PD-AAL-622

6860201/42

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/DR, John W. Koehring

SUBJECT: Upper Volta Eastern ORD Integrated Rural Development Project 686-0201

I. Problem: Your approval is required to amend the subject project such that: (a) in addition to the $4,110,000 previously authorized, $700,000 in grant funding from the Sahel Development Appropriation can be provided in FY 1980; (b) the Project Assistance Completion Date (PACD) can be extended by fifteen months to June 30, 1981.

II. Discussion:

A. Project Description. The Government of Upper Volta (GOUV) has established a long-term goal of increasing production and income and improving the quality of life for the rural population of the eastern region of Upper Volta. In order to achieve this goal, the Regional Organization for Development (ORD), under the Ministry of Rural Development, has been charged with the planning and implementation of most of the development activities. The long-term strategy of the ORD is to increase productivity in food grains throughout the regions of the country and to promote major increases in the production of cash crops (peanuts, rice, corn, and cotton) in those regions where such activities are technically feasible. Production increasing activities are to be accompanied by investments in economic infrastructure as well as the provision of basic social services.

AID's support to the Eastern ORD is designed in two phases. The subject project constitutes Phase I, and consists largely of institution building, applied research and field testing of production increasing interventions. Phase II (presently in the planning stages) will be a large scale production effort, built on the findings and accomplishments of Phase I.

Phase I was approved in October 1974, and is designed to assist the GOUV by strengthening the Government's capacity to increase the productivity of small farmers in the eastern region, and to achieve increased production in certain "intensive" zones where some of the A.I.D. sponsored budgetary support and agricultural inputs are concentrated. The project intends to achieve this purpose by: (a) provision of U.S. technical assistance to the Eastern ORD in applied research, credit management, and the introduction of animal traction;

(b) construction of thirty-five facilities for ORD administration and housing for the U.S. technicians; (c) provision of vehicles and equipment for the ORD program; (d) thirty months of participant training for ORD staff; (e) provision of medium-term credit, primarily for animal traction and ORD marketing operations; and (f) provision of operational support for the ORD's overall extension program and for testing improved agricultural techniques in the "intensive" zones. In addition, in March, 1977, the project was amended to provide for a non-formal education component.

B. Summary Analyses. An evaluation of the project was performed in December, 1977. The evaluation concluded: (a) that the range of activities under the project was well chosen and should be continued; and (b) that delays in implementation were due largely to difficulties in working in the Sahel rather than shortcomings on the part of the ORD, USAID or the U.S. technical assistance contractor, Michigan State University (MSU). In addition, the evaluation found that most of the project targets were overly ambitious and made a number of recommendations concerning more realistic targets and changes in priorities. Most of these changes have been accepted by USAID and the GOUV and have been incorporated into the project.

Phase I implementation began in 1975. Although implementation delays have occurred, all of the activities have been undertaken. The construction, except for 30 community centers, has been completed. The bulk of the equipment and vehicles have arrived in-country. Overall budget support to the ORD, including salaries and vehicle operation and maintenance has been disbursed. An additional $225,000, made available in FY 1978 for personnel costs in the "intensive" zones, will be disbursed during 1979. Most of the credit funds have been disbursed. The ORD has recently released employees for U.S. training. Over half of the funds planned for in-country training have already been utilized, and it is expected that the full amount will be utilized prior to completion of the project.

The major element of Phase I that remains to be completed is the Michigan State University research and analysis activity. The team's arrival was delayed by eighteen months. In addition, the team arrived at the beginning of a harvest season and was unable to get its data collecting mechanism in place in time to take advantage of that harvest. As a result, a two year delay in data gathering occurred; to date only one full year's data has been collected. A second year's data is currently being collected using a substantially reduced sample. What remains to be done is the analysis of the data and the setting up of an ongoing data gathering system for the ORD. Also, as a result in part of the evaluation, MSU will conduct special studies related to marketing and prepare a medium-term regional development plan for the ORD.

This activity represents the first major A.I.D. development effort in Upper Volta since the drought, and is viewed by the USAID as one of its more successful projects. Phase I is an institution building and applied research effort required to effectively launch the Phase II production activity. Of the $700,000 requested by this amendment, $100,000 will be needed for replacement vehicles. The remaining $600,000 is planned for support to MSU to complete the data gathering, analysis and planning which is crucial to the development of Phase II. The MSU team is now well in place and functioning. The completion date for the project is March 30, 1980. An extension of fifteen months will provide MSU adequate time to complete the required work. It will also provide the necessary bridge in project implementation until such time as Phase II is designed and authorized.

C. Environmental Analysis

As discussed in the attached IEE, the activities included in the extension of the project will have no significant impact on the environment. Therefore, a negative determination is recommended.

D. Financial Summary

A.I.D. Contribution

Items	Authorized thru FY 1980	Additional Requirements FY 1980	Total
1. U.S. Technical Assistance	1,440	600	2,040
2. Commodities	494	-	494
3. Vehicles	210	100*	310
4. Training	72	-	72
5. Construction	477	-	477
6. Studies	112	-	112
7. Animal Traction Credit	516	-	516
8. Marketing Fund	128	-	128
9. Radio Network	48	-	48
10. Budget Support	388	-	388
11. Local Salaries	225	-	225
Total	4,110	700	4,810

*During the project extension, 9 U.S. source/origin, light-weight replacement vehicles are required.

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The above table outlines the A.I.D. contribution to the project. In addition, the GOUV is providing $834,000 for local personnel costs and budget support.

E. Committee Action

AID/W Review. A review of the amended Project Paper was chaired by Jonathan R. McCabe, AFR/DR/SFWAP, on December 7, 1979. The review recommended minor changes which have been incorporated in the amendment.

III. Justification to Congress

The additional funds requested by the amendment were included on page 163 of the FY 1980 Congressional Presentation.

IV. Responsible Officers

The USAID project officer is Samir Zoghby. The responsible officer in AFR/DR is Lewis Ortega.

V. Recommendations:

1. That, by your signature on the attached Authorization Amendment, you authorize an additional $700,000 in FY 1980 grant funds to complete project implementation, and thereby increase the LOP funding of this project to $4,810,000.

2. That, by your signature below, you approve the extension of the PACD from March 31, 1980 to June 30, 1981.

3. That, by your signature on the attached IEE, you approve the recommendation for a negative determination on the environmental impact of the project.

APPROVED _____

DISAPPROVED _____

DATE _____

Clearances:

DAA/AFR, W.H.North _____
AFR/DP, J.Govan (draft)
GC/AFR, N.Frame (draft)
AFR/DR/ARD, Q.Benbow (draft)
AFR/DR/ENGR, M.J.Morgan (draft)
SER/CM, M.Kenyon (draft)
AFR/DR, N.Cohen (draft)
AFR/DR/SFWAP, J.R.McCabe (draft)
AFR/SFWA, R.Landgren (draft)
AFR/DR/SDP, B.Boyd (draft)
AFR/DR/EHR, W.Waffle (draft)
SER/COM, B.Studer (draft)

Drafted by: AFR/DR/SFWAP,D.Mason:fn:12/18/79

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PROJECT AUTHORIZATION AMENDMENT

Name of Country: Upper Volta

Name of Project: Upper Volta
Eastern ORD Integrated
Rural Development

Number of Project: 686-0201

1. Pursuant to Section 121 of the Foreign Assistance Act of 1961, as amended, the Eastern ORD Integrated Rural Development Project for Upper Volta was authorized on October 25, 1974. That authorization is hereby amended as follows:

a. the AID life-of-project budget total is increased by $700,000;

b. the Project Assistance Completion Date (PACD) is extended by fifteen months to June 30, 1981.

2. The authorization cited above remains in force except as hereby amended.

Goler T. Butcher
Assistant Administrator
for Africa

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INITIAL ENVIRONMENTAL EXAMINATION

Project Country: Upper Volta

Project Title: Eastern ORD Integrated Rural Development Project 686-0201

Funding: FY(s) 1980 $ 700,000

Period of Extension: 15 months

IEE Prepared by: AFR/DR/SFWAP, Doris Mason

Environmental Action Recommended: Negative Determination

for Concurrence: AFR/DR/SDP, Bessie Boyd

Assistant Administrator Decision:

APPROVED

DISAPPROVED

DATE 12/21/79

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I. Description of Project: The Eastern ORD IRD project is an institution building and applied research effort required to effectively launch a follow-on large scale production activity. This project is designed to assist the Government of Upper Volta by strengthening the Government's capacity to increase the productivity of small farmers in the Eastern region and to achieve increased production in certain "intensive" zones where some of the A.I.D. sponsored budgetary support and agricultural inputs are concentrated. The project intends to achieve its purpose by: (a) provision of technical assistance in applied research, credit management and the introduction of animal traction; (b) construction of facilities for ORD Administration; (c) provision of vehicles and equipment for the ORD program; (d) participation training; (e) provision of medium-term credit to small farmers; and (f) provision of operational support to the ORD. The project was originally approved in 1976, and more than two-thirds of the implementation has been completed. The present request is to amend the project such that the applied research activities can be completed and required replacement vehicles can be provided.

II. Examination of Nature, Scope, and Magnitude of Environmental Impacts:

(In terms of items on attached Impact and Evaluation Form)

The activities included in the extension of the project will have no significant impact on the environment. An important element of the research is to examine and test the socio-economic viability of the technical package being promoted by the ORD. One element of this package, animal traction, has been recommended as a means of demonstrating to farmers methods of improving their ability to utilize their environment in a non-destructive manner.

III. Recommended Environmental Action: As described above, this project is an institution building, research and field evaluation activity, and in accordance with Regulation 16, paragraph 1.B(ii) (c), is expected to have significant impact on the environment. Therefore, a negative determination is recommended.

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT PAPER FACESHEET

1. TRANSACTION CODE: C (A = ADD, C = CHANGE, D = DELETE)

PP

2. DOCUMENT CODE: 3

3. COUNTRY ENTITY: UPPER VOLTA

4. DOCUMENT REVISION NUMBER: 1

5. PROJECT NUMBER (7 digits): 686-0201

6. BUREAU OFFICE: A. SYMBOL: AFR; B. CODE: 06

7. PROJECT TITLE (Maximum 40 characters): Eastern CRD Integrated Rural Development

8. ESTIMATED FY OF PROJECT COMPLETION: FY 81

9. ESTIMATED DATE OF OBLIGATION: A. INITIAL FY 75; B. QUARTER 2 (Enter 1, 2, 3, or 4); C. FINAL FY 80

10. ESTIMATED COSTS ($000 OR EQUIVALENT $1 =)

A. FUNDING SOURCE	FIRST FY B. FX	FIRST FY C. L/C	FIRST FY D. TOTAL	LIFE OF PROJECT E. FX	LIFE OF PROJECT F. L/C	LIFE OF PROJECT G. TOTAL
AID APPROPRIATED TOTAL	752	2219	2971	1641	3169	[illegible]
GRANT	752	2219	2971	1641	3169	[illegible]
LOAN						
OTHER U.S. 1						
OTHER U.S. 2						
HOST COUNTRY		501	501		834	834
OTHER DONORS						
TOTALS	752	2720	3472	1641	4003	5644

11. PROPOSED BUDGET APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PROGRAM PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FY 75 GRANT	E. FY 75 LOAN	F. FY 76 GRANT	F. FY 76 LOAN	G. FY 77 GRANT	G. FY 77 LOAN
1. DR	210	200		2971					
2. EH	210	200						639	
3. SH	210	200							
4.									
TOTALS				2971				639	

A. APPROPRIATION	H. FY 78 GRANT	H. FY 78 LOAN	I. FY 79 GRANT	I. FY 79 LOAN	J. LIFE OF PROJECT GRANT	J. LIFE OF PROJECT LOAN
1.					2971	
2.					639	
3. SH	500				1200	
4.						
TOTALS	500				4810	

12. IN DATE EAD OBLIGATION SCHEDULED: MM 01 YY 80

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14 OR IN THE PROJECT FACESHEET DATA, BLOCK 10? IF YES, ATTACH CHANGED PID FACESHEET. 1 (1 = NO, 2 = YES)

14. DATE OF AUTHORIZATION

SIGNATURE: Richard C. Meyer — Richard C. Meyer

TITLE: Acting Mission Director, USAID/Upper Volta

DATE SIGNED: MM 12 DD 13 YY 79

15. DATE DOCUMENT RECEIVED IN AID/W OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-4 (3-78)

1/ Note: FY 80 Obligation: $700,000 (SH)

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PROJECT PAPER REVISION

1. Introduction[1/]

The original PROP for the Eastern ORD[2/] Integrated Rural Development (IRD) project was prepared in 1974 and implementation began in 1975. Since then all of the activities envisioned in the PROP have been undertaken, although not always according to the original schedule. The basic components of the project are:

1. Technical assistance for applied research, credit management, and the introduction of animal traction;
2. Construction of facilities for ORD administration;
3. Provision of vehicles and equipment for the ORD program;
4. Training for ORD staff;
5. Provision of medium-term credit, primarily for animal traction and ORD marketing operations; and
6. Operational support for the ORD both for its overall extension program as well as for testing improved technologies in so-called "intensive" zones.

In July 1977, the original IRD project was supplemented by a non-formal education add-on which has now become part of the IRD effort.

An evaluation of the project was conducted in December 1977. In brief, the evaluation found that the range of activities under the project was well chosen and should be continued. There had been some delays in implementation but these were due to the difficulties of working in the Sahel rather than to shortcomings on the part of the ORD, USAID or the contractor, Michigan State University. The evaluation also found that in general most of the project targets were over-ambitious.

1/ For background material, the reader is invited to review the original PROP for this project, the Project Evaluation dated March 1978, and the PP for the Non-formal Educational add-on.

2/ ORD: Regional Organization for Development. Upper Volta is divided into eleven ORD's which are administered by the Ministry of Rural Development and are responsible for the supervision and coordination of development activities within their respective areas. The acronym "ORD" can mean either the governmental agency or the region encompassed by that agency.

This was especially true with respect to production-increasing interventions, which were long-term in nature and very unlikely to have measurable impact during the life of the project. The evaluation made a number of recommendations concerning more realistic targets and changes in priorities. Most of these were accepted by USAID and the GOUV and have been incorporated into the project.

AID's support for the Eastern CPD is designed in two phases. The existing project is Phase I which consists largely of institution building, applied research and field testing of production increasing interventions. Phase II will be a larger scale production-oriented effort built on the findings and accomplishments of Phase I[1/]. Originally the first phase was to have been completed in 1980. However, experience to date indicates that the Phase I objectives cannot be achieved before 1981. Consequently USAID/Ouagadougou at the request of the CPD and the GOUV proposes to extend the project by 15 months and add $700,000 to what had originally been budgeted.

In view of 1) the design changes stemming from the evaluation, 2) the new schedule of activities and 3) the additional funding requirements, this revised Project Paper is being submitted for AID/W review and approval. Since the original project purpose and overall design remain essentially unchanged much of the original PRCP remains valid. This revision, therefore, is based on the original document and only makes changes and provides supplementary information where needed. The specific changes are as follows:

1. The project description is rewritten based on a new logical framework.
2. The feasibility analyses in the PRCP remain valid for the most part; some changes are made based on findings of the mid-term evaluation.
3. The financial plan is revised to include up-dated budget tables.
4. The implementation plan has also been up-dated.

1/ See Part VIII, Section 6 for discussion of status of preparation for Phase II project.

Since this document will not attempt to repeat all that has been already written on this project it is important that reviewers in AID/W have access to other relevant documents, i.e., the original PRCP, the PP for the Non-formal Education add-on, the Project Agreement and Amendments, and the mid-term evaluation conducted in December 1977.

II. Project Description

The long-term goal to which the project contributes is increased production and income and improved quality of life for the rural population of the Eastern region of Upper Volta. Prior to 1974 these people received very little development assistance and consequently economic infrastructure and social services were and still are minimal. The region, however, has traditionally been self-sufficient in food during periods of normal rainfall and benefits from a low population density (less than 10 persons per sq. km.) and relatively fertile land. The annual rainfall varies from 700 mm in the north to 1000 mm in the south. As noted in the original PRCP, the ORD is responsible for planning and implementing most of the development interventions in the region. The long-term strategy of the ORD is to increase productivity in foodgrains throughout the ORD and to promote major increases in the production of cash crops (peanuts, rice, corn and cotton) in those regions where such increases are technically feasible. Production-increasing activities are to be accompanied by investments in economic infrastructure as well as the provision of basic social services. AID is the major donor supporting this effort. Other donors include FAO, UNDP, France, ILO, EEC, Germany, Switzerland and a number of private voluntary organizations. The original PRCP and the evaluation provide information on the magnitude and nature of the assistance received.

Within the context of the above-described long-term strategy and program, the AID-financed IRD project has the short-term objective (purpose) of increasing the GOUV's capacity to increase the productivity of small farmers in the ORD and to achieve increased production in certain "intensive" zones where some of the AID-provided budgetary support and agricultural inputs are concentrated. It is anticipated that by the end of the project the following measurable indicators of the project purpose will have been achieved:

1. The ORD will be providing basic extension services to 10,000 farms (out of a total of 63,000 farms in the ORD), as well as credit for animal traction investments to over 1,000 farms.
2. The ORD will have a firm data base for planning, implementing and evaluating its agricultural program. This data will relate to:

   -the natural resource base;
   -the feasibility of improved technical packages;
   -existing farming systems and ways in which they would be affected (economically and socially) by recommended new practices;
   -experience with animal traction;
   -marketing of foodgrains, export crops and animals in private and official channels;
   -credit to farmers.

3. The ORD will have an integrated regional development plan for the medium term. This plan will cover all of the productive sectors, economic infrastructure, geographic distribution of increased economic activity and the spatial organization of basic economic and social services.
4. In the intensive zones, yields on farms which have adopted the complete package of ORD services will have increased by 25%. It is estimated that the number of such farms could reach 1,000.

The achievement of the project purpose as described above is clearly only a first step in attaining the project goal of increased incomes and quality of life for all people in the ORD. The key assumptions that must be made for the purpose to lead eventually to the goal are that 1) technical packages exist or can be developed that not only increase production significantly but are also economically and socially feasible at the farm level, 2) the GOUV will have the financial means and the managerial capacity to provide all necessary extension services, 3) means of mobilizing GOUV resources to finance major elements of economic and social infrastructure in the ORD can be developed and 4) constraints to regional development that are national in nature will be effectively addressed by the GOUV. To the extent that the second and third assumptions cannot be achieved, donors must be willing to provide recurrent cost financing as part of their projects. The likelihood

of these assumptions being valid were analyzed at some length in the PRCP and the evaluation. This Phase I project is in fact designed to provide information on these questions prior to initiating a much larger development effort in the CRD in the 1980's.

The project outputs that together will lead to the project purpose are:

1. Improved facilities for the CRD. (Project-funded construction.) The largest facility is the CRD headquarters in Fada N'Gourma. This consists of office buildings, a repair and maintenance building, a workshop to assemble agricultural equipment, 3 warehouses and a water and power system. Also in Fada N'Gourma are 3 houses for expatriate project technicians. In addition, the project financed the construction of a part of the extension agent training center at Matourkou and will finance the construction of 30 community centers in major villages of the CRD.

2. Increased capacity of the CRD for administration and outreach. This consists of vehicles and equipment, funds for salaries and other operating expenses, better trained staff and expatriate technical assistance. By the end of the project the CRD will have received 31 vehicles and 225 motor bikes ; equipment for offices and workshops; non-degree training in the U.S. for two staff members; in-country training for 200 staff members (primarily extension agents); and technical assistance in regional planning, data gathering, credit, animal traction and non-formal education. The technical assistance is described in greater detail in the discussion of the scope of work for the Michigan State University contract team[1/].

3. Planning and Research. The project is providing most of the demographic, social and economic data needed by the CRD to plan and implement an integrated development program[2/]. This includes:

-two years of data on traditional and improved farm systems including: costs and value of

1/ See MSU contract or related PIO/T.

2/ This data is currently being collected and analyzed by the MSU team. Much of it will be available to the design team for the Phase II project.

production, value marketed, labor use, cropping patterns and household consumption;
- supply and demand for short and medium-term credit, including experience with repayment rates and the pros and cons of alternative credit systems;
- possibilities for animal traction and animal production add-ons to existing farm systems; and
- amount of marketed surpluses by crop, marketing constraints and price fluctuations.

Most of this data is being obtained and analyzed by U.S. technicians under a contract with Michigan State University. In addition, certain studies have been carried out by local research organizations.

In addition to research and analysis the MSU team is performing two other important tasks. The first is the provision of technical assistance to the ORD. A credit expert is conducting studies to determine viable uses of credit and is helping to set up a credit management and accounting system. An animal production expert is concentrating much of his work on the introduction of animal traction into existing farm systems. This includes looking at the care, feeding and training of animals and the possibilities for forage crop production and rotation with foodgrains and cash crops. A third member of the MSU team is providing advice on non-formal education and extension methods and is responsible for setting up an audio-visual capacity at the ORD. The second task is the development of a data-gathering system dealing primarily with production, yields, and amounts marketed. This system will reflect not only the ORD's data needs but also the financial and manpower resources that are likely to be available to the ORD for this purpose in the forseeable future.

4. <u>Production-increasing interventions at the farm level</u>. Production-increasing interventions under this project consist primarily of medium-term credit for animal traction and support for the extension program. It is anticipated that the credit funds will result in about 1,500 loans to farmers for animal traction during the life of the project[1/]. This is a revolving fund so that over time loans to several times this

1/ As of the end of the 1978 growing season, 529 loans had been extended to farmers. Slightly more than 400 loans were projected for the 1979 growing season.

number of farmers should be possible. Other uses of credit funds include village storage, village milling and other activities that are appropriate for management by village groups. A second credit fund was established to enable the CRD to finance its marketing operations. The purpose of these funds was primarily to reinforce the CRD's extension program by assuring a market outlet for increased crop production but later proved not to be feasible, primarily for administrative reasons. Finally, much of the budget support and equipment provided under this project is in direct support of the extension service. This has made possible a significant increase in the number of farmers receiving extension advice. Prior to 1974 there was virtually no extension service in the CRD. Now there are 155 extension agents. AID's support of these agents was substantial in the early years of the project and has phased down gradually so that by the end of the project most of the costs will be borne by the CRD itself.

The project is designed so that some of the AID inputs are concentrated in two "intensive" zones, the Diabo and Matiakoali sectors. The intended output is a comprehensive testing of the higher productivity animal traction package that is being proposed by the CRD to dry-land farmers. The principle underlying the intensive zones is that unless farmers are able to adopt all elements of the package and benefit from the full range of CRD services, it will not be possible to determine whether or not the technical package recommended by the CRD is appropriate and viable. By concentrating AID inputs in two sectors it is hoped that sufficient farmers will have access to timely credit, high quality extension advice and marketing services to enable AID and the CRD to draw conclusions applicable to the Eastern region as a whole. The MSU team, in its field research, is devoting particular attention to these two sectors.

The inputs that AID is providing to achieve the project outputs are:

1. Technical assistance: AID project manager; 19 person-years for long-term experts; 27 person-months of short-term consultants;
2. Capital equipment: vehicles, equipment for CPD headquarters, equipment for animal husbandry interventions and audio-visual teaching aids;
3. Participant Training: 30 months (U.S.);
4. In country training: for extension agents;
5. Construction: Matoumkou extension agent training center, CPD administrative complex, 3 warehouses, 30 community centers, housing for U.S. technicians;
6. Special studies;
7. Budget support: operating costs, local salaries;
8. Revolving credit funds: animal traction, marketing.

Details for each category of inputs are provided in the input section of the logical framework and in the budget table in the Financial Analysis Section.

III. Present Status of Project Activities

At this juncture a large proportion of the institution building under this project has been completed. All of the construction is complete except for the 30 community centers, and most of the vehicles and equipment have been delivered. During the next year, 9 replacement vehicles are to be provided which will meet the CPD's needs for the next three years. Overall budget support to the CPD salaries and vehicle operation and maintenance ($338,100) has been disbursed. An additional $225,000 was made available in FY 1978 for personnel costs in the intensive zones described above and these funds will be disbursed during 1979.

Most of the credit funds have also been disbursed. Since the beginning of the project, $516,830 has been made available for animal traction and village group activities[1/] and another $128,200 was provided to the ORD for marketing activities. The use of the credit for animal traction is summarized in the following table.

During the 1975/76-1978/79 period 1,306 animal traction units were introduced in the ORD of which 436 were purchased in cash and 870 on credit. Thus, AID credit funds account for 61% of the animal traction units provided on credit by the ORD.

The project component that has experienced the most serious shortfalls is training. Originally $122,300 was provided for participant training abroad. Of this amount $92,000 was de-obligated because it was not utilized. In view of personnel shortages in the ORD, it was not possible to vacate key positions in order to send participants to the United States for training. However, the ORD is more fully staffed now and was recently able to identify employees for overseas training. Therefore, the remaining $30,300 will be fully utilized prior to the end of the project.

It should also be noted that recently three staff members were selected for training in the U.S. under the African Manpower Development Program(AMDP). The situation with respect to in-country training is somewhat better. Of the $42,000 made available for this purpose well over half has been spent and it is expected that the full amount will be utilized before the end of the project. These funds have financed in-service training sessions for virtually all professional-level ORD employees.

The major element of the Phase I project that remains to be completed is the MSU research and analysis activity. As noted in the evaluation, because of contracting delays, the team arrived 18 months behind schedule. This caused a two year delay in the start of data gathering so that at this time one full year's data has been collected and is being put on computers and a second year's data is currently being collected using a substantially reduced sample. Despite the relatively slow start up of technical assistance for this project, the MSU team is currently well in place and operating in high gear. It is anticipated by both USAID and MSU that the requested 15 month extension will provide a very adequate time-frame for collecting and analyzing data felt to be essential for the design and implementation of phase II. No additional extension of phase I will be necessary, nor will any be requested.

1/ Village group activities consisted primarily of establishing a revolving fund for village-level cereal banks.

Number of Animal Traction Units 1/

Financed by AID Credit Fund

	Oxen	Donkey	Total
1975/76	2		2
1976/77	69	29	98
1977/78	214	156	370
1978/79	9	50	59 2/
	294	235	529

1/ Traction units include either a pair of oxen and a plow or a single donkey and a plow.

2/ The sharp drop in loans in 1978/79 was due to administrative problems related to the distribution of agriculture implements and in the implementation of the credit program. In 1979/80 the program is well underway and it is expected that the number of new animal traction units will exceed 400 during this period.

Originally all of the activities described above were to have been completed by April 1980. Because of the delay in the applied research component the completion date has been revised to June 1981. During the 15 month extension the CRD will require additional vehicles to replace those which have depreciated during the life of the project.

The major increase in costs, however, is for additional technical assistance under the MSU contract ($600,000). The project as presently funded provides for 168 person-months of long-term technical assistance and 18 person-months of short-term consultants under MSU contract. The additional funds will provide for another 57 person-months of long-term technicians and 9 person-months of short-term consultants. This will enable the MSU team to continue providing technical assistance in credit management, animal traction and non-formal education as well as to complete the research and planning tasks mentioned in the preceding paragraph. If the additional funding is not provided most of the data gathering and analysis will be completed but participation in the CRD's regional planning exercise will be severely limited and a number of improvements in the CRD's statistics gathering system will not be possible. Both of these outputs are important prerequisites to a well conceived and effective rural development program for the region. In addition, the extension of the MSU technical assistance contract will allow for 1) continuous American technical assistance to the CRD without a lengthy hiatus between the IRD and the proposed Phase II Food Production project; and 2) an overlap between the technical assistance teams for the IRD and Food Production projects, thereby enhancing the likelihood of a smooth transition.

IV. Analyses

Since this PP revision is for a project that is more than two thirds complete and is being continued with essentially the same design, this section will be limited to updating the analyses in the original PRCP. As noted elsewhere, this project is a Phase I activity designed to begin the monitored introduction of a high-yielding technical package and to lay the groundwork for a larger production-oriented project. Much of the information

MISSING PAGE

NO. 12

B. Economic Analysis

The major economic issue related to this project concerns the returns to the farmer of the recommended improved practices. Experience thus far indicates that credit for animal traction is in great demand but it is not yet certain that the increased production from animal traction is sufficient to cover the costs of maintaining the animals and repaying the loan. Also, it has proven extremely difficult to get farmers to adopt the improved cultural practices that are supposed to accompany animal traction. The recommended set of technical practices includes the use of animal traction for plowing, ridging, and cultivating. Many farmers in the first years of using animal traction only employ their animals to plow and therefore gain only partial benefit from their investment. This is primarily due to the farmers' unfamiliarity with animal traction and their understandable reluctance to risk damaging their crops by undertaking the more delicate operations of ridging and cultivating. Generally, with practice, the draft animals become more unmanageable and farmers gain confidence in their ability to control the animals in ridging and cultivating. In any event, preliminary data indicates that the animal traction package, if only used for plowing, may be only marginally profitable. By the end of phase I, additional data will be available on the conditions under which animal traction is economically attractive.

A second economic issue relates to marketing. The original PRCP assumed that farmers in the CRD were often at the mercy of private traders in disposing of their surplus production and consequently received less than full market prices. The project, therefore, contains funds to enable the CRD to perform a marketing function thereby providing competition to private traders and increasing producer prices. This activity has proved to be beyond the means of the CRD largely for administrative reasons. However, under the Phase I project, the marketing system in the CRD is being studied and ways of enabling farmers to receive higher prices for their food crops are being tested. Because of the timing of these studies, the information may not be available to the Phase II design team but will certainly be available before Phase II implementation starts.

The third economic issue relates to recurrent costs of the CRD program. At present the CRD has 370 positions of which 155 are extension agents. When the CRDs were originally established in Upper Volta it was thought that they would be largely self-financing. This was to have

been achieved by returning to the ORDs part of the profits earned from export crops grown in their respective regions. However, to date, allocations of national budget funds to the ORD have not been directly related to production in the ORD and have been adequate only when coupled with substantial donor support to the ORD.

At the present time the Eastern ORD is far from financially self-sufficient and it is doubtful that it can become so in the foreseeable future. At the time of the Phase II PP design it will be necessary to project the ORD's operating costs at the anticipated expanded level of activity and to determine to what extent these costs can be covered from local resources.

C. Social Analysis

The project evaluation identified three social issues: 1) distribution of benefits from the ORD program, 2) lack of farmers participation in ORD-level decision-making, and 3) social feasibility of the improved package of services. This project is addressing particularly the first and third issues mentioned above. Concerning the second issue, the ORD is organized to provide extension advice and other services to the farmers in a top-down type of approach. There is a Community Development Section which is intended to promote local action programs but it suffers from lack of staff and funds. The audio-visual/non-formal education component of the AID project may eventually address this problem but at present it is concentrating on developing audio-visual training aids for the extension services.

Production-oriented programs like the ORD are often characterized by a concentration of activities on the most progressive farmers and the most productive regions. The AID project by focussing on all of the needs of the small dry-land farmer is helping the Eastern ORD to have a more broadly based program. Animal traction is being introduced to farmers that are basically millet-sorghum producers only marginally above the subsistence level. Also, the credit program is making a special effort to assure that the smaller and poorer farmers have equal access to animal traction loans.

As far as social feasibility is concerned, the AID-financed anthropologist carried out a major study of Gourmanche agriculture and had an important input in

the design of the MSU farm survey. The results of that survey will provide a wide range of information on the socio-economic reasons for existing farm systems and on ways in which new agricultural practices would affect that system. It is important to note that the data being collected in the farm survey will provide insight into the roles women are playing in farming. This information will help insure that phase II is designed and implemented in such a way that both women and men are offered an opportunity to participate in the CRD's rural development program.

V. Financial Plan

This section consists of up-dated budget tables showing obligations and a breakdown of costs by output.

TABLE I

BUDGET 1/
($000)

	Obligations Thru FY 79	Projected Obligations FY 80	Total
I. Technical Assistance:			
a. Project Manager	199		199
b. Long-term	1,133	546	1,679
c. Short-term	108	54	162
Sub-Total	1,440	600	2,040
II. Commodities:			
a. Vehicles	210	100 2/	310
b. CPD Headquarters equipm.	310		310
c. Marketing equipment	30		30
d. Rural Engr. equipment	31		31
e. Animal Husbandry equipment	18		18
f. Ag. Demonstration equipment	25		25
g. Audio-Visual & Trng. equipment	67		67
h. Misc. Field equipment	13		13
Sub-Total	704	100	804
III. Training:			
a. U.S. Participants	30		30
b. In-country Training	42		42
Sub-Total	72		72

1/ This budget shows the U.S. contribution to the project. The GCUV contribution is estimated at $834,000 for local personnel costs and budget support.

2/ During the project extension, 9 U.S. source/origin, light weight, 4-wheel drive vehicles will be procured.

	Obligations Thru FY 79	Projected Obligations FY 80	Total
IV. Construction:			
a. ORD HQ/Warehouses	259		259
b. Contractor Housing	110		110
c. Community Centers	73		73
d. Matourkou Training Center	35		35
Sub-Total	477		477
V. Other Costs:			
a. Special Studies	112		112
b. Budget Support	388		388
c. Local Salaries	225		225
d. Animal Traction Credit	516		516
e. Marketing Fund	123		123
f. Radio Network	48		48
Sub-Total	1,417		1,417
GRAND TOTAL	4,110	700	4,810

TABLE II
Costing of Project Outputs
($000)

	Project Outputs 1/ (1)	(2)	(3) 2/	Total
I. Technical Assistance:				
a. Project Manager	100	49	50	199
b. Long-term	592	1,087		1,679
c. Short-term		162		162
Sub-Total	692	1,298	50	2,040
II. Commodities:				
a. Vehicles	310			310
b. ORD HQ equipment	310			310
c. Marketing equipment	30			30
d. Rural Engr. equipment	31			31
e. Animal Husbandry equipment			18	18
f. Ag. Demonstration equipment			25	25
g. Audio-Visual/Training equipment	67			67
h. Misc. Field equipment			13	13
Sub-Total	748		56	804

1/ Project Outputs: (1) Expand the capacity of the ORD for administration and extension outreach; (2) Research and Planning; (3) Production interventions at the farm level.

2/ Note that the total for output No. 3 is misleadingly low. Much of AID's contribution for vehicles and budget support and all of local salaries are shown as institutional support (output No.1) but in fact also provide transportation and salaries of extension staff which contribute directly to improved extension services related to production at the farm level.

TABLE II (Cont.)

	Project Outputs (1)	(2)	(3)	Total
III. Training:				
a. U.S. Participants	30			30
b. In-Country Training	42			42
Sub-Total	72			72
IV. Construction:				
a. ORD HQ/Warehouses	259			259
b. Contractor Housing	110			110
c. Community Centers			73	73
d. Matourkou Training Center	35			35
Sub-Total	404		73	477
V. Other Costs:				
a. Special Studies		112		112
b. Budget Support	308			308
c. Local Salaries	225			225
d. Animal Traction Credit			516	516
e. Marketing Fund	128			128
f. Radio Network	48			48
Sub-Total	709	112	516	1,417
GRAND TOTAL	2,705	1,410	695	4,810

VI. Administrative Feasibility

The current ORD institutional infrastructure and operating capability is better than it has ever been. Indeed, as indicated in Table II of the previous section, a major element of the project has been institutional development of the ORD through the provision of technical assistance, vehicles, equipment, construction of ORD headquarters, operating costs, and training.

Since the original PROP was written and during the course of the current project, there have been substantial increases in the ORD staff which not only expand its outreach capability (field extension staff) but also enhance its administrative capability (headquarters staff).

The proposed extension of the IRD project will not add new elements to the project. Rather, it will allow a continuation of on-going activities (notably: technical assistance, research, and vehicle replacements) which will enable not only a better formulation of a Phase II food production project but also a continuation of worthwhile extension activities.

In so far as these activities are already being (and have been for some time) implemented and administered by the ORD, the project extension poses no insurmountable issues which might challenge the administrative feasibility of the ORD.

VII. Environmental Concerns

The activities included in the extension of the project will have no significant direct impact on the environment. The overall objective of the IRD project is to enable people to make better use of their environment and individual skills to improve the quality of rural life. The project extension will fund the purchase of vehicles to replace those currently being used and the prolongation of the technical assistance currently being provided by the MSU team. Both of these activities will support a continuation and an improvement in the ORD's extension program. One of the most important objectives of the MSU team is to test the socio-economic viability of the technical package being promoted by the ORD. Ultimately of course, the make-up of this technical package and its implementation will have an environmental impact (hopefully a very favorable one).

Animal traction is a key element of the ORD's extension package which is currently offered to farmers. Animal traction is recommended in the ORD (1) to increase the surface upon which a farmer can physically cultivate crops and (2) to increase yields per area. Greater cultivated areas are possible by supplementing human power with oxen or donkey power. Greater yields are possible because plowing enhances the water retention characteristics of fields in the drought-prone Eastern ORD. The technical package offered to farmers includes not only draft animals, plows, cultivators, etc., but also instruction concerning the use of the animals and equipment, so that, for example, plowing is done to retard rather than foster soil erosion. Essentially, animal traction is recommended in the Eastern ORD as a means of improving farmers' ability to utilize their environment in a non-destructive manner. Therefore, in view of the fact that this project extension will have no reasonably foreseeable significant impact on the environment, a negative determination is recommended.

VIII. Implementation Plan

To date the major activities that have occurred under this project are as follows:

1.	Original project agreement signed with GCUV	12/74
2.	Start of construction of training center at Matourkou	6/75
3.	Start of construction of ORD headquarters	1/76
4.	Start of disbursement of credit to farmers	4/76
5.	Completion of training center	1/77
6.	Signing of MSU contract	5/77
7.	Arrival of MSU team	6/77
8.	Signing of MFS add-on	7/77
9.	Mid-term evaluation of project	12/77
10.	Start of MSU farm survey	2/78
11.	Arrival of non-formal education expert	9/78
12.	Completion of ORD headquarters	4/79
13.	Preparation of revised PP	8/79

For the remainder of the project, the implementation plan for each project component is as follows:

1. The Michigan State University Contract Team

The work of the MSU team for the remainder of the project consists of completing the farm level survey, carrying out special studies related to the ORD's regional development plan, continuing to improve the ORD's farmer credit program, continued testing of animal

traction practices, the setting up of a data gathering system related to crop production and marketing, and the establishment of a non-formal education capacity for training both ORD personnel and farmers. The farm survey has obtained one year's data and a second year's data is now being collected. The analytical phase of the survey will begin in September and reports on findings will start becoming available by the end of this year. During 1980 and the first 6 months of 1981, the team will analyze the second year's data, do the special studies for the regional plan and assist in putting the ORD's data gathering program into operation. The credit, animal traction and non-formal education activities will take place on a continuing basis generally along the same lines they have thus far. The estimated amount required to extend the services of the MSU contract team through June 1981 is $600,000.

2. Credit

Most of the credit funds that have been made available under this project have been disbursed. During the rest of the project, remaining credit funds will be disbursed for animal traction and to a much lesser extent, village investments. Thus far village investment loans have been for cereals banks, village stores and mills. During late 1980 and early 1981, a study of the ORD's experiences with loan repayments will be carried out.

3. Institutional support

Budget support to the ORD in the form of operating costs and local salaries is currently being phased out. $100,000 will be provided for the replacement of vehicles. A PIO/C will be issued as soon as funds became available in FY 80. Nine light weight, 4 four-wheel drive vehicles will be procured from the United States. No waiver is requested at this time. The AID Mission in Upper Volta has in the past grouped vehicle requests from several projects in an effort to standardize on a particular U.S. make, however, to date there is no standardization policy. Vehicles could be procured by GUV using AAPC as authorized agent. Formal procurement procedures will be used.

4. Activities in the intensive zones

Following the evaluation, the intensive zones were reduced to the Matiakoali and Diabo sectors. During the remainder of this project, these two sectors will receive priority attention in the assignment of extension personnel. Also, AID-funded loans for cereals banks and other village activities will be concentrated in these sectors, and efforts to introduce improved farming systems will be closely monitored and evaluated by the MSU team.

5. Other AID-funded activities in the ORD

AID funds a number of other projects in the Eastern ORD. The most important of these are the Eastern ORD Rural Roads project and the Rural Roads II project. During the period 1980-84, three all-weather rural roads totaling 159 kms will be constructed in productive densely populated areas of the ORD.

Another AID-funded activity in the ORD is the Partnership for Productivity (PFP) Rural Enterprises Development Project which is scheduled for completion in December 1980. An expanded PFP project will be proposed for FY 81 funding. Design of this activity, which will be an OPG, should take place in early 1980.

AID also funds a Solar Energy Demonstration Project at Tangaye, a village in the western part of the ORD. This demonstration consists of 12 photovoltaic solar panels which power a grain mill and a water pump. The objective of the project is to study the effects of alternate energy sources on daily rural work patterns. A baseline study has been completed, and a follow-up study is scheduled for completion in July 1980. AID also funds several national or multi-regional projects, elements of which focus on the Eastern ORD. These projects include, an animal traction credit fund channeled through the Entente Fund, an Agricultural Human Resources Development (Ag. HRD) Project, a study of

Urban Services related to rural development and a Village Livestock Project. The Entente Fund credit program will terminate in FY 80. The Ag RRD Project will fund the construction and equipping of an extension agent training center in the northern part of the ORD and also a research station for the University of Ouagadougou. This research station will examine forestry, agricultural, and livestock practices in the ecological zone of Eastern Upper Volta. The Urban Services study will be completed in March 1980 and will contribute to ORD planning of social and economic infrastructure and services for the region. The Village Livestock Project, Phase I, is scheduled for completion at the end of FY 80. This project is examining livestock practices at the village level in three ORD's including the Eastern ORD, with the aim of developing a larger scale livestock production program which will benefit the rural farmers and livestock raisers of Upper Volta.

6. Preparations for Phase II Eastern Region Project

Discussions concerning a Phase II project (Eastern Region Food Production) began in September 1978 when the GOUV submitted a proposal to the CILSS for an integrated food production project for the Eastern region. In November 1978, the first meeting of interested donors took place in Ouagadougou and in June 1979 a second meeting was held at which time the GOUV submitted a more detailed proposal for a $34 million project. While no pledges were made, AID, IFAD, and CCCE indicated a willingness to provide assistance to various elements of the project. AID, IFAD, and CCE will collaboratively design project documents in response to the GOUV request during the period September 1979 to February 1980. It is hoped that an implementation team for Phase II will be fielded by early 1981, prior to the departure of the MSU team so that a smooth transition between Phases I and II may occur.

ANNEX A

LOGICAL FRAMEWORK

Details and Quantities		Key Assumptions
GOAL Increased production income and quality of life for rural population in Eastern ORD.		For Purpose Achievement to Lead and Goal Achievement 1. Improved technical packages adapted to the Eastern ORD can be developed. 2. The GOUV will have the means and desire to provide necessary supporting services. 3. Constraints to regional development that are national in nature will be effectively addressed by the GOUV.
PURPOSE Increase GOUV's capacity to assist small farmers in the Eastern ORD to increase their agricultural production and incomes; and begin increasing production in the intensive zones.	END OF PROJECT STATUS 1. Necessary supporting services being provided to 10,000 farms. 2. Firm data base for planning and evaluation: - natural resources - technical packages - farming systems - experience with animal traction - marketing - credit systems	For Output Achievements to Lead to Purpose Achievement 1. a) The ORD has the managerial and technical capacity to deliver the necessary inputs and services. b) Inputs and activities not financed by AID will be forthcoming from other donors or the GOUV. 2. a) Sampling techniques used in surveys are valid and variables are such that they can be reliably measured over a two to three year period.

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	Details and Quantities	Key Assumptions
	3. Regional plan for medium term. 4. Twenty five percent increased production in the intensive zones. 5. Non-formal education program established, and reaching villagers in at least 30 villages.	b) There are no obstacles to providing farmers with the necessary equipment and extension follow-up and the ORD is able to devise and implement an effective means of monitoring the experience of farmers and impact on production. 3. The technical package being introduced is more productive than existing systems and is acceptable to farmers.
OUTPUTS		
1. Expand the capacity of the ORD for administration and outreach		
a) Central and field facilities	a. 1) Headquarters 2) Matourkou training center 3) Power and water facilities 4) 3 storage warehouses 5) 30 community centers for non-formal education 6) 3 houses for contractors 7) Vehicles and equipment.	
b) Budget support primarily for local salaries and operations of vehicles		
c) Training	c. 1) 2 staff sent for long-term training abroad 2) staff sent for short-term training	Trainees can be identified and freed from their work

	Details and Quantities	Key Assumptions
d) Technical assistance	d. 1) Fifty percent of MSU team time spent on operational functions within ORD 2) Short-term consultants	
2. Research and planning	2. a) 2 years data for traditional and some improved farm systems including costs and value of production, value marketed, labor use, cropping patterns and household consumption. b) Supply and demand for short and mid-term credit and possible mechanisms. c) Possibilities for animal traction and animal production add-ons to existing farming systems. d) Amounts of marketed surpluses, constraints, price fluctuations.	- MSU researchers arrive on time and scope of data to be collected proves to be manageable and not over-ambitious. - counterparts and interviewers are available to assist the MSU researchers. - data availability is such that meaningful findings can be obtained by early 1980
3. Production interventions at the farm level.	3. a) 1,500 loans for animals and equipment in the intensive zones. b) 340 loans for equipment outside the intensive zones. c) about 100 uses of demonstration funds to village groups. d) 3,000 to 4,000 farms exposed to intensified extension services (1 agent/75-100 farmers).	3. a) & d) The ORD is willing to concentrate available resources including those provided by AID in the intensive zones even if it requires and uneven distribution of ORD resources. 3. c) Sufficient opportunities exist for viable village-level projects suitable for group activities.

	Details and Quantities	Key Assumptions
INPUTS		
1. Technical assistance a) Project Manager	32 man-months	
b) Michigan State Univ. long-term experts: total of 19 person-years	- agricultural food economist, 48 mm	
	- agr. marketing economist, 48 mm	
	- credit and cooperatives expert, 48 mm	
	- animal production expert, 48 mm	
	- non-formal education expert, 33 mm	
c) short-term consultants	27 person-months in regional planning farming systems research and non-formal education	
2 Capital equipment	a) vehicles - 20 pick-ups - 4 cars - 7 trucks - 225 mobylettes	
	b) Equipment for ORD headquarters - repair shop - farm equipment workshop - generator - radio communications network - office equipment (incl. field office)	
	c) Marketing equipment - 600 grain measures - scales - rice decorticator	

	Details and Quantities	Key Assumptions
	d) Rural engineering - 8 brick making presses - 1 tractor w. disc plow & attach.	
	e) Animal husbandry - 3 freezers - 8 refrigerators - veterinary equipment & supplies	
	f) Audio-visual equipment and farm equipment for training and demonstr.	
3. Participant Training	30 months	
4. Construction	- Extension agent training center at Matourkou	
	- ORD central administrative complex	
	- Housing for three expatriate technicians	
	- 30 community centers in villages	
5. Studies	- Sampling of rural households in E. ORD (S.A.E.D.)	
	- Study of relationships between sedentary farmers and transhumant herders (C.V.R.S.)	
	- Solid study, evaluation of effects of H.P.E. on integrated rural development	
6. Budget support	- General ORD $ 883,100	

	Details and Quantities	Key Assumptions
	- Related to intensive zones $225,000	
7. In-country training	200 trainees	
8. Credit funds	- for animal traction - for group activities $516,000	
	- for ORD marketing act. $128,200	
INPUTS FROM GOUV		
	- $834,000 in local salaries, recurrent expenditures and contributions in kind	

ANNEX B

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual fund sources; Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? Yes. See Forestry Education and Development, (686-0235)

HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? Yes.

A. GENERAL CRITERIA FOR PROJECT

1. FY 79 App. Act Unnumbered; FAA Sec. 653(b) Sec. 634 A. (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country of international organization allocation reported to Congress (or not more than $1 million over that figure)?	(a) Congress has been notified through Annual Congressional Presentations. (b) Yes.
2. FAA Sec.611(a)(1). Prior to obligation in excess of $100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?	Yes. The requested project extension is for technical assistance and vehicles, based on current costs. Project activities are on-going and extension will prolong period during which activities will be continued. Planning and cost estimates are discussed in the body of the PP and are reasonably firm.
3. FAA Sec.611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit assistance?	N/A
4. FAA Sec. 611(b); FY 79 App.Act Sec.101. If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?	N/A

5. FAA Sec.611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed $1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?	N/A. Project extension does not exceed $1 million and includes no construction. Nonetheless, Mission Director has considered GOUV's capability to maintain and utilize project and found the project to be administratively feasible, as discussed in the body of the PP.
6. FAA Sec.209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.	Project is a bilateral project which is administered in a multidonor context. Many donors are active in the Eastern OFD and the GOUV ably coordinates these efforts. It is in fact fortunate that there is some independence between project. Witness the financial crisis of the UNDP and the shortfall in UNDP funding of a complementary IFC project in the Eastern OFD.
7. FAA Sec.601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.	The project encourages the development of village groups (which constitute essentially pre-cooperatives) by providing credit for economic endeavors. In addition, the project aims to improve the technical efficiency of agriculture by refining and popularizing a technical package consisting chiefly of animal traction.
8. FAA Sec.601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. Participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	Vehicles to be procured will be purchased from the United States.
9. FAA Sec.612(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.	Upper Volta is acknowledged as one of the world's poorest LDC's. The GOUV has difficulty in meeting its recurrent budget. An indication, nonetheless, of the importance the GOUV places on this project is its agreement to furnish personnel, equipment, land, and operating funds estimated at $834,000.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

The U.S. Has no excess local currency.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes.

12. FY 79 App.Act Sec.608. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar, or competing commodity?

N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria.

a. FAA Sec.102(b); 111; 113; 281a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

The project is specifically designed to enable the rural poor of Eastern Upper Volta to participate in the development of their country and to improve their lives. Technical assistance and credit funds are provided to the rural poor, both men and women, to enable them to undertake economic activities such as animal traction and village cereal banks. With regard to cereal banks, loans are given to village groups which are essentially pre-cooperatives.

b. FAA Sec.103,103A,104,105,106,107. Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) (103) for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; (103A) if for agricultural research, is full account taken of needs of small farmers;

(2) (104) for population planning under sec. 104(b) or health under sec. 104(c); if so, extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research;

(3) (105) for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;

(4) (106) for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:

(i) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development organizations;

(ii) to help alleviate energy problems;

Project extension is funded under Sahel Development Program.

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

(v) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. (107) Is appropriate effort placed on use of appropriate technology?

The animal traction package supported by this project represents an appropriate agricultural technology given the current level of agricultural technology in Upper Volta.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

N/A for SDP projects

e. FAA Sec.110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to the Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

No.

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental and political processes essential to self-government.

Agricultural development is a basic need of rural people in Upper Volta who are essentially subsistence farmers. This project seeks to present farmers with an opportunity to increase agricultural production which will allow them to participate in the development of their country and to improve their lives.

g. FAA Sec.122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase or productive capacities and self-sustaining economic growth?	The project is specifically designed to increase the productive capacity of rural farmers in the Eastern ORD.
2. Development Assistance Project Criteria (Loans Only).	
a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.	N/A
b. FAA Sec.620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?	N/A
3. Project Criteria Solely for Economic Support Fund	
a. FAA Sec.531(a). Will this assistance support promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?	N/A
b. FAA Sec.533. Will assistance under this chapter be used for military, or paramilitary activities?	N/A
4. Additional Criteria for Sahel Development Program.	
How will this assistance contribute to the long-term development of the Sahel region in accordance with a long-term multidonor development plan?	Long-term development of the Sahel region will focus on a range of activities to improve the quality of life in the region. One of the major goals of Sahelian governments and participating donors is to achieve food self-sufficiency in the Sahel. This project is designed to increase food production and to improve the quality of life in rural Eastern Upper Volta.

ANNEX C

MINISTERE
DU DEVELOPPEMENT RURAL

REPUBLIQUE DE HAUTE-VOLTA
Unité - Travail - Justice

Ouagadougou, le 16 mars 1979

No 0308 DR/SG

Le Ministre du Développement Rural

Objet :

à Monsieur le Directeur de l'USAID

- OUAGADOUGOU -

Réf.

Monsieur le Directeur,

Suite à votre lettre ci-dessus citée en référence et relative au problème de l'Assistance Technique Américaine dans le cadre du Projet de Développement Rural intégré de l'O.R.D. de l'Est, J'ai l'honneur de porter à votre connaissance les points suivants :

- D'une manière générale, le travail accompli par l'Assistance Américaine est très apprécié par mon Département ;

- L'équipe assumant l'exécution de l'enquête agricole pourrait poursuivre sa mission jusqu'en mai 1981 date à laquelle les résultats de la troisième campagne pourront être disponibles. Il en est de même des Spécialistes en audio-visuel, en Elevage et Gestion des pâturages ;

- Eu égard aux nombreuses contraintes dans la mise à la disposition de l'équipe américaine d'homologues voltaïques, la formule préconisant l'intégration des étudiants voltaïques poursuivant des Etudes supérieures à l'Université de l'Etat du MICHIGAN paraît la mieux indiquée pour atteindre les objectifs visés.

- Concernant les besoins en assistance technique au delà de 1981, une solution équitable pourra être trouvée lorsque la programmation 1980-1985 sera connue.

En espèrant que ces précisions permettront de poursuivre les activités de ce grand projet auquel mon Gouvernement attache une très grande importance, je vous prie d'agréer, Monsieur le Directeur, l'expression de ma haute considération.

PALE Welté Issa./

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ANNEX D

UNITED STATES GOVERNMENT

Memorandum

TO : The files for project 686-0201 DATE: September 17, 1979

FROM : Donald B. Clark, Cap. Proj. Dvl. Officer

SUBJECT: Eastern CRD IRD, PP-Rewrite Approval

The USAID Mission project review committee met on August 8, 1979 and again on August 23, 1979 and approved the PP-Rewrite for the Eastern CRD Integrated Rural Development project (686-0201). The project was reviewed by the Ambassador and approved on September 14, 1979.

Thomas Boyatt, Ambassador _____

Richard C. Meyer, Acting Mission Director _____

Samir Zoghby, Chief, Rural Development Division _____

Michael Rugh, Acting Chief, Program Division _____

Loc Eckersley, Controller _____

Donald Clark, Cap. Proj. Dvl. Officer _____

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan