

PROJECT APPRAISAL REPORT (PAR)

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1. PROJECT NO. 750-11-140-291.02	2. PAR FOR PERIOD: Jan 1971 TO Dec 31, 1971	3. COUNTRY Vietnam	4. PAR SERIAL NO. 730-72-002
5. PROJECT TITLE			

FARMERS ORGANIZATIONS 8p

6. PROJECT DURATION: Began FY 70* Ends FY 74	7. DATE LATEST PROP -	8. DATE LATEST PIP -	9. DATE PRIOR PAR -
10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 220,000	b. Current FY Estimated Budget: \$ 30,000	c. Estimated Budget to completion After Current FY: \$ 230,000

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME Agricultural Cooperative Development International (ACDI)	b. CONTRACT, PASA OR VOL. AG. NO. AID/CSD-2219
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I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
			<p><u>Special Note - Legend of Acronyms</u></p> <p>GVN:</p> <p>DFO - Directorate of Farmer's Organization CRTC - Cooperative Research and Training Center DOC - Directorate of Cooperative</p> <p><u>Private Sector Organizations:</u></p> <p>TFP - Tenant Farmer's Federation NFAC - National Federation of Agricultural Cooperatives CFA - Central Farmer's Association FAs - District Farmer's Association.</p> <p>-----</p> <p>This project will be evaluated again within the next 10 - 12 months.</p> <p>The ADDI contract expires December 31, 1972. An evaluation of this project will be scheduled in sufficient time prior to December 31st to ensure adequate discussion to justify Mission action on the contract.</p> <p>Clearance: J. B. Davis, ADFA C. B. Allen, ADFA</p> <p>* This project is an outgrowth of activities undertaken in prior years.</p>	
X				

W.S. Lefes, PROG/PE

D. REPLANNING REQUIRES	E. DATE OF MISSION REVIEW
REVISED OR NEW: <input type="checkbox"/> PROP <input type="checkbox"/> PIP <input checked="" type="checkbox"/> PRO AG <input checked="" type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input checked="" type="checkbox"/> PIO/P	March 7, 1972

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE Ray Fitzgerald, ADCI, Chief of Party	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE J. R. Mossler
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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW	MEDIUM		HIGH		
	1	2	3	4	5	6	7	1	2	3	4	5	
1. Agricultural Cooperative Development International (ACDI)					X								X
2.													
3.													

Comment on key factors determining rating

Contractors understanding of project purpose and its relation to the sector goal is excellent.

Planning and implementation of feasibility survey was superior.

Management and utilization of staff excellent and his performance in initiating the project and involving local officials is superior.

4. PARTICIPANT TRAINING			X										X	
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Comment on key factors determining rating

Four candidates selected for US training. Thirteen participants programmed for training in Taiwan, Philippines and Korea, but first group of candidates rejected by project managers, new nominations requested from officers in CRTIC, DFO, DOC and Farmers Organizations.

5. COMMODITIES														
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Comment on key factors determining rating

N/A

6. COOPERATING COUNTRY	a. PERSONNEL				X									X
	b. OTHER				X									X

Comment on key factors determining rating

Personnel:

Continuity in project leadership and counterpart acceptance of project purpose is superior.

GVN is weak in its pay and allowance schedules and its ability to attract and hold technically qualified staff.

Other:

The GVN plans to expand project to other areas when the demonstration is completed. While generally GVN shows positive attitude it has difficulty maintaining physical facilities and in providing accurate data and statistics.

7. OTHER DONORS	N/A													
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(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining rating of Other Donors

N/A

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMU- LATIVE PRIOR FY	CURRENT FY		FY 73	FY 74	END OF PROJECT
			TO DATE	TO END			
Trained staff assigned by each of 10 pilot and other Farmers Organizations. Training course at CRTC. (Managers)	PLANNED				10	40	50
	ACTUAL PERFORMANCE						
	REPLANNED						
Trained staff assigned by each of 10 pilot and other farmers organizations. Training course at CRTC. (Bookkeepers)	PLANNED				10	40	50
	ACTUAL PERFORMANCE						
	REPLANNED						
Trained Boards of Directors members (at least 3 per organization). Pilot and other farmers organizations. Training at CRTC.	PLANNED				30	120	150
	ACTUAL PERFORMANCE						
	REPLANNED						
Trained officials and professional staff provided observation training in the US and third country.	PLANNED				4	29	33
	ACTUAL PERFORMANCE						
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:						
1. Courses and syllabi for managers, bookkeepers, and members of Board of Directors in business and management practices.	1.0 Prepared and recommended to CRTC syllabi for managers and bookkeepers. Pending approval, prepared in draft 50 instructional hours of materials for managers course.						
2. On job training at Farmers Organizations for operational personnel and members.	2.0 Twelve CATG members assigned to pilot Farmers Organizations to assist managers and Members of Board of Directors conduct local organization surveys and to prepare business development plans for 1972.						
3. Eight trained instructors assigned to CRTC to teach business related courses to Mgmt and operational personnel.	3.0 Four instructors with a minimum of BAC I (High School education equivalent) assigned to CRTC. Three are currently seniors in Saigon University in Law, Business and Economics, respectively.						

III KEY OUTPUT INDICATORS AND TARGETS

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENTS
4. Train Vietnamese in survey techniques to complete initial phase of project, i.e., survey and selection of pilot farmers organizations.	4.0 Training completed April 1971 for 25 Vietnamese in survey technique and methodology. (Members of CFA, NFAC, DOC, DFC, CRTC) staff and Board of Directors members of FOs participated in training and survey of 29 FOs.
5. Complete survey of 30 ^{about} Farmers Organizations as means for selecting 10 pilot FOs.	5.0 Survey of 29 FOs completed October 1971. 5.1 Recommendation to select 10 FOs generally accepted by GVN and pilot FOs identified.
6. Establish salary incentive program for managers. Director of FOs to issue policy decision.	6.0 GVN accepts in principle incentive program based on salary plus commission or bonus related to increases in gross volume and net savings. 6.1 There are no legal impediments to implementing the proposed change.
7. Establish policy to permit CRTC recruit and train potential managers for FOs.	7.0 GVN accepts in principle. Policy decision required by Directorate of Farmers Organizations.
8. Establish policy by DFO to discourage day to day management role by Members of Boards of Directors.	8.0 GVN accepts in principle. Implementation by FOs expected to be gradual as funding constraints and volume of sales of FO are important factors.
9. Established procedures for Dir. Farm Org, NFAC and CFA field staffs to provide regular liaison with FOs.	9.0 GVN accepts in principle. Fund and staff for travel are inadequate.
10. Established procedures to combine administrative functions of DFO and DOC, eg., auditing, charting, reporting, training, etc.	10.0 Procedures for GVN are in draft.

III. KEY OUTPUT INDICATORS AND TARGETS

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENTS
11. Establish policy to require minimum of 25% capitalization of all new organizations thru capital share participation by members.	11.0 Proposal is currently under consideration by GVN.
12. Board of Directors for existing FOs established policy to increase capital retention.	12.0 Ten pilot farmers' organizations agreed to enact such a policy.
13. Preparation of procedures and guidelines for uniform audit and reporting system for use by DFO for its FA and Coop branches.	13.0 Drafting of procedures and guidelines in process.
14. Established uniform audit and reporting system by DFO.	14.0 Contractor is helping to develop a reporting system with CATG and DFA. Preliminary phases of discussion are currently underway.
15. Preparation of procedures and guidelines for uniform Farmers Organizations accounts and reports.	15.0 Contractor is helping to develop procedures and guidelines for a system of accounts and reports.
16. Established uniform accounts and reports system by FOs.	16.0 Contractor is helping to develop procedures and guidelines for accounts and reports for FOs.
17. Prepare and publish an in-house communication organ with selected distribution to FOs.	17.0 First volume in planning stages. Distribution and printing details completed. Publication expected by May 1972. Funding is problem at the moment.

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

To establish the management and economical viability of a select group of Farmers Organizations.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
<p>1. The Cooperative Research and Training Center (CRTC) adequately staffed and providing competent skills in planning, management, communications and member relations to managers, members of Board of Directors and operational staff for pilot FOs and others as well.</p>	<p>1.0 Eight staff appointed to CRTC, three drafted by ARMN.</p> <p>Capability does not yet exist to carry functions assigned to it.</p> <p>The project has not had the time to develop this capability as yet.</p> <p align="right">(Cont'd Page 4, No. 2)</p>

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To increase agricultural production efficiency, achieve surplus production in commodities with favorable economic advantage and equitably distributed farm income with expansion in exports of agriculture commodities.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

Sub-Sector Goal:

To increase economic benefits for farmers and fishermen.

The ten pilot organizations may reach about 20,000 to 40,000 farmers. Currently the ten pilot FOs have 1970 sales volumes totaling VN\$148.0 million and profits of VN\$5.4 million. Share capital is VN\$4.1 million.

Assets and liabilities figures are tenuous at best, however, estimates are VN\$92.9 million and VN\$55.7 million, respectively.

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B. 1. Conditions which will exist when above purpose is achieved.

2. Established up to ten viable demonstration farmers organizations strategically located and engaged in economical supply-marketing activities for its members.

Indicators:

- a) Membership growth
- b) Capital growth
- c) Sales volume trends
- d) Share participation trends.

2. Evidence to date of progress toward these conditions.

2. Survey completed for 29 Farmers Organizations.

Ten pilot organizations selected on basis of potential member needs, community attitude, etc.

3. GVN relationships with FOs transformed from supervisory to supporting/servicing such as: auditing, chartering, training, extension and publicity.

3.0 GVN has accepted concept as evidenced in their letter to USAID for assistance in this area, assignment of new Director for CRTC, a separate deputy director for farmers' associations as well as one for Coops and assignment of new director for DFO. GVN is providing basic services; however, the quality is inadequate.

4. Substantial source of capital necessary to establish and expand Farmers Organizations is provided by member share participation.

4.0 Less than 1% of capital for pilot organizations is from member share participation.

Indicator:

Achieve at least 25% level.

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B. Sub-Sector Goal: (Cont'd)

The extent to which FOs accrue benefits and distribute them to the membership will largely determine the ultimate impact that FOs have on the achievement of the goal. There is a potential membership for about 500,000 farmers or 1/3 of the estimated farmers in this country.

Analytical studies are needed during the life of the project to evaluate more definitively its impact on the goal.