

PD-A13M-4913

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C. 20523

JUN 15 1992

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, FHA

FROM: DAA/FHA/PVC *for* Sally H. Montgomery *H.Wing*

SUBJECT: The Farmer-to-Farmer Special Initiative Program  
in the New Independent States

**I. PROBLEM:** Your approval is needed to authorize Cooperative Agreements totalling \$25,200,000 LOP and \$800,000 for program support, for FY 1992, FY 1993 and FY 1994, for the Farmer-to-Farmer (FTF) Special Initiative Program in the New Independent States (NIS); and of those funds, for FY 1992, to obligate \$7,735,000 for program activities and \$265,000 for program support.

The proposed recipient organizations are Agricultural Cooperative Development International (ACDI), Citizens Network for Foreign Affairs (Citizens Network), Land O'Lakes (LOL), Tri-Valley Growers (TVG), Volunteers in Overseas Cooperative Assistance (VOCA), and Winrock International Institute for Agricultural Development (Winrock).

**II. INTRODUCTION AND BACKGROUND:**

This memorandum and its accompanying tabs present the recommendation of the Office of Private and Voluntary Cooperation, Bureau for Food and Humanitarian Assistance (FHA/PVC) for the three-year FTF Special Initiative in the NIS region and summarize the program solicitation and review process.

**A. Farmer-to-Farmer Program Objectives**

The purpose of the FTF Program, set out in the enabling legislation, is "to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of farmers" in host countries.

The FTF Program emanates from Section 406 of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), as amended in 1966, and was originally directed toward developing countries. The Agricultural Development and Trade Act of 1990, amended the program to authorize: (a) the inclusion of middle-income countries and emerging democracies, (b) the transfer of agricultural expertise while enhancing the democratic process in the targeted countries, and (c) the utilization of private agribusiness and non-profit farm organizations as well as U.S.

farmers, agriculturalists, and land grant universities. These entities are authorized, inter alia, to work with host-country farmers and farm organizations on a voluntary, people-to-people basis.

The areas of expertise the program may encompass include, among others, animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and strengthening of cooperatives and other farmer groups.

### **B. Historical Perspective**

The FTF Program began as a successful pilot project in 1985 to provide technical assistance to farmers in Central America and the Caribbean, with Volunteers in Overseas Cooperative Assistance (VOCA) as the implementor. FHA/PVC has administered the program since September 1988.

Following passage of the 1990 Farm Bill, which doubled the available funds, FHA/PVC instituted a competitive program seeking to broaden program participation to additional implementors under a creative, dynamic atmosphere. The competitive cycle for FY 1991 and the combined cycle for FY 1992 and FY 1993 produced three additional implementors: Winrock, Partners of the Americas, and National Farmers Union. Program activities are being implemented on a worldwide basis.

Since 1987, under Participating Agency Service Agreements (PASA) with Peace Corps (PC), A.I.D. has conducted a joint project with PC and VOCA with past and current funding approved at the level of \$1,044,032. Under the program, PC identifies specific assignments while VOCA provides the U.S. farmer volunteers.

Through FY 1991 \$10,787,683 has been obligated for the worldwide FTF Program, and for FY 1992, an additional \$3,214,970 will be obligated.

### **III. DISCUSSION:**

This Special Initiative under the FTF Program consists of two phases -- a two-year quick-start program implemented by VOCA and a three-year competitive cycle to be implemented by six organizations.

Following the fast-moving events in the former Soviet Union and discussions with the Department of State (DOS), FHA/PVC designed a concept paper proposing that the FTF Program be designated as one of A.I.D.'s first non-emergency technical assistance efforts

for the former Soviet Union. Tab 1 is a copy of the FHA/PVC concept paper dated January 9, 1992.

FHA/PVC determined that over a three-year period, this Special Initiative could be efficiently implemented at a funding level of \$30.0 million. Following discussions with the U.S. Department of Agriculture (USDA), the Office of Management and Budget and appropriate Congressional staff, the DAA/FHA/PVC and the Director of FHA/FFP determined that these funds would be drawn from Title II, P.L. 480. Funding will be allocated on an incremental basis subject to the availability of funds. USDA has agreed to transfer \$10.0 million for this program for FY 1992. For each of fiscal years 1993 and 1994 A.I.D. will request USDA to transfer an additional \$10.0 million for this program.

A. Phase One of the Special Initiative

This phase, which was initiated on January 31, 1992, involves a \$4.0 million two-year quick-start program implemented by VOCA to carry out activities in the Russian Federation, Ukraine, Kazakhstan and Armenia. Thus far, 19 FTF volunteers have returned from assignments to the NIS region. It is expected that a total of 238 volunteers will be assigned to the NIS during the first phase of this program.

Effective January 31, 1992, A.I.D. has amended VOCA's existing FTF cooperative agreement to include programs in these new countries and has increased the funding for that agreement by \$2.0 million in FY 1992. An additional \$2.0 million will be provided in FY 1993 as funds become available for this purpose.

Phase I of this program will enable VOCA to provide immediate, quick-start assistance in the institutional development of selected private beneficiary organizations to establish viable enterprises and deliver services to private farming on a profitable basis for their members/owners. The focus is on such commodities as meat, grains, dairy, cotton, vegetables, and fruits. VOCA will maintain offices in Moscow, Kiev, Alma Ata and Yerevan staffed by U.S. country directors and supported by host-country nationals.

B. Phase Two of the Special Initiative

This phase consists of a three-year competitive program for which \$25.2 million is to be authorized in this memorandum. In designing this program, it was determined that the proposed activities should have a project life of up to three years and that not more than six organizations would be funded.

Phase Two extends program coverage to all 12 of the NIS. The first priority will be to initiate programs in the six states with which diplomatic relations were first established. The six states are: Armenia, Byelarus, Kazakhstan, Kyrgystan, Russia and Ukraine. It is envisioned that under this level of effort, the program will be able to field 1,565 volunteers over the three-year period.

### **C. The Proposal Solicitation Process**

The findings contained in the reports of two 1991 Presidential Delegations to the former Soviet Union determined that food distribution is a more serious problem than food production and, that this problem will not be resolved until privatization occurs and technical assistance is provided to facilitate privatization.

Based on the guidance provided in the two reports, FHA/PVC set the following objectives for the FTF Special Initiative Program: (1) in the near term, to increase food availability to the consumers; and (2) for the longer term, to take steps which would have long-range impacts to ensure that existing food shortage and distribution problems do not continue. These objectives are set out in the Request for Applications (RFA) for a three-year competitive program which seeks to transfer some of the vast technology, knowledge, and skills of U.S. farmers and agribusinesses to farmers and farm groups in the former Soviet Union.

The RFA also states that the program will include, but not be limited to, providing technical assistance and training to facilitate agribusiness development; establishment of private marketing, storage, distribution and transportation systems for agricultural commodities; farm credit; inputs; pricing systems for agricultural commodities; and management of privatized agricultural enterprises. The focus will be on the meat, dairy, vegetable oil, wheat, feed grains, and fruit and vegetable sectors.

Because of the abbreviated response time that was allowed to applicants, FHA/PVC sent out an information letter announcing this Special Initiative. The letter from the DAA/FHA/PVC provided information on the expected level of funding and the target states in the NIS.

Tab 2 is a copy of the March 6, 1992 letter transmitting the Request for Applications, and a copy of the Request for Applications for the Special Initiative under the FTF Program.

A list of 66 organizations was developed with a view to including a broad representation of organizations with institutional links to the U.S. farm community and those having a clear capability to

tap U.S. agricultural expertise for this program. This list also includes the organizations suggested for inclusion by Members of Congress in response to an A.I.D. solicitation, as well as organizations which have expressed an interest in our previous FTF competitive cycles.

FHA/PVC also added a number of organizations which made specific requests following early announcement of the program. At the suggestion of the USDA, some organizations from USDA's 1991 Export Directory were also added, especially those which have expertise in the targeted commodity areas mentioned above.

The mailing list -- included as part of the RFA in Tab 2 -- reflects also the various types of organizations mentioned in the 1990 FTF legislation, farmers, agriculturalists, land grant universities, private agribusinesses, and nonprofit farm organizations.

Proposals were due at FHA/PVC by April 6, 1992. Nine proposals were received seeking funding of approximately \$49.5 million over three years. Some of the proposals represented collaborative efforts and reflected the participation by 15 agriculturally-related organizations, including private voluntary organizations, cooperatives, universities and others. These organizations have links with hundreds of farmer groups and agribusiness entities throughout the United States. Tab 3 is a summary of the proposals received and the requested level of funding.

#### D. The Proposal Review Process

Following guidance from the AA/FHA, FHA/PVC invited the DOS and USDA to participate in the review process in view of the involvement by both agencies during the design phase of the Special Initiative. Both Departments were represented on the Review Committee.

The Review Committee consisted of six voting members: Harry Wing, Deputy Director of FHA/PVC as the Chair; John Fasullo, FHA/PVC; Robert Shoemaker, FHA/PPE; Joyce Turk, R&D/AGR; Jim Snell, EUR/DR/FS; Allan Mustard, Deputy Coordinator, Eastern Europe and Soviet Secretariat, USDA/FAS; and William Kuhn, STATE/EUR/ISCA.

In addition to these voting members, the Review Committee meetings were attended by the FTF Program Manager, the FTF Program Assistant, and technical reviewers. On an intermittent basis, other members of the FHA Bureau attended the meetings to better understand the review process. To ensure an unbiased technical review, the proposals were assessed by three external consultants with extensive experience in agriculture and who had not had a prior working relationship with FHA/PVC.

The Review Committee met on April 21 and 22, 1992, to review the merits of each FTF proposal. Tab 4 is a copy of the proposal review schedule for the Special Initiative. Copies of the proposals and the technical review papers were circulated to Committee members well in advance of the meeting. The review of each proposal began with a brief presentation by the technical reviewer summarizing the strengths and weaknesses of the proposal. The FTF Program Manager provided background information on each applicant including material concerning other programs implemented by the program candidates.

The Chairman and members of the Review Committee discussed the merits and weaknesses of each proposal, following the categories set out in the Committee rating sheet. Tab 5 is a copy of the proposal rating worksheet.

The Review Committee met again on April 29, 1992 to finalize its funding recommendations with five of the seven Review Committee members present (Allan Mustard and Joyce Turk were traveling). This meeting was also attended by Gary Grappo, STATE/EUR/ISCA, Rick Nelson, STATE/D/CISA, and Greg Niblett, DAA/FHA.

At this meeting the representatives from DOS indicated that in the interest of the U.S. foreign policy objectives, the Special Initiative Program should extend its coverage to all 12 of the NIS. They emphasized the extreme importance of having an American presence through this program in every state of the NIS, including those not covered by the applicants' proposals.

The meeting ended with the five Committee members present agreeing upon the recommendations for funding. The initial funding recommendations are set out in the memorandum to the Review Committee Chairman from William Kuhn, EUR/ISCA, dated June 12, 1992 (see Tab 6). Upon subsequent discussions with FHA leadership and more indepth analysis of the proposed budgets and geographic coverage, the Review Committee Chairman prepared a modified set of recommendations. These were distributed to all Committee members for their review and comments on June 1, 1992 (see Tab 6). A majority of the members expressed their support for this revised version of the Committee recommendations; comments from two dissenting Committee members are included under this same tab.

#### **E. Programs Recommended for Funding**

Taking into account the Review Committee's revised funding recommendations, and having had concurrent lengthy discussions about potential program impact, FHA/PVC leadership is putting forth the following funding recommendations:

<u>Organization</u>	<u>Funding (\$ Mil)</u>	<u>No. of Vols.</u>	<u>States Covered</u> <sup>2/</sup>
Winrock Alliance for Agricultural Volunteers	4.4 1.6 <sup>1/</sup>	400 80	Russia, Kazakhstan Kyrgyzstan, Turkmenistan, Tajikistan, Uzbekistan
Volunteers in Overseas Cooperative Assistance	4.1 1.6 <sup>1/</sup>	285 80	Russia Azerbaijan, Byelarus Georgia, Moldova
Agricultural Cooperative Development International	5.0	230	Russia
Land O'Lakes	2.0	180	Russia
Tri-Valley Growers	2.0	110	Russia
Citizens Network	<u>4.5</u>	<u>200</u>	Russia, Ukraine
TOTAL	<u>25.2</u>	<u>1,565</u> <sup>3/</sup>	

Following is a short description of the level of effort for each organization recommended for funding by FHA/PVC. This description also sets out FHA/PVC's proposed geographic coverage during the three-year program. Supplemental information on each proposal is provided in Tab 7 as part of the Review Committee Summary Reports.

<sup>1/</sup> These amounts represent supplemental funding proposed for Winrock International and VOCA to provide coverage of the FTF Program to those states not covered by the applicants' proposals.

<sup>2/</sup> Under its \$4.0 million quick-start Phase I program, VOCA is working in Armenia, Kazakhstan, Russia and Ukraine.

<sup>3/</sup> Phase I implemented by VOCA will facilitate an additional 238 volunteers.

1. Winrock (\$6.0 million for 480 volunteers)

With \$4.4 million, WAAV can place 400 volunteers in Russia and Kazakhstan. The program can be implemented at this level by reducing Winrock headquarters personnel, reducing the effort in Russia so as to concentrate in Kazakhstan, and placing fewer volunteers than originally proposed. The capacity of Winrock to expand its worldwide operations as well as move into the NIS is more realistically addressed at this level. With an additional \$1.6 million, WAAV can place a minimum of 80 additional volunteers over a three-year period in the states of Turkmenistan, Uzbekistan, Tajikistan, and Kyrgyzstan.

2. VOCA (\$5.7 million for 365 volunteers)

With \$4.1 million, VOCA can place 285 volunteers in Russia, working out of its already established office in Moscow. The program can be implemented at this level by reducing VOCA staff levels and placing fewer volunteers than originally proposed. With an additional \$1.6 million, VOCA can place a minimum of 80 additional volunteers over a three-year period in the following four states: Moldova, Georgia, Azerbaijan, and Byelarus.

3. ACDI (\$5.0 million for 230 volunteers)

With \$5.0 million, ACDI can place 230 volunteers in Russia--working out of its already shared office with VOCA in Moscow--and possibly expand to Ukraine. The program can be implemented at this level by reducing ACDI staff and placing fewer volunteers than originally proposed.

4. Citizens Network (\$4.5 million for 200 volunteers)

With \$4.5 million, Citizens Network can place 200 volunteers in Russia and Ukraine. The program can be implemented at this level by eliminating proposed activities in Byelarus, cutting headquarters personnel, and eliminating the short-term consultants hired to collaborate with volunteers and host enterprises. The latter is not a desirable use of funds under the all-volunteer FTF program designed by FHA/PVC.

5. Land O' Lakes (\$2.0 million for 180 volunteers)

With \$2.0 million, Land O' Lakes can place 180 volunteers in Russia only. The program can be implemented at this level by eliminating proposed activities in Ukraine, reducing LOL personnel, and placing fewer volunteers than originally proposed.

6. Tri-Valley Growers (\$2.0 million for 110 volunteers)

With \$2.0 million, TVG can place 110 volunteers in the Moscow and Vladivostok areas. This level of funding could be handled by reducing headquarters personnel and placing fewer volunteers than originally proposed. Because TVG has a longer history of working with USDA than with A.I.D., it is possible that TVG can expand its fruit and vegetable activities in Russia through the USDA Loaned Executive Program.

(See map on following page which presents the proposed NIS sites where the FTF Program implementors will operate.)

The organizations and funding recommended above would result in a greater concentration of resources on business-to-business operations (e.g., Citizens Network) with a corresponding reduction in traditional people-to-people operations (e.g., Winrock). Though FHA/PVC rarely recommends fully funding organizations at their requested level, this preferred budget arrangement maintains the integrity of the Review Committee's recommendation.

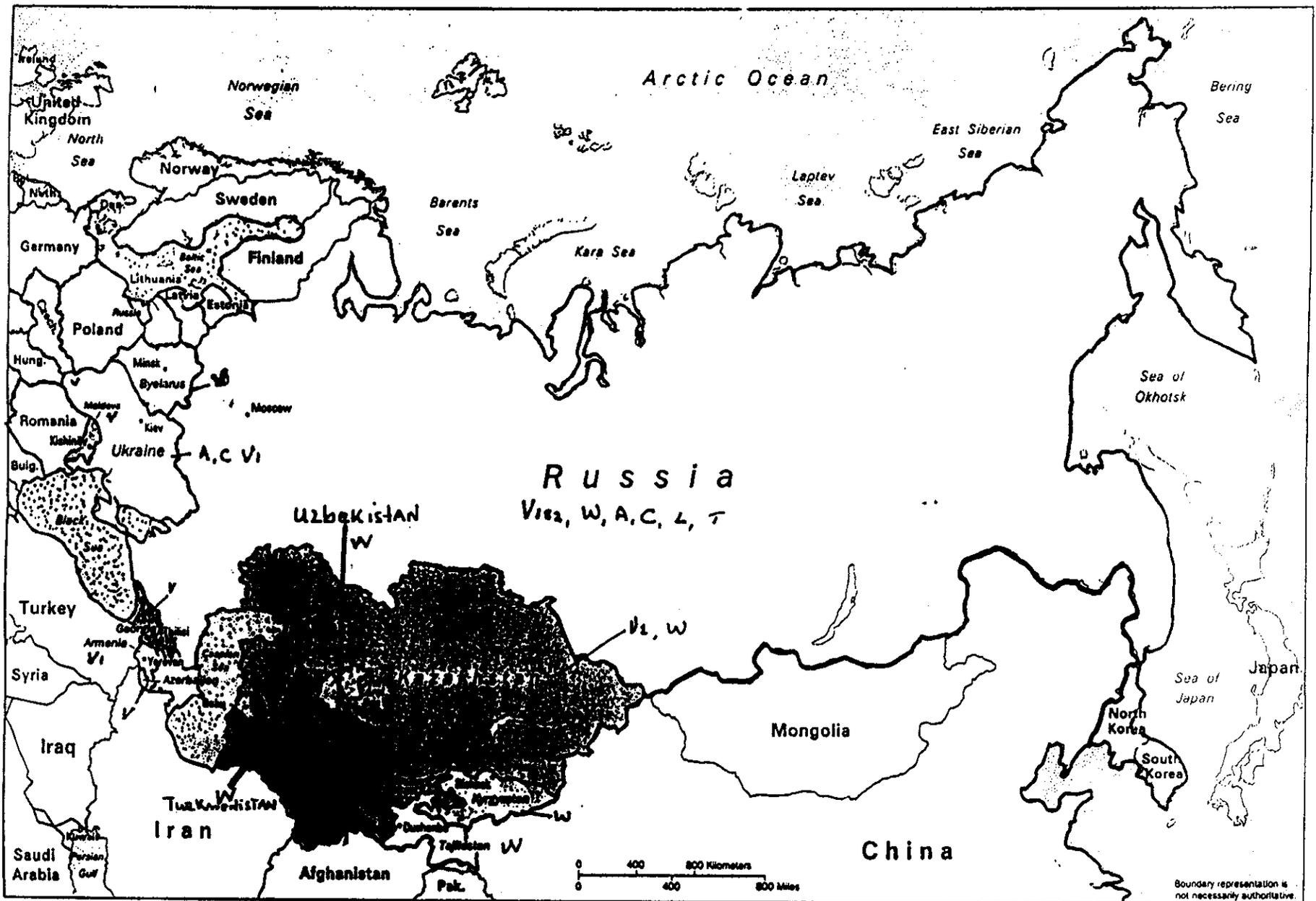
FHA/PVC's recommended funding levels address the Administration's interest in promoting private sector trade and investment in the NIS region, as expressed by Secretary of State James Baker in his testimony before the House Foreign Affairs Committee on April 30, 1992:

"What these new independent states need more than anything else--that for which they truly hunger--is knowledge: how to build democratic institutions, how to operate in a free market economy. These states do not require old-style "foreign aid" as much as they need something different: the knowledge that can be passed along by the active involvement of an energized private sector acting in partnership with the U.S. Government. Our technical assistance program is focused on facilitating such a partnership.

...we can leverage U.S. Government funds to catalyze private sector trade and investment. That's good for our business and our economy--as well as for the development of markets and democracy in the new states."

At this critical turning point in history, the United States is concerned about the possibility of severe food shortages and the consequent social and political upheaval these shortages can instigate in the NIS. At the same time, the United States and other nations have an eye toward developing markets, expanding trade opportunities, and sourcing raw materials for future trade. The FTF Program has been tapped as an instrument of U.S.

Proposed NIS Sites Where NTF Program Implementors Will Operate



VocA (Phase 1 & 2) = V

WinRock = W

ACT = A

CITIZENS NETWORK = C

LAND & LAKES = L

TRI-VALLEY GROWERS = T

foreign policy ideally suited for immediate impact upon the most urgent problems in the NIS and for highly visible contributions toward our ultimate foreign policy goals.

The program's immediate visibility and impact arise out of the fact that U.S. citizens volunteer to work on a people-to-people basis offering hands-on technical assistance to those seeking assistance--often with the active citizenry of the locale. U.S. farmers and agriculturalists, through this program, are sharing with their counterparts the values and beliefs in democratic principles and a free-market economy.

FHA/PVC's recommendation provides a diversity of agriculture sector and programmatic approaches and engages a broad network of U.S. and NIS participating organizations. Volunteer placements are estimated at approximately 1,565, plus the 238 volunteers which VOCA will place under Phase I of this program, bringing the overall total of volunteer placements over three years to approximately 1,803. This falls well within the levels of 1,500 to 2,000 volunteers which have continually been cited as the target level for this program. All 12 states of the NIS are covered, with the greatest effort focused in the Russian Federation.

The top four funding recipients in this alternative (ACDI, Citizens Network, Winrock and VOCA) are all funded between \$4.5-\$6.0 million. This spreads the implementation risk and achieves a balance between the traditional grassroots focus of Winrock and VOCA and the high-level business and banking focus of Citizens Network and ACDI. The inclusion of Land O'Lakes and Tri-Valley provides further emphasis on business operations while supporting LOL dairy development activities already initiated in Russia (and for which they may receive additional support from the NIS Task Force).

The proposed FHA/PVC funding levels would enable the program to focus on a wider range of problems because of the broad mix of technical assistance to be offered. It gives added weight to the "business-to-business" approach called for by the special problems in the NIS. Furthermore, it combines the traditional people-to-people concept with a private sector-business type focus, as proposed for example, by Citizens Network. There may be some risks to this combined approach, as it has not yet been tested; but the payoffs in terms of lasting program impact and broad coverage could be substantial, considering the unique development issues now facing the NIS. We believe that because of the uniqueness of the NIS situation, new strategies and approaches may be required to implement the FTF Program as suggested by the FHA/PVC proposed recommendations.

In analyzing the technical merits of the proposals and judging the capabilities of the organizations to implement the program, the Review Committee recommended that Citizens Network receive funding for a pilot program only. However, FHA/PVC's proposed funding would provide Citizens Network with \$4.5 million, thereby giving greater emphasis to this organization's ability to further engage the U.S. private agriculture sector in the NIS, as emphasized by the Secretary of State and the U.S. Congress. Through hiring of capable, full-time staff at headquarters and with careful project monitoring by FHA/PVC, Citizens Network should be able to implement an effective and potentially dynamic program.

The proposed FHA/PVC funding package has the same geographic coverage and number of organizations to be funded as recommended by the Review Committee in Tab 6. For both phases (I and II) the estimated number of total volunteers (1,803) is lower than the level proposed by the Review Committee (1,983), but certainly within the target level for this program. The principal difference with this proposed level is the rearrangement in funding levels for each of the six organizations identified--some would receive less, others more than requested.

It is important to note that in no case is any one organizational budget less than \$2.0 million. The budget proposed by Winrock is cut by \$6.5 million to a new level of \$4.4 million so that more funding might be available for the business-to-business private sector approach proposed by Citizens Network and to extend the geographic coverage of the program to all 12 of the NIS. Citizens Network's funding level goes from \$2.0 million under the Review Committee's recommendation to \$4.5 million as recommended by FHA/PVC. At the same time, VOCA and Winrock's budgets are each increased by \$1.6 million to permit the geographic expansion of the program to the other NIS.

Similarly, ACDI's funding level has been increased by \$1.0 million over the Committee's recommended funding level in recognition of its established track record and technical area of concentration. Land O'Lakes new budget of \$2.0 million (\$1.0 million less than proposed by the Committee) reflects a reduced geographic focus and fewer volunteers. FHA/PVC's funding mix thus allows all six organizations to pursue the same basic program thrust as outlined in their proposals.

Furthermore, because of additional funding for Citizens Network, VOCA and ACDI, these levels offer a rich and expanded resource pool of expertise and practical experience to tap into. In the case of Citizens Network, this organization is closely linked to some 100 of the most important and successful U.S. agribusinesses. VOCA and ACDI are, of course, two of the leading organi-

zations in the cooperative development community which A.I.D. relies on. They already have the organizational infrastructure to become operational quickly under the FTF Program.

Because in some cases the funding allocations are substantially below the amounts requested in the proposals, it is desirable that the applicants be allowed some flexibility and time (e.g., two weeks) for redesigning their proposals. This is particularly important because of the vastness of the targeted areas in the NIS region. FHA/PVC guidance to the applicants will require revisions to result in at least 50% of the funds being allocated to the Russian Federation with the remainder allocated to the other states. The guidance will also make sure that a significant program effort is carried out in Khazakhstan because the Central Asia region has enormous potential for increased agricultural production.

While FHA/PVC recognizes that significant funding goes to two proposals with the highest unit cost (ACDI and Citizens Network), its decision is predicated on the fact that these two proposals offer unique volunteer skill capabilities in dealing with credit, marketing and distribution systems which are major constraints to overall agricultural development in the NIS.

In the case of Citizens Network, the organization has created for the NIS FTF Program, an "Agribusiness Alliance" or consortium of 109 major U.S. agriculture and agribusiness firms, agriculture-related trade associations, and land grant universities to deliver projectized technical assistance to existing agricultural and agribusiness ventures in the NIS. Emphasis will be placed on the critical components of the food chain, including storage, processing, distribution, wholesaling and retail marketing.

In addition, project assistance will be targeted to support the growth and development of agriculturally-related organizations, such as general farm organizations and commodity groups as a means of promoting continued policy reform, enhancing democratic processes and generating popular participation in the agriculture/agribusiness sector. To carry out its work, Citizens Network, through the "Agribusiness Alliance" has access to a rich pool of expertise and practical experience in the business of getting food to people. Included are many of the world's most successful agriculture and agribusiness ventures. The Citizens Network Alliance will rely heavily on the capacity, knowledge and resources of its members, both in identifying potential NIS host enterprises and in carrying out program initiatives.

As for ACDI, it will be assisted by a number of leading farm credit organizations in the United States to carry out its program activities in the NIS. The member farmers and staff of these organizations involved in agricultural cooperative and farm

credit members represent a vast resource of potential volunteers. Probably no other farm credit organization, like the one ACDI is linked to, has such an extensive direct linkage with American farmers and their cooperatives.

Although Winrock's proposed program appeared to be the most cost-effective, it was the largest request for funding. Therefore, it was an appropriate candidate for reduced funding in the overall FHA/PVC strategic decision to provide for activities in all 12 of the NIS and for an appropriate distribution of resources among the other proposals whose programs were deemed worthy of funding.

In addition, it was also recognized that three of the applicants developed consortiums or other joint programs pursuant to the RFA. The funding allocated to Winrock, LOL and TVG will permit some exercise of the multi-party programs contemplated.

**F. Programs Not Recommended for Funding**

FHA/PVC concurs with the recommendations of the Review Committee that the proposals submitted by BARA, NCBA, and REAP should not be funded. Tab 7 provides additional information on these applicants and discusses the rationale set out by the Review Committee in support of its recommendations.

**G. FHA/PVC Program Support for the Special Initiative**

FHA/PVC proposes to establish two contractor positions in this office to assist the FTF Program Manager in the day-to-day management, monitoring and evaluation of the Special Initiative. These positions--a Technical Advisor and a Program Assistant--would assist in the preparation of reports, design scopes of work for evaluations, and manage computerized systems designed to track implementation and financial data provided by the implementors.

As stated in the Request for Applications, FHA/PVC will conduct an external evaluation of first-year activities. The purpose of this evaluation is to determine any need for mid-course corrections and to assess lessons learned and difficulties encountered. Also, in the third year of the Special Initiative, FHA/PVC will conduct an external impact evaluation of the program to determine its effectiveness, the results achieved during the life-of-the-program, and its impact in accelerating agribusiness development and the formation of privatized agricultural enterprises.

To enable FHA/PVC to implement this level of program support, an allocation of \$800,000 is proposed for these activities during the three-year period.

IV. RECOMMENDATION:

1) That you authorize funding for the six organizations recommended by FHA/PVC with a LOP totalling \$25.2 million, and that you approve the obligation of \$7,765,000 of FY 1992 funds.

Approve: Andrew S. Waters

Disapprove: \_\_\_\_\_

Date: 6/19/92

2) That you authorize funding of \$800,000 for program management support over the three-year period of this program and approve the obligation of \$235,000 of FY 1992 funds.

Approve: Andrew S. Waters

Disapprove: \_\_\_\_\_

Date: 6/19/92

Drafter: FHA/PVC:LWilliams:6/08/92:revised:6/11/92:6/15/92 *LW*  
X 351-0218

Clearances:

FHA/PVC/CD:JFasullo	<i>OK</i>	date	<u>6/15/92</u>
DD/FVA/PVC:HWing	<i>Helling</i>	date	<u>6/15/92</u>
DAA/FVA/PV/SMontgomery	<i>Helling</i>	date	<u>6/15/92</u>
FHA/PPE:CQuiros		date	
GC/CP:RMatalon	<i>draft</i>	date	<u>6/11/92</u>
DAA/FHA:GNiblett	<i>GN by LW</i>	date	<u>6/15/92</u>

STATE/D/CISA:  
Ambassador Richard L. Armitage \_\_\_\_\_ date \_\_\_\_\_

EUR/DR/FS:JSnell	info
S&T/AGR:JTurk	info
FHA/PPE:RShoemaker	info
NIS Task Force:BTurner	info
LEG/CLO:BCook	info
FA/B/PB/HGray	info
FA/OPO/W/FAO:JJeckell	info
STATE/EUR/ISCA:WKuhn	info
STATE/D/CISA:Karen Volker	info
USDA/FAS:AMustard	info

Attachments:

Tab

1. FHA/PVC concept paper dated January 9, 1992
2. DAA/FHA/PVC's transmittal letter dated March 6, 1992, and a copy of the Request for Applications for the FTF Special Initiative Program
3. Summary of the proposals received for the FTF Special Initiative
4. Proposal review schedule
5. Proposal rating worksheet (example)
6. Memorandum from the Chairman of the Review Committee to the Review Committee members; and two memoranda
7. Review Committee Summary Reports