

VISTAA – a Private Extension Organisation in Armenia

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VISTAA is a private extension organisation in Armenia. It started as an organisation of Armenian volunteers with agricultural know-how who wanted to utilize this to contribute to building their “new” Armenia. With time VISTAA developed into a successful private extension network, selling the services of its advisers to local farmers and international donors alike.

The extension environment in Armenia

The concept of extension, particularly the western idea of training and visit (T&V) and especially direct delivery of services to the end user, unheard of a decade ago, remains a concept in a state of evolution for all parties in Armenia: donors, extensionists/advisers and end users/clients.

Before independence the concept of a service that publicly disseminated agricultural information was non-existent. Western donor groups, primarily through EU TACIS (European Union Technical Assistance to the Commonwealth of Independent States), USAID (US Agency for International Development) and the US Department of Agriculture (USDA), introduced the idea shortly after independence.

Very quickly, two types of extension approaches developed: public and private. EU TACIS and USDA worked with the Armenian government and promoted public sector extension. This mainly consisted of the Ministry of Agriculture identifying priorities and USDA and EUTACIS developing programs of work and providing ex-pat advisers to meet those perceived needs. The other approach was farmer-led and pioneered by VOCA (Volunteers in Overseas Cooperative Assistance)², a USAID contractor assigned to work directly with rural clients actively involved in producing, processing, and marketing Armenia’s crops and livestock.

This two-track approach continues today with USDA and the World Bank providing funding support (through grants and loans) to the development of a public sector publicly funded (tax supported) advisory service system. The T&V system that has been established is very costly. VOCA and now VISTAA continue with their vision to be primarily a grower, processor and marketer driven advisory service financed through at least partial cost recovery and from other sources outside the Armenian tax system.

Armenia’s public sector extension service continues to limp along facing number of daunting tasks. A top issue is its near complete dependence on donor funding/loans for its survival. Despite repeated recommendations over the past several years to identify ways to recover costs, it is felt that government-led extension activities would most likely collapse if donors curtailed funding. The extension service is chronically plagued by internal operational challenges including personnel changes and securing funds for supplies and equipment. It is supposed to have field staff in all regions which makes a total of approx. 250 advisers for 300’000 small farmers, if donor funding is available. VISTAA on the other hand, is very small in comparison.

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² VOCA was merged with ACDI (Agricultural Cooperative Development International) in 1997 and is now named ACDI/VOCA (and mentioned later in this article under this name).

VISTAA's story

VISTAA had a most interesting beginning. From the start of Armenia as a newly independent state of the former USSR in 1991, nearly all of the technical assistance undertaken in the agricultural sector was done by international advisers. When locals were engaged it was in a support role to the expat. VOCA also followed this mode to some extent but had begun to consult Armenians on some projects. Then things changed. One scientist who had been consulted on a VOCA assignment, walked in the VOCA office and announced that he would like to be a VOCA volunteer. The staff was unsure how to react as VOCA was a program primarily for US volunteers to share their knowledge and skills. Locals serving as volunteers had not been considered previously. The VOCA staff enquired as to why the scientist wanted to volunteer. He said he wanted to remain active, share his knowledge with the just created agricultural sector and build his "new" Armenia. The staff's reaction was ... why not! And so the forerunner of VISTAA was born. VOCA advisers and local advisers were teamed together to provide the clients with the latest technical practices from the USA, and to integrate these into the Armenian socio-cultural context. It proved a winning formula for all. The VOCA advisers saw their advice applied in a more practical and sustainable manner. The Armenian advisers learned about the latest technical options and know-how from the VOCA advisers, and the clients received the combined knowledge in a form they could relate to.

This strategy proved so successful that VISTAA (originally VISTAA stood for Volunteers serving Armenian Agriculture) began its own operations in 1995 and it received its official registration from the government in 1998. Headquartered in a small office in Yerevan, the capital, VISTAA remains Armenia's first and largest private advisory service. No other non-government organization provides its range of services to the agricultural sector.

The VISTAA difference

Instead of using a proactive (top-down) approach which is the hallmark of the public extension serv-



Milk processing at the Black Ox dairy plant.

ice (planning meetings, field days, conferences, researcher-identified farm trials, training, extension bulletins), VISTAA uses primarily a client identify/driven approach: requests for direct hands-on assistance from individual clients themselves. VISTAA does not have an eloquent master plan of operations nor a media promotion strategy. It does not seek publicity. It does not do press releases. It rarely gives interviews. Yet it cannot meet the demand for its services. Its clients learn of VISTAA through the most reliable method used globally: word of mouth.

VISTAA organisational set-up

VISTAA comprises core management staff of three persons based in Yerevan. With such a small unit its operational expenses are modest. It contracts for transportation on an as needed basis for its direct support to farmers program. VISTAA's advisers are central to its service to the agricultural community. VISTAA maintains a database which contains over 160 advisers available at short notice to provide field support to clients anywhere in Armenia. This quick response coupled with on-the-spot, low-cost, environmentally sound advice is the hallmark of VISTAA's work.

The advisers are engaged on an as needed basis. They are paid equally on a standard per day rate. While the day rate is above the average and very low labor rate in Armenia, the advisers often work just a few days in a month at best.

VISTAA's clients

VISTAA attracts a diversified client base: local clients from the farming sector, private consulting firms and NGOs inside and outside of Armenia, foreign governments, multilateral and international donors. It works with approx. forty, mostly individual, farmer clients per year. Institutional (commercial and non-profit) clients vary each year. Annual activities include an average of 15 workshops and 8 business development plans.

VISTAA has funds from donors (e.g. USAID, CORD-AID, AED, UMCOR) with specific earmarks for resource-poor clients (e.g. group training and workshops).

There is no obvious differentiation between farmer clients of the public extension services and VISTAA. At the operation level VISTAA and the extension staff work well together. VISTAA considers responding to requests from extension agents: Extension staff may identify an individual or group that needs specialized assistance that is beyond the expertise available locally. VISTAA will be approached to see if they can provide the assistance needed.

VISTAA has a special relation to its clients. They come to them by word of mouth, but there is also something more basic to VISTAA's appeal. The Armenian farmers know that VISTAA is 100% run by Armenians. There is no ex-pat in the back room making decisions. There is no "cultural communication gap" in the exchange of information. The message and the messenger are clearly understood by the clients. The office looks like an Armenian office – coffee cups everywhere, lively and elevated discussion happening in different parts of the room, no "by appointment only" signs anywhere. Only Armenian is spoken. The clients or potential clients feel like this is a place where they belong. The first language on all documentation is Armenian. Translation is rare.

VISTAA's services

VISTAA advisers assist with crop and livestock production issues, development of agricultural machinery and other low-cost technologies, technology and busi-

ness advice in food processing and marketing, development of business plans, production and marketing studies, feasibility studies and other business activities. A significant portion of VISTAA assignments are directed to introduce new products and technologies to the Armenian market, as well as to conduct seminars and professional training for agri-businesses.

Direct services to Armenian clients is primarily for assistance in crop and livestock production and processing. This entails a meeting between the client and the adviser. The following step-by-step process is used with each assignment. The prospective client visits VISTAA and presents an oral summary of their challenge and technical assistance they are seeking. VISTAA determines on the spot if they can meet the challenge through their database of 160 advisers. If so, a scope of work (SOW) contract is prepared for the services requested. VISTAA and the client sign it. The next step is for VISTAA to contact an adviser, share the SOW, and if the adviser agrees, a contract is finalized. The entire process can often be done in the same day with the client, VISTAA, and the technical adviser all sitting down the same day. This is essential especially with issues related to crop and livestock.

After the service has been provided VISTAA staff contacts the client to understand how the client assessed the performance of the VISTAA adviser. Rarely is there an issue surrounding performance. This is due to the fact that VISTAA is a client-driven service. The client identifies their problem the best they can. VISTAA staff then makes the determination as to the appropriate adviser to work with the client. The client works side by side with the adviser(s) to ensure they understand what the issue is and options for solving it. In this way performance is done to the satisfaction of the client.

VISTAA's other clients, the non-government sector "development" community, usually requests VISTAA to participate in a range of activities: undertake feasibility studies, provide community based training, design software applications, prepare business plans for clients, and monitor on-going programs. Judging by the on-going and repeat business and the broad range of clients seeking VISTAA's services it is clear that the non-local clients of VISTAA are comfortable with its delivery of services as well.



Fruit drying business.

VISTAA advisers

Those screened to serve as VISTAA advisers come from two different worlds: the “USSR World” and the “Newly Independent World.” VISTAA technical specialists in livestock and crops tend to be from the world of the USSR. They were former technical schoolteachers, crop or livestock specialists on state farms, researchers from the numerous institutes that barely function in the new Armenia, and professors from the Agricultural Academy of Armenia. Those from the Newly Independent World are generally young, under 35 years, never worked in the USSR system, graduates in business administration or computer science from universities with revised curriculum that reflects the larger world, fluent in English and highly motivated to build “their” Armenia.

VISTAA often teams up these Armenians from different worlds to work directly with clients. In that way, everyone benefits: the clients receive both technical and business advice and the new and old world Armenians learn about the strengths and weaknesses of their advice and approach to serving clients.

In VISTAA’s view most issues can be solved using a combination of expertise available in country. That is not to say VISTAA management and advisers do not receive skill training, they do, so that they can provide the latest appropriate information to their clients.

VISTAA has found that the younger advisers in business and computer applications do not need skills training when compared with those from the USSR World. The young are motivated towards self-improvement and know the value of the Internet in finding information and answers to issues they face in completing their assignment.

The older advisers are well grounded in the basics of crop and livestock management. Their collective challenge is in applying that knowledge in the socio-economic paradigm of the new Armenia: to individuals with little or no capital nor basic knowledge of the commodity they were allotted by the Armenian Government during the privatization process. Also the older advisers do not have the computer skills to access to the latest information so they depend on VISTAA staff to assist them with search for technical knowledge.

VISTAA has secured funding for advisers to attend short trainings internationally or to arrange for international expertise to provide in-country training. VISTAA utilizes the ACDI/VOCA Farmer to Farmer volunteer program to provide assistance with the in-country training. The VISTAA adviser will team-up with a specialist from the USA to learn the latest technical information related to crop or livestock management. The VISTAA adviser will then adapt that information for use with clients.

Financing

VISTAA receives financing from a variety of sources within and outside of Armenia. It received funds for institutional development, fees for services performed for agencies in the profit and non-profit sector, and from Armenian agro-entrepreneurs.

The amount that is paid by the local farmer clients varies according to their ability to pay. For the impoverished VISTAA has a fund available to serve their

The story of the Black Ox Dairy Plant

This is the story of Armen Ghazaryan and his family. He is symbolic of the changes going on in Armenia. Armen had a comfortable life in the USSR as structural architect. All that changed with the demise of Soviet Union. Many factories were closed and the unemployment rate skyrocketed. Armen Ghazaryan like hundreds of thousands of citizens of Soviet Armenia lost his job and was out of any kind of income to meet the most basic needs of the family. His family quickly went from comfortable times to survival times.

In late 1994 Armen Ghazaryan and his family decided to look to the countryside and started their family business. With just a few cows and no previous experience. "Black Ox" Dairy Plant was born. He decided early on to build his product exclusively on his own dairy production from their own livestock thus ensuring strong quality control.

1997 began the VISTAA/Black Ox partnership which continues today. It started with a request from Armen: given the small volume and high quality of product, how do I reduce costs and increase profit? VISTAA identified an dairy processing expert who went to the plant to identify opportunities for cost reduction. One costly component was identified: energy. A project of

alternative energy was designed using an abundant and renewable resource: dairy manure. A simple bio-gas unit was installed attached to the barn. It was designed to minimize fuel expenses in the production cycle while providing heat to the barn during the cold months. The successful implementation of this project was a crucial point in the development curve of the company. The drastic reduction in energy cost raised the competitiveness of Black Ox in the market by reallocating capital for investing in marketing, advertising, new product development and milk quality improvement.

VISTAA also helped Black Ox in its marketing strategy development. In its first years Black Ox sold a very limited number of products in Yerevan, the main market for dairy products in Armenia. However after VISTAA assistance with niche marketing Black Ox supplies more than a hundred fast food places, restaurants, and food stores with yogurt, "squeezed" yogurt and sour cream.

The story of Black Ox is in many ways typical of the development of the fledging agriculture sector. Armen and his family are so pleased with their relationship with VISTAA, that Black Ox has become a site for study tours organized by VISTAA for its clients and guests both inside and outside of Armenia.

needs. However even this group of clients is expected to provide some share in the cost. Often this consists of a simple meal for the VISTAA technical adviser or, when their enterprise is up and running providing some of their produce to charity. VISTAA staff also receives compensation from these clients in the form of farm products in lieu of cash payment. It is VISTAA's experience that people value the advice when it is done in a proper business relationship where each party contributes. VISTAA has not had a client yet who could not provide some level of in-kind cost share.

VISTAA's original vision was to be much more financially independent than it is today. That was based on the optimistic projections of international economists that predicted Armenia would grow steadily. VISTAA's plan was to grow along with the private sector and be financed largely by local private clients. This has not happened in the countryside. Armenia and its fledging

agricultural sector remains impoverished, and VISTAA remains dependent on donor-funding. Its only way to secure continued funding is good performance.

Conclusion

In sum, the role that VISTAA plays in advancing the agricultural sector is a genuine reflection of the current situation in Armenia. VISTAA's 8-year track record of growth has exploded the often-promoted ex-pat myth that Armenians do not value the advice of another Armenian. Extension communication is an art and science and is culturally specific. It is not only a question of the message but it is also a question of the effectiveness of the messenger. While ex-pat funded projects have and will continue to come and go VISTAA, its staff and advisers are committed over the long term to doing their part to develop a successful and sustainable agricultural sector.