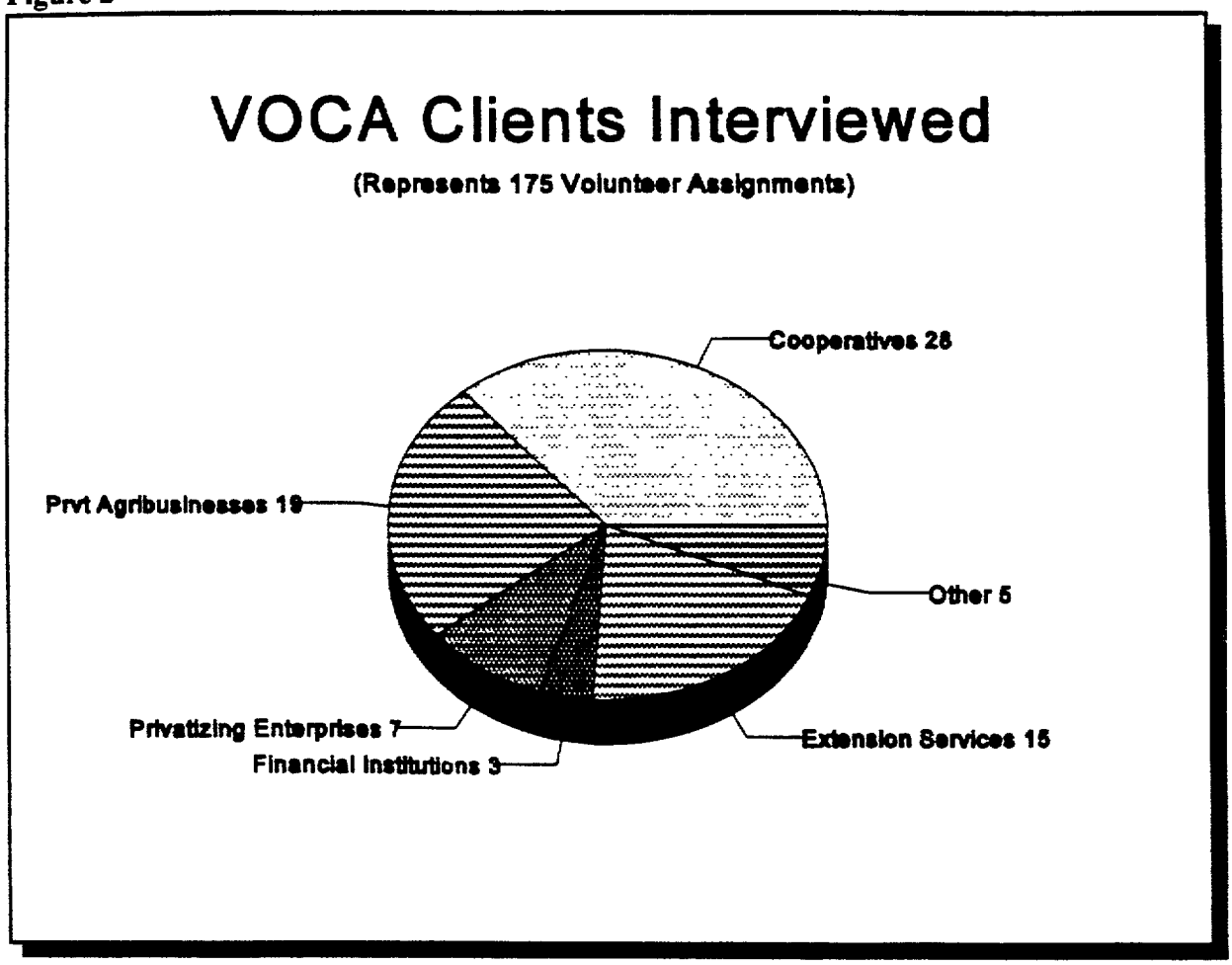
In addition to client-level impacts, the team also looked for evidence of secondary benefits. These included the more obvious ones, such as, the availability of new or better quality items to consumers, as well as the benefits gained by increased competition among food producers, processors, and retailers. We were able, for example, to document several cases where the VOCA client served as a "model operation" for other businesses and organizations.

Although more anecdotal in nature, the team also documented cases in which VOCA clients were active in broader free-enterprise and democracy enhancement activities. These included, for example, clients in Poland who serve as board members of other private ventures, banks, and cooperatives, or as leaders in local associations and governing bodies. The team thought this was interesting and relevant because when VOCA places an American volunteer to work with a client, the client is exposed not only to the mechanics of operating a successful business, but to a range of ideas and methods that are ingrained in the institutions of free enterprise and democracy. The evidence for this was reinforced by the almost universal comment from interviewees that they "greatly valued and appreciated" the free-market principles and concepts that they learned from volunteers.

Finally, the team made a point of meeting with other donors, PVOs, government bodies and financial institutions to learn more about broader sector needs. This helped the team to articulate

how the work of VOCA contributes to solving sector constraints in the context of each country where it operates.

Figure 2



Interviews were held with 77 clients who together have hosted a total of 175 VOCA volunteer assignments. In a few cases, assignments were follow-ups by the same volunteer. Figure 2 shows the distribution of these clients among the five activity areas identified in the VOCA Grant Agreement. The number of assignments researched represents thirty-nine percent of those completed to date in the countries visited, and twenty-six percent of the total for CEE.

II. FINDINGS AND CONCLUSIONS

A. Client-Level Impacts

A detailed description of findings is presented in each of the field trip reports. Overall, the team was able to document numerous cases which met the following impact criteria:

- The client's stated needs were addressed by the VOCA volunteer. In most cases, the volunteer delivered more in the way of technical assistance and advice than the client had expected. In all but a few of the 175 assignments reviewed, the clients had high praise for the skill and dedication of the volunteers.

- The client was implementing most if not all of the recommendations made by VOCA. In cases where this was not happening, it was due mainly to factors outside the control of the volunteer and the client. The lack of affordable credit was frequently a constraint. This had to do with both the price of credit, which is quite high in these countries because of inflation, as well as the terms. (In Albania, for example, medium- to long-term credit for major capital requirements, equipment, buildings, is not available to farmers or agribusinesses.) Frequently, the volunteers would make additional future recommendations which their client could consider once these business constraints were overcome.

- The recommendations were affecting demonstrable changes in the operations of the client being assisted. These changes included such results as:

  - improved productivity;
  - increased sales;
  - larger profit margins;
  - improved services to clients or beneficiary groups (e.g., banking operations, extension services, education services, research, etc.);

A few examples of the impact of VOCA's work are provided below.

<u>Prosper Poultry, Co -- Poland</u>

A VOCA specialist provided training and technical assistance to this privately owned processing plant to improve production line efficiency, poultry cutting techniques, marketing, and packaging. Prosper has had dramatic improvement in their production efficiency and product quality as a result:

- Previously ten people cut eight tons of poultry in eight days. Now, five people do the same amount of work in a day. Their product use has increased from

processing 68 percent of the chicken, to now 75 percent. Overall plant capacity utilization has gone from 25 to 75 percent.

- Prosper has diversified from only two products (whole frozen turkeys and chickens) to twenty-eight different fresh and frozen cuts of poultry. After posting a loss in 1992, Prosper now projects a net profit for 1993.

- Employment has increased from twenty employees producing 35 tons of frozen poultry a month, to now 35 employees, producing 130 tons per month. Demand is increasing to where Prosper will begin double shifts, and expand to 50 employees.

Progressi Private Farmers Association -- Albania

VOCA has been working to strengthen farmers cooperatives, called private farmers associations, or "PFAs" in Albania since VOCA began working there in 1991. Although many of the PFAs are still struggling to adapt their organization and management to the new post-Communist economy and democracy, a few have made impressive strides. Progressi, a vegetable producers' cooperative located near the coast of Albania in Durrës, is one such PFA. It is characterized by the fact that it is small, has good leadership, and access to markets. VOCA provided two volunteers -- a wife/husband team -- to assist them in marketing and production.

- Progressi now uses a logo, which was unheard of under the former communist dictatorship. They have adopted improved packaging practices, whereas previously they did no packaging and goods were simply loaded in bulk onto state-owned trucks and tractor beds.

- The VOCA volunteers helped them to negotiate a contract with a buyer in Tirana (Albania's capital) for green beans; this is the first successful contract they've had. They were in fact able to sell more beans than they expected, and at a higher price (13.5 cents per kilo, when what they hoped for was 12 cents per kilo).

- Based on VOCA recommendations, they are better maintaining their irrigation ditches; previously they didn't clean out bushes and debris from the ditches.

- They are pursuing more contracts for next year's growing season, building a processing (tomato sauce, canned beans) and storage facility with this season's profits, and planning to diversify into other vegetables.

Some problems still exist, and like many other clients the team interviewed, Progressi is suffering from the lack of affordable credit and a reliable banking system. Progressi took out and repaid a loan last year of $10,000 at eight percent per annum; this year they've taken a loan of $16,000 but, because of rampant inflation, at a much higher rate of 40 percent. Half of the amount has been repaid, but the loan is overdue.

Breclav ZZN Supply, Processing and Marketing Company -- Czech Republic

This company hosted four VOCA volunteers, two in the end of 1991, one in 1992 and another in 1993. The general manager of the company is proactive, and has led his operation in making needed changes for improved productivity, expansion, and profitability. Based on VOCA recommendations, he has moved more quickly into new markets than his competitors. He also attributes the new business attitudes of his management staff to the free-market principles and ideas which were given them by the VOCA volunteers. The GM adopted or fine-tuned the volunteers' recommendations which impacted his business in the following ways:

- Expanded product lines;
- Increased market share through geographical expansion;
- Improved productivity due to the adaption of new technologies and lower labor costs;
- Improved management, and communication among operating divisions.

Through the assistance of VOCA, the GM also went on a training study to the U.S., financed by Agricultural Cooperative Development International, which he found to be very useful.

Dedinsky Beekeeping Company -- Slovakia

This client hosted a VOCA volunteer in July 1993 who assisted the company in improving production, expanding markets, and diversifying product lines. The client indicated the following changes in his operations due to the assistance of VOCA:

- They have significantly reduced production costs and increased productivity and profitability. The client has implemented a recommendation to increase his wholesale operations and now buys from fifteen other large honey producers and more than 100 small producers.
- They have been able to tap into export markets through an alliance with a German partner.
- The client successfully renegotiated a loan with the Slovak Enterprise Fund based on improved operations and business management.
- The volunteer's assignment resulted in the firm working aggressively to become a leader in the Slovakia honey industry. The firm and the volunteer are in regular contact with the volunteer providing ongoing business advice.

National Private Farmers Association -- Hungary

The Hungarian Private Farmers Association is a grass-roots organization dedicated to the betterment of private farmers. At the end of 1993, the association had more than 300 local societies, 13 county associations and some 20,000 members. Assistance from VOCA was provided in the form of a lobbyist from the Georgia Farm Bureau Association who assisted the client in:

- Refining its organizational structure, and implementing a staff development program;
- Improving its planning and management systems; and
- Creating a newsletter for association members.

VOCA also helped the head of the association to obtain a Cochran Fellowship for a study tour to farms, cooperatives and agribusinesses in the U.S. VOCA maintains a working relationship with this dynamic and rapidly growing organization, and is planning future volunteer assistance.

B. Secondary Benefits and Impacts

Throughout the course of the interviews and discussions with other organizations working in private agricultural development, the team sought to identify whether the outputs and results of VOCA's work have had an impact beyond the immediate set of beneficiaries. There are several ways in which broader benefits may occur in VOCA's programs:

- The assisted client organization or business serves as a model which others (competitors and collaborators) try to duplicate.
- By strengthening intermediary institutions VOCA helps to improve services to a wide range of clients in the private sector, to positively influence the policy and regulatory environment which effects businesses and agricultural organizations.
- Consumers reap greater benefits through better quality products, new goods or services.
- The use of a subsector approach -- that is, targetting businesses and organizations working in the same subsector, but having different functions (production, marketing, research, extension, etc.) -- helps VOCA to leverage greater impact than would be possible through assisting only a few individuals in that subsector.
- Linking clients with other services -- training, education, credit/financing, etc. -- provides an opportunity for clients to reap greater benefits at little or no cost to VOCA.

The team found several good examples of how demonstrable benefits did extend beyond the individual clients who worked with VOCA volunteers. The development of better quality and new products was well documented in all five countries visited. The demonstration effect of

better businesses and cooperative organizations was seen in Poland, Slovakia, and Czechia, and to a lesser extent in Hungary. In all five countries, VOCA worked to strengthen intermediary organizations which served producers, suppliers, food processors and distributors. A subsector strategy was observed in at least one case in Poland having to do with sheepbreeding and marketing of sheep products. Finally, the team noted numerous cases in which VOCA has been active in linking clients to other service providers. (Illustrations of secondary benefits, and the levels of assistance in VOCA's program appear in the attachments.)

There were other benefits of VOCA's work which the team frequently observed. Many of VOCA's clients have been covered by the media as "examples of how business operates in a free-market economy." This publicity serves to bolster public awareness of, and confidence in, the economic and democratic transitions that are taking place in Central and Eastern Europe. In addition, the relationships that the American volunteers form with their counterparts in CEE have in most cases extended beyond the life of the assignment. The level of interaction ranges from ongoing business advice to occasional exchanges of cards and letters. Finally, many VOCA volunteers, when they return home, speak publicly or write about their experience, which helps to educate the public about the U.S. foreign assistance program in CEE.

C. Criteria for Success

Based on the findings from the evaluation, the team identified several criteria which serve as important pre-conditions for a successful VOCA assignment. VOCA applies a similar set of criteria in its approach to identifying projects. Naturally, not all of the criteria can be met under all circumstances; the social and economic environment for private agricultural development in Albania, is less advanced than that in Poland, for example. The degree to which these criteria are met increases the likelihood of both immediate and sustainable impacts.

- The client has an entrepreneurial spirit, and good management skills.
- The problems that the client faces are clearly identifiable, and can be influenced by the client's decisions and actions.
- The volunteer has the necessary skill and experience, is able to provide good recommendations, and an effective plan for implementing them. This requires that the volunteer understand and articulate both the technical appropriateness of solutions, as well as their feasibility within the client's operating environment.
- The client has adequate resources (skilled labor, equipment, funds or access to credit) to implement recommendations.
- The policy and regulatory environment encourages, or at a minimum does not discourage, the client's development plan.

D. Project Management, Monitoring and Evaluation

The VOCA staff were very helpful in assisting the team to conduct the evaluation. The team spent a good deal of time with both the expatriate and national staff, and found them to be hard working and committed to the objectives of private agricultural development. As is necessary to meet the demands of the program, they spend a good deal of time travelling to identify new projects, follow-up on completed assignments, and meet with potential collaborators.

Once VOCA comes in contact with a potential client and agrees that they could work together, VOCA and the client jointly develop a scope of work for the volunteer's assignment The team reviewed several of these scopes during the course of the evaluation and found them to be well prepared, with concrete sets of objectives and timeframes. When the scope is finalized, it is forwarded to the U.S. to use in recruiting the volunteer.

Volunteers receive a thorough briefing packet before they arrive in-country. Upon completion of their assignment, they are required to prepare a final report to the client that contains their observations and, most importantly, recommendations for improving the client's operations. VOCA receives and translates the reports for the client.

The team reviewed numerous reports, and found them to be wide ranging in their quality, but generally quite useful. The quality and turn-around time of volunteer reports has been of constant concern to VOCA, and has resulted in the recent introduction of new reporting guidelines. The team also made recommendations to VOCA during the Budapest debriefing on how to make volunteer reports serve as a baseline for follow-up monitoring and evaluation purposes. (See attachments for suggested reporting format/cover sheet.)

In July 1993, VOCA implemented a world-wide monitoring and evaluation system designed to measure client satisfaction with VOCA assistance, and the impact of volunteer recommendations. It consists of a follow-up questionnaire which the client is asked to complete three months after the assignment, and an in-depth interview which VOCA staff conduct with the client twelve months after the assignment.

The system will yield information that can serve VOCA's ongoing management and future programming purposes. The team was asked for suggestions on how VOCA could best aggregate and report on the data being produced. In the attachments, we have provided an illustration of the "logical outcomes" of VOCA assistance, which provides a framework to aggregate the information. Before this can become operational, an indexing system to weight the expected impact of different recommendations needs to be developed and tested. This is necessary because all recommendations will not result in the same degree of impact on the client's operations.

E. Collaboration with Other Organizations

VOCA has been active in the broader donor community, adding what one A.I.D. representative termed as a valuable "grass roots" perspective, representing the interests of an emerging entrepreneurial class. VOCA was an early entrant into U.S.-funded agricultural development

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assistance in CEE; several other organizations which the team met commented that they have benefited from VOCA's knowledge about the needs of farmers, cooperatives, agribusinesses and service institutions.

A.I.D. offices in the CEE receive regular updates from VOCA about its activities. Although VOCA funding comes out of A.I.D. Washington, we found the staff to be very responsive to requests from field offices to provide reports, and meet with other A.I.D. officials, grantees, and contractors interested in the agricultural sector. A.I.D. Washington enjoys a good working relationship with VOCA, but would like more impact information that demonstrates VOCA's effectiveness, as well as anecdotal reporting on valuable results and lessons learned. VOCA is aware of these needs, and is planning to respond through the application of its new monitoring and evaluation system.

Collaboration with other organizations takes several forms:

- Training: VOCA works closely with training providers to supplement their technical assistance program. These include Agriculture Cooperative Development International (ACDI), the Cochran Fellowship Program, Partnership in International Education and Training (PIET) Project, Land o' Lakes, and the American Farm School in Thessalonik, Greece. Such organizations frequently ask VOCA's assistance in identifying participant trainees for short, medium and long-term training opportunities in the U.S., as well as in-country.

- Credit and Financial Services: VOCA recognizes the seriousness of the credit constraint felt by many of its clients. To help address this, VOCA promotes opportunities both for clients, and occasionally joint-venture partners. Financial organizations include CARESBAC (the small business lending window of CARE International), The American Enterprise Funds, the Joint Commission on Humanitarian Assistance in Poland, and the EC/Small Business Development Program in Albania. VOCA also has close contact with local lending institutions [illegible] lending [illegible] cooperatives and businesses.

- Extension and Business Development Services: There are several other organizations which VOCA seeks to coordinate its activities with who are providing similar services to the agriculture sector. These include the U.S. Department of Agriculture Extension Service, Peace Corps, MBA Enterprise Corps, International Executive Service Corps, British Know-How Fund, International Fertilizer Development Corporation, as well as various U.S. universities working on research, land-tenure, and extension issues in CEE.

F. Summary Conclusions

1. VOCA's work in the countries visited has made a demonstrable positive impact on the clients they have served. Quantifiable and qualitative changes were noted in the

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operations of nearly all businesses, organizations and institutions which VOCA volunteers assisted. The degree of impact varied, with any impediments effected primarily by macro environmental (economic, policy and regulatory) constraints, and only secondarily by the client's attitude towards change. In the overwhelming number of cases, VOCA volunteer recommendations were found to be relevant to the client's needs, and important to the growth and development of the client's operations.

2. VOCA volunteers are of a high technical calibre, and have demonstrated a strong commitment to their clients. The relationships they establish are based on both professional as well as inter-personal values. Interviewees consistently remarked on how much they appreciated and benefited not only from the technical assistance, but also from the opportunity to work with friendly, dedicated Americans who were willing to volunteer their time and energy. This bolstered their commitment to free-market and democratic principles. The team was also given repeated examples of how volunteer-host relationships have continued beyond the assignment, both professionally and personally.

3. Several good examples arose during the evaluation of how VOCA's work served to stimulate secondary benefits and impacts beyond the enterprise level. As a result of VOCA assistance, consumers are benefiting from access to higher-quality products, as well as some items that were not available until recently. VOCA projects in some cases have served as free-enterprise models, stimulating competition among other enterprises undergoing transformation. In other cases, VOCA has been instrumental in determining the structures of organizations that serve the agriculture sector, for example: 1) work on cooperative law in Poland; 2) preparation of guidelines and by-laws for forming cooperatives (private farmers' associations) in Albania; and 3) synthesis of lessons learned and models for transformation of cooperatives in Czechia.

4. VOCA has good management systems in place to support volunteer assignments in country. Scopes of work are clear and comprehensive, and clients play an active role in defining tasks, objectives, and schedules. Volunteers are provided with adequate briefing materials in advance, and receive good staff support during their visits. A system for following up on each assignment is in place, and should provide useful information to VOCA on the management and impact of its programs.

5. The countries of Central and Eastern Europe where VOCA is working vary widely in their level of economic development. Of the countries visited by the evaluation team, one end of the spectrum might be represented by Poland, which has a strong infrastructure and has been moving aggressively in its economic reform efforts. The other end of the spectrum can be represented by Albania, which suffers from years of oppressive dictatorship and isolation, lacks infrastructure, and, because of its isolation, is much less familiar with free-market principles.

   This variability has required that VOCA adopt its strategy to suit the needs and opportunities of its clients. In most countries there is an emerging group of entrepreneurs which VOCA can target and work with effectively. In other cases, again such as Albania, VOCA is focusing most of its resources on the intermediary institutions (universities,

agricultural vocational schools, extension and research networks, cooperatives) which will help develop and strengthen new entrepreneurs. VOCA has done a good job of adopting its projects and programs to local conditions in order to maximize impact.

6 In all of the countries visited, VOCA was an early player in private agricultural development, following the opening of borders to foreign assistance. This experience has helped VOCA in gaining national recognition as a key player "at the grass roots level." VOCA has used its knowledge and networks in both a collaborative and proactive way to try and compliment its programs with the efforts of other development agencies. Examples of this include: introducing clients to potential sources of funding in Poland, Hungary and other locations; coordinating the development of a national TV program on agricultural marketing in Albania; and, in all countries, introducing clients and counterparts to training opportunities in the U.S.

7. The VOCA program in CEE has undergone rapid growth over the past three years. This growth has put high demands on staff in the field, expatriate as well as local. Staffing patterns and levels have been decided based on what was seen necessary to identify a targeted number of projects, recruit, and support volunteers on short-term assignments. Several staff felt that the day-to-day management of volunteer assignments affords them too little time to focus on future directions and priorities for VOCA. If VOCA plans an expansion into the next couple of years, it should add staff resources for project development, volunteer support, and project follow-up.

III. RECOMMENDATIONS

Specific recommendations for each country visited are provided in the individual country reports. The following list of recommendations is intended to capture overarching issues in the VOCA CEE program.

1. VOCA has made a unique contribution to private sector development in the CEE, the value of which warrants continued funding within the overall A.I.D. portfolio. It is clear that the services of VOCA volunteers will be in demand for many years to come in parts of the CEE, particularly as the newer players in the democratic/free-market reform campaign begin to emerge.

2. VOCA has succeeded in several instances to leverage benefits beyond the immediate clients they have served, examples of which were identified by the evaluation team during the field study. We encourage VOCA to take the lessons learned from the most exemplary of these cases, and develop a strategy which maximizes the likelihood of broader based benefits, and helps to guide future priorities and selection of volunteer assignments. Maximization of secondary impacts might be the theme of a regional workshop with VOCA staff from the region presenting and discussing their experiences in this area. One product of such a workshop might be a handbook describing different secondary impact techniques.

3. As mentioned, VOCA has adopted its strategy to meet varying needs in countries like Poland and Albania. This flexibility is crucial, and it has been well administered by VOCA management. We encourage future grant agreements with A.I.D. to continue allowing a somewhat fluid development of the projects, within an overall set of guidelines similar to that set out in the original grant agreement.

4. Because credit is such a pervasive problem for VOCA business clients, we encourage VOCA to consider ways in which it can add more resources to leverage financing for their clients. VOCA staff are acutely aware of this problem, and are taking steps to address it by introducing their clients to potential lenders and joint-venture partners, advocating to the government on behalf of the private sector, bringing in volunteers to help assess the financial viability of client businesses, and providing volunteers to work with banking institutions. Such efforts should receive even more priority in future. Where appropriate, VOCA could consider working with the Peace Corps, the MBA Enterprise Corps or a similar organization to provide longer-term assistance in credit and finance.

5. The team has suggested ways in which the volunteer reports could serve the ongoing monitoring and evaluation needs of VOCA. The team has also provided a basic framework which can be applied in aggregating data generated by the MIS. With a couple of additions/modifications, the VOCA monitoring and evaluation system should well serve VOCA and A.I.D. in tracking the management and impact of VOCA's work.

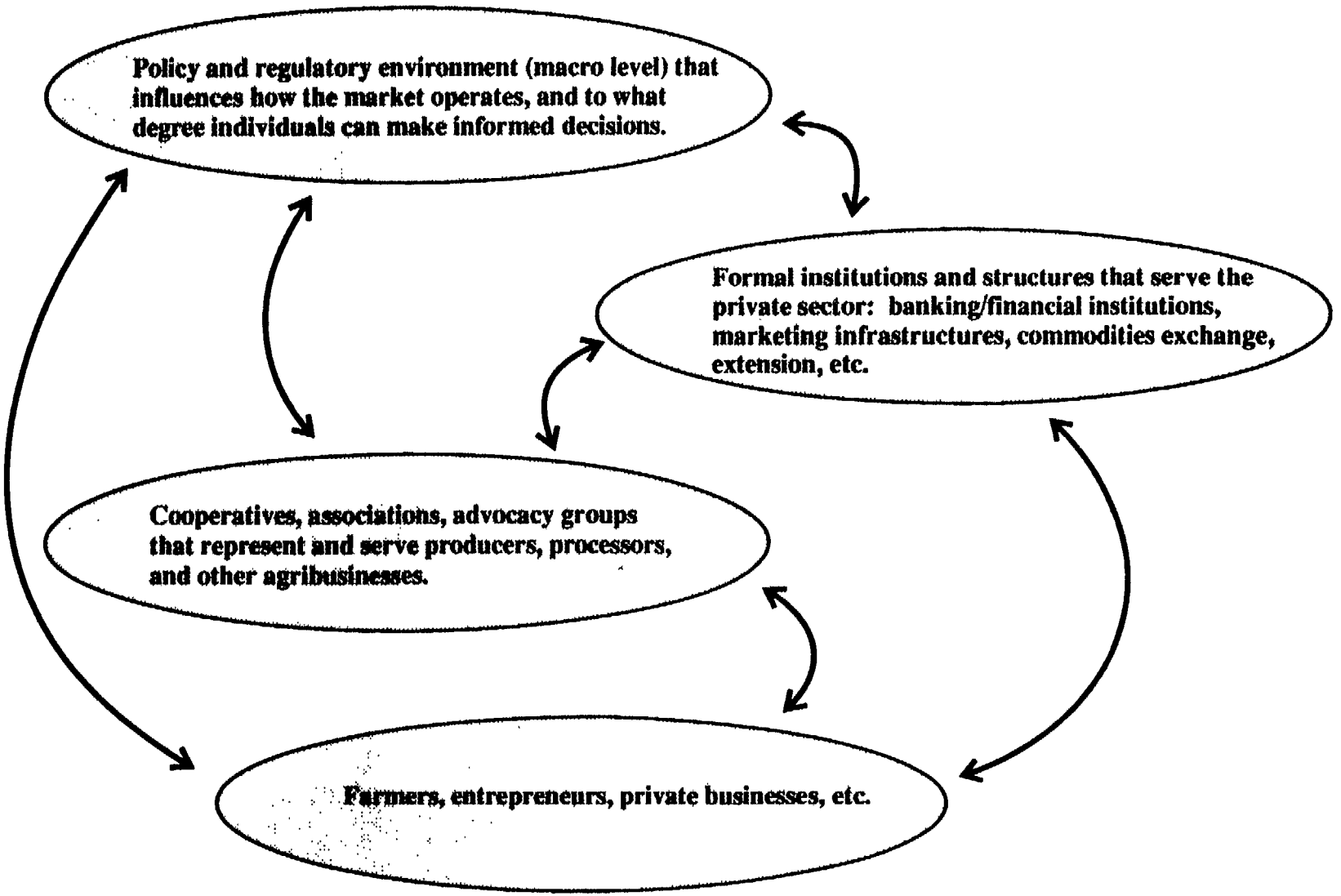
The system for following up projects that was in place before 1993 did not provide adequate information to effectively monitor implementation and impact of volunteer recommendations. In recognition of this, VOCA has put in place a system employing three-month and nine-to-twelve-month follow-up forms which provide a solid basis for implementation and impact monitoring. VOCA has two remaining tasks. The first is to modify staffing patterns and/or levels such that project follow-up is performed in a systematic and timely manner. The second is to develop a system for aggregating and disseminating data produced by the system.

6. Thought should be given to organizing more frequent VOCA retreats or conferences on a regional level. The country directors and other professional staff members of the regional offices felt that, in addition to the important coordination role that such retreats would play, it would be very useful to exchange ideas, information, techniques and experience with VOCA personnel from other countries in the region.

7. The need for some longer-term, or ongoing assistance for certain clients suggests that VOCA should find ways of tapping into other resources, assuming it isn't in a position itself to provide volunteers on a long-term basis. One good option to address the financial management training needs of clients might be to tap into Peace Corps, VSO, or MBA services. A Peace Corps volunteer, for example, could be assigned to work with a small group of businesses or cooperatives, serving as a mentor to their financial management staff over a period of one to two years to improve their practices and procedures.

ATTACHMENTS

Levels Within the Private Sector Environment in Which VOCA Operates



Note: VOCA assistance is provided mainly at the first and second levels; to a lesser degree at the third level; some targeted interventions at the fourth level.

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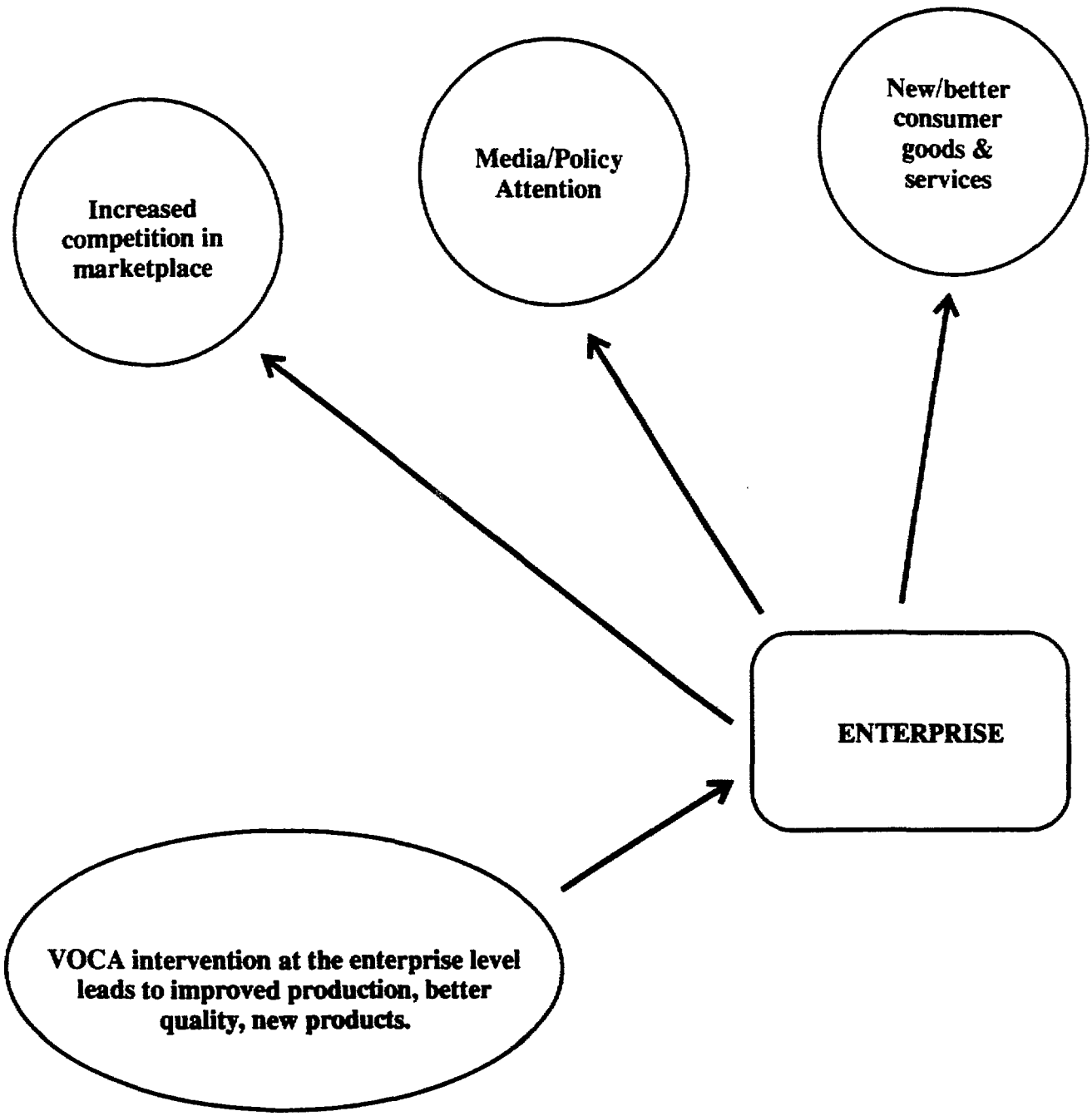
Example of Secondary Benefits/Impacts



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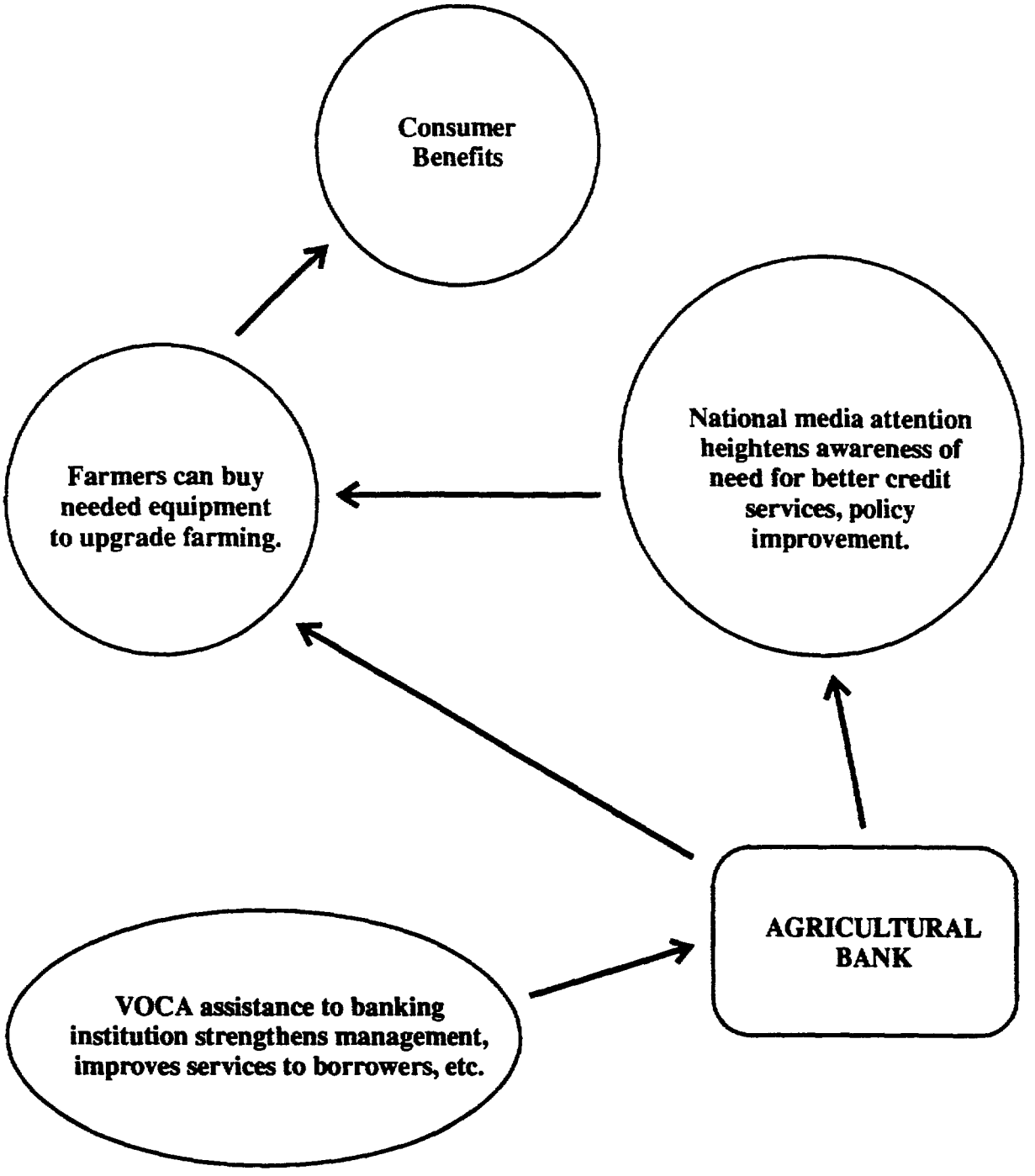
Example of Secondary Benefits/Impacts



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Volunteer Report Summary Sheet

Purpose: To identify primary recommendations made by the volunteer to the host organization in such a way that it relates to the evaluation/follow-up efforts of VOCA staff.

Presentation and Format: Use as covering sheet to vol report.

Instructions: For each primary recommendation (group detailed recommendations where it makes sense to do so), provide the following information:

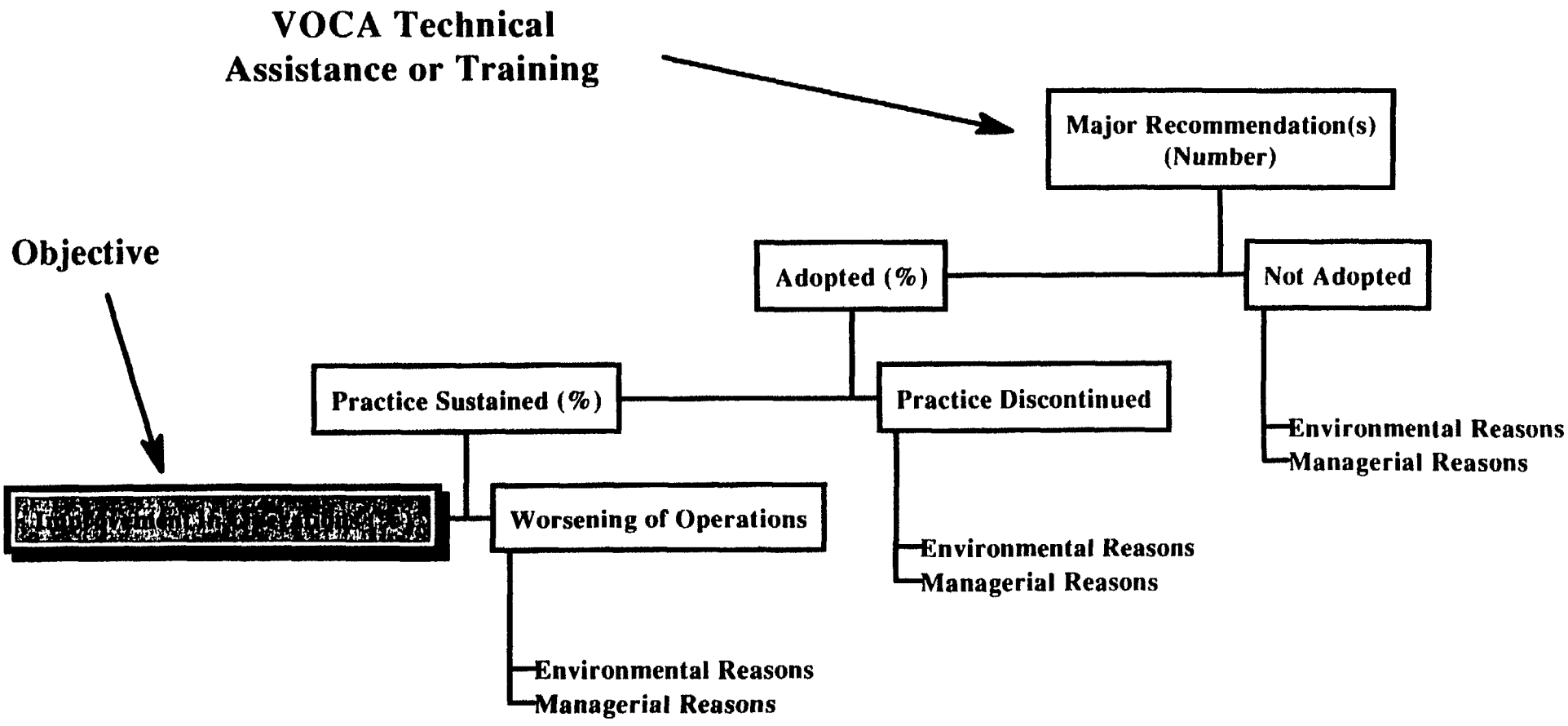
- Description of Recommendation
- Expected Timing for Implementation (*by when* or *over what period of time*, etc.)
- Responsible Persons or Organizations
- Expected Outcome (e.g., reduced costs of operation, better quality of training materials, increased markets, diversified products, better qualified staff, etc.)
- Conditions precedent (e.g., *"needs to first get a loan,"* or *"needs to hire new manager,"* etc.)

Comment: Can use a summary sheet, like the one attached, for the vol to fill out.

VOCA Project Report Summary Sheet

Recommendation	Timing - Duration - Schedule	Responsibility	Expected Outcome	Comments - Conditions Precedent

Logical Outcomes of VOCA Assistance



Note: Operationalization of this system requires indexing of recommendations, according to their expected impact on client operations. Not all recommendations result in the same degree of impact.

Evaluation of VOCA Programs in Central and Eastern Europe

Poland Field Trip Report

Submitted to:
VOCA/Washington, D.C.

Prepared by:
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January 1994

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23

Table of Contents

I. Introduction and Overview 1
- A. The Economy of Poland. 1
- B. Characteristics of the Agriculture Sector 1
- C. The VOCA Program in Poland 3

II. Evaluation Scope and Methodology. 5
- A. Timing 5
- B. Scope of Work and Evaluation Methodology 5

III. Evaluation Findings. 6
- A. Overview 7
- B. Strengthening of Privately-Owned Agribusinesses 8
- C. Creation of Commercially Viable Private Agricultural Cooperatives, Producer Associations and Other Agribusinesses 10
- D. Redirecting Extension Services Towards the Private Sector. 15
- E. Program Area 4: Agricultural Credit Institutions 17

IV. Program Management. 18
- A. Project Identification and Technical Assistance Implementation 18
- B. Cooperation with Other Organizations 19
- C. VOCA Monitoring and Evaluation Systems. 20

V. Conclusions and Recommendations. 21
- A. Conclusions 21
- B. Recommendations. 24

ATTACHMENTS

- A. Scope of Work
- B. Contacts in Poland
- C. Poland Log Frame
- D. VOCA Project Development Flow in Poland
- E. Interview Instruments
- F. VOCA Project Follow-up/Evaluation System

I. INTRODUCTION AND OVERVIEW

A. The Economy of Poland

Poland is the strongest economic performer of the former Soviet Bloc countries. In 1992 GDP grew by two percent. During the first six months of 1993, the rate of growth was 3.9 percent higher than the first half of 1992, industrial output increased by 9.4 percent, and worker productivity went up by eleven percent. Between April and August of 1993, the stock exchange doubled. Inflation, currently around 35 percent, is down from the 1992 figure of 45 percent. Aside from problems with inflation, none of these statistics has been matched by other Central and Eastern European (CEE) countries.

Problems still exist. Unemployment continues to rise, and was expected to reach sixteen percent in 1993. Furthermore, Poland's high rate of growth is taking place from a much-shrunken base, output still being lower than it was in 1988-89. The rate of inflation's decline also is slowing. Although industrial output was up in 1992, overall output was held down by a 20 percent decline in agricultural production, due largely to a severe drought.

Nonetheless, Poland's strong performance is undeniable, and it appears that the "shock therapy" economic reform program which began in 1990 has in fact hastened the transformation to a free-market system. The private sector now accounts for about half of total output and employment. Poland's currency, the zloty, is convertible. However, much progress remains to be made in privatizing large state enterprises, and the banking and financial sectors are still inadequate to serve the needs of a growing private sector.

B. Characteristics of the Agriculture Sector

During the communist period, agriculture policy sought to achieve parity of income between the urban and rural populations, while striving for food self-sufficiency. To achieve this, the government manipulated prices, provided subsidies, set targets for production, and kept tight controls over agricultural imports and exports. Decisions were made not based on consumer demand and economics of the market place, but rather on centrally determined production targets. Although 75 percent of farming was done by private farmers, they depended entirely on state agencies for both inputs and sale of their products. Capital was not available to the sector, since investment was strictly a government decision, and bankruptcy was not allowed. Similarly, labor was restricted from shifting in the sector because housing and other benefits were linked to employment, which was regarded as a basic right in the socialist state. These practices created large distortions and waste. Productivity and efficiency lagged far behind Western standards.

The reforms begun in 1990 are seeking to set agriculture and agribusiness on a course which will stimulate the sector's growth and productivity. Structural changes will probably be slow, given the fact that farms are quite small on average (six hectares), and the farming population is aging. Twenty percent of the actively farming population derives their income exclusively from farming; 40 percent supplement their earnings with off-farm activities, and the remainder are part-time farmers. However, this may help in developing the sector by expanding farm size to

achieve economies of scale, and stimulating the shift from labor towards capital inputs to increase production and reduce cost.

Breakdown of Agricultural Land Holdings in Poland[1]

Definition	*Size of Farms*	*% of Farms*
Very small	0.5 to 2 ha	24 %
Small	2 to 5 ha	27 %
Medium	5 to 10 ha	28 %
Large	over 10 ha	1 %

The main constraints which need to be overcome if the sector is to develop to its full potential are summarized below.

1) Economic Instability/ Inflationary Environment: Polish farmers and entrepreneurs find it difficult to formulate business strategies with inflation lingering at near 35%, the zloty having recently been devalued by 20% with more devaluation expected. While input prices have increased, output prices have often fallen as salaries have not kept pace with inflation. This causes considerable strain on any business operation, even without the presence of other constraints.

2) Lack of Affordable Credit, an Unstable Banking System, and Restrictive Lending Policies: Due to high inflation, the National Bank of Poland's refinancing rate has remained at 38% and is the benchmark for bank lending rates which are unaffordable. The concept of private, commercial banks which take deposits and lend based on standard criteria is relatively new to Poland. Regardless of the refinancing rate, banks are hesitant to make loans since they lack experience in assessing credit risk, and prefer instead to invest deposits in government bonds with a safe return. In addition, lending is often made on restrictive terms. Commonly, banks will make variable rate loans for purchase of fixed assets. As a result, many agribusinesses are burdened with doubled or tripled interest rates due to inflation or unfair banking practices. Banks often impose 50-100% penalties for late payments, and are often unwilling to reschedule debt.

3) Political Instability, Lack of Consistent Agricultural Policies: Due to many changes in the administration and political agenda since 1989, the government has not incited or enforced consistent policies to support the agricultural sector. The current opposition party (which was the previously elected administration) warns that the new government will become too protectionist and will exceed budget limits to subsidize farmers. In any case, many believe the new government's first step should be debt relief for farmers, cooperatives, and private agribusinesses.

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1 "An Agricultural Strategy for Poland," Report of the Polish, European Community, World Bank Task Force, July 1990.

4) Limited Resources, Small Farms, and Outdated Production Techniques and Equipment: In most rural regions of Poland, farm size is too small to be economically viable -- an average of two hectares in many districts. Agricultural and livestock production is extremely inefficient. Farmers had guaranteed markets under the communist regime and product quality was of no concern. Polish producers need updated facilities and training in new production techniques, improved varieties, marketing, and business management skills in order to improve yields and compete with foreign imports.

5) Limited Market for Polish Agricultural Products: Poland is well-positioned geographically as a crossroads between Western Europe and the NIS. However, since Poland is not a member of the EC, it is restricted from selling many agricultural products in Europe. Aside from trade barriers, Western Europeans have a traditional bias against Polish products, even given equal or better quality. Trade is also difficult in Russia and the NIS due to the lack of hard currency despite relatively few trade barriers.

6) Lack of Business Skills by Farmers and Unfamiliarity with Operating in Free Market Systems: Many farmers are still learning to run their operations as private businesses in a free market system. Farmers will need additional training in business and leadership skills in order to function as independent producers. Many farmers still look to the government to solve their difficulties. Yet farmers have not formed into lobbying groups in order to influence the democratic process to their advantage.

C. The VOCA Program in Poland

Poland was the beginning point of VOCA's work in Central and Eastern Europe (CEE). In November and December of 1989, VOCA and Agricultural Cooperative Development International (ACDI) conducted a field mission to Poland to assess the agricultural sector, and identify areas appropriate for foreign assistance interventions. This led to a $1.4 million grant from A.I.D. for VOCA to initiate a Farmer-to-Farmer Program in Poland. In April 1991, following other sweeping political changes in the former Soviet Bloc, the program was expanded to include several other CEE countries, namely, Czechoslovakia (now the Czech Republic and Slovakia), Hungary, Romania, Bulgaria, Albania and the Baltic States. Funding was increased to $9.5 million, and the life-of-project extended for a total of three years, running through March 1994.

VOCA is a volunteer organization which provides technical assistance and training to farmers, agribusinesses, cooperatives, banks, and policy makers through the placement of qualified U.S. volunteers on short-term assignments. In Poland and the other CEE countries, VOCA's program emphasizes five areas of development:

- Creation of new, commercially viable private agricultural cooperatives, producer associations and other agribusinesses;
- Enhancement of commercial performance of existing private agribusinesses, principally in marketing and processing;
- Privatization of state agricultural enterprises;

- Creation and improvement of existing agricultural credit institutions to provide credit and banking services for farmers and agribusinesses; and

- Redirection of the government extension services toward the private farming sector.

VOCA's strategy is to work with clients who are taking the initiative to advance their business or organization along free-market principles. Projects are identified through an in-country staff that pays frequent visits to rural areas, networks with other development organizations, and investigates "walk-ins" who seek out VOCA's assistance. VOCA strives to follow a demand driven approach to help ensure that the client will benefit from the volunteer's advice and assistance. (The Project LogFrame appears in Attachment C.)

In Poland, the program has advanced to the point where VOCA is commonly known throughout most regions of the country, so that frequently clients come to them with requests. Clients are also required to share some of the project costs by providing co-workers, translators, local ground transportation and the like. VOCA covers all of the volunteer's major expenses such as international travel, housing, and meals.

VOCA Poland categorizes its volunteer assignments into eight subject areas. Each individual assignment is defined as a *project*. Since beginning work in Poland, VOCA has completed approximately 228 projects (count as of September or October of this year). Table 2 shows the distribution of projects among various categories.

Table 2: Summary of VOCA Assignments in Poland to Date

Project Category	*Number of Projects*
Cooperative Development	67
Food Processing	45
Marketing	43
Extension Activities	35
Agriculture Production	18
Agricultural & Cooperative Banking	12
Privatization	6
Environmental	2
TOTAL	228

28

II. EVALUATION SCOPE AND METHODOLOGY

A. Timing

This evaluation was conducted by Management Systems International (MSI) at the request of VOCA and A.I.D. Its purpose is to review the end-of-grant status of VOCA's work in Central and Eastern Europe. Poland represents one of the five countries selected for field research, the others being: the Czech Republic, Slovakia, Hungary and Albania.

Field work in Poland was carried out by Russ Webster (MSI Projects Director) and Cathy Silverstein (MSI Senior Associate) between November 1 and 15, 1993. Prior to departure, the team held briefings with senior management staff of VOCA and of the Regional Mission to Europe (RME) office at A.I.D. Washington. Upon returning to Washington, the team debriefed with VOCA on November 18, presenting their summary findings, conclusions and recommendations. A debriefing was held with A.I.D. on January 7 after completing all field work.

B. Scope of Work and Evaluation Methodology

The full scope of work (SOW) is presented in Attachment A. The team was asked to focus on impacts at the enterprise or organizational (what we have called "client") level. Areas of inquiry included: Did the VOCA volunteer adequately address the problems of the client? Were clients able to implement VOCA recommendations? What changes occurred in the client's enterprise or operations? Were these changes sustained over time?

The team also assessed the effectiveness of collaborative relationships with other organizations working in the Polish agriculture sector. These include, for example: Agricultural Cooperative Development International (ACDI), the USDA Extension Service, CARESBAC, the Joint Commission on Humanitarian Assistance, and the Polish-American Enterprise Fund.
In addition to investigating changes at the client-beneficiary level, the team also looked for evidence of secondary benefits. These included the more obvious ones, such as, the availability of new or better quality items to the Polish consumer, as well as the benefits gained by increased competition among food producers, processors, and retailers. We were able, for example, to document several cases where the VOCA client had served as a "model" operation which other businesses and organizations were trying to emulate.

Other benefits, although less tangibly linked to the VOCA intervention, were nonetheless viewed as important by the team. These included participation of the VOCA client-entrepreneurs in other private sector or democracy enhancement activities outside of their immediate business, for example, as board members of other private ventures, banks, etc., or as leaders in local associations or governing bodies. The team chose these areas because when VOCA clients work with the VOCA volunteer, they are exposed not only to the mechanics of operating a successful business, but to a range of ideas and methods that are ingrained in the institutions of free enterprise and democracy. The degree to which they apply those principles and practices outside of their business suggests that the VOCA assistance has contributed to a broader set of goals relating to Poland's transition from a state-run to a free-market economy.

The evaluation was based on: a) reviews of VOCA reports and scopes of work: b) personal interviews with a sample of clients representing about twenty-five percent of VOCA's work in Poland: and c) personal interviews with VOCA collaborators and other organizations working in private sector development in Poland. Questionnaires and discussion points utilized during the field work are presented in Attachment E.

III. EVALUATION FINDINGS

The following findings result from field visits to twenty client beneficiaries representing 56 volunteer assignments (25 percent of the total to date) in fourteen provinces throughout Poland. The sample was selected to reflect a cross-cut of technical interventions, client groups, and geographical locations.

For consistency, findings are grouped into the five program areas identified in VOCA's grant agreement with A.I.D., namely cooperative development, private agribusiness, credit/financial markets, extension services, and privatization. We have applied these categories based on the organizational structure of the client, not the type of assistance provided by VOCA. For example, most cooperatives received assistance in the structure and management of the cooperative organization, as well advice in managing their various agribusiness (food processing, retail shops, etc.), and marketing their products. VOCA's work with cooperatives, however, is discussed under the program category of cooperative development. We have done this in order to highlight impact at the client level.

Table 3: Grouping of VOCA Clients Visited in Poland

Program Category	*No. of Clients*	*No. of Assignments*
Private Agribusinesses	6	17
Cooperative Development	7	20
Extension Services	6	17
Credit/Financial Institutions	1	2
Privatizing Enterprises	0	0
TOTAL	20	56

None of the projects visited were privatizing companies; less than three percent of VOCA's projects in Poland are in this area. Thus far, the demand for VOCA assistance in this field has been minimal. In some instances, VOCA did work at improving smaller "spin-off" companies which had been privatized. Recently, VOCA has been contacted by the Ministry of Privatization, and is considering providing more volunteers in the privatization field.

A. Overview

To summarize the effectiveness of VOCA's work with clients visited, the following table has been prepared. It ranks client responses to two key questions included in the interview questionnaire: 1) "Did the work of the volunteer address the problems which you sought assistance on?"; and 2) "Were you able to implement recommendations made by the volunteer?" By investigating these areas, we are able to assess both the appropriateness and the effectiveness of VOCA's intervention. The remaining sections of the chapter address the question of impact, by documenting changes in the enterprise and the broader community that are related to the assistance provided by VOCA volunteers.

Table 4: Summary of Client Responses in Poland

	Completely	*Mostly*	*Somewhat*	*No*	*Total*
Did the volunteer(s) adequately address the problems and needs of the client?	18	2			20

	All or Nearly All	*Some*	*None*	*Total*
Did the client implement volunteer recommendations?	18	2		20

In all but two cases, the client felt that the volunteer fully met, and several times surpassed, their expectations for the technical assistance. In only two cases were volunteer assignments less than successful. In one instance (Prosper Poultry), the client had received a total of four volunteers, three of whom were "outstanding", and one who offered little to the client. In the other case (Wielun Dairy), the client had requested assistance in three different technical areas, and the volunteer was able to adequately address two, the third one being the production of skim-milk powder.

Whether or not the client implemented the volunteer's recommendations is related to several factors, many of which are beyond the ability of either VOCA or the client to change. Almost universally, clients cited the lack of financing as a major constraint in their ability to follow-through with all of the recommendations; for this reason, we have grouped "All" together with "Nearly All," because in many cases, the limiting factor was credit, which was beyond the control of the volunteer, and in most cases the control of the enterprise due to limited banking and financial services. Other constraints cited:

- Reluctance to sell-off unprofitable businesses (holdings in cooperatives), either because the cooperative hoped that they would some day turn a profit, or because a buyer couldn't yet be found;

- Reluctance to follow-through on "tough" management decisions to restructure an enterprise, lay off employees, etc;

- Feeling that the time was not quite right to implement some of the more progressive, risky recommendations; and

- Lack of capital to buy needed equipment.

Changes at the client level are presented in greater detail in the following sections.

B. Strengthening of Privately-Owned Agribusinesses

Six of the twenty recipients visited were private agribusinesses (not cooperatively owned) which included five agri-processors and one commodities exchange. VOCA provided assistance to these clients in the areas of: technical assistance to improve production and quality control; financial management; personnel development; marketing; and, other business management advice. Of the 228 assignments logged to date in Poland, 88, or 39 percent, have been in food processing and marketing. This number includes work done with cooperative ventures as well.

Findings and Changes at the Enterprise Level

1. VOCA volunteers provided technical assistance to improve product quality, production equipment and methods, operating efficiency, marketing, and management. As a result, recipients visited displayed notable improvements in production, quality, market share, revenues, or management. For example:

- Prosper Poultry: A VOCA specialist provided training to improve production line efficiency, poultry cutting techniques, marketing, and packaging. Prosper has had dramatic improvement in their production efficiency and product quality as a result:

  - Before: cut 8 tons of poultry in 8 days using 10 people; now: 5 people cut the same amount in 7 hours;
  - Before: 2 products, frozen whole turkeys and chickens; now: have 28 different products of different cuts, both fresh and frozen;
  - Before: 68% chicken used; now: nearly 75% used;
  - Overall production increased from 25% to 75% plant capacity; produces 130 tons monthly, equally fresh and frozen poultry;
  - Initial loss in 1992; now projected net profit for 1993;
  - Before: 20 employees producing 35 tons of frozen poultry a month; now: 35 employees, and will soon begin double shifts to total 50 employees, 80% women.

  Prosper also adopted new packaging and marketing recommendations. The VOCA volunteer actually assisted in the design of the logo. Customers are developing "brand loyalty" as they now associate the Prosper label with high quality. According to Prosper, when they recently ran out of new packaging and

temporarily used the old. customers did not believe this was the same product and refused to buy it.

- Enterprise Promotion and Support Center, Sandomierz: It was previously believed impossible to produce the Russet Burbank potato variety in Poland; state farm experiments in the 1980s yielded only eight tons per hectare. The Center was eager to try to meet a growing need for this french-fry potato by the nascent fast-food industry in Eastern Europe. After assistance from a VOCA volunteer specialist:

  - Recent harvest yielded over 40 metric tons per hectare;
  - Farmers were paid 2.3 million zloty per ton, or four times the price for traditional potato varieties;
  - Sandomierz is now negotiating a contract to provide potatoes to a frozen french fry facility for use by Burger King in Poland.

- Run Company, Ltd: The owner of this business has grown and processed high-quality fresh and frozen sweet corn for Polish markets. A VOCA volunteer assisted in improving corn freezing, transportation, and marketing. In one season, operating efficiency increased significantly (processing went from 6,000 to 12,000 ears per day based on volunteer's advice). Through an aggressive marketing campaign, Run Co. now has a contract to supply frozen sweet corn to Kentucky Fried Chicken, Marriot and the U.S. Embassy in Warsaw.

2. In several cases, VOCA has helped to secure credit or other financial assistance for agribusiness with exceptional potential. These businesses have experienced improvements in quality, increased revenues, and/or higher production output as a result.

- Prosper Poultry: After adopting VOCA recommendations for improved efficiency, product quality, and financial management, Prosper Poultry received $75,000 equity investment from CARESBAC. In addition, Prosper was awarded a VOCA Small Grant Fund donation of $10,000 to purchase two ice machines. Ice usage in all production phases has improved product quality. Prosper has increased marketing of fresh poultry, which now constitutes over half of their sales.

- Tao Dairy: A volunteer advised this first private dairy in southeastern Poland on improved sanitation, marketing, and increasing production. Upon his recommendation, CARESBAC made an equity investment in Tao and refinanced the dairy's debt.

3. VOCA has linked entrepreneurs with U.S. programs such as Peace Corps and other resources to provide additional technical expertise or training. Several entrepreneurs have traveled to the U.S. under ACDI or Cochran Fellowship programs for further training in business management and organizational development.

- Poznan Commodities Exchange: A VOCA volunteer provided legal advice in averting conflicts of interest as well as assistance in management, organization. marketing, and sales. VOCA then identified a Peace Corps volunteer. an experienced securities attorney, to assist in transforming their legal structure into a U.S.-style exchange comprised of members (not yet a legal entity in Poland). The process of splitting and converting stock shares is underway, and seats on the exchange will be sold. This will be the first of 13 other exchanges in the country to offer seats; it now has 22 brokers and is one of the largest exchanges in Poznan region.

4. Of clients interviewed, only one expressed disappointment with the quality of a VOCA volunteer. Prosper Poultry (which has received a total of four volunteers) informed us that a computer/accounts expert assigned to them was ineffective. However, they praised the abilities of the other volunteers who worked with them.

Evidence of Secondary Benefits/Impacts

1. Many businesses which benefitted from VOCA assistance have become "models" of improved standards which competitors and fellow producers are trying to replicate. For example, Prosper Poultry has had visits from managers of other processing plants who came to observe and try to duplicate their cutting methods. Prosper's manager said that she didn't have much fear of them competing effectively with her business, because they lacked the trained staff, and the proper equipment, to be much of a threat. They also worked in ares outside of her market interests.

2. VOCA assistance has enabled several agribusinesses to develop and improve the quality and variety of agricultural products available to the Polish consumer.

3. Many employees have improved their technical skills which will enhance their job prospects in the future. Prosper's manager says her staff could easily find jobs in any slaughterhouse since her workers are recognized as the best trained in the region.

4. Some VOCA clients have become active in their communities as business and civic leaders, becoming role models for other entrepreneurs. For example the president of Run Co. is also chairman of the board of two privatizing state-owned companies and is on the board of a local bank.

5. VOCA's assistance to agribusinesses and the resulting achievements are highly visible in Poland due to media coverage, conferences, trade shows, and advertising by enterprises.

C. Creation of Commercially Viable Private Agricultural Cooperatives, Producer Associations and Other Agribusinesses

Seven out of the twenty clients visited were cooperatives. Cooperative Development, which aims at improving the structure and management of cooperatives in an emerging free-market economy, comprised 29% of VOCA assignments in Poland. A significant number of other

assignments in food processing, marketing and production were also aimed at cooperative business ventures.

During the transformation of the cooperative system in the communist era, employees of cooperative ventures were made voting members. This contrasts with cooperative principles in most non-communist countries where only farmers are the members, and employees are hired by them to manage cooperative businesses and services. (This avoids a conflict of interest which might pit the employees against the farmer-members around issues of management, pay, benefits, etc.) Prior to reform, co-op managers responded to centrally-made decisions from Warsaw, and farmer-members had little or no say in the direction of the cooperative. Thus, co-ops resembled state-owned enterprises with both employee and farmer members.

Approximately 85% of co-ops are still mainly employee-controlled, and many are unwilling to break with tradition and allow farmer-members to run the co-ops as market-oriented ventures.

As a result, one of VOCA's most important policy contributions has been to assist in trying to reform the cooperative legal structure, which was done at the request of the Polish government. Legislation made its way through parliament, but has not yet been signed by the President. According to VOCA and other experts in Poland, it is likely that legislation, if passed, will still allow employee members.

Findings/Examples of Changes and Effects

1. Many interviewees noted that VOCA helped improve the negative perception of the general public towards cooperatives, traditionally associated with the former communist regime.

- Strzalkowo Gmina Cooperative, Konin: A volunteer convinced management to adopt an independent logo distinct from the general logo still used by Gmina Cooperatives in Poland. The co-op is now gaining recognition and is perceived as breaking away from out-dated traditions.

2. The co-ops stressed that through VOCA assistance, co-op managers are changing from order takers to decision makers. Co-ops are reorienting towards free market principles, and are now beginning to see themselves as individual service organizations which must be managed to improve the effectiveness of farm enterprises and meet the needs of members and clients.

- Piatnica Dairy Co-op: This progressive operation is making strides in developing a new product line (western style cottage cheese) that competes directly with current imports from Denmark and Holland. Managers cited the importance of long-term investment in capturing this market in Poland. Although they are not making a profit now, managers keenly understand the importance of a long term view, of business planning, and of capturing a potentially profitable market now before competitors step in. They are using U.S.-manufactured equipment, which they recently purchased, to make the product.

3. Many co-ops have significantly improved business operations, product quality and variety, and market share as a result of implementing the recommendations of VOCA volunteers. In some cases they have reorganized management, introduced sales incentives, and reduced staffing.

- Piatnica Dairy Co-op: A "clean milk program" was adopted with the help of two volunteers. The co-op now pays its milk producers premiums of 30% for milk with reduced bacteria count. As a result:

  - An initial group of 12 farmers reduced milk bacteria count by 60% in the first 3 months of implementation (July - September 1992), and the count has remained low;
  - The co-op now sells a premium milk product at increased market price;
  - The co-op has developed a core of at least 47 farmers who are practicing the new "clean milk" methods;
  - Co-op pays farmers 900 zloty more per liter for quality milk than any other local co-op;
  - Recognizing the profits they could gain from more efficient production and premium incentives being paid by the co-op, clean milk farmers increased their production by 300%.

  A volunteer also helped develop the co-op's idea to switch from Polish style cottage cheese (tivarag) production to western style cottage cheese, in order to compete with foreign imports. After returning to the U.S., the volunteer arranged for the co-op president to tour cottage cheese processing equipment producers in Wisconsin, a trip which was paid for entirely by the co-op. As a result:

  - The co-op purchased $140,000 worth of U.S. equipment, the first of its kind in Poland;
  - Piatnica is the only western style cottage cheese producer in Poland; the product is competitive with western imports;
  - October 1993: produced 230 tons cottage cheese; expect to more than double production when they can buy additional packing equipment;
  - October 1993: cottage cheese contributed to 30% of sales (total sales currently 40 billion zloty per month, compared to less than 10 billion two years ago);
  - November 1993: expects to sell 260 tons at 100% production capacity;
  - Cottage cheese packages display the co-op's new logo, which customers are beginning to associate with quality.

- Mazovia Ltd., Grojec: A volunteer advised an apple producing co-op on production, packing, and marketing Polish apples according to western standards. The co-op president then prepared a detailed business plan, which he also developed into his MBA thesis. As a result of his well-prepared business plan, the co-op was selected by an American private entrepreneur out of a possible 34 candidates as a joint venture partner. A new private company was formed, Mazovia Ltd. The company followed the volunteer's advice to: 1) exercise fiscal

restraint until revenues increased; 2) focus on both eastern and western markets: and, 3) promote a brand name and new logo. As a result:

- Mazovia is now the largest apple exporter in Poland, exporting to Russia and Scandinavia;
- In 1992 Mazovia negotiated a hard currency contract to sell 35,000 tons of Ida Red apples to Russia;
- 1992 profits were $500,000 and greater profits expected in 1993;
- Recently purchased (with profits, not on credit) new computerized sorting equipment which will improve efficiency; this is the only such equipment in Poland.

- Strzalkowo Gmina Cooperative, Konin: Based on volunteer recommendations, the co-op's haphazard array of shopfronts and products has been completely reorganized, upgraded, and reoriented towards customers:

  - Shop buildings upgraded; better lighting installed; display space expanded by storing goods elsewhere; buildings repainted displaying the co-op's new logo and trademark colors on each store for consistency;
  - Now: products arranged to make shopping easier for the customer; household goods, foodstuffs, furniture, and shoes are now sold in their own section or shop; before: each shop had a confusing mix of products;
  - Now: products are accessible for customers' inspection; before: many products were hidden behind counters and no inspection was allowed:
  - Products are creatively and decoratively displayed in shop windows;
  - Shop managers have sales targets for each retail unit; incentives have been developed.

4. VOCA has been active in rewriting the cooperative law, which most Polish experts agree needs to be overhauled to reflect changing patterns of ownership and management under the free-market system. In addition to providing teams of cooperative law experts on three occasions to work on this legislation, VOCA has lobbied for its ratification, and has been an active policy advocate for coops in Poland. For example:

- The VOCA Country Representative in Poland wrote a recent letter to the Ministry of Agriculture on behalf of the Rural Farmer Cooperative in Plosnica which was suffering from demands made by their local bank creditor to recall a ten-year loan in year two. Relations between the co-op and the bank had deteriorated to physical confrontation. At present, the Ministry is seeking ways to intervene to solve the dispute and save the cooperative. This case was used by VOCA as an example of the plight of co-ops in general.

5. VOCA helped to link cooperatives to sources of financing, such as the Polish-American Enterprise Fund (PAEF) and the Joint Commission on Humanitarian Assistance. This has allowed some cooperatives to expand operations. These outside sources have in turn requested further assistance by volunteers:

- Kleczanow Horticultural Co-op: Twenty-four apple producer members from the coop were assisted by VOCA in receiving funding from the PAEF to form a joint venture for their packing and storage facility. The new company is the Sando Corporation which:

  - Now includes 70 producers;
  - Has 30 new full-time employees (with over 100 temporary workers during harvest season);
  - Has doubled the previous packing line capacity to 8-10 tons per hour; 3,500 tons of refrigerated storage.

  PAEF later requested a volunteer to assist Sando in marketing and sales, develop grading, tracking, and accounting systems, and institute a system of quality control.

- Przeworsk Feed Mill/ Przeworsk Marketing and Supply Co-op: With financing from the Joint Commission on Humanitarian Assistance, the co-op invested in a new feed mill venture. The mill has hired 15 new employees, mostly women, and the coop has opened two new bakeries from feed mill profits.

7. VOCA volunteers have provided many co-ops with valuable recommendations on reducing debt, and changing management and organizational structure. However, some co-ops are reluctant to make these tough management decisions needed to run profitable businesses due to a climate of economic uncertainty. For example, one co-op did not sell unprofitable assets as recommended because of the assumption their value would increase in the future; another claimed they could not find a buyer.

8. Lack of financing hinders co-ops from implementing some key volunteer recommendations. For example, one co-op lacked a nominal amount of capital to complete construction of a feed mill that was projected to be a highly profitable operation. In the case of dairy cooperatives, each one commented that a lack of capital at the farm level is preventing more farmers from buying needed equipment and adopting better-quality practices. Like agribusinesses visited, cooperative managers and members all voiced concern over the lack of affordable credit.

Evidence of Secondary Benefits/Impacts

1. Through its work with existing co-ops, VOCA has inspired several enterprising individuals to pursue new private businesses. For example:

- Run Company, Ltd: The owner of this business was initially introduced to VOCA while serving on the board of his local farmers cooperative. He was inspired to begin his own private business, did so, and later received another volunteer to assist in his fresh and frozen corn venture.

- Mr. Grzegorz Skapski's Feed Mill, Bukowe: The manager of a feed mill for the Strzalkowo Gmina Co-op had received a VOCA volunteer to advise on

38

modernizing the mill due to increased demand for feed by a new local chicken processing plant. As a result of the volunteer's assistance, and with the blessing of the co-op, Mr. Skapski decided to invest in his own private feed mill. Construction of the new site is almost complete, used equipment has been purchased, and the mill will provide at least 15 local jobs.

2. Some cooperatives are setting new standards for improved quality products among local suppliers and competitors:

- Piatnica Dairy Co-op: Piatnica's managers cite at least six nearby dairy co-ops which have noted their progress and are attempting to replicate its "clean milk program." The program is also gaining popularity in other regions; they have had visits from co-ops as far away as Rzezhow in southern Poland. With over 4,000 suppliers, the dairy plans to give many other farmers an incentive to produce higher quality milk. They will continue to pay premiums and will provide low interest credit if necessary for local producers to improve sanitation and equipment.

3. Polish consumers are finding improvements in quality, variety, packaging, and shelf life of dairy products. Affordable western style cottage cheese, Gouda cheese, milk of varying fat content, and butter in foil rather than paper wrapping are now available in local shops and Warsaw.

4. Through advertising and media coverage, the achievements made by VOCA clients are becoming popularly known:

- Piatnica Dairy Cooperative: Their "clean milk program" has been discussed on national television and radio on several occasions.

- Strzalkowo Gmina Cooperative, Konin: The co-op has been building brand identification through local trade fairs, advertising, and a four minute "info-mercial" broadcast on Poznan television.

D. Redirecting Extension Services Towards the Private Sector

Six of the twenty clients visited by the team were extension agencies (Ośrodki Doradztwa Rolniczego, or "ODRs"). Since beginning in Poland, fifteen percent of VOCA volunteer assignments have been targeted towards improving ODR operations and services to private farmers.

In its early stage in Poland, VOCA's work with extension networks and cooperatives helped it to gain a greater understanding of the agricultural situation. During this period, VOCA's objective was to introduce the ODRs and farmers to concepts of how a farm enterprise operates in a free-market economy. Volunteers generally held meetings and workshops on the roles and responsibilities of extension services, and how to operate farms as private enterprises. The general nature of these earlier efforts makes it difficult to identify specific benefits. However,

interviewees expressed appreciation for how this information helped to reorient the attitudes of farmers and extension agents towards a free market system.

Currently, VOCA is cooperating closely with the USDA Extension Service to coordinate VOCA assistance in specific technical areas. During the team's visit, for example, VOCA was arranging the services of a publishing specialist to assist in improving farmer literature prepared and distributed by a regional extension center in Poland.

Findings/Examples of Changes and Effects

1. VOCA's recent work with extension centers has addressed production, marketing, and technical issues specific to the region selected. This has, in some cases, taken the form of a sub-sector approach to developing a particular agro-industry.

- Bielsko-Biala Extension Center/Goat Production, Dairy Processing: Volunteers helped in: 1) formation of new goat breeders association; 2) recommendations to farmers to improve milk quality; and 3) development of business and marketing plan for the first goat dairy in Poland. A local privately-owned dairy (which also received advice from two VOCA volunteers assigned to the goat project) now produces fifteen different goat cheese products including some items, like garlic-flavored goat cheese, which are totally new in the region.

- Krosno Sheep Breeders Association: One volunteer, who worked over a period of time in four separate assignments, was exceptionally helpful in introducing an improved sheep breed to the region: he personally donated six pregnant ewes and a ram from his Hampshire flock in the U.S. As a result, the association is now upgrading the quality of local stock. VOCA also linked the Krakow Zootechnics Institute, which services the sheep breeders in the region, to other sheep-breeding institutes in the U.S.

- Nowy Sacz Extension Center/Agro-Tourism: Previously, tourists to this picturesque region were mainly employees of state-run firms; tourism was not promoted within Poland or abroad. Based on VOCA volunteer recommendations, the extension office is promoting and developing the region's agro-tourism industry, with farm bed & breakfasts (B & Bs) as a main attraction:

  - A catalogue of B&Bs is being printed; geared towards local and international markets;
  - An agro-tourism association is being created to coordinate the activities of eight provinces;
  - VOCA has helped the extension center make contact with the American Express Foundation to assist in promoting the region;
  - Farm families are being trained in improving their facilities and becoming more "service-oriented" to the needs and comforts of guests;
  - Activities are being developed to appeal to a wide variety of tourist interests, age groups, and physical abilities (such as walking trails and handicrafts).

2. Through extension centers, VOCA has linked promising recipients with other foreign assistance agencies and sources of credit:

- Krosno Sheep Breeders Association: A VOCA volunteer helped them form a plan and secure funding to begin the first Polish lamb meat processing plant. Through VOCA's help, they obtained a Joint Commission for Humanitarian Assistance loan of 1.6 billion zloty (about $50,000) to build a slaughterhouse to service their area in southeastern Poland.

Evidence of Secondary Benefits/Impacts

1. Local extension agents noted that Nowy Sacz Dairy's quality milk and higher prices have inspired improved quality practices by local farmers and stimulated competition with other cooperative dairies operating in the region.

2. Extension centers are beginning to institutionalize the changes towards free market principles by promoting the formation of producer associations, and development of regional brochures, newsletters, and conferences.

3. Extension agents and managers commented that VOCA volunteers had helped their organizations become more service-oriented, and they are now beginning to see farmers as their "clients."

4. Some VOCA recipients are promoting their activities within Poland and abroad. VOCA's assistance in goat production was featured in the recent Goat Producers Conference in Bielsko-Biala. Attendees came from throughout Poland, as well as France, Germany, and the Netherlands. Work on sheep-breeding with the Zootechnics in Krakow helped to inspire collaboration between Polish and American researchers: a representative of the Krakow institute mentioned that his techniques were now being studied by U.S. and German researchers.

E. Agricultural Credit Institutions

The evaluation team visited one credit institution out of the twenty client groups surveyed. VOCA assistance to banking operations in Poland comprises five percent of total assignments completed to date. VOCA has placed less emphasis on this area, until national banking policy reforms and restructuring of the banking sector has taken place to allow banks to become more businesslike. VOCA is providing some operational support to newly-emerging banks (see below). For future, VOCA plans to coordinate its efforts in credit and banking as a participant in the ACDI-lead Banker-to-Banker program, under which VOCA will provide experts to work with Polish banks, and ACDI will sponsor training programs for Polish bank managers in the U.S.

Note that minimum capitalization requirements have recently changed for Polish banks. Previously banks needed 20 billion zlotys (currently equal to $1 million) for their capital requirement, however, the government recently increased this amount to 70 billion. This will force banks to be more aggressive in finding investors and will cause merger of smaller banks as well as foreclosures.

Findings/Examples of Changes and Effects:

1. Wielkopolski Farmers Bank, Kalisz: This is the first private farm credit bank in Poland; 95 percent of shareholders are rural farmers. Initially, management raised the required 20 billion zlotys, received a bank license, and began operations in July 1993, with significant national media attention. Now the bank needs another 50 billion zlotys from investors to stay in business. The volunteer provided practical assistance on bank management, strategic planning, marketing, and loan operations, and was in fact invited back for a second tour because of his valuable contribution to getting the back operational.

Despite receiving worthwhile recommendations, the bank did not implement some key management recommendations due to internal conflicts and the preoccupation with securing additional capital. For example, the bank has five legal staff and only two loan officers, yet it maintains that this disproportionate number of staff in the legal department is necessary to maintain a smooth-functioning operation. This is a needless expense, from both the volunteer's and the evaluators' perspective.

Evidence of Secondary Benefits/Impacts:

1. In spite of its rocky beginnings, the bank which VOCA has assisted did receive a significant amount of national coverage when it opened. It is regarded in Poland as a "pioneering" enterprise in the move towards a free-market economic system. Assuming the bank receives additional capital (which, according to management, is likely) and continues to function, it will eventually be able to provide new banking services to its 2,400 farmer-shareholders in eighteen counties. If successful, it will likely be replicated in other districts.

IV. PROGRAM MANAGEMENT

A. Project Identification and Technical Assistance Implementation

VOCA did a good job of learning about constraints and opportunities at the beginning of their work in Poland, and then using the knowledge and contacts they developed to better target assistance in areas where VOCA could be most effective.

Initial VOCA assignments were of a general nature, and had the objective primarily of educating farmers, cooperative managers, extension agencies, and rural leaders in farming and agribusiness in a free-market economy. For producers, VOCA helped them to re-orient their thinking towards seeking new opportunities through an understanding of the market, optimizing production, reducing costs, and improving the quality of their products. For cooperative managers, VOCA sought to help them reduce their costs, streamline their staffing requirements, promote their services and products, and restructure their by-laws to better serve farmer-members. For extension services, VOCA sought to re-orient their staff to adopt a "service mentality" towards farmers, and to help them understand the importance of associations and other farmer organizations to developing private sector agriculture.

Over time, VOCA assistance was refined to focus more on individual enterprises, privately as well as cooperatively owned, structures (like banking, cooperative law reform, etc.), and collaboration with other institutions in such areas as training, credit, and joint venture participation. The changes documented in the previous chapter indicate that VOCA has been effective in improving enterprises and institutions in the agriculture sector.

Through its networks, VOCA learns about enterprises that could benefit from their assistance. Frequently, the businesses come to them with requests. The Warsaw staff jointly draft a scope of work with the client, and send this to the Washington office to identify a suitable expert. Turn around time in this process has been as quick as two weeks, but generally takes four to eight weeks. When the volunteer arrives, he or she is briefed personally by the Country Representative or Director, and given a briefing packet which contains background information on Poland, guidelines for carrying out the assignment, the scope of work, suggestions for writing the final report, and information about cooperating organizations and services which the volunteer is asked to share with their client.

The team reviewed the briefing materials, and found them to be of good quality. Final reports prepared by the volunteers, however, were of widely varying quality. It is the team's opinion that these reports should be prepared in such a way that they form a baseline against which impact and progress at the enterprise level can be monitored and evaluated. We have made recommendations in this regard later in the report.

We found the staff of VOCA/Warsaw to be hard-working, committed, and enthusiastic about the assistance they provide to the agriculture sector. They travel frequently in order to identify new projects, and follow-up with former clients.

B. Cooperation with Other Organizations

VOCA programs interface directly with several other organizations working in Poland:

- Agriculture Cooperative Development, International: ACDI serves as a sub-contractor under the grant agreement to provide training services to cooperatives in Poland. They are also collaborating with VOCA in implementing the Banker-to-Banker project to train staff of farm credit institutions in the U.S., and to provide them assistance in Poland through placement of VOCA volunteers.

- CARESBAC: CARESBAC, the small business lending window of CARE, International, has invested in four processing enterprises which were assisted by VOCA. VOCA helped to introduce these businesses to CARESBAC.

- The Polish-American Enterprise Fund: Though not very involved in agribusiness or food-processing industries, the Fund has invested in one of VOCA's clients involved in apple exporting, processing, etc. According to the representative we met, agribusiness is not a priority of the Fund, which is targeting larger manufacturing operations to bring into their loan portfolio.

- The Cochran Fellowship: Several of VOCA's clients have gone to the U.S. for training under this program. In most if not all cases, VOCA introduced them to, and assisted them in pursuing, this opportunity.

- The Joint Commission on Humanitarian Assistance: This organization has a $20 million fund that was capitalized through the monetization of U.S. commodities in Poland. They provide "loans" to businesses, cooperatives, etc., who in turn are required to repay these through an investment in local infrastructure -- telephones, roads, water works, etc. Two of the clients we visited had received loans from the Commission.

- Peace Corps: VOCA was responsible for developing the Peace Corps assignment at the Poznan Commodities Exchange, which has proven to be a very good project, and a gratifying assignment to the Peace Corps Volunteer.

- USDA/Poland Extension Program: VOCA's work with the extension centers in Poland has proven to be very useful to the USDA program, which began after VOCA's efforts were underway. They cooperate closely in identifying projects, and in coordinating their assistance to the ODRs and various producer associations.

Representatives we met from each of these organizations indicated a cordial and productive working relationship with the staff of VOCA. Except in the case of the PAEF, cooperation was continuing, and being planned for in the future.

C. VOCA Monitoring and Evaluation Systems

VOCA has a follow-up monitoring and evaluation system to assess the effectiveness and impact of the volunteer assignment. It consists of 1) a questionnaire which the client completes three months after the volunteer has left, and 2) an interview format which VOCA administers 12 months after the assignment. Copies of the questionnaires appear in Attachment E. This system was implemented by VOCA worldwide in July of 1993.

Prior to this, VOCA Poland had been following its own system of follow-up questionnaires to ascertain: 1) how well the volunteer met client expectations; 2) what was the effect of the volunteer recommendations (changes); and, 3) what were client comments and suggestions about VOCA's management of the process.

Several of these earlier VOCA/Poland forms were reviewed by the team. The information varied in quality and completeness, and provided mainly anecdotal evidence, if any, about impact. The new worldwide system is more complete, and will be much more effective in evaluating the VOCA management process, the impact of the volunteer's work, and potential areas for future assistance.

V. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

On Impact

1. VOCA has provided capable and committed professionals to the Poland program. Volunteers have made a positive impact on the enterprises, cooperatives, and other institutions they have assisted. Improvements have occurred in several areas: production technologies and practices (e.g. food processing); business management practices (among both private enterprises as well as cooperatives); marketing/product diversification: policy (cooperative law); and, "client oriented" extension services.

2. VOCA effectively used its work with cooperatives, first to gauge the status of the post-communist agricultural sector, and later as a means to effect change in the development of private agricultural activities in Poland. Through its work with individual co-ops and in rewriting cooperative legislation, VOCA has been an important influence on re-orienting the cooperative sector, and in promoting a positive perception of the value, role, and responsibilities of cooperatives in a free-market economy. In the early stages of VOCA's work, some cooperatives felt that volunteers were too unknowledgeable about Poland, or too prone to "telling how it should be done, and how it is done in America" to be of much value to the typical Polish farmer.[2] This attitude was influenced in part by client expectations for a "quick American fix" to their problems. These frictions, however, were minimal, and they haven't diminished the positive effect of VOCA's work with cooperatives and their private ventures. The working relationships are very productive.

3. As a result of VOCA assistance, consumers are benefiting from access to higher-quality products, as well as some items that were not available until recently. Notable among these: fresh milk and dairy products; fresh and frozen poultry; fresh and frozen sweet corn; goat cheese. This has had the effect of stimulating competition among producers, which will bring even greater benefits to the Polish consumer. VOCA volunteers have trained clients in market testing for future product development.

4. VOCA has played an important role in developing the apple-export industry in Poland, which is earning hard currency from markets both in Western Europe and Russia. Poland is in an excellent position to become a major producer/exporter in a relatively short period of time.

5. By providing technical assistance and training to extension centers which can replicate these interventions throughout their regions, VOCA has been able to maximize the effects of its assistance on an expanded group of recipients in a cost effective way. Their cooperation with the USDA Extension Service Program is also an effective way of

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[2] This was evidenced from a review of feedback questionaires VOCA kept on file.

utilizing VOCA's technical expertise to supplement the USDA's broader objective of training and institutional development of ODR's in Poland.

6. The main obstacle facing VOCA clients, and the one which is most often in the way of implementing volunteer recommendations, is the lack of reliable and affordable credit financing. The banking sector and capital markets in Poland are at present ill-equipped to service the needs of the agricultural sector. Although the national scale of this problem is beyond the reach of VOCA's resources, it has done a good job of targeting assistance towards innovative models for credit -- such as the Wielkopolski Farmers Bank -- which have, in turn, gained some national recognition. Another example, although not included in the field survey, is the Gdansk Credit Union project, a model which VOCA volunteers helped develop, and which has spawned the creation of forty other credit unions around the country.[3]

7. VOCA has had some influence in the national policy debate about agricultural development in Poland. It has used its connections in government to promote a new cooperative law (still being debated in Parliament), and to highlight the plight of struggling farmers' cooperatives in the countryside.

8. By encouraging the formation of associations, VOCA is helping the average farmer (with typically small farms of two to five hectares) to pool information and resources for increased economies of scale. This is most notable in the case of sheep breeding and goat milk production.

9. In many cases, VOCA volunteers and their clients have maintained ties after the assignment is concluded. This reinforces the work done by the volunteer, and strengthens the relationship between Poland and the U.S.

<u>On Program Management</u>

10. VOCA provides its volunteers with a good overview of the agricultural situation in Poland, and of the volunteer's roles and responsibilities during their stay. Volunteer close-out reports, however, are of varying quality. New guidelines have been introduced by VOCA and should result in better reporting. The evaluation team has also made recommendations to VOCA on how the volunteer reports can serve as a sort of baseline against which progress at the enterprise can be later measured. (See summary report and items from Budapest workshop.)

11. VOCA Poland has a full-time evaluation officer, and is doing a good job of implementing the new global M&E system developed by VOCA.

12. VOCA has collaborated effectively with other organizations to facilitate the provision of training, credit, and investment financing to its clients. In their briefing packet, VOCA provides volunteers with information on a number of organizations providing credit, as

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[3] As evidenced by reports and feedback questionaires on file.

well as training in-country and overseas. Volunteers are then encouraged to link clients with these resources as appropriate. However, in light of the enormity of the credit problem, more work should be done to link VOCA clients with sources of financing.

13. VOCA has been successful in creating a broad-based, "grass roots" client constituency, and in gaining recognition as a knowledgeable player in Poland's agriculture sector. Marginal gains can be made to the program by capitalizing on this fact, and by formalizing the VOCA constituency into a field-based network which shares information about individual challenges, and accomplishments.

14. In some cases, VOCA clients need longer-term, more regular technical assistance provided to them. This was brought to the team's attention by several clients and VOCA collaborating organizations. This is particularly true when it comes to financial control issues. Polish enterprises are not accustomed to the type of techniques that are standard practice in most free-market economies: cost accounting, cash flow management, inventory control, debt servicing, credit management, etc. Since the ultimate success of an enterprise can ride heavily on its ability to practice new financial control techniques, VOCA clients in some instances may require supplemental types of assistance that is not currently offered through the volunteer services approach. This can be pursued by VOCA through collaborative ventures with other organizations providing long-term TA (see recommendations below).

B. Recommendations

1. Target more aggressively on the credit problem by selecting volunteers who will help agribusinesses outline in detail their minimum credit needs, and assist them in accessing credit. Continue pursuing sources such as: the Joint Commission on Humanitarian Assistance, which has about $10 million yet to lend out, the European Bank, which has a small-projects window that it is seeking to develop, and CARESBAK, which already is working with VOCA to invest in promising projects. Financing strategies should also include the pursuit of joint venture partners for promising agribusinesses.

2. To implement this credit development strategy, VOCA should consider adding a credit/financing specialist to its team. This individual would be responsible for following-up with and coordinating services to clients who need credit to develop their business. In essence this would be a "deal making" function, in which VOCA would introduce clients to investors, banks, etc. and help them make application for financing.

3. VOCA has gained a lot of valuable experience at the field-level which can benefit the wider development community and former clients. To reinforce these lessons, VOCA should start a country-wide newsletter for clients, extension centers, other donors, other interested parties to share experiences and pool resources. This can be done on a low-cost, quarterly or semi-annual basis, in Polish, using desk-top publishing software. To implement this, VOCA should consider adding a communications specialist to its staff. This person could be responsible for publishing the newsletter, as well as other current functions in the office: reviewing and supervising translations of volunteer reports; producing program reports, fact sheets, vignettes or "feature pieces" on client successes; review and summarization of follow-up evaluations; preparation of volunteer briefing packets.

4. The need for some longer-term, or ongoing assistance for certain clients suggests that VOCA should find ways of tapping into other resources, assuming it isn't in a position itself to provide volunteers on a long-term basis. One good option to address the financial management training needs of clients might be to tap into Peace Corps, VSO, or MBA services. A Peace Corps volunteer, for example, could be assigned to work with a small group of businesses or cooperatives, serving as a mentor to their financial management staff over a period of one to two years to improve their practices and procedures.

5. Volunteer reports should include a one to two page covering memo that states: 1) what follow-up actions are being planned; 2) a time-frame for their completion; 3) roles and responsibilities for implementing those actions; 4) other steps or measures that need to taken, if any, in order that the follow-up actions will be successful, and; 5) expected outcomes from those actions. With VOCA assistance/facilitation, volunteers could at a minimum leave this in-country before leaving their assignment. A proposed format appears in the attachments to the Summary Report.

List of References for Background Information on Poland's Ag Sector

"An Agricultural Srategy for Poland," Report of the Polish, European Community, World Bank Task Force, July 1990.

"Congressional Research Services Issue Brief: Poland, Czech Republic, Slovakia, and Hungary: Recent Development," March 22, 1993.

"Historical View of Agricultural Advisory Structure in Poland," provided by VOCA Poland.

"Background Notes: Poland," U.S. Department of State, June 1991.

"Fact Sheet: Poland," U.S. Department of State Dispatch, May 3, 1993. Vol 4, No. 18.

"Poland, Europe's Tiger," The Economist, August 28th, 1993, page 48.

ATTACHMENTS

ATTACHMENT A:
VOCA EVALUATION SCOPE OF WORK

I. PURPOSE

The purpose of this assignment is to conduct a final evaluation of VOCA's Central and Eastern European program which is funded by AID/Europe Bureau.

II. FOCUS

The evaluation will focus on interventions at the field level. Specifically, the evaluation will assess the benefits of volunteer assignments at the enterprise or organization level. This will be looked at in the context of the specific program components below as relevant to each country:

A. Establishment of private agribusinesses and associations

B. Credit and banking services

C. Extension services

D. Enhanced economic results for existing private enterprises

E. Privatization of state agricultural enterprises

III. IMPACT

The impact of VOCA's projects will be measured primarily by the effectiveness of VOCA's assignments at the enterprise level. This will be determined by looking at results of volunteer work, specifically: Were the volunteer's recommendations implemented? Did the implemented recommendations result in changed practices for the host organization or its members? Were the changed practices sustained over time?

Although assessing impact at the enterprise level is the centerpiece of the evaluation, to the extent that there is information available the team should also review indirect/collateral benefits from the VOCA program. These include influencing macro level policies and decisions and the development of collaborative relationships which extend the benefits received from volunteer technical assistance by providing access to credit, joint venture and trade opportunities, etc. Examples of this are collaborative relationships with CARESBAC and the Joint Commission on Humanitarian Assistance through which VOCA client organizations have been able to access capital resources, and with ACDI which has provided U.S. training to agribusiness and government leaders identified by VOCA volunteers.

IV. SCOPE AND METHODOLOGY:

Five countries with VOCA programs will be visited: Poland. Czechia, Slovakia. Hungary and Albania. In each country, an evaluation team of two specialists will visit host organizations and interview counterparts, farmers and other relevant beneficiaries. The organizations visited and project reviewed will constitute a representative mix of VOCA's projects in that country, in terms of geography, area of technical assistance, date of completion, etc. The evaluation team will also meet with AID missions and with collaborative organizations.

Prior to the overseas work, the evaluation team will have a team planning meeting in Washington DC. At VOCA's Washington office, the team will review necessary background documents to prepare for the evaluation and will be briefed by VOCA staff. Since the major focus of the evaluation will be field program effectiveness and impact, less priority will be placed upon reviewing management and institutional structure.

V. TIMING

The evaluation will start the first week of November 1993, with one team spending two weeks in Poland while the other spends a total of three weeks in Czechia, Slovakia and Hungary. In December, Albania will be visited for two weeks. It is anticipated that the final evaluation report will be available by early January 1994.

VI. PERSONNEL:

The evaluation will be conducted by management Systems International (MSI), using a team of two specialists for each of the three country/regional evaluations: Poland, Prague Regional (Czechia, Slovakia, Hungary) and Albania. A total of four evaluation specialists will participate in the field work and the final report preparation. Meetings between different teams will be held in the field to facilitate coordination among the teams and cohesiveness of the overall evaluation, in addition to the team meetings in Washington pre and post-assignment. To further ensure continuity, VOCA's Program Research and Evaluation Coordinator will travel with the different teams.

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ATTACHMENT C:
PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK
FARMER-TO-FARMER PROGRAM FOR POLAND

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: To help promote the development of private agribusiness and other support systems for private farmers.	***Measure of Goal Achievement:*** a) Establishment of new private agribusinesses by private farmers. b) Improved financial results and service delivery by assisted existing agribusinesses. c) Entry into, or improved performance in, value-added activity of assisted businesses. d) More market force and private sector orientation in assisted co-op banks. e) More collaborative relationship between extension service and private farmers.	a) Staff visits to the field. b) Review of project and progress reports. c) Volunteer debriefings. d) Evaluation findings.	***Assumptions for achieving goal targets:*** a) That beneficiary organizations want to provide services. b) That Polish economic policy will remain c_track.
Program Purpose: Institutional development of selected beneficiary organizations so they may become strong or stronger service delivery vehicles for their members and clientele.	***Conditions that will indicate purpose has been achieved:*** a) Farmer-owned agribusinesses have begun operations for the first time. b) Assisted existing businesses show improved operating results and more and/or better services for owners. c) Co-op banks demonstrate bottom-line orientation and capability. d) Extension offices and local farmers are planning to work together in the future on various initiatives unrelated to donor activity.	Same as above.	***Purpose Assumption:*** That assisted organizations can properly utilize VOCA volunteer advice.
Outputs: a) Volunteer cooperative operations and management specialists. b) Senior volunteer farmers and farm sector specialists. c) Specialists in food processing, feed-milling and other value-added industrial activities. d) Farm credit specialists.			***Output Assumption:*** That assisted organizations' self interest will lead them to request and implement VOCA advice.
Inputs: a) Capital. b) Operational staff. c) Facilities d) Program direction.			

ATTACHMENT D:
VOCA PROJECT DEVELOPMENT FLOW IN POLAND

1. Organization hears about VOCA (VOCA presentation, newspaper articles, word of mouth, exposure to volunteer's work, etc.);

2. Initial Inquiry by requesting organization;

3. VOCA encourages application, or refers organization to other technical assistance provider, funder or peer Polish organization;

4. Organization submits application for VOCA assistance;

5. VOCA makes screening, and decides to request further information, meet with organization in Warsaw, meet with organization in field, or reject application:

6. Organization is informed--VOCA staff follow-up "live" requests with field visits, meetings in VOCA office;

7. VOCA staff makes decision to field a volunteer;

8. VOCA staff writes Scope of Work and Background Information on Organization and sends them to Washington;

9. VOCA/Washington requests more information, and begins recruiting process for volunteer;

10. VOCA/Warsaw follows-up on logistics questions--plan of work, interpreter, transport, housing--with organization;

11. Volunteer arrives, is briefed in Warsaw, meets cooperating organizations(ACDI, CARESBAC, USAID, etc.) and is taken to field;

12. VOCA Warsaw communicates with volunteer in field, and visit volunteer if possible;

13. Assignment is completed, and volunteer comes to Warsaw for debriefing prior to departure for U.S. VOCA makes arrangements for volunteer to meet appropriate officials (USAID, Ministry, USDA, etc.) in Warsaw;

14. VOCA/Warsaw follow-ups on questions brought up by the volunteer;

15. VOCA/Warsaw monitors progress of organization, and conducts continuing evaluation of assignment;

16. Where appropriate, VOCA/Warsaw drafts impact statement and sends to D.C.;

17. Organization makes decision whether to request follow-up VOCA assistance, and process begins again.

ATTACHMENT E: INTERVIEW INSTRUMENTS

QUESTIONS FOR ENTERPRISES/INSTITUTIONS (E/I)

Background

What was the (original) problem that you requested VOCA to assist you with?

Were recommendations made for this problem? If no, why not? If yes, when?

Were they applied? If no, why not? If yes, when?

Have they continued? If no, why not?

What other problems did the VOCA Volunteer identify?

Were recommendations made for this/these problem(s)? If no, why not? If yes, when?

Were they applied? If no, why not? If yes, when?

Have they continued? If no, why not?

Are there other sources of assistance like VOCA? What are they?

Changes

How has the E/I changed since adoption of recommendations?

- production costs
- production volume
- yields
- members/ employees/ clients
- market share
- new markets
- new/changed products
- sales/revenues
- other

Other Effects

1. Have VOCA recommendations to your E/I been adopted by others?

2. What other benefits/results (perhaps unanticipated) have occurred as a result of this project?

3. What do you see as the major obstacle to developing private sector agriculture?

DISCUSSION POINTS FOR OTHER STAKEHOLDERS

Are you familiar with VOCA's work?

What are the major constraints to promoting (developing) private sector agriculture?

What is being done to address these? Are they appropriate? What yet needs to be done?

What major changes have occurred in the ag sector over the past few years?

What changes do you anticipate in the future?

ATTACHMENT F:
VOCA PROJECT FOLLOW-UP/EVALUATION SYSTEM

VOCA PROJECT FOLLOW-UP/EVALUATION SYSTEM

VOCA's project follow-up and evaluation system includes questionnaires, which will be answered by the host organization where the VOCA assignment was completed.

The first questionniare, Project Follow-up Questionnaire, is a shorter-term assessment of the volunteer and project arrangements, designed to be answered directly by the host organization.

The second questionnaire, Project Evaluation Questionnaire, is a longer-term assessment of project results and impact, designed to be answered in an interview with VOCA.

1. Project Follow-up Questionnaire

- Shorter-term assessment.
- Main purpose of questionnaire is assessment of host organization satisfaction with volunteer and project arrangements.
- Administered 0-3 months after volunteer completes project.
- Questionnaire is preferably administered in person or over the phone.

2. Project Evaluation Questionnaire

- Longer-term assessment.
- Main purpose of questionnaire is to assess project impact on the host organization or its members.
- This questionnaire will serve as an evaluation for all projects.
- Administered 9-12 months after project completion, depending on the nature of the project. Field reps will use their discretion as to when to administer the questionnaire.
- Questionnaire is administered in person as part of a follow-up visit.
- Follow-up visits to the host organization will be combined with project development and will be done at least once a year for each host organization. If time is a constraint, follow-up visits will be made to the organizations VOCA expects to continue working with, while omitting the less important ones if necessary.

VOCA PROJECT FOLLOW-UP QUESTIONNAIRE (0-3 months)

Name of Host Organization: _____
Country: _____
Volunteer Name: _____
Project Number: _____
Project Category: _____
Dates of Project: _____
VOCA Interviewer (if applicable) _____

Name of host organization contact who responds
to this questionnaire: _____
Title: _____
Date: _____

1. How satisfied were you with this volunteer's work on this assignment?
   1) Very Satisfied _____ 3) Somewhat Satisfied _____
   2) Satisified _____ 4) Not Satisifed _____

Comments: _____

2. Did the volunteer contribute to the solution of the problem for which you requested assistance?
   1) Contributed greatly 3) Contributed Somewhat
   2) Contributed 4) Did not contribute

3. Was the timing of the volunteer's arrival appropriate for the work he or she did?
   1) Yes 2) No 3) Somewhat

Comments: _____

4. Was the length of time the volunteer spent with your organization:
   1) Too short 2) Adequate 3) Too long

Comments: _____

5. How would you rate the contact and support you have received from the VOCA office?
   1) Excellent 3) Fair
   2) Good 4) Poor

Please provide any suggestions for improvement: _____

6. What future support would you like to receive from the VOCA office, including follow-up to this project or new areas where technical assistance is needed?

7. Additional Comments: _____

VOCA PROJECT EVALUATION QUESTIONNAIRE (9-12 months)

Name of Host Organization: _____
Country: _____
Volunteer Name: _____
Project Number: _____
Project Category: _____
Dates of Project: _____
Name of host organization contact interviewed
for this questionnaire: _____
Title: _____
Date of Interview: _____
VOCA Interviewer: _____

A. HOST ORGANIZATION INTERVIEW

1. Review the volunteer's specific recommendations (as detailed in his/her final report) with the host organiztion. Determine and identify whether each recommendation was appropriate for the host organization and whether it has been implemented.

2. If any recommendations have not been implemented, why not?

3. Determine specific changes in practices which the host organization or its members have made as a result of the volunteer's visit.

4. What has been the impact or effect of the changed practices in economic or institutional terms? In other words, what has this change meant for the host organization or project participants?

   [Please give a narrative answer, using the attached checklist as a guideline. The narrative should include a description of the economic or institutional impact, supported by quantitative data (i.e. numbers) if possible.]

5. On a scale of 1-5, host organization rates benefits of volunteer's assignment.

1	2	3	4	5
Low				High

B. VOCA FIELD REPRESENTATIVE RESPONSE

1. On a scale of 1-5, VOCA field representative rates benefits of volunteer's assignment.

1	2	3	4	5
Low				High

2. Field Representative's Comments: (including but not limited to: explaining any disparity between field rep and host organization project benefit ratings; information on external or constraining factors affecting project outcome, etc.):

CHECKLIST OF POTENTIAL INDICATORS OF IMPACT IN HOST ORGANIZATION

This list is intended to be used in conjunction with the Project Evaluation Questionnaire as a guide for the VOCA interviewer and host organization in identifying the impact or effect of adopting changed practices based on the volunteer's recommendations:

AREA:

I. HOST ORGANIZATION

Economic:
Sales
Profits
Costs
Markets
New value added activities
Record-keeping
Assets
Loans (amount, size, number of borrowers, repayment)

Institutional:
Organizational restructuring
Number of members
New services offered to members
Members trained
Number of employees
Employees trained
Educational programs

II. HOST ORGANIZATION MEMBERS

Members trained
Incomes
Yields
Profits
New value-added activities
Markets
Record-keeping

III. NATIONAL/REGIONAL LEVEL

New government policies implemented
Bills/Laws adopted

IV. OTHER AREAS AS APPLICABLE

PD-ABM-976

Evaluation of VOCA Programs in Central and Eastern Europe

Albania Field Trip Report

Prepared by:
Management Systems International

Submitted to:
VOCA/Washington, D.C.

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Table of Contents

I. AGRICULTURE SECTOR BACKGROUND 1
- A. Economic History 1
- B. Present Situation 1
- C. Constraints 2

II. EVALUATION SCOPE AND METHODOLOGY 3
- A. Timing 3
- B. Scope of Work and Evaluation Methodology 3

III. EVALUATION FINDINGS 4
- A. Overview 4
- B. A Note on Data Collection and Analysis 5
- C. Development/Strengthening of Farmers' Cooperatives and Associations . . . 6
- D. Agricultural Education Institutions and Vocational Schools 11
- E. Work with Media Services 13
- F. Other Work with Government Ministries and Divisions 15
- G. Credit Institutions (Rural Commercial Bank) 17
- H. Agriculture/Food Research Institutions 17

IV. PROGRAM MANAGEMENT 20
- A. Project Identification and Technical Assistance Implementation 20
- B. Cooperation with Other Organizations 20
- C. Monitoring and Evaluation Systems 21

V. CONCLUSIONS AND RECOMMENDATIONS 22
- A. Conclusions 22
- B. Recommendations 23

ATTACHMENTS:
- A. MSI Scope of Work
- B. Evaluation Methodology
- C. List of Persons Contacted
- D. VOCA Impact Survey Instrument

I. AGRICULTURE SECTOR BACKGROUND

A. Economic History

Between Enver Hoxha's rise to power in 1944 and the ouster of his hand-picked successor in 1990, the Albanian economy was typified by extraordinarily strong central control and isolation from Western markets. Hoxha believed in strict adherence to his interpretation of Marxist-Leninist economic principles and complete self reliance. This led to an economy dominated by food crop and livestock production. The country's extensive mineral resources (primarily chromite, nickel, iron, copper and bauxite) were underexploited and, with a few exceptions, manufacturing remained at a basic level. Albania became the poorest country in Europe.

Initially, assistance in developing and maintaining the apparatus of state control came from the Soviet Union. In 1961, Hoxha became disillusioned with Kruschev's "liberalism" and turned to the People's Republic of China. This relationship lasted until 1978. Between 1978 and 1990, Albania's already pronounced isolation from international markets became extreme. Until 1990, almost all machinery and other equipment used in the Albanian economy dated from the 1970s or before.

In agriculture, collectivization began in 1945 and was completed by 1967. The 1970s and 1980s saw the consolidation of smaller collectives into larger units and the creation of state farms. By 1990, 76 percent of arable land was farmed by collectives with the remaining 24 percent occupied by state farms. Forty-seven percent of the population was employed on these collectives and state farms. Of the 570,000 hectares of arable land, about 440,000 was dedicated to cereal production with the remaining 130,000 used for fruits, vegetables and livestock.

B. Present Situation

In 1991, a student-led revolt overthrew the communist regime. Under the present democratically elected government, reform has proceeded very quickly. In two years Albania has gone from what was arguably the most rigid centrally planned economy in existence to a market based economy. The new government has brought both inflation and the budget deficit under control while instituting market-based tax and interest rate structures. Despite these successes, much remains to be done.

In June of 1991, the government authorized the dissolution of collectives and the redistribution of land. This process began slowly so, in September, collective "members" took matters into their own hands. They dissolved the collectives by distributing their assets (land, livestock, machinery and buildings) among themselves. In many instances, this involved destruction of buildings and distribution of bricks, equipment, and other materials among former workers. The dissolution of state farms proceeded in a more orderly manner and is not yet complete.

Albanian agriculture has moved from approximately 700 collectives and state farms averaging about 1200 hectares to some 400,000 private farms with plots averaging about 1.5 hectares. Farmers are struggling to understand how to make economic decisions while production and marketing structures are being recreated from the ground up.

The present production structure is dominated by farmers operating on a subsistence or semi-subsistence level. A recent World Bank study estimated that 95 percent of private farmers fall into this category. They buy few inputs and market little or nothing. A much smaller group of private farmers has acquired tractors or trucks and moved into commercial services. A few farmers have formed cooperatives (called Private Farmers Associations) for production, processing, marketing and financing. Though there have been some successes, many of these associations have run into difficulty in part because the only system for group organization with which most farmers are familiar is that of the old collective, a system which is both economically ineffective and distrusted by most private farmers.

C. Constraints

Several obstacles need to be overcome to help redevelop Albanian agriculture:

- Land ownership is perhaps the most critical issue at present. Redistribution of land is incomplete and is proceeding in part on the basis of the 1991 law and in part on the basis of pre-1944 ownership patterns. It is not yet possible to buy and sell land. This is because land market laws have yet to be formulated and only a minority of private farmers have received title to the land they are farming. It will probably be another year or more before land reform is complete. In the interim, farmers are leery of investing in fixed assets on land to which they do not have clear title, and of consolidating with other farmers into larger and more economically efficient units.

- Marketing systems are in the very early stages of development. Farmers are just beginning to learn the basics of marketing, wholesale markets do not exist (one can buy in bulk but there is no distinction between wholesale and retail prices), the transportation infrastructure is in deplorable shape and very little processing or packaging is done.

- Access to credit is very limited. Available credit is primarily short term with high interest rates and exacting collateral requirements. Many farmers do not yet understand the concepts of credit and investment. The agricultural credit bank (called the Rural Commercial Bank) is in the process of massive restructuring.

- Agricultural education at both the secondary and university levels is undergoing complete transformation. Completely new curriculums need to be developed, provisions for financing need to be made and teachers and professors need to be retrained.

- Extension and input supply systems are in the early stages of development. Some fertilizer and (mostly substandard) seed is available. Pesticides are in very short supply.

- Research is at a near standstill. New research systems need to be developed to respond to the demands of the new agricultural system.

- Irrigation systems which are necessary because of very little rainfall in the summer, have fallen into disrepair. Often they are not set up to efficiently serve small farmers.

II. EVALUATION SCOPE AND METHODOLOGY

A. Timing

This evaluation was conducted by Management Systems International (MSI) at the request of VOCA and A.I.D. Its purpose is to review the end-of-grant status of VOCA's work in Central and Eastern Europe. Albania represents one of the five countries selected for field research, the others being: The Czech Republic, Slovakia, Hungary and Poland.

Field work in Albania was carried out by Russ Webster (MSI Projects Director) and Douglas Daniell (MSI Program Associate) between December 6 and 17, 1993. Prior to departure, the team held briefings with senior management staff of VOCA and the Office of The Regional Mission to Europe (RME) at A.I.D. Washington. Upon completion of field work, the team traveled to Budapest, where, on December 20, it facilitated a day-long retreat with VOCA staff from Washington and the Central and Eastern Europe region. The retreat provided a forum for discussion of findings, conclusions and recommendations for the five countries included in the evaluation. Upon returning to Washington, the team debriefed with VOCA on December 23, presenting their summary findings, conclusions and recommendations for Albania. A debriefing was held with A.I.D. on January 7, 1994.

B. Scope of Work and Evaluation Methodology

The full scope of work (SOW) is presented in Attachment A. The team was asked to focus on impacts at the enterprise or organizational (what we have called "client") level. Areas of investigation included: Did the VOCA volunteer adequately address the problems of the client? Were clients able to implement VOCA recommendations? What changes occurred in the client's enterprise or operations? Were these changes sustained over time?

The team also assessed the effectiveness of collaborative relationships with other organizations working in the Albanian agriculture sector. These included: the World Bank, Agricultural Cooperative Development International, the International Fertilizer Development Center, Land O'Lakes, the European Community, the British Know-How Fund, and the Peace Corps.

III. EVALUATION FINDINGS

A. Overview

The findings presented in this report are based on interviews with seventeen VOCA client organizations in Albania, which together received a total of fifty-five volunteers. Projects (defined by VOCA as a single volunteer assignment) that were reviewed ranged from as early as November 1991 (when VOCA began work in Albania) up to the present. A few of the clients interviewed are scheduled to receive VOCA assistance in the near future. Thirty-three client representatives were interviewed during the field visit, along with another twelve officials and agriculture development specialists working in Albania. A complete list of contacts appears in Attachment C.

Albania's stage of private sector development, and agricultural development in general, is markedly lower than that in the other Central and Eastern European countries visited by the evaluation team. Albania lacks, almost completely, the infrastructure needed to support free-market agriculture. Agribusinesses, both agri-supply and food processing, do not yet exist to any degree of scale. Because of this situation, VOCA's focus in Albania is somewhat different than the five program areas specified in the A.I.D. grant agreement.[1]

Another factor influencing VOCA's work in Albania has been A.I.D.'s request that VOCA serve as a "bridge" in preparation for the upcoming Support for Agricultural Research in Albania (SARA) project. Work has included assistance to food research institutes, the ministries of agriculture, education, and the agricultural university. With the implementation of SARA, VOCA's mix of activities will change somewhat.

The categories of clients interviewed by the evaluation team are presented in Table 1.

---

[1] These are: 1) creation of new commercially viable private agricultural cooperatives, producer associations and other agribusinesses; 2) enhancement of existing private agribusiness, principally in marketing and processing; 3) privatization of state agricultural enterprises; 4) creation and improvement of existing agricultural credit institutions to provide credit and banking services for farmers and agribusinesses; and 5) redirection of the government extension services toward the private farming sector.

Table 1: Grouping of VOCA Clients Visited in Albania

Category	*No. of Clients*	*No. of Assignments*
Cooperatives/Associations	5	15
Ag Education Institutions/ Departments and Vocational Schools	3	14
Other Government Ministries/Divisions	3	21
Ag/Food Research Institutions	3	5
Media Services	2	3
Credit Institutions	1	5
Total	17	63

The evaluation team reviewed sixty-three assignments completed by fifty-five volunteers with seventeen clients. Of the sixty-three assignments cited above, eight were with two separate client groups; six volunteers were assigned to work with the Ministry of Agriculture and Food, as well as to provide technical assistance to individual PFAs; two volunteers worked with the Ministry of Education and with PFAs.

The benefits of VOCA assignments, in fact, generally spread beyond individual client beneficiaries. For example, the issues which VOCA volunteers addressed with the Ministry of Agriculture and Food were directly related to the concerns of PFAs. In Korçë, volunteers advised the local agriculture office on agricultural marketing, PFA formation and support, input supply businesses, etc. The same was true of volunteers who worked with the Ministry to write the by-laws for organizing and managing PFAs. Another example were the volunteers who worked with the Ministry of Agriculture and Food on agricultural extension in Albania, and its linkages to research and farmer needs. In the course of doing these assignments, the volunteers visited PFAs, individual farmers, research institutes, local agricultural offices, etc. to carry out their work, although they reported primarily to one client.

B. A Note on Data Collection and Analysis

During the client interviews, the evaluation team focused its questions on three primary areas. First, to what degree did the volunteer(s) address the needs of the client, and second, to what degree was the client able to implement volunteer recommendations. (See Attachment B for a copy of the interview instrument.) In general, all clients felt that the volunteers addressed their needs, and helped them in finding workable solutions to the problems they faced. Also,

in nearly all cases clients were implementing the volunteer recommendations.[2] (The only exception to this was the development of Private Farmer's Associations; more information is presented on this later in the chapter.)

The third area of focus for the evaluation was documenting changes that had occurred as a result of the recommendations. The team was able to identify several examples of changes at the organizational (client) level. These are presented in later sections of this chapter.

As mentioned previously, the economic environment in Albania is less developed than in other CEE countries visited by the team. In these other countries, much of VOCA's work is with individual enterprises, either privately or cooperatively owned, where the impact of volunteer recommendations can be measured by bottom-line changes in production costs, profit, etc.

In Albania, VOCA is helping to develop the systems and the infrastructure necessary for private sector development to take place and for farm enterprises to grow. In this context, measurable impact is less immediate, requiring the evaluators to turn their attention to 1) how well the work is being done, and 2) whether the assistance is contributing to a process of developing the necessary systems for private sector development. On both counts, we feel that VOCA is doing a commendable job in Albania, but we want to emphasize that the benefits being produced are not the same as those being produced in other CEE countries, where the private sector is better positioned to "take-off".

C. Development/Strengthening of Farmers' Cooperatives and Associations

VOCA is recognized in Albania as the leader in development of farmers' cooperatives. Because the term "cooperative" in Albania is associated with the former collective farming system, a new term has been adopted, and is in widespread use: Private Farmers Associations, or PFAs.

The team met with four PFAs, and one association (The Albanian Fertilizer and Agricultural Inputs Dealers Association -- AFADA) during the field trip, representing the work of fifteen VOCA volunteers. In the case of AFADA, they are preparing to receive a VOCA volunteer in the near future to help them organize a national farmer's coalition. Of the fifteen volunteers cited, eight were also assigned to government ministries, with the goal of helping develop PFA regulations, by-laws and organizational guidelines.

The experience with PFAs in Albania has been decidedly mixed. It is an important topic among VOCA staff, because of the fact that VOCA is so strongly associated with the PFA movement in Albania. (The team read about one PFA, in fact, that referred to itself as a "VOCA Association.") It is the consensus among experts and practitioners that some type of

---

[2] The average number of VOCA volunteers per client was just under four, with the numbers ranging from two all the way up to twelve. This made it difficult, in the time available, to explore the outcomes of the specific recommendations for each volunteer. Due to the lack of detailed data, we have not prepared a matrix of client responses like the ones used in the Poland and Prague Regional field reports.

farm-level cooperative system will be crucial to the development of agriculture in Albania. There is less consensus, however, about how to promote such a system, particularly in light of the fact that several PFAs have formed and dissolved over the past two years. One person commented as follows: "Everyone knows that PFAs are the future of Albania!" During the next meeting, another expert drew the team's attention to the fact that "most PFAs have failed miserably; still yet, we need to nurture their success."

1. Interviews with Private Farmers Associations

VOCA has worked with PFAs since their beginning, and was instrumental in getting this movement started in Albania. In 1991 there were two PFAs, and now 85 are registered. Volunteers have worked directly with PFAs, advising them in several areas: how to organize, leadership development, how to market, how to prepare a credit application, business planning, etc. Assistance has also been provided by VOCA volunteers to the Ministry of Agriculture and Food, Privatization Division which is responsible for supporting the PFA movement in Albania. For this government division, VOCA volunteers prepared by-laws and guidelines for forming and managing a PFA, which resulted in a publication How Private Farmers Associations Work.

The team visited four PFAs[3] and met with various government officials who had been involved in the PFA movement in Albania. The first two of the four PFAs investigated were in a troubled state -- Dishnice and Drithas. The other two PFAs, Fiat Agri and Progressi were much more successful. Dishnice in Korçë District, was one of the first PFAs started in Albania. After a rather tumultuous existence, it disbanded, although some members have started to form their own, smaller, associations since that time. The team interviewed the last president of this PFA, and also discussed its experience with a representative from the local agricultural office in Korçë. Reasons given for the failure of the Dishnice PFA:

- It was too big, having at one point some 350 members;
- Farmers came together with the expectation of getting cheap credit, and when this wasn't readily available, they lost interest. (The team was told that a substantial amount of credit sought by PFAs is intended to pay members' salaries, a hold-over from the collective farm days when farm laborers were paid a salary by the state);
- Because of the communist-collective experience, farmers are reluctant to come together and cooperate;
- The members' high expectations were continually reinforced by the constant visits paid by foreigners to their PFA; this had the effect of keeping them together for awhile, but when they weren't realizing any benefits from membership, they eventually dropped out; and

[3] One PFA, Dishnice, had disbanded, so the team met with its last president.

- Although farmers realize that they can have only limited return from the small (1.5 - 2.0 hectare) plots they obtained with the recent privatization of land, they are hesitant to put their plots into a common cultivation scheme, for fear of losing title to the pre-communist landowners who are pressing the government for reparations.

The agricultural officer which we met in Korçë emphasized the importance of VOCA's work with PFAs. VOCA, for example, helped introduce the concept of free-market enterprise, competition, and price-for-quality to the farmers. He also valued and made use of the manuals and guidelines which VOCA prepared on how to form and manage a PFA. He suggested, however, that a couple of key things should be learned from the Dishnice experience:

- PFAs need to be small; before farmer's join or start a PFA, they need to understand what they want to get out of the PFA, and also have a realistic expectation of what the PFA can do for them;

- Farmers/PFAs need to be constantly educated about free-market principles, but this is not enough; farmers need medium to long-term credit so that they can develop their enterprises (at present, only short-term, high-interest credit is available in Albania); and

- VOCA should focus its resources on promoting a few promising PFAs, helping them at every stage of their development, so that others can learn from this success.

The last VOCA volunteer to visit Dishnice in fact had recommended that it reform into smaller, more manageable PFAs. Although it was a bit too late at this point to save the PFA, according to the agricultural officer, a few smaller ones have sprung up which he feels would be good candidates for VOCA assistance.

The second PFA, Drithas, was in the middle of a management crises when the team arrived to visit the president. Drithas is a fairly large PFA whose members have consolidated their plots into larger fields for production. The members were standing about and arguing with each other, and with the PFA's managers. The apparent difficulty was that:

- The PFA lacked sufficient feed for its cows. Several PFA members were demanding that their cows be either fed, or released into their custody (each, or most, members of the PFA owned a cow); and

- The PFA had been trying to get a bank loan to purchase needed farm equipment. However, the bank had refused them, saying that they lacked sufficient collateral. The PFA managers were trying to convince members to each contribute 1,000 Leke (about $10.00) to buy the former state cooperative barn, which could then be used to get the loan. The members were refusing, saying that they distrusted the PFA management, pointing to the lack of cow feed.

We agreed that it was not a good time to try to talk, and so moved on to the next location.

FiatAgri, located in Shkoder District, is a rice-producers cooperative which received three VOCA volunteers who advised them in marketing, and in cooperative organization and management.

FiatAgri has some contracts with Italian importers, but they also sell on the local market. This year, domestic sales were hindered because of competition from food aid imports of rice. They managed to overcome this problem by negotiating a contract with the Albanian army to buy all of their product. Other successes include:

- They received and paid back on time a loan from the Rural Commercial Bank in the amount of $65,000. It was a one-year loan (used for production inputs) at a rate of eight percent. This year, they have taken a second loan ($72,000) but because of inflation, the rate is 28 percent.

- Last year they sold 1,000 tons of rice at $500 per ton (before the food aid imports came in). This year they sold 500 tons to the army at $400 per ton, and diversified their production to include tomatoes (300 tons at about eight cents per kilo).

- Sales last year totaled $220,000; this year they were down somewhat to $165,000 although the PFA's President noted that they are still quite solvent, and making a profit.

The other successful PFA visited was Progressi, in Durres District, which specializes in horticulture production. It is a small PFA, made up of forty families. They received assistance and advice from five VOCA volunteers in marketing, production/irrigation techniques and PFA organization and management. In particular, they felt they received the greatest assistance from a wife/husband team who came to help them with packaging, marketing, and contract negotiation. They are in the process of building a processing and storage center in order to increase the value added of their vegetable production.

Some of their successes include:

- The PFA now has its own logo, which is used on all packaging; previously they did not package their goods, and had no logo.

- The VOCA volunteers helped them to negotiate the first successful contract with a buyer in Tirana for green beans. They were, in fact, able to sell more beans than they had expected, for a higher price than expected (13.5 cents per kilo, compared to 12 cents per kilo which they had hoped for).

- In addition to marketing members' produce, the PFA buys and re-sells non-member produce.

- Based on VOCA recommendations, they are better maintaining their irrigation ditches; previously bushes and debris were not cleaned out of the ditches.

- They are pursuing more contracts for next year's growing season, building a processing (tomato sauce, canned beans) and storage facility with their profits, and planning to diversify their production into other marketable vegetables. They were able also to buy a truck from last year's profits.

- They took out and repaid a loan last year of $10,000 at eight percent per annum; this year they've taken a loan of $16,000 but at a much higher rate of 40 percent. Half of the amount has been repaid, but the loan is overdue.

2. Interviews with Government Representatives

All of the individuals interviewed in the government acknowledged that PFAs had been facing some difficulties in getting started, but they also felt that it was important to continue developing this system for the future of Albanian agriculture. They saw PFAs as critical in helping farmers pool resources, create viable production units, do better marketing, and acquire credit. They also recognized that the more successful PFAs tend to be those which are smaller; some even suggested that they should be formed along traditional, family lines.

The management staff of the Rural Commercial Bank stated that PFAs, or similar entities, were absolutely necessary for allowing them to lend to small farmers in Albania. Only organized groups of small farmers would be able to come up with the needed collateral to support medium- to longer-term loans from the RCB. Some production loans are being made already to PFAs by the RCB, but long-term capital won't be available for at least several months, until the RCB gets its systems and regulations in place to make such loans.

Comments about VOCA's role in the PFA movement were universally positive. VOCA's leadership in this field was readily recognized and appreciated by each government representative interviewed by the team. Everyone knew of the publication How Private Farmers Associations Work, which VOCA wrote in collaboration with PFAs and the Ministry of Agriculture. VOCA has been encouraged by the government to continue working with PFAs.

3. Interviews with Other Development Professionals/Donors

In addition to the interviews reported above, the evaluation team spoke with other development professionals about the history and future role of PFAs. Some of the comments made may be helpful to A.I.D. and VOCA in deciding what would be the best future approach in promoting farmer-level cooperatives in Albania.

- The current problem is that "no institution is presently tasked to train and develop PFAs. The Ministry of Privatization is presently responsible for supporting PFA development, but this is not the appropriate ministry for this

job. PFA development should be linked into the extension service, which is a natural network."

- PFAs came together for the "wrong reasons", e.g. to get tractors, loans, financing to pay monthly salaries, etc. Also, donors have been trying to hard to push the concept from above; the initiative needs to come from the farmers.

- PFAs lack financial management skills.

- PFAs need to emerge "from the ground up...We shouldn't push their formation, but we need to educate them and give them information."

D. Agricultural Education Institutions and Vocational Schools

The team visited three educational institutes and agencies: The Agricultural University of Tirana, the Ministry of Education and the Vocational Agricultural School of Korçë.

The Agricultural University of Tirana. The evaluation team met with the Rector and several faculty in various departments of the university: Agricultural Economics, Office of Science and International Relations, Agricultural Mechanization, and, the Department of Vocational Agricultural Teacher Training (newly formed). Examples of VOCA activities and their results:

- Assistance in re-orienting the university and staff members towards providing practical, rather than simply theoretical, training through seminars, new text books, and advising on curriculum development. The old curriculum was based on Russian and Bulgarian models. Under the upcoming A.I.D.-funded SARA project, the University will receive assistance in revamping the curriculum, and in training faculty and staff. Except for a couple of mathematics courses, for example, the entire curriculum of the Department of Agricultural Economics has been changed.

- Providing text books, which the faculty are studying and using to prepare their lecture notes. Faculty are reading the books, which are in English, and preparing their lectures in Albanian.

- Assistance in how to write research proposals for funding. Another VOCA volunteer is scheduled to come in January 1994 to provide specific assistance in proposal writing techniques.

- Introduction of a program to train staff of vocational agricultural schools, which will be operated out of the Department of Farm Mechanization. This curriculum has been developed in close collaboration with Bruce Landsdale of the American Farm School (AFS) in Thessalonik, Greece. Dr. Landsdale's assistance has been supported by VOCA, and has been followed-up by other experts from the AFS.

- Advice on how to strengthen linkages between the University, the Ministry of Agriculture and Food, the vocational agriculture schools, and the fledgling research and extension system which Albania is developing.

Faculty commented that the volunteer reports provided useful ideas and suggestions about how the University could improve its courses. The Rector also mentioned that they are considering adding a faculty for food technology, in response to this need in the agriculture sector of Albania. They are also considering adding a program in rural sociology to the Department of Agricultural Economics.

The Ministry of Education. The Ministry of Education oversees both the agricultural university, and the vocational agricultural schools around the country. The representative we met with lauded the efforts of VOCA and Bruce Landsdale to revise Albania's curriculum for agriculture education. Among some of the changes noted:

- Under the previous system, there was a standard curriculum for everyone, whether they were a student, a farmer, an academic researcher, or a technician. There was very little time spent on practical training, about fifteen percent of the total curriculum. Now, they are restructuring into two levels of education: 1) farmers and farm laborers, and 2) technicians and academicians. VOCA has assisted by bringing in experts to advise on how to go about this restructuring.

- The Ministry is responsible for managing the education budget, which amounts to only eight percent of the total national budget. Bruce Landsdale provided the Ministry with an equipment list, which it is using in preparing its procurement budget, and other VOCA volunteers provided titles of textbooks for inclusion.

Vocational Agricultural School of Korçë. Under the old system, Albania had 350 vocational schools, which served mainly to promote the state-run system of agriculture. Now there are twenty-two, of which two pilot schools are being developed as part of the national effort to restructure the agricultural training program. VOCA is providing assistance to both of these, one being in Korçë (which the team visited) and the other in Berat.

The Vocational Agricultural Middle Schools (VoAgs) instruct students in a two-year program equivalent to grades 9 and 10 in the U.S. Most students are from farming families, and will return to work on their farm upon completing their coursework. Ten percent of the students are female. The school administration would like to expand the curriculum to a four-year program, so that students, if they chose to do so, could go on to college/university upon completing their studies.

The Korçë VoAg School has hosted nine VOCA volunteers to date. The evaluation team met four of them during the field study, two irrigation specialists, and two dairy specialists.

The following has been accomplished at the Korçë VoAg School with assistance from VOCA:

- VOCA volunteers have made a number of recommendations that were practical measures which the school could undertake to improve its facilities and curriculum. For example: an irrigation schematic for the school farmlands; advice on improving ventilation in the milking barns; planting and feed-mix recommendations to improve animal nutrition; procurement lists for upgrading equipment; management advice to improve staff productivity; textbooks and curriculum recommendations to use in the coursework. Because of the general state of disrepair at the VoAg farm, the volunteers made several other recommendations for improving the general appearance and maintenance of the facility.

- Like the University, the VoAgs have suffered from a lack of practical training; under the former system, they had one hour of practical training per week, and oftentimes even this was not followed. VOCA volunteers prepared a new curriculum, with the goal of expanding the hands-on training. As was explained to us by a member of the teaching staff, "under the old system, we would use a book to explain how to milk a cow; now, we actually go and milk cows!" Now, the school has sixteen hours of practicum per week.

- Korçë and Berat will serve as teacher training centers for the other twenty VoAg Schools being established around the country. The first country-wide seminar is scheduled to be held in March at Korçë. VOCA volunteers will be coming to give lectures and demonstrations to the participants.

- Through VOCA assistance, the two pilot schools have established a close linkage with the American Farm School in Thessalonik. Dr. Bruce Landsdale was the instigator of this relationship, and several other of his colleagues from the AFS have come to Albania to work over the past two years. The evaluation team met two other AFS experts on assignment in Korçë.

- The staff member we met suggested that students at the VoAg also needed instruction in how to form and manage cooperatives (PFAs); he was investigating the possibility of including such a course in their curriculum.

E. Work with Media Services

Two of the VOCA clients interviewed were in media services. One was a government-run agricultural publishing house, the other an Albanian television broadcasting network.

Television Series on Agricultural Marketing. VOCA spearheaded an effort to organize an eight-part series on agricultural marketing in collaboration with the Albanian television broadcasting network. The series aired weekly, and included interviews with agricultural development specialists, farmers, agribusiness owners and PFA managers. The purpose of

the program was to educate Albanians in how agriculture operates in a free-market system. Since even rural Albanians own televisions, the program reached a broad audience. The final two parts of the series aired during the field visit.

The evaluation team met with the producer from the television network who hosted and edited the series, as well as several of the panel experts who spoke on the program. Although the network did not host a VOCA volunteer, VOCA was instrumental in making the show a success. According to the television sponsor, the idea for the series originated with Maura Schwartz, the VOCA Country Representative. She organized and coordinated the collaboration of other agencies who participated in the program, such as the British Know-How Fund, the International Fertilizer Development Corporation, and the European Community-sponsored Programme Implementation and Coordination Unit in the Ministry of Agriculture and Food.

Nearly all of the client representatives we interviewed, in all categories, commented on this program as one of VOCA's major successes in Albania. The Agricultural University of Tirana is planning to utilize the series in its curriculum on agricultural marketing.

Publishing Information Center, Ministry of Agriculture and Food. The Publishing Information Center (PICA) is responsible for all government publications on agriculture. They have hosted three volunteers who:

- Organized seminars on agricultural marketing, which the Center attended and reported on, with assistance from the VOCA volunteers.

- Advised PICA on how to gather, prepare and publish agricultural marketing statistics. PICA started publishing farm prices six months ago, at first, once every two months, now once a month. Their goal is to publish prices every week.

- Advised on how to layout pictures and articles in an aesthetically pleasing manner.

As a result of VOCA assistance, they are publishing marketing statistics on a regular basis, and have modified the layout of their publications. They still face difficulties, however:

- Because of budget restrictions, they are required to use lower-quality paper, and can print only 1,000 copies of their journal; previously, they printed 15,000 copies.

- Their equipment is old. Supplies are limited and of poor quality. (They are using low-grade paper for their publications which was donated by the Greek embassy.)

- The poor telephone system in Albania impedes their ability to collect information on a timely basis.

F. Other Work with Government Ministries and Divisions

Development of Farmers' Associations. VOCA's work and its results in this area have been discussed already in a previous section. It is important to reiterate that their work in developing the guidelines, regulations and by-laws for PFAs in Albania was carried out in close collaboration with the Ministry of Agriculture and Food. The team met with three divisions in the Ministry which were assisted by VOCA in the PFA area: 1) the Foreign Relations Section in Tirana; 2) the Privatization Section, also in Tirana; and 3) the Department of Agriculture in Korçë. Representatives from all three divisions praised the commitment and expertise of VOCA volunteers in cooperative development. They did provide some cautions and some suggestions about future work with PFAs, which were already related in the earlier section on PFAs.

Agricultural Trade Fair, Korçë. VOCA worked with the Department of Agriculture in Korçë District (which is the local office of the Ministry of Agriculture and Food) to organize the first agricultural trade fair in Albania. The Korçë Mayor's office also helped to organize and publicize the event.

VOCA brought in a wife-husband team of volunteers to help set up the trade fair, organize the market center where the goods were to be displayed, and coordinate the panel of judges and awards ceremonies. Farmers from around the district participated with a wide range of products: beans, honey, cheese, apples, grapes to mention a few. As a result of this event:

- Producers and consumers learned, first hand, the relationship between quality and price. According to a follow-up survey which VOCA conducted, several of the producers were amazed at the fact that buyers were willing, without much question, to pay a higher price for their higher-quality products.

- Local producers made contact with possible wholesale buyers. One Greek wholesaler was interested in a particular variety of white beans being produced by one of the participants.

- Other districts are now planning to hold trade fairs next year.

- Through the media, primarily television, the Korçë trade fair gained national recognition as an important milestone in Albania's effort to privatize agriculture.

The evaluation team also met with the Director of Marketing Services who works out of the Korçë Town Hall. He had a great deal of praise for VOCA's assistance in organizing and implementing the trade fair. Because his office is responsible for maintaining the market hall and grounds where the fair took place, he also offered the following comments about how agricultural marketing has evolved in Albania the past couple of years:

- Two years ago, it was illegal for anyone to sell their agricultural produce. This makes an event like the trade fair immensely significant to Albanian farmers, processors, and consumers.

- They are in the process of upgrading the market facility: installing outdoor kiosks which will be utilized by sellers who now are setting up on the ground because there is no more room inside the marketing hall; putting in refrigeration units; repainting the facility; and, installing new asphalt. Financing for these improvements is from the stall rental fees they have collected to date (about $26,000).

- He suggested holding "mini trade shows" in the villages, to encourage more producers, which could be followed by a regional fair in Korçë.

- There is still a great need to improve market information for Albanian farmers. This was a comment heard frequently by the evaluation team.

Environmental Development/Natural Resource Management. VOCA Washington has requested its field offices to do more work in areas related to sustainable agriculture and environmental development. In Albania, the evaluation team met with representatives from the Committee for Environmental Preservation and Protection. VOCA is finalizing a scope of work for two volunteers to assist the Committee in developing a research agenda and priorities which it will solicit donor funding to implement. VOCA is coordinating this work closely with the local UNDP office on environmental affairs to avoid duplication of effort.

Development of an Extension Service Linked to Research and Farmers. Albania has no practice of agricultural extension services. Until recently, the central planning ministries simply directed state cooperatives and collective farms what to produce. However, now with the push towards private-sector farming, the government realizes that it must have an information network that serves farmers so that they become better producers.

Two of the assignments reviewed by the evaluation team were designed to help the Ministry of Agriculture and Food create an extension service that is linked to research and to farmers. The clients we interviewed indicated that these volunteers assisted in articulating the argument that extension needed to be closely linked into research. According to one highly-placed Albanian expert who works in the President's office, Albania will likely combine its research and extension services into a rural, farm-based strategy, rather than setting up separate research and extension systems. The guidance provided by VOCA volunteers in this regard was "very useful" according to this individual.

The development of an extension service is now a national priority, with several donors providing assistance. The long-term goal, according to one specialist, is to organize extension into farmer groups that will give feedback into the research system, a sort of "contact farmer" program. One interviewee from the British Know-How Fund commented that the VOCA volunteer reports were of a general nature, and although they provided a rationale for

establishing a linked research-extension network, they fell short in terms of laying out a strategy for implementation. This is being done now through the efforts of others.

G. Credit Institutions (Rural Commercial Bank)

From March to August 1993, the Rural Commercial Bank (RCB) hosted five VOCA volunteers to work in the areas of marketing, credit review, human resource development, computerization and computer training. These volunteers were seconded to a World Bank-funded team from Agricultural Cooperatives Development International (ACDI). The purpose of this project is to strengthen the systems and procedures of the RCB, to allow it to provide medium to long-term credit lines (which are being capitalized through Bank funds) to farmers and agribusinesses. In Albania, there are two other banking systems besides RCB: 1) the National Commercial Bank, and 2) the oldest bank in the country, the Savings Bank, which was recently commercialized. Of these three, the RCB was selected as the pilot for restructuring. The evaluators met with both the RCB staff and the ACDI team members to discuss VOCA's assistance.

As a result of VOCA assistance, the following was accomplished:

- A marketing plan and policy has been developed for all RCB branches. Brochures were prepared, and have been distributed, along with marketing manuals and procedures, to all branch offices.

- For the first time, credit review procedures are in place, and training is being given to staff in conducting credit reviews. A VOCA volunteer went branch by branch and provided the initial round of training; this training capacity has now been installed within the RCB's training division. The first ever credit review took place in June 1993, and the second (six months later) was underway in December 1993.

- Salary structures were reviewed and modified to reflect the realities of job descriptions (which didn't exist previously) and the marketplace for similar services. Personnel development policies are in place, and procedures are being developed to implement those policies.

- Computerization and computer training are now priorities. Programs are in place and a training room equipped with fifteen training stations, has been remodeled (at the RCB's expense) into the best room in the bank building.

H. Agriculture/Food Research Institutions

Three of the clients visited were agriculture or food technology research institutions who had hosted five VOCA volunteers. Two of the five volunteers were in-country during the field study.

Food Technology Institute. This institute, like the others visited, is under the Ministry of Agriculture and Food. It maintains various departments to conduct research in various agricultural sub-sectors, e.g. dairy and wine. During the transition period from central-planning to free-market systems, they have faced numerous difficulties trying to implement their new mandate, which is to serve the producers and the consumers, rather than take directions from the state.

A major obstacle, which they hope will soon be overcome, is the lack of legislation to establish definitions, standards, and regulations governing food products. One of the VOCA volunteers assisted the Institute in drafting wine regulations:

- The volunteer explained how wine regulations are developed and enforced in various countries like the U.S., Italy, France and Spain. Managers and technicians from the Institute then formed a working group which reviewed these approaches, and drafted proposed regulations for Albania, with the VOCA volunteer serving as facilitator. Interviewees mentioned that this "working group" approach, which they hadn't yet experienced, was extremely impressive and useful.

- Once completed, the draft was circulated to district offices, and a seminar was held to discuss proposed changes to the legislation. The final draft has now been sent to the President for approval, after which it will go before the Parliament.

Before the democratic reforms began to take place, Albania produced 50,000 tons of wine per year; now it produces 5,000. Whereas 20,000 hectares of grapes were being cultivated, now there are only 6,000. Wine was exported to eastern block countries. The Institute estimates that they have the capacity, once the factories are brought back into production and the vineyards are re-vitalized, to produce 80,000 tons per year.

Another VOCA volunteer had recently completed his assignment and submitted his report, which was being translated during the evaluation field work. This volunteer:

- Trained the staff of all departments in how to design and prepare research proposals for possible international funding.

- Advised the institute in how to restructure its agenda to be responsive to research needs in a free-market economy. He assisted the Institute in preparing its objectives and workplans, with attention to phasing in a set of national food research priorities over time. The staff found this assistance to be the most useful for them, as they are now in the process of planning their future activities.

- Prepared a list of equipment needed to upgrade the old technology of the Institute. This list will be used in preparing the annual budget request to the Ministry of Agriculture and Food.

Zootechnic Institute. Two VOCA volunteers (livestock and small ruminant specialists) were in-country to assist the Zootechnic Institute during the evaluation study. These were the first Americans to have worked with the Institute. The interviewee commented favorably on the work that was being done, stating that the following contributions were being made:

- Assistance in drafting proposals to collaborate with U.S. institutions on conducting small ruminant research.
- Seminars for staff in Tirana, as well as outside at various research sites. The volunteers also provided some textbooks to the Institute.
- Advice in: 1) how to link research with small farmer needs; 2) organization of a national research program on livestock nutrition; and 3) farming systems research approaches, i.e., viewing the farm as an economic unit.
- Recommendations for organizing research on sheep breeding.

Also as a result of the recommendations made by VOCA, they have formed a division which will be responsible for coordinating the Institute's research with Albania's agricultural extension network being developed. They will offer training in animal husbandry to extension agents and contract farmers.

Soil Science Research Institute. The volunteer who worked with this research institute is a soil scientist with an international reputation. He made a set of recommendations on how to remake the institute. They including internal restructuring, focusing on natural resources management, bringing soil analysis systems and standards up to an international level, developing a farmer outreach program to identify farmers needs and orienting research to meet these needs. Working with the director of the institute, he wrote a restructuring plan which elaborated upon these ideas. This plan has been adopted by the institute and is being implemented.

The volunteer also performed several days of fieldwork with the institute and collected soil samples. He will be furnishing the institute with the results of analysis of these samples which he is analyzing in the U.S. He has provided the institute with more than 100 technical manuals and will be providing more. The volunteer and the institute have maintained frequent contact and he may return in 1994.

The institute's main problem is lack of funding to fully implement the restructuring plan. However, the 1994 budget should provide enough support to allow the institute to focus on the most important aspects of the restructuring plan.

IV. PROGRAM MANAGEMENT

A. Project Identification and Technical Assistance Implementation

As mentioned previously, the agricultural sector in Albania is at quite a different stage of development than the other countries visited by the team. VOCA has focused on institutional strengthening and infrastructure development due to the lack of clients that can utilize firm-level assistance or cooperative business development.

The selection of projects reflects this reality in Albania. It is the team's opinion that VOCA has done an excellent job of maintaining the appropriate flexibility necessary to respond to this underdeveloped economic environment.

VOCA has also been responsive to the needs of the USAID Representative's Office in Tirana, developing scopes of work that served as a "bridge" leading up to implementation of the SARA project. The A.I.D. Representative in Tirana remarked very favorably on the collaboration and assistance of VOCA, and was impressed by VOCA's strength as a grass-roots organization. It was also her opinion that once the SARA project is underway, VOCA should continue to focus in the areas of PFA development, agricultural marketing, and support to vocational agricultural schools. She looks forward to coordination between SARA and VOCA, but does not feel that VOCA's program needs to be guided by SARA's priorities; the evaluation team shares that opinion.

The team reviewed several scopes of work, and found them to be well-developed, containing important background information on the unique situation of agriculture in Albania. The team was also provided with other background material on the history, and recent political-economic changes, in Albania. This information, which also serves as briefing material for volunteers, was very insightful.

At present, the VOCA Country Representative is identifying and developing all scopes of work. This is necessary due to the fact that the other staff members do not yet have the experience to carry out this function. VOCA is planning to hire a third staff member in Albania for this purpose. This will provide the Country Representative with the needed time for overall management, future strategic planning, and program oversight. It is the opinion of the evaluation team, and the VOCA Country Representative, that the hiring and development of national staff to carry-out the functions of project development and follow-up evaluation needs to be a top priority.

B. Cooperation with Other Organizations

As in the other countries visited, VOCA is an active player among the donor community in Albania, and it meets regularly to coordinate and promote its efforts in private sector agricultural development. The team identified the following collaborative activities in Albania:

- Frequent meetings with Peace Corps Volunteers assigned to the EC-sponsored program for small and medium enterprise development in Albania to discuss credit needs of VOCA clients, particularly PFAs, who might qualify for a loan from this program.

- Participating with a representative of the International Fertilizer Development Center (IFDC), and the head of the Albanian Fertilizer and Agricultural Inputs Dealers Association, to promote a national farmers' coalition in Albania.

- Cooperation with the A.I.D. participant training project (PIET) to identify agricultural development specialists in Albania for training in the U.S.

- Inviting and coordinating the involvement of IFDC, the British Know-How Fund, the EC Program Implementation Coordination Unit, and the Ministry of Agriculture and Food to develop an eight-part series on agricultural marketing in Albania.

- Collaborating with Agricultural Cooperatives Development International (ACDI) to provide assistance to the Rural Commercial Bank.

- Coordinating with the UNDP office of environmental affairs to develop scopes of work in the environment and natural resource management.

C. Monitoring and Evaluation Systems

VOCA/Albania has implemented the global monitoring and evaluation system which VOCA established in July 1993. This consists of a follow-up questionnaire which VOCA clients are asked to complete three months after the assignment, and an impact survey instrument which VOCA staff use to interview clients twelve months after the assignment is completed. A copy of the questionnaires appears in Attachment D.

Several three-month questionnaires have been completed in Albania. These were completed by a VOCA staff member in consultation with the clients. According to the VOCA Country Representative, many of the clients needed assistance in translation of the questions into Albanian. In future, the forms should be prepared so that they can be completed independently by the clients to assure unbiased data collection.

Impact forms (12 month questionnaires) have not yet been utilized, but data collection efforts are beginning. It is the evaluation team's opinion that VOCA needs to upgrade the skills of its staff in the areas of monitoring and evaluation before the present system can be effective and useful.

V. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

1. VOCA has become nationally-recognized as an effective provider of needed technical assistance in areas including the following:

   - Agricultural education, including vocational training and university degree programs;
   - Cooperative development (private farmers' associations);
   - Strengthening of agricultural research, extension and farmer linkages;
   - Improving marketing systems for agricultural products; and,
   - Institutional strengthening.

2. The Albanian economy is less well developed than that of other countries visited by the team. VOCA has responded well to deficiencies in the agriculture sector by targeting institutions that can be assisted with high-quality volunteers.

3. To a greater degree than in other countries visited, VOCA projects have directly complimented or supplemented A.I.D. programs. In many instances, VOCA assistance has been provided in areas which will be featured in A.I.D.'s SARA project. This has distracted VOCA from being able to focus on its own program development, although the services provided have benefited host country institutions.

4. Private farmer associations (PFAs) have had few successes, due to factors outside the control of VOCA. Most people working in agriculture agree, however, that some form of farmer-level organization will be necessary for the future growth of agriculture in Albania. Successful PFAs might serve as models of grass-roots organizational development.

5. Albania is in the process of developing the institutions and economic structures necessary for success. VOCA volunteers have made a positive contribution to the process of institutional development, in some cases creating the basis for institutional restructuring, which will help organizations operate more effectively in a free-market economy. As these institutions and structures become more developed, farmers and agribusinesses will be in a better position to benefit from VOCA assistance. However, entrepreneurial individuals who are successful in spite of the economic situation should be encouraged whenever possible.

6. VOCA has done an excellent job of coordinating and collaborating with other organizations working in the Albanian agriculture sector. In notable cases (e.g., a nationally-televised ag marketing series) VOCA has motivated donor collaboration by

bringing together experts who focused on key agricultural issues and critical constraints. Volunteers coming through VOCA have also directly assisted other donors with their programs.

7. The Albania VOCA office is currently under-staffed to meet present challenges and programming targets for the future.

B. Recommendations

1. VOCA's present emphasis on assistance in development of institutions and economic structures in which private farmers and agribusinesses will be able to function effectively is appropriate and should continue. In the future, as these institutions and structures begin functioning effectively and as the A.I.D. SARA project comes on line, VOCA will find more fertile ground for its traditional assistance to individual farmers and agribusinesses.

2. The VOCA office should be provided with additional professional staff, office space and computers to meet present and future program requirements.

3. The present emphasis on development of PFAs and other farmer-level associations should continue. The focus should be on assistance to associations where the impetus for development has come from farmer/members rather than from the government or other donors. With or without VOCA assistance, such associations will be successful in the long run only if they respond to the needs of members.

4. Efforts in agricultural marketing have been very successful to date. They should be continued and potentially expanded to include more regions of the country and additional farmer outreach activities. These approaches should also be considered for wider application by VOCA in the CEE region.

5. Teachers and other experts supplied by VOCA should continue to provide assistance for the development of agricultural education at the secondary and university levels.

6. Strong linkages and collaboration with other donors should continue.

7. VOCA should work proactively with the Government and with other donors to assist clients in gaining access to the financial and/or material resources needed to implement recommendations.

ATTACHMENTS

ATTACHMENT A:
VOCA EVALUATION SCOPE OF WORK

I. PURPOSE

The purpose of this assignment is to conduct a final evaluation of VOCA's Central and Eastern European program which is funded by AID/Europe Bureau.

II. FOCUS

The evaluation will focus on interventions at the field level. Specifically, the evaluation will assess the benefits of volunteer assignments at the enterprise or organization level. This will be looked at in the context of the specific program components below as relevant to each country:

A. Establishment of private agribusinesses and associations

B. Credit and banking services

C. Extension services

D. Enhanced economic results for existing private enterprises

E. Privatization of state agricultural enterprises

III. IMPACT

The impact of VOCA's projects will be measured primarily by the effectiveness of VOCA's assignments at the enterprise level. This will be determined by looking at results of volunteer work, specifically: Were the volunteer's recommendations implemented? Did the implemented recommendations result in changed practices for the host organization or its members? Were the changed practices sustained over time?

Although assessing impact at the enterprise level is the centerpiece of the evaluation, to the extent that there is information available the team should also review indirect/collateral benefits from the VOCA program. These include influencing macro level policies and decisions and the development of collaborative relationships which extend the benefits received from volunteer technical assistance by providing access to credit, joint venture and trade opportunities, etc. Examples of this are collaborative relationships with CARESBAC and the Joint Commission on Humanitarian Assistance through which VOCA client organizations have been able to access capital resources, and with ACDI which has provided U.S. training to agribusiness and government leaders identified by VOCA volunteers.

IV. SCOPE AND METHODOLOGY

Five countries with VOCA programs will be visited: Poland, Czechia, Slovakia, Hungary and Albania. In each country, an evaluation team of two specialists will visit host organizations and interview counterparts, farmers and other relevant beneficiaries. The organizations visited and project reviewed will constitute a representative mix of VOCA's projects in that country, in terms of geography, area of technical assistance, date of completion, etc. The evaluation team will also meet with AID missions and with collaborative organizations.

Prior to the overseas work, the evaluation team will have a team planning meeting in Washington DC. At VOCA's Washington office, the team will review necessary background documents to prepare for the evaluation and will be briefed by VOCA staff. Since the major focus of the evaluation will be field program effectiveness and impact, less priority will be placed upon reviewing management and institutional structure.

V. TIMING

The evaluation will start the first week of November 1993, with one team spending two weeks in Poland while the other spends a total of three weeks in Czechia, Slovakia and Hungary. In December, Albania will be visited for two weeks. It is anticipated that the final evaluation report will be available by early January 1994.

VI. PERSONNEL

The evaluation will be conducted by management Systems International (MSI), using a team of two specialists for each of the three country/regional evaluations: Poland, Prague Regional (Czechia, Slovakia, Hungary) and Albania. A total of four evaluation specialists will participate in the field work and the final report preparation. Meetings between different teams will be held in the field to facilitate coordination among the teams and cohesiveness of the overall evaluation, in addition to the team meetings in Washington pre and post-assignment. To further ensure continuity, VOCA's Program Research and Evaluation Coordinator will travel with the different teams.

ATTACHMENT B: INTERVIEW INSTRUMENTS

QUESTIONS FOR ENTERPRISES/INSTITUTIONS (E/I)

Background

What was the (original) problem that you requested VOCA to assist you with?

Were recommendations made for this problem? If no, why not? If yes, when?

Were they applied? If no, why not? If yes, when?

Have they continued? If no, why not?

What other problems did the VOCA Volunteer identify?

Were recommendations made for this/these problem(s)? If no, why not? If yes, when?

Were they applied? If no, why not? If yes, when?

Have they continued? If no, why not?

Are there other sources of assistance like VOCA? What are they?

Changes

How has the E/I changed since adoption of recommendations?

- production costs
- production volume
- yields
- members/ employees/ clients
- market share
- new markets
- new/changed products
- sales/revenues
- other

Other Effects

1. Have VOCA recommendations to your E/I been adopted by others?

2. What other benefits/results (perhaps unanticipated) have occurred as a result of this project?

3. What do you see as the major obstacle to developing private sector agriculture?

DISCUSSION POINTS FOR OTHER STAKEHOLDERS

Are you familiar with VOCA's work?

What are the major constraints to promoting (developing) private sector agriculture?

What is being done to address these? Are they appropriate? What yet needs to be done?

What major changes have occurred in the ag sector over the past few years?

What changes do you anticipate in the future?

ATTACHMENT C:
ALBANIA CONTACT LIST

Client Representatives

Nikolla Qafoku
Agriculture Advisor to the President of Albania

Rick D. Pierce
Agricultural Cooperative Development International
Accounting Specialist

Robert F. Reel
Agricultural Cooperative Development International
Agricultural Credit Specialist

Richard A. Neis
Agricultural Cooperative Development International
Financial Management

Dr. Pirro Veizi
Agricultural University of Tirana
Head Agricultural Mechanization Chair

Shpetim Mancaku
Albanian Fertilizer and Agricultural Inputs Dealers Association (AFADA)
President

Ing. Efigjeni Pinguli
Albanian National Dairy Committee
General Secretaire

Pasho Baku
Center of Information for Agriculture and Food
Tirana - Albania
Chief of Internal Sector

Gani Deliu
Committee of Environmental Preservation and Protection
Vice Chairman

Gjergi Papas
Head Agronomist
Dept. of Agriculture
Korçë District

[Name not available]
Head of Pesticide Division
Dept. of Agriculture
Korçë District

Vangjel Zigori
Food Research Institute
Head of Department of Wine

Sali Metani
Director,
Foriegn Relation Division

Iliz Vesho
Inspector of Agriculture in Environmental Committee - Tirana
Ministry of Agriculture and Food

Violetta Gurthi
Privatization Section
Min. of Agriculture and Fund

Fiqiri Shahinllari
Publishing and Information Center for Agriculture
Journalist

Orfea Dhuci
Rural Commercial Bank

Tanas Gjoni
Director of Credit Dept.
Rural Commercial Bank

Arben Vercuni (PhD)
University of Agriculture
Faculty of Agricultural Economics
Dean

95

Dr. Adrian Civici
University of Agriculture
Tirana - Albania
Faculty of Agrarian Economy
Management and Organizative Dept.

Dragon Gjikondi
Chief of Vocational Training Section
Ministry of Education

Thomas Thola
Program Director
Albanian Television

Tom Preku
President
FiatAgri Private Farmers Association

Myftar Gjoka
President
Progressive Private Farmers Association

Mturi Demiraj
Zootechnic Research Institute
Min. of Food and Agriculture

Dr. Albert Dubali
Director
Soil Science Research Institute

Ilir Fundo
Deputy Director
Korçë Vocational
Agricultural Middle School

Audulla Myftereva
Director of Marketing
City of Korçë

President
Dishnice PFA (Private Farmers' Association)
(First PFA in Albania)

President
Drithas PFA

Dr. Besnick Gjongecaj
Rector
Agricultural University of Tiraua

Dr. Evan Rroça
Director, Office of Science
and International Relations
Ag University of Tirana

Dr. Nako Leska
Chemist
Food Technology Institute

Ernil Sharko
Chemist/Interpreter
Food Technology Institute

Other

Ray B. Diamond
Int'l Fertilization Development Center (IFDC)
Chief of Party

Rezi Velica
Int'l Fertilization Development Center (IFDC)
Market Promotion and Dealer
Development Coordinator

Deedee Blane
Agency for International Development
Representative

Rebecca Balogh
Project Manager
Land O' Lakes

Don Davis
Ministry of Agriculture and Food

Input Supply Coordinator
EC Programme Implementation
and Coordination Unit

Paul S. Craig
Ministry of Agriculture and Food
Team Leader
EC Programme Implementation
and Coordination Unit

Aurel S. Grabozcka
Eastern Regional Business Agency
Small-Medium Enterprise Office
- EC/PHARE Program
Manager

Faye Flesia
Volunteers in Overseas
Cooperative Assistance
Director of Library and Media Services
Volunteer - Albania

Rebecca Balogh
Project Manager
Land O'Lakes

Deborah Crane
Albania Desk
A.I.D. Washington
(on temporary assignment in Albania)

Claude Freeman
Marketing Director
IFDC - Int'l Fertilizer Development Center

Frank Alexander
British Krow-How Fund

Giovanni Morsani
FAO

Beti Kora
FAO

David Stanfield
Land Tenure Center

VOCA PROJECT FOLLOW-UP/EVALUATION SYSTEM

VOCA's project follow-up and evaluation system includes questionnaires, which will be answered by the host organization where the VOCA assignment was completed.

The first questionniare, Project Follow-up Questionnaire, is a shorter-term assessment of the volunteer and project arrangements, designed to be answered directly by the host organization.

The second questionnaire, Project Evaluation Questionnaire, is a longer-term assessment of project results and impact, designed to be answered in an interview with VOCA.

1. Project Follow-up Questionnaire

- Shorter-term assessment.
- Main purpose of questionnaire is assessment of host organization satisfaction with volunteer and project arrangements.
- Administered 0-3 months after volunteer completes project.
- Questionnaire is preferably administered in person or over the phone.

2. Project Evaluation Questionnaire

- Longer-term assessment.
- Main purpose of questionnaire is to assess project impact on the host organization or its members.
- This questionnaire will serve as an evaluation for all projects.
- Administered 9-12 months after project completion, depending on the nature of the project. Field reps will use their discretion as to when to administer the questionnaire.
- Questionnaire is administered in person as part of a follow-up visit.
- Follow-up visits to the host organization will be combined with project development and will be done at least once a year for each host organization. If time is a constraint, follow-up visits will be made to the organizations VOCA expects to continue working with, while omitting the less important ones if necessary.

VOCA PROJECT FOLLOW-UP QUESTIONNAIRE (0-3 months)

Name of Host Organization: _____
Country: _____
Volunteer Name: _____
Project Number: _____
Project Category: _____
Dates of Project: _____
VOCA Interviewer (if applicable) _____
Name of host organization contact who responds
to this questionnaire: _____
Title: _____
Date: _____

1. How satisfied were you with this volunteer's work on this assignment?
   1) Very Satisfied _____ 3) Somewhat Satisfied _____
   2) Satisified _____ 4) Not Satisifed _____

Comments: _____

_____

2. Did the volunteer contribute to the solution of the problem for which you requested assistance?
   1) Contributed greatly 3) Contributed Somewhat
   2) Contributed 4) Did not contribute

3. Was the timing of the volunteer's arrival appropriate for the work he or she did?
   1) Yes 2) No 3) Somewhat

Comments: _____

_____

4. Was the length of time the volunteer spent with your organization:
   1) Too short 2) Adequate 3) Too long

Comments: _____

_____

5. How would you rate the contact and support you have received from the VOCA office?
   1) Excellent 3) Fair
   2) Good 4) Poor

Please provide any suggestions for improvement: _____

_____

_____

6. What future support would you like to receive from the VOCA office, including follow-up to this project or new areas where technical assistance is needed?

_____

_____

7. Additional Comments: _____

VOCA PROJECT EVALUATION QUESTIONNAIRE (9-12 months)

Name of Host Organization: _____
Country: _____
Volunteer Name: _____
Project Number: _____
Project Category: _____
Dates of Project: _____
Name of host organization contact interviewed
for this questionnaire: _____
Title: _____
Date of Interview: _____
VOCA Interviewer: _____

A. HOST ORGANIZATION INTERVIEW

1. Review the volunteer's specific recommendations (as detailed in his/her final report) with the host organiztion. Determine and identify whether each recommendation was appropriate for the host organization and whether it has been implemented.

2. If any recommendations have not been implemented, why not?

3. Determine specific changes in practices which the host organization or its members have made as a result of the volunteer's visit.

4. What has been the impact or effect of the changed practices in economic or institutional terms? In other words, what has this change meant for the host organization or project participants?

   [Please give a narrative answer, using the attached checklist as a guideline. The narrative should include a description of the economic or institutional impact, supported by quantitative data (i.e. numbers) if possible.]

5. On a scale of 1-5, host organization rates benefits of volunteer's assignment.

1	2	3	4	5
Low				High

B. VOCA FIELD REPRESENTATIVE RESPONSE

1. On a scale of 1-5, VOCA field representative rates benefits of volunteer's assignment.

1	2	3	4	5
Low				High

2. Field Representative's Comments: (including but not limited to: explaining any disparity between field rep and host organization project benefit ratings; information on external or constraining factors affecting project outcome, etc.):

CHECKLIST OF POTENTIAL INDICATORS OF IMPACT IN HOST ORGANIZATION

This list is intended to be used in conjunction with the Project Evaluation Questionnaire as a guide for the VOCA interviewer and host organization in identifying the impact or effect of adopting changed practices based on the volunteer's recommendations:

AREA:

I. HOST ORGANIZATION

Economic:
Sales
Profits
Costs
Markets
New value added activities
Record-keeping
Assets
Loans (amount, size, number of borrowers, repayment)

Institutional:
Organizational restructuring
Number of members
New services offered to members
Members trained
Number of employees
Employees trained
Educational programs

II. HOST ORGANIZATION MEMBERS

Members trained
Incomes
Yields
Profits
New value-added activities
Markets
Record-keeping

III. NATIONAL/REGIONAL LEVEL

New government policies implemented
Bills/Laws adopted

IV. OTHER AREAS AS APPLICABLE

Evaluation of VOCA Programs in Central and Eastern Europe

Field Trip Report for The Czech Republic, Slovakia and Hungary

Prepared by:
Management Systems International

Submitted to:
VOCA/Washington, D.C.

January 1994

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102

Table of Contents

I. INTRODUCTION 1
- A. The Agriculture Sector in Hungary 1
- B. History Leading up to Present-day Slovakia and the Czech Republic . 3
- C. The Agriculture Sector in Slovakia 4
- D. The Agriculture Sector in the Czech Republic 6
- E. The VOCA Program 7

II. EVALUATION SCOPE AND METHODOLOGY 9
- A. Timing 9
- B. Scope of Work and Evaluation Methodology 9

III. EVALUATION FINDINGS 10
- A. Overview 10
- B. The Czech Republic 13
- C. Slovakia 17
- D. Hungary 20
- E. Evidence of Secondary Benefits/Impacts 23

IV. VOCA MANAGEMENT 24
- A. Project Identification and Technical Assistance Implementation 24
- B. Cooperation with Other Organizations 25

V. CONCLUSIONS & RECOMMENDATIONS 25
- A. Conclusions 25
- B. Recommendations 27

ATTACHMENTS:
- A. Scope of Work
- B. Evaluation Interview Instruments
- C. Contacts List
- D. VOCA Impact Survey Instrument

I. INTRODUCTION

A. The Agriculture Sector in Hungary

Economic History

During World War II, Hungary was allied with and then occupied by Germany. After the War, the country became a republic and in 1947, the Communist Party took power. Land redistribution and nationalization measures followed despite strong opposition. In 1948, the Communist and Socialist parties merged into a "Workers Party" and, in 1949, Hungary became a People's Republic. The period between 1949 and 1989 was typified by ongoing tension and conflict between hardline communists and more moderate western-oriented factions. The 1956 revolution resulted in brief economic, social and political liberalization but hardliners soon returned to power. In 1968, extensive economic reforms and more modest social and political reforms created a situation where Hungary quickly became the most outward looking of the Warsaw pact countries and strong economic ties were developed with Western Europe, particularly Austria, France and Germany.

A predominantly agricultural country before the World War II, Hungary rapidly expanded its small, successful industrial sector after the War and became an important exporter of engineering products, machine tools, buses, and telecommunications and other electrical equipment. Agriculture retained a strong role in the economy with agricultural exports, primarily of meat, fruit and vegetables, accounting for about half of total exports to Western Europe during the 1970s and 1980s.

Before 1945, agricultural production was based on a semi-feudal system typified by large estates and small family farms. In 1945, most of the large estates were dissolved and more than 400,000 farmers received plots averaging 5.6 hectares. In 1949, collectivization of these small farms began with large cooperatives and state farms being developed. During Prime Minister Imre Nagy's tenure in the mid-1950s, the collectivization process was briefly reversed but by 1958 the government had decided on full collectivization. More than 4,500 cooperatives were developed.

The period 1958-1989 saw consolidation of cooperatives into larger units, increasing centralization of cooperative control and diversification of cooperatives into processing and marketing. The cooperatives also began providing small producers with inputs and marketing channels. By 1989, there were 1,245 cooperatives with an average size of 3,822 hectares and 130 state farms with an average size of 7,608 hectares. Cooperatives occupied 75.6 percent of agricultural land, state farms 15.9 percent and private producers 8.3 percent. It is important to note that Hungary was unique among Warsaw Pact countries in terms of the number and size of private farmers, their production efficiency and their collaboration with cooperatives and state farms. Despite the relatively small size of their holdings, in 1989, private producers accounted for 55 percent of all livestock production and 50 percent of fruit and vegetable production.

Present Situation

With a democratically elected government in power, Hungary has moved rapidly to transform agriculture into a free-market system. The present structure of production involves privatized cooperatives, privatizing state farms and private farmers.

In 1992 nearly all cooperative farms completed legal transformation to become recognized as enterprises under the new commercial code. Property coupons were issued by the state on the basis of land, capital and labor. Auctions were then held by the farms to divide up their physical assets among the owners. Most collective farms emerged from this process as restructured cooperatives of owners and continued to operate much as before.

State farm privatization has been handled differently and has proceeded much more slowly. Most of these farms are being or will be reorganized into limited liability companies or a set of limited liability companies.

Private farmers have always been an important part of Hungarian agriculture. Unburdened by the excess capacity and economic inefficiency of the cooperatives and state farms, some private farms have been able to expand, and capture new markets.

Some of the state-owned processing, supply and marketing companies have been privatized, primarily by sale to outside investors. Roughly two thirds of these firms have yet to complete privatization, and are operating at a loss. Because the Hungarian government has chosen to sell these companies to foreign and Hungarian investors, agricultural producers, lacking investment capital, have been effectively locked out of the process. The outside investors, seeking quick returns on investment, may be unwilling to make the kind of long-term investment in restructuring, new equipment and farmer outreach which would most contribute to the revitalization of Hungarian agriculture.

Constraints

Several obstacles need to be overcome in the ongoing transformation of Hungarian agriculture:

- **Lack of credit for agriculture** is perhaps the most dominant constraint. There is a great need for short-term credit for working capital, primarily input purchases, as well as for longer term investments in improved technology, expanded physical plants, etc. Small farmers who are just starting their operations are in particular need of seed capital.

- **There is a great need for advisory services.** One of the most crippling legacies of 45 years of communism is the lack of knowledge of about how to function in a free market economy. As producers adjust to market forces, they require information on new technologies, marketing practices, business planning, etc. Many of the new farmers are going from being technicians, with

105

one narrow area of expertise on a cooperative or state farm. to running all operations on a small or medium sized farm.

- **Market information** is sometimes unavailable or inaccurate and not widely disseminated. Agriculture producers and managers need accurate and timely production and price information, both domestic and international, to make efficient production and marketing decisions.

- **Agricultural marketing is fragmented, disarticulated and inefficient.** Many of the old processing, supply, and marketing companies are ineffective. Numerous small operators, each taking a percentage, are now providing competition. Wholesale markets are few and far between and futures markets hardly exist. The result is very high marketing margins (i.e., low producer prices and high consumer prices with the margin going to marketing agents).

- **Agricultural policies often are uncoordinated or contradictory.** Policies change frequently and implementation often varies from region to region. This creates confusion and uncertainty among producers.

- **There are limited markets for Hungarian products.** Most traditional markets in the former Soviet Union and Eastern Bloc countries have been lost and, though there are some success stories, penetration of Western European and other markets is not proving easy. The European Community restricts sale of many Hungarian products in its member countries.

- **Production techniques and equipment are outdated.** Like other countries visited by the evaluation team, Hungarian farmers need updated facilities. improved production techniques, improved breeds, business management and marketing skills.

B. History Leading up to Present-day Slovakia and the Czech Republic

At the end of World War I, the Treaty of Trianon united the Czechs and Slovaks into the independent democratic Republic of Czechoslovakia. Between the two world wars, the country enjoyed a thriving economy with a strong agricultural base and industrialization. During World War II, the Czech Republic was occupied by Germany while Slovakia became an independent country with close ties to Germany. After the war, the two republics were reunited and returned to a democratic political system.

The first post-war elections resulted in a coalition government with a communist prime minister. By 1948 the communists had gained complete control and the transition to a command economy was underway. By the early 1960s, the transition was complete. In 1968, the Government's attempt at economic and social liberalization was crushed by an armed invasion from other Warsaw Pact countries. After the invasion, an amendment was included in the constitution by which the country became a federation of the Czech and Slovak Republics unified by a common federal Government.

Economically, the Republics became highly industrialized during the communist era. Through the 1980s, manufacturing accounted for some 70 percent of national income with automobiles, motorcycles, glass, ceramics and textiles among the most important products. In agriculture, private farms were converted into large cooperatives, accounting for some 65 percent of the land under cultivation, and state farms, which accounted for more than 30 percent. Private farmers cultivated only two percent of arable land. Important crops were wheat, barley, potatoes and sugar beets. Livestock production, primarily of cattle and pigs, was also important. In accordance with the government doctrine of "industrialized agriculture", the cooperatives and state farms became huge organizational units focused on the achievement of production targets established in Prague. This direct allocation of production created a system typified by economically inefficient and environmentally unsound location and management of agricultural activities.

The Communist government was toppled by the "Velvet Revolution" demonstrations in November of 1989. In 1990, a new government was democratically elected and the federation began the process of privatization and transformation to a free market economic system. As this process unfolded, Slovak leaders became concerned that the process was being driven primarily by the needs of the Czech Republic. In the June 1992 elections, The Czechs elected conservative reformists while the Slovaks elected a government dominated by liberal nationalists. Due to both ideological and pragmatic differences, the two ruling coalitions were unable to form a unified government and, in January of 1993, the two republics became independent nations.

C. The Agriculture Sector in Slovakia

The Present Situation

The Slovakian agriculture sector consists of privatizing state farms, transformed (formerly state-run) cooperatives, and an emerging class of small private farmers. By 1992, nearly all of the cooperative farms had transformed into private enterprises. Most of them had become "cooperatives of owners" characterized by individually-held property shares and rights to profit distribution. Out of this process has emerged 965 transformed cooperatives, twelve joint stock companies, and nine limited liability companies. In 1989 only five percent of farmland was being cultivated by private operators. By mid-1993 this figure increased to 11.4 percent.

The privatization of state farms has proceeded more slowly than the transformation of cooperatives. This is in part due to the reorganization and restructuring of larger enterprises into smaller units before they are put up for sale. In the interim, many of these smaller units are being leased to individuals.

Under the former communist regime, the supply of agri-inputs, marketing and processing of agricultural products was under the control of large state-owned firms. Some of these have been privatized through the issue of coupons, which were bought up largely through investor funds seeking to maximize short-term profits. However, many have not yet been privatized and are operating far below capacity, or have ceased operations all together.

The changing economic environment in Slovakia, like other countries visited, is a major factor in the slow process of privatization. Other problems exist as well. Slovak borders are open to imports from other European farmers who enjoy higher rates of subsidization. Markets have been lost in the former Soviet Bloc countries, and agriculture is over capitalized. Finally, farmers, managers, entrepreneurs and government policy makers are still learning how to make decisions based on free-market principles.

Constraints

Several constraints need to be addressed in order to develop private sector agriculture in Slovakia. Some main points are highlighted below:

- **The lack of readily available financing** for transformation, expansion and development is the dominant constraint to private sector agriculture. This problem is most acute for private farmers, who have minimum capital, but a wide array of requirements needed to develop their enterprises.

- **The incomplete nature of transformation** is another important constraint. Frustration with the slow pace of land restitution runs high, and private companies find it hard to compete with state-subsidized industries still in existence.

- **The fragmented, disarticulated and inefficient nature of agricultural marketing** is a third constraint. Many of the old processing, supply and marketing parastatals are defunct or ineffective. Numerous small operators, each taking a percentage, now provide competition. Commodity price information is hard to come by, wholesale markets are few and far between and futures markets hardly exist. The result is very high marketing margins (i.e., low producer prices and high consumer prices with the margin going to marketing agents).

- **Input supply** is another serious problem. The supply of inexpensive locally produced fertilizer and seed has become very uncertain while imported inputs are expensive. Many farmers are being squeezed between high input prices and low farmgate prices.

- **Slow payment to farmers**, augmented by lack of credit, has created a situation where farmers are often unable to purchase needed inputs.

- **Uncoordinated or contradictory agricultural policies** create instability in the market place, and confusion among farmers and businesses.

- **Markets are limited for Slovakian products.** Many traditional markets in the former Soviet Union have been lost and, though there are some success stories, penetration of Western European and other markets is not proving easy. The

European Community restricts the sale of many Slovak products in its member countries.

- **Production techniques and equipment are outdated.** Much of the present agricultural production is inefficient. Under the former communist regimes, farmers had guaranteed markets and product quality was of little concern. Farmers need updated facilities, improved production techniques, improved varieties, business management, and marketing skills.

D. The Agriculture Sector in The Czech Republic

Present Situation

The present structure of agriculture production in the Czech Republic is characterized by transformed cooperatives, privatizing state farms, and an emerging class of small farmers.

By 1992, nearly all cooperative farms had completed legal transformation to private enterprises under the new commercial code. The majority became "cooperatives of owners" with property shares and rights to distribution of profits. 1,223 cooperatives and 39 joint stock companies emerged with 59 former cooperatives preferring liquidation.

Privatization of State farms has proceeded more slowly and, in the interim, many of them have been broken down into more manageable units which have been leased to individuals. In 1989, only two percent of Czech farmland was being cultivated privately. This situation has changed significantly. By mid-1993, 29 percent was in private hands.

Under the communist regime, processing, input supply and marketing of agricultural produce was performed by large state-owned firms. Some of these firms have been transformed through a coupon privatization process and are now owned by investment funds which seek to maximize short-term return on investment. Many of the firms which have yet to be privatized have ceased operations or are operating below capacity.

The transformation process is made difficult by an economic environment where borders are open to imports, farm supports are lower than most other countries in Europe, pre-1989 Eastern Bloc markets have been lost, and agriculture is over capitalized. In addition, most private farmers and the decision makers in privatized cooperatives and state farms have a great deal to learn about free market economic decision making that is based on concepts such as pricing, marketing and business planning.

Constraints

Several obstacles need to be overcome in the ongoing transformation of Czech agriculture:

- **The lack of readily available financing** for transformation, expansion and development is the dominant constraint to private sector agriculture. This problem is probably most acute for private farmers, many of whom have

started farming with little or no capital, yet with needs that span the range from inputs to machinery, storage, and transport.

- **The incomplete nature of transformation** is another important constraint. Frustration with the slow pace of land restitution runs high. In addition, private companies find it hard to compete with industries which still receive state subsidies.

- **The fragmented, disarticulated and inefficient nature of agricultural marketing** is a third constraint. Many of the old processing, supply and marketing parastatials are defunct or ineffective. Numerous small operators, each taking a percentage, now provides competition. Commodity price information is hard to come by, wholesale markets are few and far between and futures markets hardly exist. The result is very high marketing margins (i.e., low producer prices and high consumer prices with the margin going to marketing agents).

- **Input supply** is another serious problem. The supply of inexpensive locally produced fertilizer and seed has become very uncertain while imported inputs are expensive. Many of the farmers interviewed by the evaluation team spoke of being squeezed between high input prices and low farmgate prices.

- **Slow payment to farmers**, augmented by lack of credit, has created a situation where farmers are often unable to purchase needed inputs.

- **Uncoordinated or contradictory agricultural policies** create instability and confusion. Policies change frequently and implementation often varies from region to region. This creates confusion and uncertainty among producers.

- **Limited markets for products.** Many traditional markets in the former Soviet Union have been lost and, though there are some success stories, penetration of Western European and other markets is not proving easy. The European Community restricts the sale of many Czech products in its member countries.

- **Production techniques and equipment are outdated.** Much of present agricultural production is inefficient. Under the former communist regimes, farmers had guaranteed markets and product quality was of little concern. Farmers need updated facilities, improved production techniques, improved varieties, business management, and marketing skills.

E. The VOCA Program

The VOCA program in Central and Eastern Europe (CEE) began in Poland in 1989. In April 1991, following sweeping political changes in the former Soviet Bloc, the program was expanded to include several other CEE countries, namely, Czechoslovakia (now The Czech Republic and Slovakia), Hungary, Romania, Bulgaria, Albania and the Baltic States. Funding

was increased to $9.5 million, and life of projected extended for a total of three years, running through March 1994.

VOCA is a volunteer organization which provides technical assistance and training to farmers, agribusinesses, cooperatives, banks, and policy makers through the placement of qualified U.S. volunteers on short-term assignments. In the CEE, VOCA's program emphasizes five areas of development:

- Creation of new, commercially viable private agricultural cooperatives, producer associations and other agribusinesses;
- Enhancement of commercial performance of existing private agribusinesses, principally in marketing and processing;
- Privatization of state agricultural enterprises;
- Creation of, and improvement of existing, agricultural credit institutions to provide credit and banking services for farmers and agribusinesses; and
- Redirection of government extension services toward the private farming sector.

VOCA's strategy is to work with enterprising clients who are taking the initiative to advance their business or organization along free-market principles. Projects are identified through an in-country staff that pays frequent visits to rural areas, networks with other development organizations, and meets with potential clients who have sought VOCA's assistance. VOCA follows a demand driven approach to help ensure that the client will benefit from the volunteer's advice and assistance. In the Czech Republic, Slovakia and Hungary, the program has advanced to the point where VOCA is commonly known through many regions of the country, so that clients frequently come to them with requests. Clients are also required to share some of the project costs by providing co-workers, translators, local ground transportation and the like. VOCA covers all of the volunteer's major expenses such as international travel, housing, and meals.

Each individual volunteer assignment is defined by VOCA as a *project*. Up to the end of FY 1993, VOCA completed 90 projects in the Czech Republic, 35 in Slovakia and 45 in Hungary. The following table summarizes project completions to date.

Table 1: VOCA Project Completions by Country

Country	*FY91*	*FY92*	*FY93*	*Total*
Czech Republic	15	61	14	90
Slovakia	7	16	12	35
Hungary	6	21	18	45
TOTAL	28	98	44	170

II. EVALUATION SCOPE AND METHODOLOGY

A. Timing

This evaluation was conducted by Management Systems International (MSI) at the request of VOCA and A.I.D. Its purpose is to review the end-of-grant status of VOCA's work in Central and Eastern Europe. The Czech Republic, Slovakia and Hungary represent three of the five countries selected for field research, the others being Poland and Albania.

Field work in the three countries was carried out by Douglas Daniell (MSI Program Associate) and Candy Mirrer (MSI Senior Associate) between November 1 and 21, 1993. Prior to departure, the team held briefings with senior management staff of VOCA and of the Regional Mission to Europe (RME) office at A.I.D. Washington. Upon returning to Washington, the Team debriefed with VOCA on December 1, presenting their summary findings, conclusions and recommendations.

B. Scope of Work and Evaluation Methodology

The full scope of work (SOW) is presented in Attachment A. The team was asked to focus on impacts at the enterprise or organizational (what we have called client or beneficiary) level. Areas of investigation included: Did the VOCA volunteer adequately address the problems of the client? Were clients able to implement VOCA recommendations? What changes occurred in the client's enterprise or operations? Were these changes sustained over time?

The team also assessed the effectiveness of collaborative relationships with other organizations working in agriculture in the three countries. These included: Agricultural Cooperative Development International (ACDI), the Cochran Fellowship, Land O'Lakes, The American Cooperative Enterprise Center (ACE), The European Community (EC PHARE), The World Bank, The Slovak-American Enterprise Fund, The MBA Enterprise Corps, The

International Executive Service Corps (IESC), Iowa State University, and The British Knowhow Foundation.

In addition to investigating changes at the client level, the team also looked for evidence of secondary benefits. These typically involved dissemination and implementation of VOCA volunteers' recommendations beyond the initial VOCA client. The evaluation team was able, for example, to document several cases where the VOCA client had served as a model operation for other businesses and organizations.

The evaluation was based on personal interviews with a sample of clients representing about 25 percent of VOCA's work in The Czech Republic, Slovakia and Hungary, and personal interviews with VOCA collaborators and other organizations working in private sector development in the three countries. Questionnaires and discussion points utilized during the field work are presented in Attachment B.

III. EVALUATION FINDINGS

A. Overview

The following findings result from field visits to 39 client beneficiaries representing 56 volunteer assignments in the three countries. On average, this represents 25 percent of volunteer assignments to date. The sample was selected to represent a cross-cut of technical interventions, client groups and geographical locations.

For consistency, findings are grouped in the five program areas identified in VOCA's grant agreement with A.I.D., namely: cooperative development, private agribusiness, privatizing enterprises, credit/financial institutions, and extension services. We have applied these categories based on the organizational structure of the enterprise rather than the service provided by VOCA. For example, most cooperatives received assistance in the structure and management of cooperative organization as well as advice in managing their various agribusinesses and marketing their products.

Table 2: Projects and Clients Surveyed

Program Area	Czech Republic		Slovakia		Hungary	
	Number of Projects	Number of Clients	Number of Projects	Number of Clients	Number of Projects	Number of Clients
Cooperative Development	10	9	8	3	6	4
Private Agribusiness	5	8	2	2	3	3
Privatizing Enterprises	11	3	3	3	5	1
Credit/Financial Institutions					1	1
Extension Services					1	1
Other					1	1
Totals	26	20	13	8	17	11

The evaluation team's focus on cooperative development, private agribusiness and privatizing enterprises reflected VOCA's foci in the three countries. The one project in the "other" category was assistance in curriculum development and management of a public agricultural high school in Hungary.

The evaluation team found that at the immediate client level, the majority of volunteers' recommendations have been, or are being, adopted. With many clients, the impact of adoption can be quantified in terms of greater efficiency, lower production costs, development of new markets, etc. With other clients, quantification is more difficult. This is often the case where VOCA volunteers provided assistance early in the process of transformation or privatization. At the sector level, volunteer recommendations have in some cases been adopted by secondary beneficiaries.

To summarize the effectiveness of VOCA's work with clients visited, Table 3 has been prepared. It ranks client responses to two key questions included in the interview questionnaire: 1) Did the work of the volunteer address the problems which you sought assistance on? and, 2) Were you able to implement recommendations made by the volunteer? By investigating these areas, we are able to assess both the appropriateness and the effectiveness of VOCA's intervention. The remaining sections of this chapter address the question of impact, by documenting changes in the enterprise and the broader community that are related to the assistance provided by VOCA volunteers.

Table 3: Summary of Client Responses

Did the volunteer(s) adequately address the problems and needs of the client?

Country	Completely	Mostly	Somewhat	No	Total
Czech Republic	15	5			20
Slovakia	8				8
Hungary	9	2			11
Total	32	7			39

Did the client implement volunteer recommendations?

Country	All or Nearly All	Some	None	Total
Czech Republic	15	5		20
Slovakia	6	2		8
Hungary	7	4		11
Total	28	11		39

What this table shows is that in the vast majority of cases, clients felt that their problems had been adequately addressed, and they were able to implement the majority of recommendations. Whether or not the client implemented the recommendations is related to several factors, many of which are beyond the ability of either VOCA or the client to change. Almost universally, clients cited the lack of financing as a major constraint in their ability to follow-through with all of the recommendations; for this reason, we have grouped "All" together with "Nearly All," because in many cases, the limiting factor was credit, which was beyond the control of the volunteer, and in most cases the control of the enterprise due to limited banking and financial services. Other constraints cited:

- Reluctance to sell-off unprofitable businesses (holdings in cooperatives) in the hopes that they will some day turn a profit, or because a buyer couldn't yet be found;

- Reluctance to follow-through on "tough" management decisions to restructure an enterprise, lay off employees, etc;

- A general feeling that time was not quite right to implement some of the more progressive, risky recommendations; and

- Lack of capital to buy needed equipment.

Changes at the client level are presented in greater detail in the following sections.

B. The Czech Republic

The evaluation team visited 26 projects, which consisted of 20 beneficiaries. These projects fall under three of the program areas listed above: cooperative development, agribusiness and privatization.

Cooperative Development

The beneficiaries which fall into this category are cooperatives which are in the process of transformation, but have retained much of their cooperative organization and continue to function much as before. The effectiveness of VOCA assignments varied due to the timing of volunteer visits and the timeliness of their recommendations in terms of government transformation efforts. However, those enterprises which have been proactive, rather than reactive, appear to have a better chance of succeeding in the market economy. Some of the clients in the early transformation projects might not have been chosen after a clearer understanding emerged in the country of the players, and of those enterprises which pursue, rather than resist, change. Nevertheless, in all cases the volunteers' recommendations were useful to the clients.

Three Cooperative Farms in Dubne, Kremze and Zaluzany

Three cooperative farms benefited from a series of volunteer visits in the first half of 1992. Land and livestock restitution had resulted in downsizing of these farms. Volunteers made recommendations to reduce operational costs and improve profitability, relating to marketing, production and management structure. Recommendations implemented include the creation of new management structures, development of reserve funds for payment of former members, use of artificial insemination, introduction of improved breeds of cattle, creation of freestall barns and selling unprofitable operations. However, the clients have not been able to implement many other recommendations due to the prevailing constraints -- high rents, high taxes, increased prices of agricultural inputs and lack of available credit. The cooperative representatives indicated that the recommendations made last year might be able to be applied in 1994. Partly this is due to the slow transformation process and vague government policies. It is also likely due to the cooperatives' negative reaction to change.

Zdislavice Cooperative Farm

This cooperative farm received assistance in conducting a management review one month after the transformation law was passed. Many of the VOCA production recommendations were adopted. These included a host of improvements in management of cattle, renting additional land, turning low-yield cropland into pasture, purchasing Holsteins, and adopting minimum tillage techniques (two minimum-till plows have been purchased). The most visible result of the volunteer's recommendations is a state-of-the-art reconstructed freestall farm and a computerized milking parlor which have served as a model for surrounding farmers. This operation gets an average of 20 liters of milk per day per cow with two employees while a traditional barn gets an average of 12 liters per day per cow with six employees. Other results included reduction of labor costs and significant increases in productivity and yields. The number of employees has dropped from 320 to 180 with no reduction in yields. The director visited cooperatives in the U.S. under an ACDI sponsored program.

Telc Cooperative Farm

The volunteer's work with this cooperative farm in May of 1992 involved reviewing the transformation laws, evaluating financial and organizational systems (i.e., accounting, earning capabilities, organizational structure and effectiveness) and assessing employment needs. An unforeseen change in cooperative leadership just before the volunteer's visit resulted in the volunteer working with a farm director who was apprehensive about transformation.

The client applied recommendations relating to production. These included improved cattle management techniques, purchase of minimum till plows and use of minimum till techniques. Organizational structure recommendations were not adopted, due to several changes -- including additional land restitution and farms splitting off from the cooperative -- that occurred after the volunteer's assignment. The client indicated that VOCA assistance would be useful in the policy reform area in the Ministry of Agriculture, where it was stated that policies were needed to benefit private farmers. The volunteer met with leaders of six other cooperatives during the assignment who have since adopted some of the volunteer's recommendations.

Zichlinek Cooperative Farm

This large multifaceted agribusiness benefitted greatly from the work of two volunteers in May and September of 1992. Their recommendations on capital structure, board roles and employee communication were applied. The client continues negotiations with foreign firms for additional vertical integration. Production recommendations that have been applied include diversifying out of meat cattle production, using improved hog breeding techniques, vertical integration of the hog operation (a slaughterhouse operation which the farm purchased will be opened at the end of 1993), and packaging and processing of pork. As a result, the firm is operating at a profit. The farm's manager invited other farmers and representatives of agricultural schools to meet and talk with the volunteers.

Private Agribusiness

Volunteers made recommendations relating both to production improvements and to strategic planning, organizational structure, staffing policies, marketing and production, and financial and economic planning.

Pyrop Ltd.

This diversified company maintains an orchard operation that received volunteer assistance in the middle of 1993. As a result of the volunteer's recommendations, the company prepared a business plan and launched an aggressive marketing campaign involving advertising, joining an international marketing organization and hiring a full-time marketing agent. The strategy developed by the volunteer allowed the orchard to penetrate Western European markets (Germany and Austria) for the first time. Technical recommendations regarding use of fungicide and waxing will be adopted next year. The orchard managers summarized the impact of the volunteer's work as enabling them to sell more at a better price and providing them with a clearer vision of how to compete in the future. VOCA is preparing to send additional volunteers to help Pyrop Ltd. develop its cattle operations.

Three Lounv Private Farmers

These three farmers have similar medium-sized mixed farms which had once formed part of a cooperative. During July of 1993, they worked with the same volunteers. They have all implemented technical recommendations (improved silage, untethering cattle, mastitis control, castration of beef cattle, etc.) for their dairy operations. Two of them are implementing crop rotation, silage and tillage recommendations. Other technical recommendations including introducing improved breeds of cattle, providing better feed and investing in new buildings will be implemented, finance permitting. The farmers have been frustrated in trying to find sure markets for their produce (another recommendation) due to the economic situation. A final recommendation, that they work together to increase efficiency, is being implemented. The volunteers also worked with other local farmers.

Four Podboranv Private Farmers

Three of these four private farmers worked with two volunteers in September of 1993. The fourth farmer worked separately with a different volunteer. The volunteers were asked to make recommendations to increase the efficiency and competitiveness of the farmers' operations and help them plan for the future. As was the case above, the volunteers made a host of technical recommendations, many of which are being implemented and many of which require financing for implementation. Examples of recommendations that are being implemented include putting marginal crop land into pasturage, cross-breeding cattle, using improved milking techniques, slurry (rather than dry) feed for hogs and improved air circulation in hen houses. All four of the farmers felt that the advice on cost/benefit analysis and business planing they had received was useful. They are using this advice but are frustrated by lack of funds and a volatile economic situation.

Agria Group Private Farmer

This private farmer, Mr. Hudecek, has formed a group with two others to farm 280 hectares. He and his partners worked with a volunteer in the spring of 1992. They were able to implement most of the volunteers' production recommendations including use of improved seed, green manure and improved crop rotation. As a result, their corn yields have gone up by 50 percent and their sunflower and soybean yields have improved. They have also purchased equipment to make their green manure operation more efficient. Other recommendations will be implemented when finances permit. The volunteer also provided considerable useful advice on marketing. VOCA helped to arrange a trip to American farms for Mr. Hudeck which he found very useful.

Bio-Product Pig Farm

The VOCA assignment had just ended before the team's visit. Nevertheless, because the managers (who happen to be the youngest VOCA has worked with in the Czech Republic) of this enterprise are proactive, many recommendations have already been adopted. Bio-Product may also become a demonstration farm which will broaden benefits to other hog farmers in the region. The volunteers' recommendations were in two areas: business planning and production improvement.

Recommendations in business planning at the micro and aggregate level -- balance sheet, cash flow, cost accounting -- have been quickly applied, and have given the client the necessary financial, accounting and strategic planning skills required to improve his business. The volunteer and client worked together to translate and modify an American computerized cash flow system. The new system is being used and has resulted in greater efficiency. In addition, when credit becomes available the client will have information and models necessary to discuss financing.

Recommendations for improved housing for healthier pigs and more efficient production are being applied and are 30 percent complete. Recommendations to increase the nutritional value of feed mixes will be applied. In addition, the company is working with the local ZZN (supply and marketing company) to improve feed mixes on the basis of volunteers' recommendations. The company is maintaining contact with the volunteer who will make a follow-up visit in the spring under the auspices of VOCA.

Privatizing Enterprises

Breclav ZZN Supply, Processing and Marketing Company

This company benefited from four VOCA projects, two in the end of 1991, one in 1992 and one in 1993. The VOCA volunteers' ideas gave him the advantage of being in the market quicker than upcoming competitors. In addition, their Western advice "infected" the employees with management and business culture. The General Manager adopted or fine-

tuned the volunteers' recommendations which impacted his business operations in the following ways:

- expanded product line;
- increased market share through geographical expansion;
- increased productivity through improved technology and lower labor costs;
- increased flow of information; and,
- resulted in a greater number of customers.

VOCA facilitated a trip, financed by ACDI, for the General Manager to visit similar firms in the U.S., which he found very useful.

Tlumacov State Breeding Company

Five VOCA assignments in 1991 and early 1992 to this enterprise were to make recommendations for privatization, create an organizational structure and help make marketing and production improvements. This resulted in better cattle management techniques, improved cattle feed and more efficient crop rotation. These and other recommendations were largely applied and served to reduce manpower and increase productivity:

- calf mortality declined from 17 to 3 percent;
- a vaccine is being tested and will be introduced next year;
- privatization was completed earlier than other farms, providing a head start in the market; and
- organizational structure was modified and fine-tuned as a function of volunteers' recommendations to include two limited liability companies, four joint stock companies, and three private companies.

C. Slovakia

The evaluation team visited 13 projects and eight beneficiaries in Slovakia. The projects were in cooperative development, private agribusiness, and privatizing enterprises.

Cooperative Development

Three Trencin District Cooperatives

In the fall of 1992, several volunteers worked with three cooperatives undergoing transformation near Trencin on technical efficiency issues and privatization planning. The volunteers made a host of technical recommendations some of which were implemented and many of which were not, with lack of funding being the explanation for the latter situation. One example of success was increased efficiency in hog operations. One company now uses five fewer people for the same number of hogs and hog growth rates have increased 40 percent.

The planning recommendations met with less success. All three cooperative managers are reluctant to make the kinds of changes in operations that will provide them with the potential for success in a free market environment. They are not yet convinced of their benefits.

Farms are applying the VOCA volunteers' recommendations in soil conservation. They are removing highly erodible land from crop production and replacing it with pastures. They plan to begin grazing these pastures in the coming year. They also plan to implement green manure and crop rotation recommendations. As recommended, a small experimental plot has been established to compare results of different fertilization techniques. Long-term relationships with buyers (a key recommendation) were also established, which contributed to increased profits.

An additional result of this project was the formation of farmer producer associations to communicate and implement VOCA recommendations on a wider scale.

Private Agribusiness

Volunteers made recommendations for a dairy plant, a private farmer and a beekeeping operation. These recommendations related to strategic plans, organizational structure, staffing policies, marketing, production, financial and economic planning.

Bioklen Dairy

For this dairy processing company, the volunteer, who worked with the company in August of 1993, developed an export marketing strategy and made promotion, advertising, trademark, pricing, and packaging recommendations. Several marketing recommendations including advertising and development of a logo have been implemented. The client prepared price and product lists in English which were faxed to buyers in England, Ireland and the USA. As a result, continuing contact is being made with groups interested in exports. Due to financial constraints, the client was unable to purchase new machinery to expand product lines.

Dedinsky Beekeeping Company

The client, a beekeeping operation, hosted a volunteer in July of 1993. Recommendations in improving production capability and diversifying product lines were readily adopted by Dedinsky. In addition, the volunteer provided marketing information for use in exporting. As a result, this firm has significantly reduced production costs and increased productivity and profitability. The client has increased his wholesale operations and now buys from 15 other large honey producers and more than 100 small producers. The client renegotiated a loan with the Slovak Enterprise Fund and has secured an alliance with a partner in Germany. The volunteer's assignment resulted in the firm working proactively and successfully to become a leader in the Slovakia honey industry. Dedinsky and the volunteer are in weekly contact, with the volunteer providing ongoing business advice.

Galanta Private Farmer

This dynamic 130 hectare farm has been in operation for four years. A VOCA volunteer worked with this and one other farm in May of 1993. The volunteer provided recommendations for improved production and business practices, most of which have been implemented. These included improved crop rotation patterns, use of green fertilizer, development of trial plots experimenting with different types and dosages of fertilizer, and nitrogen analysis of soils as a basis for planning fertilizer use. In terms of business practices, the volunteer made recommendations about contracts with suppliers and purchasers and was able to assist in developing such contracts. In part as a result of the volunteer's efforts, this farmer has developed a long term relationship with a major buyer.

Privatizing Enterprises

As was the case in the Czech Republic, the effectiveness of VOCA volunteers' assignments relating to privatization varied due to the timing of their visits and the timeliness of their recommendations in terms of government and privatization efforts. However, those enterprises which have been reactive appear to have a less chance of succeeding in the market economy. Some of the clients in the early privatization projects might not have been chosen after a clearer understanding emerged in the country of the players, and of those enterprises which embrace, rather than resist, change. Nevertheless, in all cases some recommendations have been implemented and the clients appreciated the volunteer's contributions.

Bratislava State Poultry Farm

A state poultry farm was the beneficiary of this project. The VOCA assignment was to provide guidance on organizational structure, technology, management issues, marketing and privatization.

The farm has yet to be privatized. Therefore some recommendations, i.e., roles and responsibilities of the board and management, will only be applied when the process is underway. Energy cost reduction recommendations were applied, and resulted in 50 to 60 percent savings on energy in some buildings. Other recommendations resulted in improved staff selection procedures and reduced labor costs. VOCA also arranged for the farm manager to attend training in the U.S. sponsored by ACDI.

Riso Canning Company

The VOCA assignment was to help Riso develop a restructuring plan and an export marketing strategy. Specific recommendations on restructuring were not applied, but adapted for use in pursuing joint ventures and alliances with trading partners in France and Kiev. Recommendations were particularly useful in creating a business plan for the new enterprise, which included cost analysis, ROI, break-even analysis and contribution ratio analysis. As a result the client has been able to produce an improved presentation for potential creditors and trading partners. This understanding of Western accounting practices has also produced improved relationships with foreign suppliers. Human resource recommendations pertaining

to downsizing and improved job descriptions have been applied. Performance management and incentive systems will be formalized in the next year.

D. Hungary

The evaluation team visited 17 projects and 11 clients in the areas of cooperative development, private agribusiness, privatizing enterprises, extension services, credit and curriculum development.

Cooperative Development

Three Tokaj Cooperatives

Five VOCA volunteers participated in three teams over two years to advise wine marketing cooperatives and processors on how to operate efficiently in the market economy. The first two volunteers largely contributed in demonstrating how to interact and operate with foreign investors. They also outlined scopes of work for three subsequent VOCA volunteers.

Subsequent volunteer recommendations built upon previous volunteer visits. For example, one volunteer's recommendations centered on packaging, promotion and labeling. As a result, the director of the processing unit (kombinat) participated in international trade shows and generated sales.

The last team of volunteers built on earlier marketing recommendations by advising on strategy and applying strategic principles for pricing, organization, finance and distribution. However, these recommendations have not been applied, largely due to the combination of the fluid economic situation in Hungary and the clients' resistance to change. Another constraint is the lack of credit required to make production improvements. While barriers to market entry exist, it must be emphasized that the clients are not implementing all the changes needed to operate in the market economy.

Private Agribusiness

Szil Nursery

The VOCA volunteer spent August of 1993 developing an export strategy for this client. Production advice was also provided. Recommendations included:

- strategic analysis of the market (competitors, distribution, potential growth);
- identification of market barriers to new opportunities;
- establishment of distribution channels;
- packaging;
- promotion; and
- contacts for buyers and suppliers.

As a result of these recommendations:

- customer orders have been secured from Austria and Slovakia;
- business relations with Austria, Italy and Germany have been enhanced;
- twenty-five letters of interest have been received from potential buyers; and
- a joint venture with a German firm may occur.

An additional benefit has been the formation of a nursery association, which will share machinery. The client is the leader of this association, and the VOCA assignment has served to enhance his image in the industry. The same VOCA volunteer is expected to return in the summer of 1994.

Kecskemet Wholesale Market

In the end of 1992, a volunteer assisted in developing a detailed plan for a wholesale market operation. The volunteer's contributions were seen as invaluable because of his extensive experience in what is a new area of activity for Hungary. The volunteer helped reorganize an existing plan in a much more efficient manner. He also developed a system for contractual relationships with farmers and developed U.S. contacts for the wholesale market. The market is only about ten percent complete but financing for the remaining 90 percent appears to be imminent.

Fuzesabony Dairy Feasibility

Early in 1992, a volunteer conducted a feasibility study of how to expand this dairy's production into cheese processing through the acquisition, or building, of new facilities. The volunteer's primary recommendation was that rather than building a dairy plant, part of an old plant should be purchased and refurbished. This has been done successfully in part because of the very detailed analysis provided by the volunteer. Due to changes in the Hungarian economy, some other recommendations could not be applied immediately. However, these recommendations have laid a groundwork and strategy for the future. Cost structure and debt schedule recommendations could not be applied due to the constant changing of prices and input costs. However, the volunteer helped the client develop an understanding of Western management and business practices.

Privatizing Enterprises

The effectiveness of VOCA volunteers' privatization assignments was especially difficult to quantify in Hungary due to an uncertain economic environment, changing laws, and a lack of credit early in the privatization process.

Ministry of Agriculture, Privatization Department

Five volunteers in late 1991 and early 1992 assisted the Ministry of Agriculture, Privatization Department to assess privatization in five agricultural sectors -- dairy, milling, meat, canning and grain -- and in developing privatization models for each sector. They made

recommendations on how to restructure private agricultural processes in the market economy. The volunteers visited several privatizing companies and made recommendations for improving production efficiency and restructuring, some of which were implemented. Many recommendations were not applied. due to changing laws. However, these volunteers were the first persons from the West to transfer management and business concepts, which were well received. In fact, the client requested follow-up VOCA assistance. As a result of this project, VOCA's image was enhanced in the agricultural community.

Department of Rural Finance and Enterprise

Two volunteers spent August of 1992 establishing an institutional framework for a land mortgage system which would assist farmers in securing long-term credit. Several options were provided, and one was adopted and fine tuned as part of a package of three proposed laws for presentation to the government. These laws are now in committee and are expected to be placed before Parliament in early 1994. The three laws are intended to:

- Establish and operate a land mortgage institute;
- Establish and operate mortgage bonds; and,
- Amend the civil code with regard to collateral requirements.

Financial Institutions/Credit

OKTA Credit Union

In August of 1992, a VOCA volunteer appraised and evaluated this credit union's organizational strategy. Recommendations relating to educating the public about credit unions were implemented. Institution building recommendations were not applied because the client felt that institution building was not a viable activity given the changing economic and political situation.

Extension Services

Hungarian Private Farmers Association

The Hungarian Private Farmers Association is a grass-roots organization dedicated to the betterment of private farmers. At the end of 1993, the association had more than 300 local societies, 13 county associations and some 20,000 members. Assistance from VOCA was provided in the form of a lobbyist from the Georgia Farm Bureau Association who assisted them in refining organizational structures, staffing, future planning and developing of a newsletter for association members. VOCA also helped the head of the association obtain a Cochran Fellowship for a visit to farms, cooperatives and agribusinesses in the U.S. VOCA has an ongoing relationship with this dynamic and rapidly growing organization. Future volunteer assistance is planned.

Other

Sellve Agricultural High School

In May of 1992, a volunteer worked with an agricultural high school which was changing its curriculum to reflect the new economic situation. The volunteer did an exhaustive review of the proposed curriculum and judged it very positively, though he did recommend some changes. This was of great benefit because the school's directors had not known if the proposed curriculum was appropriate. The volunteer also suggested the development of a "Future Farmers of Hungary" program modeled on the U.S. system. This is being implemented. The volunteer's final recommendation was to run the school's farm like a real farm and have students involved in farm management competitions involving pricing and marketing. This is being implemented. VOCA also assisted the volunteer in working with two other schools which are adopting the new system.

E. Evidence of Secondary Benefits and Impacts

The team identified a range of secondary benefits from volunteer assignments. Though the extent of such benefits varied from project to project, good projects often involved one or more of the following:

- The volunteers make visits, often with their primary client, to organizations similar to the project organization. During these visits, volunteers typically provided advice similar to that provided to the primary client.

- Group meetings were held with decision makers from organizations similar to that of the primary client. In these meetings, volunteers usually presented part or all of their findings and recommendations.

- VOCA provided information on volunteers' recommendations to other interested parties.

- The clients presented volunteer recommendations to other potential beneficiaries. This happened frequently on an informal "down at the pub" basis and less often on formal pre-arranged meeting basis.

The most elaborate outreach activity which the evaluation team learned of was in the Czech Republic and Slovakia where three different VOCA volunteers elaborated models for cooperative transformation, which VOCA used to develop a synthesis report. The models and the synthesis were published in national agricultural newspapers and distributed to hundreds of cooperative managers and economists. Seminars were held throughout Slovakia and the Czech Republic to discuss the models.

IV. VOCA MANAGEMENT

A. Project Identification and Technical Assistance Implementation

The VOCA staff is dedicated, hardworking and extremely adept at identifying host's needs and matching them with volunteer's skills. The first key to successful project development is determining what problems need to be dealt with and describing them in a scope of work (SOW). Development of the SOW is an iterative process where the potential client reviews VOCA's draft and suggests changes. As part of this process, VOCA staff members make one or more visits to the potential host. These visits provide an opportunity for discussion of the SOW and logistics details such as food, lodging, translation and transport. The result is development of a clear joint understanding of both the problem(s) the volunteer will address, and volunteer support roles and responsibilities.

The second key to successful project development is identifying hosts who are willing and able to implement recommendations. Successful projects involve clients who have entrepreneurial values and attitudes, and the financial wherewithal to do something about them. This is sometimes hard to determine a priori but VOCA recognizes its importance.

The third key to project development is identifying appropriate volunteers. VOCA does an excellent job at this. The volunteers that worked with the clients interviewed by the evaluation team were almost universally seen to have been dedicated, hardworking, highly qualified and appropriate for their assignments.

The most effective volunteers possess, in addition to their professional skills, two interrelated qualities. First, they develop strong personal relationships with clients and, second, they are able to rapidly develop a sense for what is feasible in the prevailing social/political/economic environment and adapt their recommendations accordingly. In short, they are able to see not just what should be done, but what can be done, and are therefore able to provide clients with an effective plan for implementing recommendations. In these situations, volunteers and clients often stay in frequent contact after the assignment, with the volunteer providing ongoing advice and support.

Volunteers' recommendations had the greatest demonstrable impact in situations where some or all of the following conditions prevailed:

- The client had a proactive, entrepreneurial, change-embracing mindset.
- The problems that the client faced were clear and could be influenced by the client's actions.
- The volunteer was able to provide the client with an effective plan for implementing recommendations. This was a function of the volunteer focusing on feasibility of recommendations as well as their technical appropriateness.
- The client had adequate funds and equipment to implement recommendations.

- The existing policy and regulatory environment encouraged or, at a minimum, did not discourage the client's economic activity.

Volunteers had the least demonstrable impact in situations where most or all of these conditions did not prevail: the client's needs were complex and diffuse, funding and equipment were scarce, policy backing was uncertain, and clients were unwilling to change. For example, transformation of the large Telc cooperative with many kinds of operations and leadership focused on workers' demands that everything remain the same.

B. Cooperation with Other Organizations

VOCA has a very good relationship with A.I.D. at the Regional Mission for Europe in Washington, and the Offices of the A.I.D. Representatives in-country. In the Czech Republic, VOCA instigated monthly meetings with A.I.D. for contractors working in agriculture. In Hungary and Slovakia, VOCA meets with A.I.D. on a monthly basis. In addition, many VOCA volunteers brief A.I.D. before returning home. VOCA provides A.I.D. with information of a quality and quantity which exceeds the requirements of their grant agreement, although A.I.D. would like more impact information that demonstrates VOCA's effectiveness.

At the host government level, VOCA works closely with the ministries of agriculture in the three countries visited. VOCA systematically provides the ministries with information on VOCA's activities and, at both national and regional levels, ministry officials provide information about VOCA to potential clients. VOCA has also provided volunteers directly to national ministries to assist in preparing sectoral privatization plans, for example, in Hungary.

At the country level, VOCA shares information and coordinates activities with other expatriate organizations active in the agriculture sector. These organizations include the American Cooperative Enterprise Center (ACE), Agricultural Cooperative Development International (ACDI), the International Executive Service Corps (IESC), Iowa State University, the MBA Enterprise Corps, the British Knowhow Foundation and the Slovak-American Enterprise Fund.

V. CONCLUSIONS & RECOMMENDATIONS

A. Conclusions

1. VOCA activities have effectively promoted private sector agriculture in the three countries visited by the evaluation team. At the client level, the majority of volunteer recommendations have been adopted or are being adopted. With many clients, the impact of adoption can be quantified in terms of greater efficiency, lower production costs, development of new markets, etc. With other clients, quantification is more difficult. This is often the case where VOCA volunteers provided assistance early in the process of transformation or privatization.

2. Despite the challenges inherent in managing rapid organizational growth. the evaluation team saw no decrease in the quality of VOCA project management since the inception of the Eastern Europe program in 1990. In fact, increased understanding of the economic, political and social environments of the three countries has made VOCA management more effective. This point should be emphasized. In all three countries, an initial focus on privatization and/or transformation allowed VOCA to develop an in-depth understanding of agriculture sector constraints and opportunities. With this knowledge, VOCA was able to better target volunteer projects on clients with both the willingness and the ability to implement recommendations.

3. VOCA volunteers have been of a high calibre, demonstrating both technical competence and professional commitment. Clients constantly remarked on how much they enjoyed working with the volunteers and how discussions with the volunteers had provided them many insights into Western business practices and culture.

4. VOCA has good management systems in place to support volunteer assignments. Scopes of work are generally well developed and comprehensive, with clients playing a key role in their development. Volunteers are provided with good briefing materials and receive excellent staff support during their work. A system of following-up on each assignment is in place with client's progress being reported on by VOCA three months and twelve months after the volunteer's visit. This system should provide useful information to management.

5. VOCA's work has frequently served to stimulate benefits beyond the level of the initial client enterprise. In many cases, this has involved volunteers working with other farmers or business owners who have problems similar to that of the client. In some cases, volunteer recommendations have resulted in the formation of organizations like the Hungarian Nurserymen's association, Future Farmers of Hungary and producer associations in Slovakia. VOCA has helped facilitate working visits by clients to the U.S. which, in addition to broadening the client's production and business skills, have served as a forum for developing business contacts. VOCA has also disseminated volunteer recommendations to other interested parties.

6. VOCA has excellent working relationships with both national governments and other expatriate organizations. VOCA has worked closely with ACDI and the Cochran Fellowship to help arrange client visits to the U.S., and has played a leadership role in donor coordination. VOCA has also worked with other organizations to source credit for VOCA clients.

7. The VOCA program in CEE has expanded very rapidly over the last three years. This expansion has not resulted in a reduction of project quality. However, growth has put high demands on staff in the field, expatriate as well as local. VOCA is addressing the issues of the staffing patterns and levels needed to keep pace with this growth.

B. Recommendations

1. The system for monitoring projects that was in place before 1993 did not provide adequate information to effectively track implementation and impact of volunteer recommendations. In recognition of this, VOCA has put in place a system employing three month and twelve month follow-up forms which provide a solid basis for implementation and impact monitoring. VOCA has two remaining tasks. The first is to modify staffing patterns and/or levels such that project follow-up is performed in a systematic and timely manner. The second is to develop a system for aggregating and disseminating data produced by the system. The evaluation team has made source suggestions which are presented in the Summary Report.

2. VOCA recently revised the format and guidelines for volunteers to use in preparing their final reports. As part of a request that the evaluation team review VOCA's monitoring and evaluation system, we have considered the volunteer reports as important information into VOCA's management information system. We therefore suggest that VOCA add a simple tool to the reporting format which will highlight volunteer recommendations, because the recommendations are the outputs of the project, and they form the basis for measuring the future result and impact of VOCA's assistance. The evaluation team has provided a suggested covering sheet and matrix table which could be attached to the report to serve this purpose. (See attachments to Summary Report.)

3. Thought should be given to organizing more frequent VOCA retreats or conferences on a regional level. The country directors and other professional staff members of the regional offices felt that, in addition to the important coordination role that such retreats would play, it would be very useful to exchange ideas, information, techniques and experience with VOCA personnel from other countries in the region. Given the rapid expansion of VOCA's CEE Program, the evaluation team also endorses this idea.

4. Much of VOCA's work at the field level has produced important secondary impacts beyond the initial client. Designing volunteer assignments to maximize the potential for secondary benefits should be a priority. This may require modification of staffing levels and/or patterns. Maximization of secondary impacts could be the theme of a regional workshop with VOCA staff presenting and discussing their experiences in this area. One product of such a workshop might be a handbook describing different secondary impact techniques. An alternative possibility for developing such a handbook would be to have one member of the VOCA staff travel through the region collecting secondary impact information.

5. VOCA is very good at coordination with other donors. Because of its grass roots volunteer activities, VOCA is often able to provide other donors with important information on the economic situation at the local level. One aspect of this has been describing how financing/credit is the dominant constraint for so many of VOCA's clients, particularly small farmers. Working with other donors, VOCA has done a good job of providing clients with information about opportunities for credit and the

process of applying for credit. VOCA should continue to stay on top of the credit situation and provide clients and other potential beneficiaries credit information. Staff resources permitting, VOCA should consider playing more of a leadership role in the credit area, perhaps organizing workshops around the issue for the government and/or appropriate donors. VOCA could also consider working with the Peace Corps, the MBA Enterprise Corps or a similar organization to provide volunteers to work full time on developing credit sources for clients.

ATTACHMENTS

ATTACHMENT A:
VOCA EVALUATION SCOPE OF WORK

I. PURPOSE

The purpose of this assignment is to conduct a final evaluation of VOCA's Central and Eastern European program which is funded by AID/Europe Bureau.

II. FOCUS

The evaluation will focus on interventions at the field level. Specifically, the evaluation will assess the benefits of volunteer assignments at the enterprise or organization level. This will be looked at in the context of the specific program components below as relevant to each country:

A. Establishment of private agribusinesses and associations

B. Credit and banking services

C. Extension services

D. Enhanced economic results for existing private enterprises

E. Privatization of state agricultural enterprises

III. IMPACT

The impact of VOCA's projects will be measured primarily by the effectiveness of VOCA's assignments at the enterprise level. This will be determined by looking at results of volunteer work, specifically: Were the volunteer's recommendations implemented? Did the implemented recommendations result in changed practices for the host organization or its members? Were the changed practices sustained over time?

Although assessing impact at the enterprise level is the centerpiece of the evaluation, to the extent that there is information available the team should also review indirect/collateral benefits from the VOCA program. These include influencing macro level policies and decisions and the development of collaborative relationships which extend the benefits received from volunteer technical assistance by providing access to credit, joint venture and trade opportunities, etc. Examples of this are collaborative relationships with CARESBAC and the Joint Commission on Humanitarian Assistance through which VOCA client organizations have been able to access capital resources, and with ACDI which has provided U.S. training to agribusiness and government leaders identified by VOCA volunteers.

IV. SCOPE AND METHODOLOGY:

Five countries with VOCA programs will be visited: Poland, Czechia, Slovakia, Hungary and Albania. In each country, an evaluation team of two specialists will visit host organizations and interview counterparts, farmers and other relevant beneficiaries. The organizations visited and project reviewed will constitute a representative mix of VOCA's projects in that country, in terms of geography, area of technical assistance, date of completion, etc. The evaluation team will also meet with AID missions and with collaborative organizations.

Prior to the overseas work, the evaluation team will have a team planning meeting in Washington DC. At VOCA's Washington office, the team will review necessary background documents to prepare for the evaluation and will be briefed by VOCA staff. Since the major focus of the evaluation will be field program effectiveness and impact, less priority will be placed upon reviewing management and institutional structure.

V. TIMING

The evaluation will start the first week of November 1993, with one team spending two weeks in Poland while the other spends a total of three weeks in Czechia, Slovakia and Hungary. In December, Albania will be visited for two weeks. It is anticipated that the final evaluation report will be available by early January 1994.

VI. PERSONNEL:

The evaluation will be conducted by management Systems International (MSI), using a team of two specialists for each of the three country/regional evaluations: Poland, Prague Regional (Czechia, Slovakia, Hungary) and Albania. A total of four evaluation specialists will participate in the field work and the final report preparation. Meetings between different teams will be held in the field to facilitate coordination among the teams and cohesiveness of the overall evaluation, in addition to the team meetings in Washington pre and post-assignment. To further ensure continuity, VOCA's Program Research and Evaluation Coordinator will travel with the different teams.

ATTACHMENT B: INTERVIEW INSTRUMENTS

QUESTIONS FOR ENTERPRISES/INSTITUTIONS (E/I)

Background

What was the (original) problem that you requested VOCA to assist you with?

Were recommendations made for this problem? If no, why not? If yes, when?

Were they applied? If no, why not? If yes, when?

Have they continued? If no, why not?

What other problems did the VOCA Volunteer identify?

Were recommendations made for this/these problem(s)? If no, why not? If yes, when?

Were they applied? If no, why not? If yes, when?

Have they continued? If no, why not?

Are there other sources of assistance like VOCA? What are they?

Changes

How has the E/I changed since adoption of recommendations?

- production costs
- production volume
- yields
- members/ employees/ clients
- market share
- new markets
- new/changed products
- sales/revenues
- other

Other Effects

1. Have VOCA recommendations to your E/I been adopted by others?

2. What other benefits/results (perhaps unanticipated) have occurred as a result of this project?

3. What do you see as the major obstacle to developing private sector agriculture?

DISCUSSION POINTS FOR OTHER STAKEHOLDERS

Are you familiar with VOCA's work?

What are the major constraints to promoting (developing) private sector agriculture?

What is being done to address these? Are they appropriate? What yet needs to be done?

What major changes have occurred in the ag sector over the past few years?

What changes do you anticipate in the future?

ATTACHMENT C:
CONTACTS LIST

The Czech Republic:

1. Ms. Rosemary Mahoney, VOCA Regional Representative
2. Mr. Dusan Cechvala, VOCA Country Director
3. Ms. Dasha Vyklicka, VOCA Project Assistant
4. Ms. Lida Fortova, VOCA Secretary
5. Mr. Bob Posner, USAID
6. Mr. Jan Doskocil, USAID
7. Ms. Lee Roussel, USAID Representative
8. Karel Prokop, Land O'Lakes Inc.
9. Peter Lazor, American Cooperative Enterprise Center
10. Irena Valentova, American Cooperative Enterprise Center
11. Mr. Zapletal, Director, Regional Ministry of Agriculture (Louny District)
12. Mr. Bittner, Manager of Pyrop Ltd.
13. Mr. Pospisil, private farmer (Louny District)
14. Mr. Suchy, private farmer (Louny District)
15. Mr. Skutchan, private farmer (Louny District)
16. Mr. Smetana, private farmer (Podobrany)
17. Mr. Rathousky, private farmer (Podobrany)
18. Mr. Salinger, private farmer (Podobrany)
19. Mr. Josef Rotter, Zichlinek Cooperative Farm
20. Mr. Skrle, Zdislavice Cooperative Farm
21. Representatives of cooperative farms in Dubne, Zaluzany and Kremze

22. Mr. Krejcir, Director of Telc Cooperative Farm

23. Mr. Stribrny, Economist at Telc Cooperative Farm

24. Mrs. Pstova, Tlumacov State Breeding Company

25. Mr. Rod, Tlumacov State Breeding Company

26. Mr. Pavelka, Breclav ZZN (Supply and Marketing Company)

27. Mr. Jiri Hudecek, AGRIA Private Farmers

28. Mr. Jan Kubala, Bio-Product Company

Slovakia:

1. Ms. Rosemary Mahoney, VOCA Regional Representative

2. Mr. Pavel Voda, VOCA Country Director

3. Ms. Elizabeth Pocs, VOCA Assistant Director

4. Mr. Loren Schultze, Project Development Officer, USAID

5. Mr. Martin Brunovski, Project Specialist, USAID

6. Dr. Maco, Ministry of Agriculture Donor Assistance Coordinator

7. Mr. Simon Stark, Slovak-American Enterprise Fund

8. Mr. Martin Plesnik, Bratislava State Poultry Farm

9. Ms. Nina Jurewicz, Iowa State University

10. Mr. Francisci, Private Farmer in Galanta

11. Mr. Ladislav Vanco, BIOKLEN Dairy

12. Mr. Stefan Kozar, Ministry of Agriculture Regional Inspector

13. Mr. Jaromir Kosin, RISO Canning Company

14. Mr. Polacek, Regional Ministry of Agriculture (Trencin)

15. Mr. Sulek, Representative of a Cooperative in Trencin District

16. Mr. Lukas, Representative of a Cooperative in Trencin District

17. Mr. Eferi, Representative of a Cooperative in Trencin District

18. Mr. and Mrs. Dusan Dedinsky, Beekeepers

19. Mr. Francisci, Private Farmer in Galanta

Hungary:

1. Ms. Rosemary Mahoney, VOCA Regional Representative

2. Mr. Istvan Mikus, VOCA Country Director

3. Ms. Aniko Gal, Assistant Director

4. Mr. Kiss Erno, Szil Nursary

5. Ms. Katalin Babosik, USAID Project Specialist

6. Ms. Mary Likar, USAID Project Development Officer

7. Mr. Steve Benford, CHEMONICS

8. Rifat Barokas, Agricultural Cooperative Development International

9. Mr. Sandor Laszlofi, Director--Ministry of Agriculture Privatization Department

10. Mr. Ferenc Ladanyi, Chief of Section--Ministry of Agriculture Privatization Department

11. Dr. Imre Fekete, Senior Advisor, Ministry of Agriculture Economics Department

12. Mr. Mihaly Koppanyi, Senior Economist--World Bank

13. Dr. Imre Takacs, EC PHARE

14. Dr. Istvan Banati, Ministry of Agriculture Department of Rural Finance and Enterprise

15. Mr. Lajos Erdelyi, Credit Union Development

16. Mr. Eva Gura, Credit Union Development

17. Mr. Gyula Gal, Kecskemet Wholesale Market

18. Mr. Sandor Tapazdi, Director--Sellye Agricultural High School

139

19. Mr. Gergely Sikuta, ACE Center

20. Mr. Hedeman, Fuzesabony Dairy Feasibility

21. Mr. Zoltan Janosi, Tokaj Wine Company

22. Mr. Gyorgy Toth, Nemeth Wine Cellar CO-OP

23. Mr. Sandor Tapody, Nemeth Wine Cellar CO-OP

24. Dr. Joseph Nagy, Hungarian Private Farmers Association

ATTACHMENT D:
VOCA IMPACT SURVEY INSTRUMENTS

VOCA PROJECT FOLLOW-UP/EVALUATION SYSTEM

VOCA's project follow-up and evaluation system includes two questionnaires, which will be answered by the host organization where the VOCA assignment was completed.

The first questionnaire, the Project Follow-up Questionnaire, is a short-term assessment of the volunteer and project arrangements, designed to be answered directly by the host organization.

The second questionnaire, the Project Evaluation Questionnaire, is a longer-term assessment of project results and impact, designed to be answered in an interview with VOCA.

1. Project Follow-up Questionnaire

- Short-term assessment.
- Main purpose of questionnaire is assessment of host organization satisfaction with volunteer and project arrangements.
- Administered 0-3 months after volunteer completes project.
- Questionnaire is preferably administered in person or over the phone.

2. Project Evaluation Questionnaire

- Longer-term assessment.
- Main purpose of questionnaire is to assess project impact on the host organization or its members.
- This questionnaire will serve as an evaluation for all projects.
- Administered 9-12 months after project completion, depending on the nature of the project. Field reps will use their discretion as to when to administer the questionnaire.
- Questionnaire is administered in person as part of a follow-up visit.
- Follow-up visits to the host organization will be combined with project development and will be done at least once a year for each host organization. If time is a constraint, follow-up visits will be made to the organizations VOCA expects to continue working with, while omitting less important organizations.

VOCA PROJECT FOLLOW-UP QUESTIONNAIRE (0-3 months)

Name of Host Organization: _____
Country: _____
Volunteer Name: _____
Project Number: _____
Project Category: _____
Dates of Project: _____
VOCA Interviewer (if applicable) _____

(Above information to be filled in by VOCA)

Name of host organization contact who responds
to this questionnaire: _____
Title: _____
Date: _____

1. How satisfied were you with this voluntee'sr work on this assignment?
   1) Very Satisfied _____ 3) Somewhat Satisfied _____
   2) Satisfied _____ 4) Not Satisfied _____

Comments: _____

_____

2. Did the volunteer contribute to the solution of the problem for which you requested assistance?
   1) Contributed greatly 3) Contributed Somewhat
   2) Contributed 4) Did not contribute

3. Was the timing of the volunteer's arrival appropriate for the work he or she did?
   1) Yes 2) No 3) Somewhat

Comments: _____

_____

4. Was the length of time the volunteer spent with your organization:
   1) Too short 2) Adequate 3) Too long

Comments: _____

_____

5. How would you rate the contact and support you have received from the VOCA office?
   1) Excellent 3) Fair
   2) Good 4) Poor

Please provide any suggestions for improvement: _____

_____

_____

6. What future support would you like to receive from the VOCA office, including follow-up to this project or new areas where technical assistance is needed?

_____

_____

7. Additional Comments: _____

143

VOCA PROJECT EVALUATION QUESTIONNAIRE (9-12 months)

Name of Host Organization: _____
Country: _____
Volunteer Name: _____
Project Number: _____
Project Category: _____
Dates of Project: _____
Name of host organization contact interviewed
for this questionnaire: _____
Title: _____
Date of Interview: _____
VOCA Interviewer: _____

A. HOST ORGANIZATION INTERVIEW

1. Review the volunteer's specific recommendations (as detailed in his/her final report) with the host organization. Determine and identify whether each recommendation was appropriate for the host organization and whether it has been implemented.

2. If any recommendations have not been implemented, why not?

3. Determine specific changes in practices which the host organization or its members have made as a result of the volunteer's visit.

4. What has been the impact or effect of the changed practices in economic or institutional terms? In other words, what has this change meant for the host organization or project participants?

   [Please give a narrative answer, using the attached checklist as a guideline. The narrative should include a description of the economic or institutional impact, supported by quantitative data (i.e. numbers) if possible.]

5. On a scale of 1-5, host organization rates benefits of volunteer's assignment.

1	2	3	4	5
Low				High

B. VOCA FIELD REPRESENTATIVE RESPONSE

1. On a scale of 1-5, VOCA field representative rates benefits of volunteer's assignment.

1	2	3	4	5
Low				High

2. Field Representative's Comments: (including but not limited to: explaining any disparity between field rep and host organization project benefit ratings; information on external or constraining factors affecting project outcome, etc.):

CHECKLIST OF POTENTIAL INDICATORS OF IMPACT IN HOST ORGANIZATION

This list is intended to be used in conjunction with the Project Evaluation Questionnaire as a guide for the VOCA interviewer and host organization in identifying the impact or effect of adopting changed practices based on the volunteer's recommendations:

AREA:

I. HOST ORGANIZATION

Economic:
Sales
Profits
Costs
Markets
New value added activities
Record-keeping
Assets
Loans (amount, size, number of borrowers, repayment)

Institutional:
Organizational restructuring
Number of members
New services offered to members
Members trained
Number of employees
Employees trained
Educational programs

II. HOST ORGANIZATION MEMBERS

Members trained
Incomes
Yields
Profits
New value-added activities
Markets
Record-keeping

III. NATIONAL/REGIONAL LEVEL

New government policies implemented
Bills/Laws adopted

IV. OTHER AREAS AS APPLICABLE

WPDATA\ EPC TS\30 51