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REVISED PROJECT PAPER

RWANDA FOOD STORAGE AND MARKETING

696-11-234-100

January 9, 1976

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ANNEXES

OPROVIA Questions and Answers
Logical Framework Revisions

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT PAPER FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE ("X" appropriate box)
[ ] Original [ ] Change [X] Add [ ] Delete

PP

DOCUMENT CODE 3

2. COUNTRY/ENTITY: RWANDA

3. DOCUMENT REVISION NUMBER: 1

4. PROJECT NUMBER: 696-11-234-100

5. BUREAU: a. Symbol: AFR; b. Code: 1

6. ESTIMATED FY OF PROJECT COMPLETION: FY 77

7. PROJECT TITLE - SHORT (stay within brackets): FOOD STORAGE AND MARKETING

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION: INITIAL 75; b. FINAL FY 80

9. ESTIMATED TOTAL COST ($000 or equivalent, $1 =)

a. FUNDING SOURCE	FIRST YEAR FY 75 b. FX	c. L/C	d. Total	ALL YEARS e. FX	f. L/C	g. Total
AID APPROPRIATED TOTAL	90	526	616	269	883	1,152
(Grant)	(90)	(526)	(616)	( )	( )	( )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S. 1.						
Other U.S. 2.						121
HOST GOVERNMENT		100	100		511	511
OTHER DONOR(S)						
TOTALS	90	626	716	269	1,394	1,663

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS ($000)

a. Appropriation (Alpha Code)	b. Primary Purpose Code	c. Primary Tech. Code	FY 75 d. Grant	e. Loan	FY 76 f. Grant	g. Loan	FY 77 h. Grant	i. Loan	ALL YEARS j. Grant	k. Loan
FN	120	333	616		293		243		1,152	
		TOTALS					3			
11. ESTIMATED EXPENDITURES			616		293		243			

12. PROJECT PURPOSE(S) (stay within brackets) [ ] Check if different from PID/PRP

TO PROVIDE THE TECHNICAL GUIDANCE AND THE STORAGE FACILITIES NECESSARY TO ENABLE THE RWANDAN GOVERNMENT TO DEVELOP A PRICE STABILIZATION POLICY WHICH WILL HELP DAMPEN WIDE FLUCTUATIONS IN FOOD PRICES IN THE COUNTRY'S FOOD MARKETS.

13. WERE CHANGES MADE IN BLOCKS 12, 13, 14, or 15 OF THE PID FACESHEET? IF YES, ATTACH CHANGED PID FACESHEET.

[ ] Yes [ ] No

14. ORIGINATING OFFICE CLEARANCE

Signature

Title

Date Signed mo. day yr.

15. Date Received in AID/W, or For AID/W Documents, Date of Distribution mo. day yr.

AID 1330-4 (7-75)

Revised Project Paper

Rwanda Food Storage and Marketing Project

I. Summary and Recommendations

A. Recommendations

1. It is recommended that there be authorized for fiscal year 1976 (including the interim quarter) a total of $536,295 in additional grant funds for the project. Inclusive of funding authorized under the original Project Paper, the total amount authorized for the project would be raised to $1,152,295.*

2. It is recommended that approval be given to an extension of the following waivers authorized by the original Project Paper:

a. Waiver of Regulation 7 on the use of third-country nationals for technical and supervisory aspects of the construction;

b. An increase in the per transaction limitation of off-shelf items to $3,000;

c. A waiver to allow the use of standard Government of Rwanda contracting rules, procedures and forms including, without limitation, Rwanda requirements applicable to bids, awards, and performance security.

B. Summary Project Description

The Food Storage and Marketing Project (FSM) is a cooperative, grant funded, project between the U.S. and the Government of Rwanda whose goals are:

1. to increase the availability of agricultural food products at a rate faster than the rapid growth of population; and

2. to develop an economically efficient price stabilization system for certain subsistence food crops.

To achieve these goals A.I.D. has supplied the following inputs:

a) services of a project manager; b) financing for construction of three warehouses and is prepared to finance, out of existing funds, the construction of two double warehouse units; c) financing of short-term training of Rwandan nationals in the field of grain storage and marketing practices; d) procurement of certain necessary commodities for the project and its staff, and e) a portion of the working capital for the stabilization program. This PP revision requests a further authorization of funds for the second year of this three year project. In general, it is

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* The original PP had approved $716,000 for the project. Subsequently, a total of $616,000 was authorized for the first year of the project, FY 1975. It has been assumed throughout that the difference of $100,000 will be made available for future funding of the project. Thus, the request to authorize an additional $536,295 for the project includes the $100,000 difference which had already been approved.

proposed that these funds be used to continue required technical assistance, to complete construction of a total of six grain storage units, to complete the participant training element of the project, and to meet the increased need for working capital. On its part, the Government of Rwanda will continue to provide the logistical support, local staff, and engineering services required by the project, as well as a substantial portion of the working capital and all of the operating capital requirements of the project.

Combined, these inputs will allow the project staff manager (and, ultimately Rwandan personnel trained under the project) to implement a price stabilization and food marketing program which will be able to purchase certain key subsistence crops at harvest time, store thes crops in FSM warehouses, and sell the crops during periods of food shortage. The effect will be to thus realize the goal of reduced price fluctuations of food stuffs which have been in the past caused by certain temporal and spacial irregularities in the marketing of these commodities.

II. Background of the Project

A. A.I.D. Contribution

The FSM Project Agreement was signed by the GOR and the U.S. Embassy Kigali on December 20, 1974, which obligated the U.S. to spend $716,000 andthe GOR to contribute $284,000 in local currency for the life of the project. A subsequent ProAg, dated February 28, 1975, revised these figures to $616,000 and $94,702, respectively.

The first input to the project was to start construction of the food storage warehouses. Therefore, on March 15, 1975, an invitation for bids was issued for the first phase of construction: three 250 metric ton storage capacity warehouses and related facilities; one each to be located in Byumba, Kibungo and Kigali (Kicukuro) Prefectures. As a result of the IFB, a local Rwandan contractor was employed to do the work at the Kigali and Byumba sites, while the contract for the third site was negotiated with a non-profit local Belgian development firm. Work on the warehouses at these sites is nearing completion. To proceed with the construction program, using present available project funds, negotiations have commenced (January, 1976) with the local Belgian development firm for the construction of the two double warehouses to be located at Butare and Gisenyi. Following approval by AID/W of the revised Project funding, an IFB will be issued for the remaining site. This will then complete the contract phase for construction of the six food storage warehouse sites in the project.

Within six months of the date of the revised ProAg six Rwandan nationals selected to be warehouse managers had received training in grain storage and marketing at Kansas State University. Unfortunately, due to budgetary problems suffered by the Government of Rwanda, as explained in the following section, these participant trainees were not able to be put to work immediately upon their return to Rwanda. However, once these budgetary problems were remedied by December of 1975, these personnel were able to

begin on-the-job training under the supervision of the project manager (and his counterpart) as was contemplated in the original PP.

Additionally, since April 1975, a PASA-funded project manager has been working in Rwanda, with a local counterpart manager, to generally oversee procurement, organizational and policy questions. To this end, the manager has been in constant touch with the Government of Rwanda National Council for Economic Policy (CNPE) to make recommendations concerning the Council's crop pricing policies.

B. GOR Role

As originally proposed in the PP, overall policy guidance for the program was to be provided by a Ministerial level Council for the Promotion of Food Crop Marketing. The revised ProAg recognized, in its stead, that necessary policy guidance would be provided by the CNPE. In the interim period between project authorization and signing of the revised ProAg the GOR initiated a policy establishing a minimum farm gate price of 20 RWF and a maximum retail price of 27 RWF for haricot beans, a major subsistence food crop. The GOR was responding to marked increases in the price of haricot beans due to crop failure resulting from excessive rains and the inflationary rise in the prices of farm inputs. (These prices reflect a 16 RWF valuation of farm labor, opportunity cost of 4 RWF, and a retail marketing margin of 7 RWF.)

At the very outset of the project an issue developed concerning the timing of the GOR contribution to the Project, especially in the provision of operating capital. The GOR computes its fiscal year on a calendar year basis. As a result, the Project was begun without a budgetary appropriation of funds by the GOR. It was not until October, 1975 that a supplementary budget request was approved and necessary operating funds were provided. This had one serious result already alluded to -- the six storage managers trained in the U.S. returned to Rwanda to find that they could not be paid. They were, thus, forced to return to their villages to await word on funding, and valuable training time was lost. This will not be a problem for the next fiscal year. Discussions have begun between the U.S. Embassy and the Government of Rwanda to assure that sufficient funds are budgeted and reserved to enable the GOR to promptly meet their project commitments. (The inability of the GOR to provide adequate funds until October 1975, also caused nagging problems in construction financing and logistics support for the project manager.) The GOR has, however, made available to the Project all necessary lands and engineering services.

The GOR has made one additional administrative change which effects the project. The initial PP contemplated that, within the guidelines established by the ministerial level council, operational responsibility would be the function of a National Food Crop Marketing Office -- an administrative adjunct of the Rwandan Development Bank (RDB). Several months into the Project, the GOR passed Public Law 24/75 placing responsibility for all

activities related to credit, transportation, marketing and the import/export of food crops within the purview of the National Office for the Development and Marketing of Staple Crops and Animal Products (OPROVIA). Since it was apparent that OPROVIA was succeeding to many of the functions which had been the responsibility of the RDB, it was necessary to inquire of the GOR as to the scope of authority of OPROVIA. The U.S. Embassy in Kigali raised certain questions in a diplomatic note to the Ministry of Foreign Affairs and Cooperation. The text (translated) of the GOR reply is attached as Annex A. Especially note the response to question 1 in which the GOR states that "OPROVIA will assume all obligations previously undertaken by the Rwandan Development Bank." Further, that "All obligations regarding staff, administration, ect. (sic), will be assumed by OPROVIA." The response is considered satisfactory evidence that having operational responsibility lie within OPROVIA will effect no adverse changes in the management of the project and in GOR support.

III. Continued Relevance of Project and Project Strategy

Conditions and problems existing when the FSM project was developed and to which the project was addressed remain largely unchanged: population density is extremely high and population is growing rapidly; food production is increasing at a slightly faster average annual rate than population but not rapidly enough to have a significant effect on inadequate nutrition levels; farm incomes are very low; and agriculture still is the source of livelihood for roughly 90 percent of the population, and the country remains balanced close to famine's edge. The project was designed to affect these problems by dampening the wide fluctuations in food prices which normally occurred throughout the year and between regions. The analysis indicated that through an effective price stabilization system, production would probably be stimulated, nutrition levels improved and farm incomes raised. But it was also recognized that in Rwanda the thin infrastructure base, the limited experience with such activities and the uncertainties surrounding marketing system and farmer reaction to a stabilization program made this a high risk assistance effort.

The purpose of the project was to provide the technical guidance and storage facilities necessary in developing an effective price stabilization system. This was judged to be an appropriate purpose, attainable in a short span of time with a modest input and focusing on the key bottlenecks to an effective system of warehouse space and planning/organizational and management capabilities.

While a few month's experience has shown that implementation difficulties are greater than were anticipated, there has been no reason to change the goals or purpose of the project.* It still appears if the infrastructure is provided that a price stabilization program can be mounted which will have development impact.

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* However, see Annex B for refinements that have been made in the logical framework for the project.

The strategy of the project as originally designed was to use physical facilities constructed and a market intervention system developed under the project in an organized food grain, buying and selling effort. At harvest the stabilization program would buy to keep the producers price up and later would sell to keep the retail price down, with commodities shifted between regions as necessary.

In our judgment this overall strategy remains sound. The only modifications, proposed now in light of additional experience, are, (1) an initial concentration on the basic food grain, haricot beans, with sorghum being handled only to balance warehouse operations and peas being largely excluded rather than equal attention being give to beans, sorghum and peas as originally proposed, (2) a slower turnover of stocks meaning greater quantities on hand in stabilization warehouses during parts of the year and (3) perhaps smaller quantities of food grains handled (only experience will determine the amount which can actually be handled). A lower quantity handled could impair the ability of the program to stabilize prices but, due to the uncertainties involved and the lack of experience, no definite judgment is possible. The quantities of haricot beans to be purchased nevertheless are equivalent to original projections and should be adequate to reduce fluctuations. The project will also be more self-sufficient and rely less on existing cooperatives to implement activities and place greater emphasis on quality and storage control. But as indicated these operational modifications do not change the overall strategy nor in our judgment do they change the if-then linkages between inputs-outputs-purpose-goal.

Nevertheless, while the objectives and strategy of the project remain valid, certain changes have occurred in the setting in which the project must operate. First, the government's decision to decree minimum farm gate and maximum retail prices for major food crops could theoretically obviate the need for a project to stabilize prices. The decree, itself, could stabilize prices and reduce farm and retail price fluctuations. But for the established prices to be observed by the market there needs to be a mechanism for enforcement. In fact, during the past year while the decree has been in effect there have still been large producer and retail price fluctuations and variations between regions indicating the mechanism does not now exist. The food storage program provides the means of enforcing minimum and maximum prices, and stabilizing them, through a systematic buying and selling effort. The effect of the increased prices on producers and consumers, which are higher than the range anticipated in the original project paper, is difficult to determine. Farm prices will be higher on the average and it would seem that retail prices would also be high. Higher farm prices would benefit producers while higher retail prices would have a negative effect on consumers. However, since most consumers are also producers the net effect is likely to be small. Eliminating the fluctuations, even at the higher price levels, could leave both producers and consumers better off, particularly in that it would allow better planning of expected income and expenditures.

Second, the establishment of the Office for the Development and Marketing of Staple Crops and Animal Products (OPROVIA) reflects greater government concern and planned involvement in food products marketing. Since the FSM operates with autonomy within OPROVIA there should be no particular operational difficulties resulting from the organization's creation. (More precise details on the FSM project's relationship with OPROVIA are provided in Annex II.) The organization does provide a logical home for the Food Storage and Marketing Project and helps ensure the after-project life of the Price Stabilization Program. Both were concerns in the original design effort. Also the organization has some resources, such as transport, which will be of use to the FSM effort. Finally, the system and procedures developed under the FSM project will probably serve as models for OPROVIA operations in other marketing areas.

IX. Revised Project Costs

A. Cost Estimates and Financial Plan

The total cost of the Project will increase from $1,000,000* to $1,663,443, with AID's contribution increasing from the $716,000 proposed in the original Project Paper to a revised figure of $1,152,295. At this new level, AID will contribute 63 percent of local costs, 100 percent of foreign exchange costs and 69 percent of total costs.

The revised cost estimates for the life of the project and proposed financial plan are presented in the following tables:

* original ProAg signed December, 1974. AID obligated $716,000 and GOR $284,000.

Table I
Revised Project Cost Estimates

	Foreign Exchange Costs	Local Costs	Total Costs
AID			
Personnel			
PASA	$105,000		$105,000
Direct AID	20,000		20,000
Contract	36,000		36,000
Commodities			
Vehicles	22,000		22,000
Miscellaneous	29,000		29,000
Participants	50,000		50,000
Construction		584,000	584,000
Working Capital		299,295	299,295
Contingency	7,000		7,000
	$269,000	$883,295	$1,152,295
GOR			
Personnel Support			
Housing		$16,500	$16,500
Local Staff		50,833	50,833
Operating Expenses		219,215	219,215
Engineering Services		64,500	64,500
Land		55,000	55,000
Working Capital		105,100	105,100
		$511,148	$511,148
Total AID and GOR	$269,000	$1,394,443	$1,663,443

Table II
Financial Plan

	FY 1975	FY 1976	Interim Quarter	Total
Personnel				
PASA	$20,000	$46,000	$39,000	$105,000
Direct AID		13,000	7,000	20,000
Technical Assistance		24,000	12,000	36,000
Commodities				
Vehicles	22,000			22,000
Miscellaneous	15,000	14,000		29,000
Participants	26,000	24,000		50,000
Other Costs				
Construction	484,000	100,000		584,000
Working Capital	42,000	72,000	185,295	299,295
Contingencies	7,000			7,000
	616,000	293,000	243,295	1,152,295

GOR (Calendar Year)	CY 1975	CY 1976	CY 1977	Total
Support U.S. Personnel				
Housing	5,500	5,500	5,500	16,500
Local Staff	7,900	30,600	12,333	50,833
Project Support				
Operational	46,900	132,000	40,315	219,215
Engineering	21,500	43,000		64,500
Land	18,335	36,665		55,000
Working Capital		105,100		105,100
	100,135	352,865	58,148	511,148

B. Basis for Additional Funding Requirements

Summary. The escalation in project costs is primarily the result of greater working needs and continuing increases in costs of construction and commodities. As can be seen from Table III below, 1975 increases in these two latter categories were financed by shifting funds from the original allocation for personnel and participants. Thus, a portion of the additional funds required for FY 76 and the Interim Quarter will be used to replenish these two categories.

It should be noted that in terms of total project costs, only $436,000 of the $536,000 shown in the preceding table as required for FY 76 and the Interim Quarter is in fact additional, the balance of $100,000 having been originally approved for the project but not allotted for ProAg execution in February 1975.

Table III
Summary of Cost Increases (000's)

	Feb. 1975 ProAg	Actual FY 75 Allocation	Change	Add'ly Required for FY 76 & IQ
Personnel				
PASA	$25	$20	$(5)	$85
Direct AID	-	-	-	20
Tech Assistance	50	-	(50)	36
Commodities	27	34	7	14*
Participants	50	26	(24)	24
Construction	415	484	69	100
Working Capital	42	42	-	257
Contingency	7	10	3	-
	$616	$616		$536

1. Working Capital

The FSM project will need a substantial increase in working capital from $52,000 in the original PP to $404,395. The reasons for this increase are twofold 1) an increase in the estimated purchase price of haricot beans (the primary commodity to be handled) from 6 to 23 RWF/kg ($.07 to $.25/kg) and 2) a doubling of the estimated quantities of stored product which must be held from 800 tons to 1600 tons or from 40 percent to 80 percent of the optimal storage capacity of 2000 tons.

* Balance of $3,000 from contingency.

The original PP purchase price of 6 RWF for haricot beans was based on a six year average. Although each year major price fluctuations were experienced, the trend in prices was virtually horizontal. In mid-1974 after project design had been completed Rwanda experienced a dramatic jump in food prices due to a crop failure resulting from excessive rain and the effect of world-wide inflation. For example, before 1974 the 10 year average price of beans in Kigali was 13 RWF/kg with maximum of 23 RWF/kg. In November 1974 the price of beans had reached 60 RWF/kg. In response to this politically dangerous rise in basic food goods, the GOR in January 1975 decreed a minimum producer price of 20 RWF/kg for beans and a maximum of 27 RWF/kg to consumers. This price was based on the GOR's evaluation of a minimum return to farm labor -- the principal factor in cost of production of beans -- plus a small incentive to encourage increased production. Initial figures for the 1975 harvest indicate producer prices between 23 RWF/kg and 28 RWF/kg. Economists of the Ministry of Planning anticipate food prices will reach a new, higher plateau and stabilize there. At the producer level it is estimated that this will be between 20-25 RWF/kg. The 23 RWF/kg used to calculate new working capital requirements is an adverage of these estimates.

The second element in working capital calculations is the required maximum amount of goods to be held at any given time to achieve the price stabilization goods of the project. Working capital needs is the product of price times this quantity. It was estimated in the original PP that 2000 tons of goods (principally beans and to a lesser degree sorghum and peas) handled through the FSM project would have a substantial effect in reducing their price fluctuations. This estimate is still held as valid. However, the original PP estimated a more or less continual rotation of stock so that 2000 tons could flow through the project each year with as little as 800 tons being in stock at any given time. Subsequent data indicate this estimate is no longer valid. Small programs of buying and selling beans recently undertaken by OBM and TRAFIPRO (two major cooperative organizations in Rwanda) have indicated that farmers sell their product in the January through April period of the first harvest with few transactions taking place again until the farmers return to buy additional food goods after their own stocks are depleted in October through December. In addition an unpublished study by Mr. Gabriel, an agricultural economist at ISAR (National Agricultural Research Institute), indicates that the quantity of goods offered for sale at a local market near Butare shows a bimodal distribution with a substantial quantity on the market after the first harvest (January-April) and during the so-called "hungry season" (October-December) with a marked drop in goods offered for sale in the mid-year period of the second harvest. This information indicates a much slower turnover of stock than originally estimated. It is now anticipated that a minimum of 1600 tons of goods must be held to achieve a 2000 tons annual flow of goods.

The quantity required by the project to be handled in any given year will vary according to the interaction of the price goals set by the project and the abundance of the harvest (i.e. supply). To provide flexibility to the project, an average level of goods has been estimated in calculating required working capital needs. In addition a line of short-term credit will be established from Rwandan banking sources to supplement the working capital of the project as the need arises.

2. Construction Costs

The cost estimates for construction were originally computed in May 1974. The original ProAg was signed in December 1974. In the intervening eight months (May-December) price escalated considerably in excess of the estimated 2.5 percent per month built into the original cost estimate. This occurred in materials, labor and other costs for the construction of the warehouses and managers' and workers' houses at each of the sites. The following price increases were reported subsequent to the initial estimates and the actual signing of the original ProAg:

Item	Percentage Increase
POL, Transportation	60
Cement	43
Reinforcing Bars	155
Sand	37
Stone	60
Nails, Hardware	200
Labor	44
Lumber	83
Paint	20

These price increases were further compounded by an extreme shortage of construction materials in Rwanda. Consequently, when bids were actually opened in May 1975, bid prices averaged approximately 27 percent higher than the original estimates for the three sites at Kigali, Byumba and Kibungo. These contract prices have been utilized in calculating the anticipated cost of the remaining three sites at Gisenyi, Kivuma and Cyangugu. Calculations are as follows:

a. Single warehouse unit - Cyangugu

Average cost of three units under construction	RWF 6,382,713
Plus 27% for price escalation & distance	1,723,332
	RWF 8,106,045

b. Double warehouse units - Gisenyi and Kivuma

Estimated cost as of May 1974	RWF 8,100,000
Plus 27% for price escalation to date of bid opening for first 3 units	2,187,000
	10,287,000
Plus 26% for additional price escalation since May 1975	2,674,620
	RWF 12,961,620
Cost for 2 double units	RWF 25,923,240

c. Total cost for single and double warehouse units

Single	RWF 8,106,045
Double (2)	25,923,240
	RWF 34,029,285
(conversion rate of RWF 91 = US$ 1)	US$ 373,948 — 1

d. Funds required for construction are as follows:

Total funds available per ProAg for construction of 6 units	$484,000
Contract amount for 3 sites under construction	210,419 — 3
Balance available for remaining 3 sites	273,581
Estimated cost of 3 remaining sites	373,948
Estimated amount of additional funds required	100,364 — 2

3. Other Costs

a. Commodities

An additional $14,000 has been added to the project to cover anticipated price increases in commodities and related shipping costs. These commodities are being purchased by AAPC under PIO/C 696-100-9-50003.

b. Technical Assistance

It is proposed that $36,000 of the $50,000 originally allocated for technical assistance be used to finance an 18-month personal services contract with an ex-Peace Corps volunteer who has been assigned to the project as a warehouse specialist. The project would have to pick up the cost of his services since he has now served the maximum five years allowed by the Peace Corps. Note that this does not represent a cost increase for the project but rather an internal replenishment of funds which in FY 75 were shifted to cover increased construction and commodity costs.

V. Evaluation Plans

It is anticipated that the project will be evaluated periodically during its implementation period. These evaluations will draw upon available baseline data and data collected periodically during the course of the project's implementation. This data will be collected from various sources noted below and compiled by the FSM Project's Rwandan statistician. This data will include the following:

Market prices for principle food crops and substitutes will be collected on a bi-weekly basis, by the storage manager, in each of the areas affected by the FSM project. In addition as a check, it is anticipated that collection and exchange of information with the Missions involved in the Catholic Relief Services (CRS) Silo Program and major cooperatives such as OBM and TRAFIPRO will be undertaken by the FSM project.

B. Food crop production estimates are being collected by agricultural agents in each commune for the Ministry of Agriculture.

C. An index of prices producers pay for production inputs is calculated by the Rwandan National Bank (RNB) and the Ministry of Plan (MOP).

D. Estimates of producers cost of production will come from development projects such as AIDR's work in Kibungo and from ISAR (agricultural research station).

E. Demand indicators such as population growth and income levels are being collected by the Ministry of Plan.

F. General wholesale price trend data is being collected by RNB and MOP.

G. Estimates of quantity of selected food goods marketed will be made by the storage managers in each area.

This data will be used to evaluate the project in terms of its efficiency, effectiveness and significance in contributing to the accomplishment of project objectives.

It is anticipated that the first evaluation will occur in June 1976 after the first buying season has ended and information from it has been collected. A second evaluation will occur in January/February 1977 and a final evaluation upon completion of the project in September 1977.

These evaluations should look at the project from various points of view, ideally to aid in the continual movement of the project towards successful accomplishment of its objectives. First, the project should be evaluated in terms of the three principal outputs planned: 1) construction of six warehouse complexes of 2000 tons total capacity; 2) establishment of an effective and efficient food storage and marketing system and 3) training of Rwandan personnel to continue operation of the FSM system.

Second, the evaluation should look at the achievement of the project in obtaining its principal purpose of reduction of price fluctuation for basic food crops (haricot beans, peas, and sorghum). This can be accomplished by evaluating baseline data collected by ISAR for 3 markets near Butare for the past four years with data from the same markets collected by FSM project during its operation (assuming price fluctuation in this area is typical for the country as a whole).

Third, the valuation should look at performance in achieving the goals and subgoals of the project. This includes 1) increased food production from a supply response due to higher and more stable farm gate prices, 2) reduced nutritional-related illness, 3) reduced storage loss, 4) improved food product quality, and 5) lower marketing margins.

Fourth, the evaluations should attempt to reach some conclusions as to whether the goals and purposes of the FSM project still respond to the changing needs of Rwanda.

VI. Other Donors

Other donor governments have expressed interest in food storage and marketing in Rwanda. The most active have been the Swiss. They have had

discussions with the GOR on possible contributions to the FSM project. These activities have also been coordinated with the American Embassy. Depending on initial results of the FSM project, the Swiss anticipate contributing 1,000,000 Swiss francs (approximately $385,000) for construction of additional warehouse space and additional working capital for the FSM project. They also hope to make a survey of existing storage capacity in Rwanda to determine the extent of unused storage capacity and location of future storage needs before making additional commitments to the FSM project.