

EXPERT APPRAISAL OF THE IMPLEMENTATION OF THE NATIONAL PROJECT “THE DEVELOPMENT OF AGRICULTURAL SECTOR”

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The article observes the results of the national project “The development of agricultural sector” realization in the direction “The accelerated development of stock breeding” in Samara region, emphasizes the range of problems, identifies risks, and formulates recommendations for risks enumeration and elimination during the government program realization.

Management efficiency of national projects and government programs' realization is generally determined by the effective control based on monitoring. The monitoring organization allows for the constant analysis of action area plan accomplishment for each national project and comparison of the planned and the really achieved results.

The method of expert appraisal can be used as a scientific monitoring instrument which has such special features as, first of all, scientifically grounded organization of all expert steps which provides the maximum work effectiveness at each step, and, secondly, the use of quantitative methods either for expert organization or for evaluating of experts' view and formal group processing of the results.

The method of expert appraisal considers the experts to make an intuitively logical analysis of the problem with the quantitative assessment of the views and formal processing of results. The colligated judgment as a result of formal processing is accepted as the problem solving. The integrated use of intuition (unconscious thought), ratiocination and the quantitative assessments with its' formal processing helps to get an effective solution.

The expert research “The results of realization of the national project “The development of agricultural sector” in the direction “The accelerated development of stock breeding” was carried out in September-October 2008 by the research group with the participation of regional experts. More than 20 experts of Samara region who take part in political, economic and social life of the region participated in the research.

The aim of monitoring research is to get full, reliable, objective and consistent informa-

tion about the results of national project realization in the direction “The accelerated development of stock breeding”.

The methods of research:

- ◆ expert polling of the representatives of various groups: executives and authorities, science, mass media, leading companies, regional institutions and organizations;

- ◆ focus groups in the main social and professional groups;

- ◆ analysis of official statistics.

The focus group methodology supposes the revelation of different points of view and organization of some discussion between them (for deeper understanding and more detailed disclosure of the topic), but finally, it is necessary to get a basic opinion from each respondent on all the issues in question. Similar group discussions were led in the main social and professional groups in the course of expert polling.

To divide the experts into different categories is rather relative, because most of them have several professional statuses and hold various posts and could be attributed to several groups. So, many representatives of the scientific society are members of public bodies and institutions, and the present leaders and top-managers of entities and business organizations held posts in state executive bodies in the past and vice versa.

It should be noted that more than half of experts participating in the research have personal experience and practical skills of such appraisals, approbation and knowledge of the national project realization problems, and relied on their experience in their appraisals and responses. The rest of the experts mainly used their personal life and social experience, mass

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media and “second-hand” information to form their opinion and assessment.

In the course of the research the experts, first of all, were asked about the urgency of emphasizing the direction “The accelerated development of stock breeding” in the national project “The development of agricultural sector” and the government program. All the experts considered the emphasizing of stock breeding development as a top priority direction to be actual as it will give an opportunity to succeed not only in important state economic objects, but also to improve the welfare of the rural population significantly.

The development of stock breeding will facilitate the increase of qualitative foodstuff volume in the domestic market, the expansion of cereals and fodder crops production and as stimulating plant breeding development.

The analysis of research results demonstrated that more than 70% of experts considered the process of realization of the national project “The development of agricultural sector” to be satisfactory. More than 60% of the respondents gave a good mark to the underlined priorities and target use of budget funds. More than half of the experts (60%) suppose the financial provision of the project and the effectiveness of budget funds use to be adequate.

In the course of the research the experts were offered to define the most important and significant results of project realization and the problems arisen in the process of its’ realization for project appraisal by significance ranking method (from 1 - very significant to 10 - insignificant).

The results of expert appraisal analysis demonstrated that while evaluating the national project the experts considered the following problems and results to be the most important and significant:

1. The results of the national project realization:

- ◆ the increase in production volume - rank 3,56 points;
- ◆ the growth of production commercial viability - 4,2 points;
- ◆ cattle productivity increase - 4,36 points;
- ◆ the growth of population provision with stock breeding production - 5,52 points;
- ◆ the increase of consumption level of stock breeding production by the population - 5,8 points;

- ◆ employment growth - 5,8 points;
- ◆ rise in the cost of living in the countryside - 5,96 points;
- ◆ production improvement - 6,08 points;
- ◆ a rise in the attractiveness and prestige of agricultural labor - 6,56 points;
- ◆ the decrease in the dependence on stock breeding production import - 7 points.

2. The problems arisen in the process of the national project realization

- ◆ the lack of skilled personnel - rank 3,24 points;
- ◆ sharp fluctuation in the stock breeding production market - 4,52 points;
- ◆ the lack of mortgage base - 4,56 points;
- ◆ legal complications to fund raising - 4,64 points;
- ◆ low level of planning activity culture - 4,76 culture;
- ◆ low effectiveness of production - 4,88 points;
- ◆ the lack of own resources for investment financing - 5,52 points;
- ◆ the absence of infrastructure for stock breeding production sales - 7,16 points,
- ◆ insufficiency of import restriction measures - 7,48 points;
- ◆ deficiency of developed fodder production - 8,36 points.

According to the experts’ opinion the most significant results of the national project “The development of agricultural sector” realization in the direction “The accelerated development of stock breeding” are as follows: the increase of production volume, the growth of production commercial viability and cattle productivity, the growth of population provision with stock breeding production and the increase in its’ consumption by the population. The significant results also include the decrease of social tension in the countryside by the achievement of employment growth and the rise in the cost of living.

At the same time the experts noted the existence of fundamental problems which took place in the process of the national project realization and slowed it down.

First of all, it is the staff problem. The lack of people, not technology remains the main deterrent factor for the future perspective.

Secondly, it is the sharp fluctuation in the stock breeding production market and present prices’ conjuncture, on the one hand, for agri-

cultural goods and on the other hand, for resources.

The experts attribute the whole set of problems to **loan funding**: the deficiency of liquid security for mortgage (especially, this regards farms), the complication of legalization to raise credit and the low level of planning activity culture.

The experts underlined the low effectiveness of production, and as a result, the lack of own resources for investment financing as the fundamental problem, as only the effective commodity producers with their own financial potential of development are attractive for investment and achieve success in effective development and attraction of budget funds according to the national project in the first place.

The experts suppose that the absence of infrastructure for stock breeding production sales remains a fundamental problem. The soviet system of government purchases and consumer cooperation was destroyed long time ago, and the new system is being established too slowly. Large entities, farmers and households vitally need the chain of available wholesale and retail markets, stock and corn auctions, the well-formulated information about prices and consumers. And this is the most important thing in modern agro-service. But only 2 % of the government program finances are aimed at the regulation of the agricultural market.

The national project is a new instrument of Russian social politics, which is characterized by the purpose expense of funds, the existence of a special body for project management, and by a special procedure of effectiveness appraisal. In contrast to other cases of goal-oriented financing, the project management body has extensive power, and there is a high degree of political control of expenses. Nevertheless, the realization of national projects is connected with certain risks.

In the course of expert appraisal on the basis of risks identification questionnaires the experts defined the main risks, attending the national project realization. Finally, they formulated the sum-total of risks and its degree for successful project realization. Then, they defined the importance of each type of risk and risk integral level on the basis of their expertise.

The assignment of risk analysis is to give potential contractors the necessary data so they

could take a decision whether it is reasonable to participate in the project and take measures against the potential material damage.

The risk expertise is used in the first stages of work with the project in case the source information is not enough for quantitative appraisal of effectiveness (calculation error is more than 30%) and for project risks.

The expert appraisals demonstrate that the highest level of risk exists in the economic area, and these are the risks connected with company business activity and are regulated by the market itself. These are the risks of selling and production, financial and price risk, etc.

The experts have reached consensus that the price risk is the most significant one because it is connected with unpredictable changes of prices not in favor of agricultural producers who, finally, suffer losses. Moreover, the acute problem, which the agricultural sector is facing, is the absence of price parity.

The experts suppose that the next in significance risks are the risks of production and selling.

The list is complemented by financial risks which can be regarded as a possibility of losing risk money in financial transactions and connected with insolvency of the party in contract, freezing of accounts and delay of payment.

Significant integral risk level defined by the expert appraisal can be attributed to the qualifying risk which refers to the social risks. The lack of qualified specialists put obstacles in the way of efficient use of the existing and the developed productive potential and the implementation of new technologies.

The third in significance risks according to the experts' appraisal are political risks which appear because of political changes and objective reasons: credit, investment and inflationary.

The experts are especially concerned about the credit risk, because it is connected with the threat of non-return, partial or late repayment of credit. During the national project realization a lot of agricultural producers took significant sums of money on credits which have increased a lot in financial crisis conditions, and if there is no acceptable economic situation, they could have serious problems with repayment and as a result, problems with additional financing for project close-out. This, in turn, will lead to in-

vestment risks which could worsen the companies' financial position because of the lack of investment.

The experts' low estimate of environmental risks can be regarded as a positive trend. These risks are inseparably connected with agroindustry and affect it a lot. But the climate conditions of the previous years have fostered the effective management of agricultural industry and agriculturists gradually study to level the negative consequences of these risks by using up-to-date technologies.

In the course of expert appraisal the experts were offered to define the indicators for the realization of national project "The development of agricultural sector" in the direction "The accelerated development of stock breeding" by using the method of significance ranking (from 1 - the most significant to 10 - insignificant).

The experts suppose the following indicators to be reasonable:

- ◆ commercial viability of production - rank 3,24 points;
- ◆ profit made per 1 ruble of investment - 4,08 points;
- ◆ profit counted on 1 quintal of sold production - 4,48 points;
- ◆ the term of investment return - 4,96 points;
- ◆ the volume of production - 5 points.

Thereby, the expert appraisal came to the following conclusions:

◆ Both the emphasizing of the direction "stock breeding development" as the national project priority and the necessity of monitoring system development for the project realization are a burning issue;

◆ The progress of national project realization, financial provision and efficiency of budget fund use in the direction "The accelerated development of stock breeding" can be regarded as satisfactory, with correct priority addressees.

◆ The most important results of the national project realization are the increase in pro-

duction volume, the growth of production commercial viability and cattle productivity increase, the growth of population provision with the stock breeding production and increase of its' consumption level by the population and the decrease of social tension in the countryside.

◆ The fundamental problems which take place in the process of the national project realization and slow it down are the staff problem, sharp fluctuation in the stock breeding production market and existing prices' conjuncture, complication of legalization to raise credit, the low effectiveness of production, the lack of own resources for investment financing and the absence of infrastructure for stock breeding production sales.

◆ Nowadays it can be noted that the national project had point effect. In fact, it was opportune for certain viable entities, and so, facilitative for this branch polarization, that is to say it followed objective market processes.

◆ While evaluating the risks attending the project realization it should be noted that the highest level of risk exists in the economic area (production and selling risks, financial, price risks and etc.). Significant integral risk level is attributed to the qualifying risk which refers to social risks. Political risks appear due to political changes and objective, independent from entrepreneur, reasons (credit, investment and inflationary) are unsystematic, but they can bring the project figures down substantially.

The expert polling of the national project realization in stock breeding branch has given an opportunity to estimate the process of this realization, to find out the problems and to identify attendant risks, and also to formulate the recommendations for risks enumeration and elimination during the government program "The development of agricultural sector" realization.

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