

PROJECT APPRAISAL REPORT (PAR)

5190164001002

PAGE 1

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|---------------------------------|--|---------------------------|---------------------------|
| 1. PROJECT NO 519-22-110-164 | 2. PAR FOR PERIOD 01 JULY 1975 to 31 MARCH 1976 | 3. COUNTRY EL SALVADOR | 4. PAR SERIAL NO. 76-3 |
|---------------------------------|--|---------------------------|---------------------------|

5. PROJECT TITLE

AGRICULTURAL DEVELOPMENT - CENTA (Loan 519-L-018)

| | | | |
|--|---------------------|--------------------|----------------------------------|
| 6. PROJECT DURATION: Began FY 72 Ends FY | 7. DATE LATEST PROP | 8. DATE LATEST PIP | 9. DATE PRIOR PAR 23 MAY 1975 |
|--|---------------------|--------------------|----------------------------------|

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|------------------|--|------------------------------------|--|
| 10. U.S. FUNDING | a. Cumulative Obligation Thru Prior FY: \$ 4,000,000 | b. Current FY Estimated Budget: \$ | c. Estimated Budget to completion After Current FY: \$ |
|------------------|--|------------------------------------|--|

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

| a. NAME | b. CONTRACT, PASA, OR VOL. AG. NO. |
|---------|------------------------------------|
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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 |
|---------------|-------------|------|--|------------------------------------|
| MISSION | A. I. E. W. | HOST | | |
| | | | The attached narrative appraisal of the project has been reviewed by the Mission Evaluation Committee and is submitted to meet the recurring six-month evaluation requirement. | |

read 5/2/76

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| D. RE PLANNING REQUIRES REVISED OR NEW: <input type="checkbox"/> PROP <input type="checkbox"/> PIP <input type="checkbox"/> PRDAS <input type="checkbox"/> PID/T <input type="checkbox"/> PID/C <input type="checkbox"/> PID/P | E. DATE OF MISSION REVIEW 23 APRIL 1976 |
| PROJECT MANAGER: TYPED NAME, SIGNED INITIALS, AND DATE Campbell S. MCCLUSKY | MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS, AND DATE Edwin A. ANDERSON |

Edwin A. Anderson 5/2/76

An Appraisal of Progress
of AID Loan Project 519-L-018
CENTA

A. SUMMARY

The balance of developments during the period since the Brown and Cohen evaluation (July 1975) has been favorable. Construction contracts have all been approved and construction is proceeding full speed ahead on all units involving AID financing. Construction of the livestock facilities has been completed and accepted by the Government of El Salvador. A revised regionalization plan has been submitted by CENTA to the Ministry of Agriculture and Livestock (MAG) and approval is expected in the near future. Government funds already budgeted are adequate for the Government financed components of the construction at San Andrés. AID has approved 24 equipment procurement contracts as of 23 April 1976; approximately 23 remain to be approved; AID approval is expected prior to the middle of May 1976. (The number and volume of equipment procurement contracts delayed the bid review process, approximately three months, however, with two exceptions, the contractors accepted the contracts without change.) One additional invitation for bid has been published this year, 6 April, for equipment not covered by the original 47 contracts. Vehicle procurement has been satisfactorily completed and the vehicles fully processed and in use; a vehicle distribution report has been requested.

Recent problem areas have been limited to the January 1976 reorganization of CENTA and delays in execution of the training plan. The reorganization consisted of shifting the National School of Agriculture (ENA) out of CENTA and into a new organization known as the Centro Nacional de Capacitación Agropecuaria (CENCAP). The Seed Technology Department of the CENTA Research Division was in a related move shifted out of Research and made a separate CENTA division. The impact of these shifts on loan funding has been slight, and while ENA is no longer subordinate to CENTA, ENA-CENTA working relationships remain relatively unchanged. The Seed Technology shift reflects the CENTA policy to begin supplying a much increased volume of high quality seeds for market consumption. It seems related to Government negotiations with the Government of Canada for a loan to enable this policy objective to be pursued on a large scale in the near future. Government sources expect this loan to be signed this year; MAG has already scheduled in the CY 76 budget for the Seed Technology Division approximately seven million colones (\$2.7 million) for technical assistance, land procurement, equipment, construction, and seed costs.

The training plan is to be executed through a contract with IICA, the Inter-American Institute of Agricultural Sciences. This contract was proposed during the last weeks of March and while not including training at all the institutions originally anticipated by AID and CENTA, it provides for training arrangements to be completed

with a number of Central and South American institutions with which the Inter-American Institute of Agricultural Sciences has agreements, such as CATIE, Tropical Agricultural Center for Research and Teaching, and INIA, National Institute of Agricultural Investigations.

Four problem areas were identified in the Brown and Cohen evaluation: The need for (a) an approved regionalization plan; (b) adequate implementation procedures for the regional and support centers; (c) improvements in the CENTA staff salary levels; and (d) improved coordination of research, extension, and education functions. The situation surrounding the regionalization plan and its implementation is described below. The other two problem areas have received favorable attention: The salary levels at CENTA, no longer including ENA, have increased overall by 27 percent; this has permitted CENTA Research and Extension division staffs to grow during the first months of 1976 to 39 more than the highest figure for 1975. CENTA internal coordination has been re-structured during the last few months. Research division activities are now assured of multi-disciplinary attention through adoption of a procedure which calls for assignment of one staff member from each of the relevant departments of the division to form research project committees. The AID grant-funded University of Florida contract team currently advising CENTA regarding intensive small farm management systems already considers that the quality of current CENTA research and the potential for future research has been substantially upgraded through this technique.

B. IMPLEMENTATION

Administration: The institutional status of CENTA has not been altered during the period under evaluation. There seems no prospect of full autonomy. Semi-autonomy for CENTA is mentioned in legislation currently under preparation, but remains a very long way from realization. CENTA status as a component of the Ministry has not prevented its budget or staff from growing, and the CENTA-MAG inter-relationships continue to appear "logical and appropriate", as pointed out in the Brown and Cohen evaluation, page 2, second paragraph.

CENTA internal operation and coordination remain good. The capacity of the Extension Division to process and disseminate Research Division results has been increasing. The small farmers of El Salvador continue to show an atypically high interest in new agricultural techniques. Extension Division scheduling of demonstration activities for this group has, in some cases, doubled since 1975. Recent re-structuring within the Research division, placing primary responsibilities associated with the design of new farming techniques with Fitotecnia and featuring the use of multi-disciplinary research project committees, seems assured of improving the quality of Research division results. Staff personnel from Extension and Seed Technology may participate in such committees as appropriate. Despite recent growth in the CENTA Research department staffs, it is anticipated that ENA faculty will continue to participate in research operations, both out of professional interest and to supplement CENTA capabilities.

The major change, however, remains the formal implementation of the multi-disciplinary committee technique.

The new personnel situation (higher salaries and more adequate numbers of personnel), which dates from January 1976, will clearly facilitate research developments, a more adequate flow of such developments to the Extension Division, and more consistently staffed and implemented Extension efforts. The salary levels are now, in nearly every category, equal to or greater than those being offered by competing components of the Government. The collective average increase since 1975 is 27 percent; the average salary during 1975 was 5,854 colones; the average this year is 8,000 colones. Three hundred and seventy-two Research and Extension division positions were fully staffed during 1975, and, as brought out in the Brown and Cohen evaluation, turnover was considerably above Government averages; 411 positions are already fully staffed this year and turnover has returned to "normal" levels.

The following summarizes the situation since 1972:

CENTA STAFFING (not including ENA personnel)

| <u>CY</u> | <u>Admin.</u> | <u>Extension</u> | <u>Research</u> | <u>Seed Technology</u> | <u>TOTALS</u> |
|-----------|---------------|------------------|-----------------|------------------------|---------------|
| 1972 | 107 | 203 | 95 | 19 | 424 |
| 1973 | 124 | 206 | 103 | 13 | 446 |
| 1974 | 156 | 250 | 108 | 19 | 533 |
| 1975 | 141 | 261 | 111 | 19 | 532 |
| 1976 | 148 | 283 | 128 | 20 | 579 |

Many of the current year staff are returnees from positions to which they had earlier been attracted. This direct hire staff will be augmented by 189 contract hire personnel. This number of contracts has not yet been signed, but the figure represents a potential increase over CY 1975 levels of 60 contract positions. It is anticipated that the Extension Division will continue to be a training ground for new talent, and generally a springboard to more attractive positions in CENTA as well as the rest of the Ministry; however, the number of filled Extension positions, 283, has already in CY 1976 exceeded the best that was achieved during CY 1975, 261, and turnover, if the first quarter of 1976 is any gauge, has already returned to a level equal to the general Government average. This larger Extension staff is to be supplemented by 15 U. S. Peace Corps volunteers, whose ten week training, including agricultural extension familiarization components, is scheduled to end during April.

The recently formalized reorganization of CENTA is not expected to substantially alter either CENTA capabilities or its working relationships with ENA. The Escuela Nacional de Agricultura (ENA) is no longer under the Director General of CENTA, but is rather a part of a new MAG entity known as CENCAP. CENCAP is a step toward dealing more adequately with MAG staff and campesino education, including for

the first time within the Ministry divisions specifically to serve these two needs. The ENA shift is to place ENA under a new directorate responsible for all MAG training functions. CENCAP consists of divisions for MAG staff training, farmer education, and formal agricultural training (former ENA). The school will, however, continue to be located at San Andrés and its faculty and graduates will continue to be one of CENTA's main sources of specialists, both full time and shared. CENCAP coordination within the Ministry is to be monitored by an interdirectorate executive board chaired by the Minister and including the directors of the various MAG components. The reorganization has already strengthened the budget for the formal agricultural training division (formerly ENA) of CENCAP. This is expected to reduce the hours traditionally spent by CENTA Research specialists at ENA. Joint CENTA-ENA research activities, however, are expected to continue, including the sometime inclusion of ENA professionals in CENTA committees. The loan is, however, for CENTA; therefore, it was necessary to shift AID loan funding out of components for construction which were designated for ENA use.

AID loan construction funds are in contracts as follows:

| CONTRACT N° | FACILITIES | AMOUNTS | |
|----------------|----------------------------------|----------------|----------------|
| | | HOST GOV'T | AID |
| 1C/74 | Poultry Facilities | \$ 41,847.84 | \$ |
| 1U/75 | Urbanization | 681,911.24 | |
| 4C/75/2 | Dormitories | 147,129.62 | |
| 1C/75 | Livestock Facilities | 63,628.89 | 63,628.89 |
| 2C/75 | Laboratory Building | 1,645,480.92 | 512,506.95 |
| 3C/75 | Administration & Library | | |
| | Information Buildings | 225,623.03 | 526,453.75 |
| 4C/75/1 | Greenhouses, Agric. Engineering | | |
| | Isolation Rooms | 120,114.10 | 280,266.23 |
| 5C/75/1 | Auditorium Classroom, Gatehouse | 197,368.72 | 12,116.58 |
| 5C/75/2 | General Maintenance, Vehicle | | |
| | Maintenance Buildings, Gas Stat. | 125,980.20 | 190,027.60 |
| | Totals | \$3,249,084.56 | \$1,585,000.00 |
| Pending: | Electrical Contract | 280,000.00 | |

The overall status of both Government of El Salvador and AID funds is shown in the table below. The revised plan calls for host Government financing of 71 percent of the total project costs. Based on estimates derived from the regionalization plan now under MAG review, 410,000 colones (\$164,000) was set aside in the current year budget for site procurement. Site procurement for the regional centers and the support centers is to begin immediately following Ministry approval of the regionalization plan. CENTA has already requested a reinforcement of 3,117,500 colones (\$1,247,000) for design and construction for the regional and support centers. This combined amount seems reasonable at this point. Government funds, equal to \$3,773,785, already set aside in the CY 1976 budget for construction at San Andrés are considered

adequate for all Government portions of that construction. Dollars 3,632,361 of AID funds have been committed to contracts already awarded. The funds remaining are for a final three months of technical services, the one remaining equipment IFB, construction now underway at San Andrés, and training. Mission has requested that the proportion of AID funds in the laboratory building be reduced and the percentage rate of disbursement be increased in order to accelerate disbursements. If this is approved, then laboratory building construction delays, which seem likely, will not force an extension of the AID TDD for these funds. All other remaining expenses associated with the project and the loan are for Government of El Salvador financing.

| ITEM | PLANNED | | CONTRACT AWARDED | |
|---------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | GOES | AID | GOES | AID |
| 1. Technical Assistance | \$ -0- | \$ 100,000 | \$ -0- | \$ 93,399 |
| 2. CENTA | | | | |
| Facilities | | | | |
| San Andrés | 4,131,200 | 1,585,000 | 3,275,644 | 1,585,000 |
| Regional | 1,411,000 | -0- | -0- | -0- |
| Equipment | 53,000 | 1,294,000 | -0- | 1,035,000 |
| Furnishings | 164,000 | -0- | -0- | -0- |
| Vehicles | 23,000 | 774,000 | 23,000 | 757,240 |
| Additional Admin. & Operational Costs | 3,616,000 | -0- | 3,616,000 | -0- |
| Training | -0- | 100,000 | -0- | 41,722 |
| Engineering Tech. Assistance | 536,303 | 120,000 | 416,303 | 120,000 |
| Totals | <u>\$ 9,934,503</u> | <u>\$3,993,000</u> | <u>\$7,330,947</u> | <u>\$3,632,361</u> |

