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PD-AAB 101-D1

PROJECT APPRAISAL REPORT

5p.

COUNTRY: NICARAGUA As of: 30 JUNE 1970

Project Title: Agricultural Reform and Rural Development
Institutional Development (USDA/PASA - Rural Extension only)

Project Number: 524-11-110-057.2

U.S. Obligation Span: FY 1964 through FY 1972

Funding Table \$000

	Total	Direct Hire	Contract	PASA	Partici- pants	Com- modities
Cumulative thru 6/30/70	525	--	--	493	25	7
Proposed FY 1971	80	--	--	60	20	-
Estimated Total Cost	685	--	--	613	65	7

Host Country Contribution: \$323,000

Other Donors: \$40,000 (CARE, Caritas)

Project Manager: Carl D. Koone
Office of Rural Development

Mission Director's Approval

[Signature]

Date

8/31/70

A. STATEMENT SUMMARY OF PROJECT PURPOSE:

To strengthen and upgrade agricultural extension programs, and to improve the technical competence of Nicaraguan agencies responsible for supplying leadership necessary for sound accelerated development of the agricultural sector.

**B. SELECTED OUTPUT INDICATORS -
PROGRESS TOWARD END-OF-PROJECT STATUS:**

OUTPUT TARGETS	To Date - Thru 6/30/70	End of FY 1971	At Completion End of FY 1972
1. School Gardens	243	513	783
2. 4-S Clubs Formed	224	350	450
3. Number of 4-S Club Members	4,480	7,000	9,000
4. 4-S Revolving Fund - Loans made	0	110	550
5. On-Farm Demonstrations	3,000	4,000	6,000
6. Volunteer Leaders Trained	648	948	1,248
7. Soil Samples Taken, Analyzed, and Recom- mendations to Farmers	2,500	4,500	7,000
8. Provision of Training for Professional Ex- tension Personnel	160	230	300
9. Farm Families Assisted Directly and Indirectly	40,000	42,000	44,000
10. Homemakers Clubs Formed and Active	104	150	150

C. STATEMENTS ON PROGRESS STATUS OF EACH INDICATOR:

1. School Gardens. The school garden project is an innovative concept which has generated considerable enthusiasm in all rural areas.

A combined GON committee composed of the Agriculture, Health and Education Ministries have joined together in the Project entitled "PINAGE". The purpose is to increase the nutritional intake and learning at rural elementary schools through the school lunch program. The project was inaugurated just over two years ago with only 30 schools participating.

2. 4-S Clubs. Much time and effort is now underway for an expanded and improved 4-S program. More clubs are now being formed on a sound basis with emphasis on quality rather than quantity. The 50% increase planned for this Fiscal Year will be significant.
3. 4-S Club Members. As the strength of the 4-S clubs increase and improve, the membership will do likewise. Incorporated into this particular aspect of the project is the Youth Development Project sponsored by the National 4-H Foundation in the U.S. and administered by the Inter-American Program for Rural Youth. Since FY 1969. Eight 4-H youths have spent a year in rural areas of Nicaragua as volunteers. Three more have just arrived. They are working directly through the extension service offices in selected Departments. This program has been highly successful.
4. 4-S Club Revolving Loans. The revolving loan fund for financing individual 4-S club projects is just being established. Special donations for this project will soon be solicited. The National 4-S Association for the fund will be legalized in the first half of FY 1971 and regional committees will be formed. The first loans will be made during the last half of FY 1971.
5. On-Farm Demonstrations. On-farm demonstrations are being conducted by members of the central agricultural Extension office and local branch offices on cultivation techniques for rice, corn, beans and sorghum. Experience has shown a maximum of 2,000 demonstrations per year is all that can be handled properly.
6. Volunteer Leader Training. Volunteer leaders are being effectively trained in each Department of Nicaragua. Agriculture extension methods and concepts are thus being extended to most rural areas on a "multiplier effect" basis. Effective training is continuing on the annual average of 15 leaders per Department.
7. Soil Samples. This service provided by the extension branch has made slow but steady progress to date. Many of the farmers requesting soil analysis are borrowers from the National Bank in rural credit, but an increasing number of medium and large scale farmers are coming into the program.

8. Professional Extension Training. Successful implementation of the plan to provide in-service training to all professional extension personnel, both at the central office and at the 22 field offices is continuing. A selected few are chosen to receive intensive project oriented training overseas through participant training.

9. Nicaraguans Assisted. Although it is difficult to quantify the number of people reached through agricultural extension, the Ministry is in the process of determining the number of families being assisted. Through increased utilization of the radio and press, and the efforts of more highly motivated personnel, an increasing number of rural Nicaraguans are being affected.

10. Homemakers Clubs. Homemakers' organization, designed primarily for women in the rural areas, is just beginning to become a significant Extension Service activity, comparable to the status of 4-S clubs two years ago. Intensive efforts are underway to elevate its importance and the projected goals should be met.

D. GENERAL SUMMARY OF PROJECT EFFECTIVENESS:

The overall USAID/Nicaragua objective is to assist the country in diversifying the agricultural and industrial sectors in order to expand exports so as to relieve the balance of payments constraint on development and to improve the general welfare of the rural populace. Since more than 50% of all Nicaraguans engage in agricultural sector activities, and a majority of these people are small family farmers, this is an area requiring substantial attention. This USAID project has been one factor in providing essential assistance in extending rural production opportunities and improving the general standard of living of the average farmer. It continues to be moderately successful in the dissemination of information on agricultural related programs of production and diversification directly to the farmers, in spite of severe restrictions imposed by insufficient resources in the form of equipment, personnel, and operating funds. It is well recognized that success in this sector will be one factor in inhibiting further large scale rural migrations into already overburdened urban areas.

E. NARRATION ON GENERAL PERFORMANCE OF THE IMPLEMENTING AGENT:

USDA/PASA is providing an extension advisor to the Director of Extension and his staff in the Ministry of Agriculture in an effort to improve program planning and implementation. A general increase in personnel motivation has taken place since the inception of this project, but all too often, the execution of good planning collapses due to the lack of travel funds, supplies, materials, or vehicle maintenance and repair. Nevertheless,

USDA/PASA technical assistance has been successfully performed in view of the somewhat low quality of the Ministry of Agriculture's staff and inadequate funding. This project will be terminated in FY 1972 as per original schedule.

F. SPECIFIC KEY PERFORMANCE FACTORS INFLUENCING THE PROJECT'S PERFORMANCE:

The primary performance factor influencing the project is the inadequate funding by the GON, both in human and physical resources. (It should be noted that similar conditions exist within most Nicaraguan agencies.) The training and motivation of both professional and volunteer extensionists has been more than satisfactory, but the lack of GON budgetary support inhibits effective implementation of an extension program.

Cooperating agency support has been helpful in the field work, especially the individual farmer loans from the National Bank, as well as in-kind assistance provided by voluntary agencies such as CARE and CARITAS.

Greater emphasis by the Extension Service is being placed on youth programs, and indications are that this will become increasingly successful, especially in future programming and implementation within the agricultural sector.

G. PROGRAMMING IMPLICATIONS:

In reviewing this project, the Mission concludes that this activity probably will not receive greater financial or personnel support from the Ministry of Agriculture within the next couple of years. In fact, the Ministry's budget during the past few years actually has declined, with additional GON revenues going into the agricultural sector through transfers to the National Bank (BNN), the Agrarian Institute (IAN) and the Institute of External and Internal Commerce (INCEI). Although the goals of this project are being attained, they are limited in scope and have to a large extent made a marginal contribution towards solving the development problems and potential of this sector. In view of this, the Mission does not anticipate continuing extension project beyond FY 1971 i.e. it will terminate o/a June 30, 1971. As this project has been in operation since FY 1964, it is incumbent upon the GON to pick up the project by that time, or to give firm evidence that it will support it with the necessary level of resources. The Mission will consider modifying its present decision in late FY 1971 only if either of two events occur: (1) the Ministry is prepared to undertake a full-scale and adequately funded extension program that it can prove will meet the needs. This would require a detailed work plan prepared by the Ministry, or (2) it becomes feasible to develop an agriculture sector loan integrating the presently disparate programs of the many institutions in the agricultural sector. In such an event, a comprehensive extension program may become one facet of such a loan.