

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE CONGO SMALLHOLDERS AGRICULTURAL DEVELOPMENT I		2. PROJECT NUMBER 679-0001	3. MISSION/AID/W OFFICE USAID/Kinshasa
		4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 85/09	

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION	
A. First PRO-AG or Equivalent FY 81	B. Final Obligation Expected FY 82	C. Final Input Delivery FY 85	A. Total \$ 4627	From (month/yr.) September 1981	To (month/yr.) July 1985
			B. U.S. \$ 3000	Date of Evaluation Review July 1985	

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)

B. NAME OF OFFICER RESPONSIBLE FOR ACTION
C. DATE ACTION TO BE COMPLETED

1. The USG should participate at whatever level it can in the on-going discussions between donors and the GPRC regarding the existing marketing system.	US EMBASSY/ CONGO USAID	on-going
2. Alternative, non-project uses for the farm and/or its equipment should be sought and USAID should disengage itself from further support.	CARE	09/30/86
3. The training center should be better managed. Responsibility should lie with the most appropriate agency within the GPRC. This must be determined.	CARE	09/30/86
4. No additional extension agents should be hired until commercialized production increases and stabilizes, and the GPRC can support these activities.	CARE	on-going
5. It must be made clear to the villagers that they own the warehouses (if that is indeed the case), and that they therefore must be able to maintain and operate the storage facilities.	CARE	on-going
6. The position of the Mossendjo-based CARE administrative director is superfluous if MERAC assumes control of financial operation of PAPAN. AID support for this position should be withdrawn as soon as possible.	CARE USAID	09/30/86
7. More management training should be offered at the village, project, and ministry level.	CARE	on-going

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT	
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify)	A. <input type="checkbox"/> Continue Project Without Change	
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T		B. <input type="checkbox"/> Change Project Design and/or	
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Change Implementation Plan	
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P		C. <input type="checkbox"/> Discontinue Project	

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)		12. Mission/AID/W Office Director Approval	
1. Diana McLean, REDSO/WCA	6. D. Ondia, MERAC	Signature	<i>[Signature]</i>
2. Floyd Corty, SECID	7. B. Ngamgoye-Moukassa, MERAC	Typed Name	RICHARD L. PODOL
3. William Kedrock,		Date	27 AUG 85
4. John Mitchell, USAID			
5. D. Nsouari, MERAC			

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5. KEY PROJECT IMPLEMENTATION DATES A. First PRO-AG or Equivalent FY _____ B. Final Obligation Expected FY _____ C. Final Input Delivery FY _____	6. ESTIMATED PROJECT FUNDING A. Total \$ _____ C. U.S. \$ _____	7. PERIOD COVERED BY EVALUATION From (month/yr.) _____ To (month/yr.) _____ Date of Evaluation Review _____
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A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., telegram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
8. Renegotiate the commission paid by OCV to the project based on actual costs.	CARE	09/30/86
9. USAID/Kinshasa should examine project accounts to determine if USAID funds are being managed properly.	USAID	09/30/85
10. The Smallholders Agricultural Development Project 679-0001 should be extended one more year to September 30, 1986. During the year CARE/Congo should make as much progress as possible towards the above recommendations without expanding into new activities.	USAID/ CARE	09/30/86

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Project Paper</td> <td><input type="checkbox"/> Implementation Plan e.g., CPI Network</td> <td><input type="checkbox"/> Other (Specify) _____</td> </tr> <tr> <td><input type="checkbox"/> Financial Plan</td> <td><input type="checkbox"/> PIO/T</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Logical Framework</td> <td><input type="checkbox"/> PIO/C</td> <td><input type="checkbox"/> Other (Specify) _____</td> </tr> <tr> <td><input type="checkbox"/> Project Agreement</td> <td><input type="checkbox"/> PIO/P</td> <td>_____</td> </tr> </table>	<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	_____	<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT A. <input type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project
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11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles) _____ _____	12. Mission/AID/W Office Director Approval Signature _____ Typed Name _____ Date _____
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MISSION COMMENTS ON EVALUATION RECOMMENDATIONS

The evaluation report contains 17 recommendations. Nine of these recommendations appear on the Project Evaluation Summary. The remaining recommendations are listed below with a comment indicating why USAID did not include them in the PES.

Recommendation 3: Due to the increased costs of transporting produce from more distant areas, the project should focus its efforts in villages near Mossendjo (assuming an action of 679-0001 and subsequent incorporation of selected project activities into comparison project 679-0002). Planned activities in Zanaga and Bambana should be cancelled; moving into Komono District would be more reasonable under 679-0002.

Comment: Zanaga and Bamba are not in the 679-0001 project and we will not agree to include them at this last stage of the project. Sibiti is the center of activities for Project 679-0002 and should not be referred to in the PES.

Recommendation 4: The project should conduct definitive studies to identify costs for specific marketing functions and OCV should adjust fixed market prices accordingly.

Comment: The time factor, assuming a September 1986 PACD, does not allow for this.

Recommendation 5: As soon as possible, CARE/Congo should attempt to obtain a copy of the proposed co-op legal instrument and provide MERAC with constructive comments in the formation of this important document.

Comment: The co-op legal document would serve a purpose if indeed the function of a new project or 679-0002 were to be oriented toward co-op development. It is not germane to 679-0001.

Recommendation 6: If USAID chooses to pursue cooperative development, hire a long-term co-op specialist. If it is determined that CARE/Congo's liaison officer cannot allocate sufficient time to MERAC for co-op planning and education (which could be a full time job), attempt to hire two long-term specialists: one for MERAC/Brazzaville, the other for field supervisor.

Comment: As stated above, co-op development remains outside of the project scope.

Recommendation 7: Devise a multi-year cooperative development agenda in conjunction with MERAC (if the cooperative option is pursued).

Comment: Again, as has been stated in number six above, this recommendation is outside of the project scope and cannot be acted upon in the remaining year.

PES EXECUTIVE SUMMARY

1. Congo Smallholders Agricultural Development Project, 679-0001.
2. The Congo Smallholders Agricultural Project is to improve agricultural production in the Niari Valley area of the Congo by alleviating two binding constraints: an inefficient marketing system and an inadequate storage system. The project was amended in 1983. The purpose of this second phase was to create a seed farm capable of multiplying adequate quantities of seed for distribution to farmers in the project area. CARE/Congo is the implementing agency for the project.
3. The evaluation constitutes a Threshold Decision Evaluation. The evaluators were to determine whether the project should be terminated or in what direction it should be continued.
4. The evaluation team was composed of an agronomist, an agricultural economist, and a cooperative specialist. The team spent two weeks in the Congo, meeting with project officials and inspecting the project site.
5. Findings include: Phase I - Most of the construction activities have been achieved. The project's training component is weak; the training center in Mossendjo is underutilized. Phase II - The seed farm cannot be justified on economic or technical grounds. Certain crucial assumptions for its success (such as presumed availability of improved seeds and farmers' willingness to pay for seeds) proved invalid.
6. The lessons learned in this project include: 1) how important proximity of a project manager to his project is, for effective project management; managing a project from a distance is difficult especially when it is from another country; 2) the need to define the relation between USAID and the implementing agency, and the roles and responsibilities of each, before the project begins; 3) the inutility of expecting project sustainability if no financially sound parastatal (or other organization) can be found to assume responsibility for the project's activities.
7. Recommendations include: 1) enhancing policy dialogue between USAID and the GPRC; 2) discontinuing all support for the seed farm after one year; 3) strengthening village marketing cooperatives; and 4) providing more management training at village, project, and ministry levels.

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PREFACE

As part of the 1977 restoration of our diplomatic relations with the Congo, it was decided that there was to be a low profile AID program keeping the USG in the background. The first AID program was to be operated by a PVO under an agreement between the PVO and the GPRC. AID funds would then be provided directly to the PVO, not to the GPRC.

This approach meant that the PVO was to be given full operational responsibility for both project implementation and dialogue with GPRC officials. The AID oversight was meant to be as minimal as possible.

Because of this arrangement, no AID personnel were assigned to the Congo, with USAID/Kinshasa to assume limited project oversight as well as handling AID documentation requirements — CDSS, ABS, etc.

It was CARE's understanding that the project was a CARE project, though funded by the USG. In their mind this meant keeping the USG at arm's length and contact at a minimum.

The Embassy felt that the Congolese resented "their" aid program being controlled by an AID office situated in Zaire. The Ambassador thus preferred to minimize contact between senior USAID/Kinshasa staff and the GPRC, with Embassy personnel filling in when necessary. In this regard, it is important to note that the Congo program grew through the years to include other projects carried out by CARE, but also direct AID activities such as PL 480 Title I, AMDP, CCCD, and numerous consultants. It became necessary to station a PSC in the Congo to handle documentation and liaison with all projects and with the GPRC directly.

In summary, it is important to understand the background and genesis of this project in order to appreciate the roles of the Embassy, USAID, and CARE as well as relations with the GPRC.

EXECUTIVE SUMMARY

The project evaluation team was composed of an agronomist, agricultural economist, cooperative specialist, and the USAID/Kinshasa project manager. The evaluation was based on two weeks of field work and meetings in the Congo. The final evaluation for Congo Smallholder Agricultural Development I (SMAG I 679-0001) was combined with a mid-term evaluation for SGMAG II, (679-0002) a similar subsequent project in an adjoining region. CARE is the implementing agency for both projects.

The SMAG I final evaluation concentrated on the original project components of grain storage, training, and cooperative development activities in the Niari Region. In addition, a project amendment provided for the development of a seed multiplication farm. The seed farm component posed the most controversy in the evaluation. Based technical and economic analysis, the team advises us AID to terminate the seed farm.

Other project aspects were handled with varying degrees of success. The construction and grain storage component was by far the most successful. Training was limited to grain storage techniques; other forms of training in cooperative development, extension methods and, especially important, management and administration were not conducted. This is one of the greatest shortcomings of the project. Cooperative development, which was to have been the basis of sustaining project activities, was never undertaken.

CARE/Congo has created a positive American presence in the Congo. There is a widespread appreciation for its work among Government of the People's Republic of the Congo (GPRC) officials. Whether or not it is justifiable, GPRC officials believe that increases in marketed production of peanuts, maize, and rice are due to the project. This in itself provides the US Government with an opportunity to participate in the policy dialogue currently taking place in the Congo on marketing.

CARE/Congo recruitment of staff has been less than adequate, particularly in the technical seed farm component. Questions have arisen in the evaluation as to the use of AID funds between the two projects (679-0001 and 679-0002) and the propriety of lending operating monies to Project d'Assistance aux Petits Agriculteurs du Niari (PAPAN). PAPAN is the project-level GPRC organization which acts as counterpart to CARE/Niari. These unresolved questions should be cleared up between CARE/Congo and the AID mission in Kinshasa.

The evaluation team recommends development of village level cooperatives and continuation of the village-level collection and grain storage. The warehouses provide an excellent mechanism for developing village-level skills in management, marketing, and cooperation that might result in a higher standard of living. Construction should not be expanded into other areas. The seed farm component should be discontinued with alternative uses for the farm and/or equipment sought.

INTRODUCTION

The Congo has as an objective food self-sufficiency by the year 2000. To achieve this goal it would be necessary to double domestic production of essential foods. It is reported that the two largest cities in the Congo, Brazzaville and Pointe Noire, depend on imports for at least half of their basic food needs. An estimated 60% of the Congo's 1.8 million people are urban dwellers. Only 5 to 8 percent of the national budget goes to the agricultural sector.

The Office des Cultures Vivrieres (OCV) is the state marketing organization which controls the transport, pricing and sale of peanuts, maize (corn), rice, beans, and potatoes. Three prices are fixed for these commodities: producer price, wholesale price, and retail price. Taking into account the transport and handling costs to bring food in from out-lying areas, the official consumer price of these crops is low; the GPRC is, therefore, subsidizing urban consumers. The OCV has had a history of financial difficulties leading to late payments for and delayed collection of crops. The farmgate price also tends to be low. This late payment to producers, sometimes 8-12 months after harvest, and low prices have discouraged farmers from producing beyond their own needs.

The marketing of manioc, which is the nation's staple crop, is not controlled by OCV. Among other factors, poor roads and the dispersed population hamper marketing and seriously limit the amount of domestically-produced food reaching urban centers. The marketed supply of manioc has reportedly declined by 50 percent or 200,000 MT in the past five years. Rice and flour imports have doubled in the same period. For all food crops it is estimated that 70-80% is consumed by the producing household. Little excess is grown for the marketplace, in part due to inefficiency in the marketing system. It has been stated that, estimated in recent years, OCV has controlled only one-third of the peanuts marketed.

The Congo Smallholder Agriculture Development Project (679-0001) was conceived in 1981 to address marketing problems at the village level. Working with villagers, 18 grain storage warehouses were constructed. A revolving fund was instituted to allow for prompt payment at harvest of peanuts, maize, and rice. The grain was then stored under sanitary conditions until OCV could pick it up. The producers benefitted from prompt payment at harvest, while OCV also received grain in better condition. Grain losses to mold and insects in the past were estimated at 20 to 50 percent.

Prompt payment for produce was identified in the baseline study as the single most important reason for an increase in marketed peanut production from 92 MT to 436 MT in the project area the first year. The second year marketed production reached 665 MT. Maize increased from 4 MT to 17 MT to 76 MT in the same years. Rice production increased from 40 MT to 75 MT in the second year.

A disinterested observer would likely attribute some of these increases in marketed production to factors such as: upward price adjustments made by OCV each of these years, more easily selling the grain through OCV rather than selling on the unofficial market, good weather, and, as farmers suggested, improved health. Certainly, as a marketing experiment the results of the first two years of the project lend credence to the assumption that improvements in marketing would result in an increased food supply.

Congolese officials perceive that this increase in marketed produce resulted from the project. The "CARE/CONGO example" has lent weight to the argument for dismantling OCV and for liberalizing the market place. This has undoubtedly played a part in the decision of the GPRC this year to contract marketing in the Bouenza region with private transporters as they recognize that OCV cannot handle the marketing of farm products. The GPRC reportedly is also trying to attract private management of some state farms. The evaluation team was told that a round table on the future of OCV would be held in September-October this year with a definitive change instituted by January 1986. The World Bank and other donor agencies are pushing for reforms. This could be an opportune time for the USG to participate in a policy dialogue on these important issues.

The evaluation team recognizes that village level marketing will not achieve anything sustainable without movement of goods out of the area through private or state means. It is not within the scope of this project to extend beyond the village level into regional or national marketing. The project should, however, support training, and project leaders should participate in policy dialogue which might influence national marketing policies. The project should continue to relay information to OCR on the real costs of grain marketing so that bureaucratic decisions on pricing policies will be enabled to stimulate production and movement of goods.

RECOMMENDATION

The USG should participate on whatever level it can in the on-going discussions between donors and the GPRC on the existing marketing system.

PROJECT ACHIEVEMENTS

A summary of project achievements is presented below. For a more detailed discussion of each aspect refer to the Annexes.

Of the project outputs, most of the construction activities - 18 grain storage warehouses, a training center and housing - have been achieved. In the case of village-level warehouses, responsibilities for maintenance and management have not yet been fully transferred to the Groupement Pré-Coopératif (GPC). This resulted in part from failure of the project to focus effectively on cooperative development as it was to have done under the project paper.

The evaluation team sees an interesting role for cooperative development in continuing activities. The GPC's could take more initiative in marketing both the crops explicitly focused upon in the project (peanuts, maize, and rice) and other important goods, particularly manioc. With some organization, and with the premium that the GPC receives from OCV for collecting and storing grain, GPC's could make village level investments in rural technology. They could also determine off-season uses for the warehouses. There is a need for training in cooperative development at all levels, including at the Ministère de l'Équipement Rural et l'Action Coopératif (MERAC), which was formed in 1984 to concentrate on these issues.

The training center in Mossendjo, which was completed in November, 1983, is underutilized. It has been used on occasion by various ministries. There is a need to develop a training program to better take advantage of the facility. Also the mid-term evaluation recommendations for defining how the center is to be supported and managed have not been addressed. The underutilization of this training center is part of the justification for not building a similar one in the Lekoumou Region (679-0002). Training has been limited to village-level warehousemen and Chef de Zones; this training in grain storage and warehouse management has been effective. Specified training in cooperative development and in agricultural extension (to focus on use of improved seeds, which, under the circumstances, would have been impossible as no improved seeds were available) was never implemented.

The seed farm component, which was added one year after start of the project, is the most controversial aspect of this evaluation. Further AID support of the seed farm can not be justified on economic or technical grounds. Certain crucial assumptions for the success of the activity have proven false (such as the presumed availability of improved seeds from the national research program and the assumption that farmers are willing to pay for seeds). Start-up and management of the farm have been poor. CARE has had difficulties placing competent technical people in Mossendjo. The two expatriate positions have been filled only 66 percent of the time. Though both staff positions have been filled for the past 8 months, the evaluation team found serious errors in seed farm management.

RECOMMENDATION

The economic analysis indicates that even under generous terms the operating costs of the seed farm will not be covered. The evaluation team recommends that alternative non-objective uses for the farm and/or its equipment be sought and that AID discontinue further support.

GPRC Contribution

The GPRC expresses much support and interest in project activities. In part due to the project and its perceived importance—the "CARE/CONGO example"—MERAC was formed. MERAC, as a new ministry, has expressed interest in AID's support for training. MERAC is trying to resolve inter-ministerial issues of revolving fund reimbursement and pricing policies - currently OCV is in debt 57 million CFA to the project for transportation and handling changes.

At the project level, CARE/CONGO has not focussed on developing PAPAN's (Project d'Assistance aux Petits Agriculteurs du Niari) management capability. It is also likely that PAPAN has taken little initiative in this regard. Personnel and fiscal management training should be offered at the project level as PAPAN is assuming more and more responsibilities.

CARE Contribution

Over the past four years, CARE/CONGO has established centers of operation in two isolated areas of the Congo; it has also expanded their administrative operation in Brazzaville. In general its personnel show enthusiasm for project activities. Its reputation among government officials in the Congo is unequivocally positive. As is typical in evaluations, criticisms are more explicitly recounted than praise; suffice it to say that CARE/CONGO has made progress under difficult conditions.

The major criticism of CARE implementation has been their difficulty in staffing the project. The seed farm component has caused enormous problems, being fully staffed only 66 percent of the time, and by people of varying technical capability. On the other hand, the construction component has gone well, and problems encountered in Niari have been corrected in the Lekoumou project.

CARE/CONGO has not provided technical assistance in cooperative development. Management training for PAPAN, be it on the job or formal, has not occurred.

The team has unresolved questions about the financial management of the project, as CARE accounts seem to be set up differently than AID accounts. Some questions also remain as to the propriety of advancing project funds to the GPRC. The team recommends that these matters be resolved between the AID mission and CARE as this is not within the capability of the evaluation team.

LESSONS LEARNED

This evaluation has provided a number of lessons that are both specific to this project and of general value for AID, especially in regard to small country programs. They include the following.

1. It is difficult to manage a project from another country, even if, as in this case, the managing office is only across a river. USAID/Kinshasa is not fully represented in the Congo, and it does not have a full-time oversight capability. It is difficult to maintaining a policy dialogue with local GPRC officials. USAID, through its cooperative agreement, relies on CARE as its agent to present, if possible, its concerns for policy dialogue at the project level and on the U.S. Embassy, Brazzaville for dialogue at policy decision level.
2. USAID's experience in managing a project through a private voluntary organization, such as CARE, provides the second lesson learned. There is no standard relationship between CARE and USAID. Each action must be discussed and bartered. CARE feels that it is their project since they have signed the agreement with the GPRC. USAID feels that it is their project since they have provided the financing. The responsible party is always in question as various problems arise and must be resolved. This lack of clear management responsibilities and relationships raises the question of whether USAID is capable of fully discharging its responsibilities through the medium of a PVO.
3. If a project works with a non-financially sound parastatal, it is doubtful that the project will ever be run effectively. The project is currently involved with such a parastatal, and is experiencing financial difficulties. Assuming that an alternative organization cannot be found, no choice exists short of terminating the project.
4. For every dollar spent on a non viable activity precludes monies from being spent on activities that are viable. If a project is not economically or technically viable, its continued funding cannot be justified. Since the seed farm appears neither technically nor economically viable, alternative solutions should be sought immediately.

ECONOMIC SUMMARY

The main object of the two projects in Niari and Lekoumou Regions (679-0001 and 679-0002) is to increase the productivity and income of smallholders along certain road axes in the area by providing prompt payment for crops at harvest, and and by making good grain storage available. The projects operate out of two major district cities, Mossendjo and Sibiti.

In Mossendjo, the volume of marketed peanuts increased dramatically from 1982-83 to 1983-84, the first two years of the project, but reportedly dropped significantly in 1984-85. Explanation for the decline in this most recent crop (1984-85) was the unusually wet growing season. There was also a delay in crop payments for a portion of the area in the previous marketing year. This may have served as a disincentive along that axis. In the Sibiti District, a continuous and similar increase in marketed peanuts was noted for the 1981-82 season through 1983-84 even though project activities only began there after the 1983-84 cropping season. The expected harvest for 1984-85 is low, again due too much rainfall early in the season.

In light of this limited three-year history (with two good years, and one bad year), and the fact that increases occurred where the project was not yet active, it is impossible to conclude that the project (i.e. new storage facilities in Mossendjo, and prompt payment at harvest) generated substantial increases in marketed crops and thus led to increased farm incomes. Other factors most certainly contributed, such as the yearly farmgate price increase paid by OCV. See Tables 1 and 2.

Table 1: Marketing of Peanuts, Maize, and Rice in Mossendjo and Sibiti, 1982-83 and 1983-84.

	Peanuts	Maize	Rice
<u>Mossendjo</u>			
1982-83	436,239	(Kilograms) 17,576	40,824
1983-84	665,400	76,388	75,824
% Change	53%	335%	86%
<u>Sibiti</u>			
1982-83	361,478	60,847	0
1983-84	664,453	89,705	0
% Change	84%	46%	

NOTE: 1984-85 Crops are still being harvested.

There is no question that farmers earned more income during the two crop seasons reported because not only did the marketing volumes increase, but the official prices also increased as shown in Table 2.

Table 2, Official OCV Purchase Price to Producers

Product	1980-81	1982-83	1984-85	Increase over three years
Peanuts		(CFA per kg.)		(Percent)
Unshelled	75	117	123	64
Shelled	100	155	173	73
Maize	47	65	73	55
Paddy	50	70	90	80

The Table above indicates that OCV's producer prices for the three subject crops have been adjusted upward at a rapid rate, with the greatest adjustments made for shelled peanuts and rice.

The role of OCV in crop marketing has, over the past years, come into question. Marketing inefficiencies are purportedly prompting a round table discussion between donors and GPRC for September-October, 1985. While many factors affect production, available, efficient, and fair marketing practices certainly provide a major incentive to producers.

Another important aspect on the project level is the revolving credit fund which is used to pay farmers promptly at harvest. During the past three years, the GPRC has not met its total obligation to reimburse the fund, which includes both payment to farmers and costs of collection and storage.

LIST OF MAJOR RECOMMENDATIONS

The USG should participate at whatever level it can in the on-going discussions between donors and the GPRC regarding the existing marketing system.

The economic analysis indicates that, even assuming optimal conditions the operation costs of the seed farm will not be covered. The evaluation team recommends that alternative, non-project uses for the farm and/or its equipment be sought and that AID disengage itself from further support.

Due to the increased costs of transporting produce from more distant areas, the project should focus its efforts in villages near Mossendjo and Sibiti (Assuming an action of 679-0001 and subsequent incorporation of selected project activities into comparison project 679-0002). Planned activities in Zanaga and Bambama should be cancelled; moving into Komono District would be more reasonable.

The project should conduct definitive studies to identify costs for specific marketing functions and OCV should adjust fixed market prices accordingly.

As soon as possible, CARE/Congo should attempt to obtain a copy of the proposed co-op legal instrument and provide MERAC with constructive comments in the formation of this important document.

If USAID chooses to pursue cooperative development, hire a long-term co-op specialist. If it is determined that Care/Congo's liaison officer cannot allocate sufficient time to MERAC for co-op planning and education (which could be a full time job), attempt to hire two long-term specialists: one for MERAC/Brazzaville, the other for field supervisor.

Devise a multi-year cooperative development agenda in conjunction with MERAC (if the cooperative option is pursued).

Expand project marketing territory only later, and then only very cautiously.

Expansion into cassava marketing should be explored through GPCS in present project areas.

Renegotiate the commission paid by OCV to the project based on actual costs.

More management training should be offered at the village level, at the project level, and at the ministry level.

The training center should be better managed. Responsibility should lie with the most appropriate agency within the GPRC. This must be determined.

No additional extension agents should be hired until commercialized production increases and stabilizes, and the GPRC can support these activities. The existing Chef de Zones are capable of increased extension activities with training. The project's five Chef de Zones in the Niari Region should become agents of MERAC as is being done in the Lekoumou Region.

The project should in no way be associated with GPRC efforts to distribute seed this year. Confidence and credibility would be at risk.

It must be made clear to the villagers that they own, the warehouses (if this is indeed the case), and that they therefore must be able to maintain and operate the storage facilities.

The position of the Mossendjo-based CARE administrative director is superfluous if MERAC assumes control of financial operation of PAPAN. AID support for this position should be withdrawn as soon as possible.

AID/Kinshasa should analyze their accounts with CARE to determine if AID funds are being managed properly.

ANNEX 1: ECONOMIC ANALYSIS

Introduction

The People's Republic of the Congo would like to be self sufficient in food production. To achieve this goal, it would be necessary to double domestic production of essential foods. It is reported that the two largest cities of the Congo, Brazzaville and Pointe Noire, depend on imports for at least half of their basic food needs. About 5 to 8 percent of the national budget goes to the agricultural sector (no. 4 p.1.; Figures in parentheses refer to numbered references at the end of the evaluation report).

The marketed supply of manioc has declined by 50 percent, or 200,000 tons, in the past five years. On the other hand, the import of rice and flour has doubled in the same period. This condition can be attributed to a lack of improvement in basic agricultural production and mounting inefficiencies in the marketing system.

There has been no significant increase in yields. Traditional production methods still prevail. Producers, predominantly women, are working at capacity. The size of parcels is limited by available labor.

It has been estimated that 70 to 80 percent of a typical harvest is used for self support and only 20 to 30 percent marketed. In theory, the amount marketed will respond directly to increased prices, efficient marketing, and prompt payment to producers.

This in itself, however, cannot increase yields per hectare; and if the workers are farming as large a parcel as they can handle, they will not clear and cultivate additional land. Instead, they will tend to consider alternatives, and after providing for their own needs, they will direct their energies to producing, or gathering for sale, those products which give them an immediate cash return: Manioc, bananas, plantains, palm nuts, firewood, etc.

Accordingly, improved seed as a means of improving production, depends upon increasing yields per hectare. At this writing there is no evidence to indicate this would happen. In the first place, villagers are skeptical about the merits of improved seed. They would like to see how the seeds perform before they would be willing to accept them. Unfortunately, yield trials have not yet been conducted to determine the marginal returns from use of improved seed. In fact, the seed farm has not been in operation long enough to identify an improved seed variety worthy of recommendation to local producers.

Production of peanuts is said to be sufficient to satisfy demand of the urban markets, but it cannot at the same time fulfill the needs of the oil mill at Nkayi. (no. 4, p. II)

Although OCV, by government decree, is given the task of marketing five crops (peanuts, corn, rice, potatoes, and beans), it has been stated that in recent years OCV controlled only about a third of the peanuts marketed.

Corn production in the Congo is still in its infancy. Corn is not a prominent food crop. Currently, it is mainly used for animal feed. The handling of corn at the village level, as well as by OCV, is very uncertain. There is a potential for increased corn production but the market is relatively weak because the Congolese are not accustomed to eating corn. As a result, large quantities of corn have been allowed to spoil in OCV storages. (no. 4, p.II) Domestic rice production is reported to meet only 10 percent of Congo's needs. In 1982, 14000 tons were imported. (no. 4, p.77)

In a 1983 survey of the Mbssendjo District, it was found that agricultural activities provided about 82 percent of family incomes, hunting provided about 7 percent, artisanal work about 3 percent, and the balance from other sources. (no.3,p.72)

Of the agricultural income, manioc accounts for 60 percent, peanuts 18, wild game 7, palm wine 5, rice 3 percent, and the balance from corn and other lesser crops. (no.3, p.73.)

Pricing and Marketing

The OCV monopoly, created in 1978-79 applies to five crops: peanuts, corn, rice, potatoes, and beans. (no. 4, p. 12)

Prices for controlled crops are fixed officially by the government, generally in September or October. Three prices are set: purchase price to producers, price at wholesale, and retail price. (no. 4, p.13)

Price alone will not solve all of the problems of production and supply of domestic food needs. In fact, the report mentioned above (no. 4, p.16) lists 13 constraints to early improvement in agricultural productivity in the Congo. Five obstacles are identified in the realm of production, two in the area of marketing, and three citing the lack of agricultural support by the government.

Although OCV initially had a dual role of, first, promoting agricultural production by providing extension training and free seed, and secondly, by assuring farmers a market for their products, it soon became evident that the first role became exceedingly expensive with no commensurate returns, and the second, which was supposed to provide substantial revenues, proved to be foundering. Obviously, being obliged to buy all of the production, regardless of quality, size of individual lots, or location, cannot be a profitable undertaking. A more business-like approach which rewards quality, dependability, and initiative is essential.

Because of frequent fluctuations in market prices, the fixed official prices are generally distorted. They do not adjust readily. Official prices do not differentiate between variable transport costs, wholesale prices and retail prices except for rice, which is largely imported. Fixed prices rarely correspond to real costs.

In 1983, OCV was selling rice at 165 CFA/kg. Office National de Commerce (OFNACOM), on the other hand, was selling local rice at 185 and imported rice at 200 CFA/kg.(no. 4, p.III)

OCV is accused of gross inefficiencies. It exercises very little control over quality of the product. Consumers prefer imported grain over locally produced grain because of better quality and assured supplies.

Control of marketing and pricing is becoming less stringent because of inefficiencies and lack of appropriate funding of OCV. This result was inevitable considering the public service role assigned to OCV, namely:

- Organization of farmers
- Extension work
- Training
- Distribution of free seed and other inputs

All these activities are expensive to perform and they produce little if any income to the agency. In addition, OCV is charged with supporting five state farms which are currently in financial difficulty. (no. 4, p.18)

Labor availability and marketing are the major limiting factors to improving productivity in the Congo. Farm parcels are relatively small, limited by the amount of land that can be effectively cropped with only hand labor. A woman doing most of the planting, cultivating, and harvesting, will be able to manage about a third of a hectare (0.8 acre). Introducing appropriate tillage implements could effectively expand the size of farm parcels and increase total production assuming such tools were culturally and otherwise acceptable. Since labor is a serious constraint in traditional farming enterprises, the introduction of tools or appropriate small farm implements would tend to increase the size of farm operations.

RECOMMENDATION

The project should consider having implements and tools on display and available for purchase at points where farmers sell their products.

There has been no significant increase in yields as traditional production methods prevail. At this stage in Congolese agriculture any production increases would be expected to be derived from increasing land under cultivation. At the time of this evaluation, following two successful marketing seasons, some farmers were still increasing field size. At this writing it is impossible to predict when the size threshold will be met. When this threshold of land area has been reached, increased production will only be achieved by more intensive agricultural techniques.

Table 3: Annual Income to Women Selling Produce in the Region of Mindouli 1981.

Product	Quantity Sold	Official Price	City Price	Income at Village	Income at City
	(kg.)	(CFA / Kg.)		(CFA)	
Peanuts	215	75	115	16,125	24,725
Maize	250	47	115	11,750	28,750
Fou Fou (Manioc)	470	85	115	39,950	54,050
Yams	520	25	50	13,000	26,000
Other (Bananas, Potatoes, Peas, etc.)				<u>25,000</u>	<u>37,500</u>
Total				105,825	171,025

Source (no. 4, p.39)

Although out of date in terms of today's prices, this table gives a good indication of alternatives available to women who produce as well as sell. If they have a choice, they will sell in urban centers and will concentrate on root crops. This being the case it is unfortunate that the project did nothing to improve upon manioc (cassava) marketing.

Peanut Production

Production of peanuts is said to be sufficient to satisfy demand of the urban markets, but it cannot at the same time fulfill the needs of the Huilka oil mill at Nkayi (no. 4, p. II). The oil mill will have a capacity of 12,000 MT of shelled peanuts when it reopens in January 1986.

In 1981 3,329 tons of shelled peanuts produced 1,321 tons of oil or a 39 percent conversion. Taking into account a 5% loss in refining, then 3.3 kg. of peanuts are needed to produce 1 liter of peanut oil. OCV was able to provide only 20% of the necessary amount, so the balance was imported.

In 1982, OCV received 205 CFA/kg. for shelled peanuts. At the same time, imported peanuts from the Sudan cost 250 at Pointe Noir, or 300 CFA delivered to the peanut mill in Nkayi. Production was suspended in 1983 because the cost for oil production per liter was 537 CFA compared to the market price of 500 CFA.

Since the official price of shelled peanuts was about the same as the price of unshelled peanuts less the weight of the shell, there was no incentive for producers to shell peanuts before selling them.

Pricing Structure derived by OCV compared to merchant pricing.

OCV 1982 Farm Price	112 CFA/kg.
	30.28 Collection
	9.71 Local Transport
	1.18 Storage
	13.73 General expenses
	<u>166.90</u> Calculated selling price.

Pricing by merchants per Kg.

at 130 CFA from villagers
20 CFA transport by truck
10 CFA transport by rail
<u>50 CFA Markup</u>
210 CFA Retail price

Depending on market activity (supply-demand conditions) some peanuts were sold by dealers at 240 CFA/kg. Imported peanuts sold for as much as 350 CFA/kg.

In Brazzaville in 1983, fresh unshelled peanuts were selling for 670 CFA/kg., shelled and roasted peanuts at 744, and peanut butter at 1000 CFA/kg. It has been estimated that in the past about 43 percent of harvested peanuts were marketed and 57 percent used for home consumption (no. 5, p. 43).

Maize Production

Maize production in the Congo is still in its infancy. Maize is not a prominent food crop but is mainly used for animal feed. There is a potential for increased maize production for large-scale livestock and poultry producers but marketing is weak. As a result large quantities of maize have been allowed to spoil in OCV stores (no. 4, p. II).

Rice Production

Domestic rice production is reported to meet only 10% of Congo's needs. In 1982, 14,000 MT were imported. (no. 4, p. 77) Villagers in the project zone are not enthusiastic about rice production as it is the most labor intensive crop.

Table 4: Marketing of Peanuts, Maize, and Rice.

Mossendjo District, 1983-1985.

	1982-83	1983-84	Incomplete Season 1984-85
<u>Peanuts-Prod'n(Kg)</u>	-----	849,441	594,330
Mktd. for oil (Kg)	436,239	665,400	109,086
Mktd. for retail (Kg)	-----	-----	1,615
shelled (Kg)	-----	-----	354
Village price(CFA)	117	123	123
shelled	153	153	163
<u>Maize-Prod'n(Kg)</u>			
Marketed (Kg)	17,576	76,388	13,120
Village price(CFA)	47	65	73
<u>Rice-Prod'n(Kg)</u>			
Marketed(Kg)	40,824	78,588	12,000
Village price(CFA)	50	75,824	5,025
		70	90

Source: Fiche Technique sur Les Activites Deployee Au Papan les Semestre, 1985, et Fiche Technique sur L'Evolution du Papan, July 1985.

Production

Table 5: Man-Days Per Hectare Required for Traditional Production of Peanuts, Maize, and Paddy.

ACTIVITY	Peanuts first cycle	Maize	Paddy
Slash and Burn	-	4 to 29	90
Soil Preparation	30	30	-
Planting	8	2	9
Weeding	3	3	-
Harvest	15	3	12
Transport	-	3	-
Drying	-	2	-
Shucking	-	3	-
Shelling	-	8	-
Cleaning	-	2	-
Sacking	-	2	-
Cleaning/Drying	20	-	-
Protecting from birds	-	-	40
TOTAL	76	62 to 87	151
Seed, kg., per ha.	30	30	30
Yield, kg., per ha.	700	600	1800

Source: Various sources as reported in "Prix et Politique des Prix" pp. 31-35.

Work days devoted to production of any of the various crops will vary according to the nature of the land, whether clearing forest or grass cover, and also the method of tilling the soil.

Man-days given in table 5 are regarded as conservative. Another report suggests an average of about 150 mandays per hectare for peanut production. (no.5, p.43)

Discussions with village groups of farmers indicate that peanuts and maize require about the same amount of labor. Rice, on the other hand, requires twice the amount of labor, about 151 man-days.

Returns per day to labor, by type of crop, would appear as follows:

	<u>Yield/ha.</u> <u>(Kg.)</u>	<u>Price CFA</u> <u>(Per Kg.)</u>	<u>Work days</u>	<u>Returns CFA</u> <u>Per day</u>
Peanuts	700	123	74	1133
Maize	600	73	75	584
Rice	1800	90	151	1073

As indicated above, economic returns to labor are greatest for peanuts, next for rice and the least for maize. Although returns from rice production are relatively favorable, village cultivators shy away from rice production because it requires so much time that it interferes with other activities. Moreover, the problem with birds becomes very discouraging.

Transport and Storage

Poor road conditions and great distances from point of production to railheads make it very expensive to move harvested crops to the market. In one publication, cost of transport per ton kilometer was calculated to be 191/CFA. (No. 6, p.51) Calculation was based on trucks being used at about 50 percent of capacity in the process of collecting products from producers. Thus, it was concluded that the truck cost per kilometer should be doubled. This procedure is questionable. Obviously, truck cost per kilometer of travel does not double because it carries only half a load. Admittedly the cost per ton carried would be higher for smaller loads.

Accordingly, transport costs were recalculated to take into account the fact that only 4 tons of unshelled peanuts constitute a truckload, in contrast to 7 tons of maize or rice (paddy). Calculations are given as follows:

Truck costs per km. based on annual use over 30,000 kilometers, and

Fixed costs (Insurance, etc.)	3 CFA
Variable costs (Fuel at 90 CFA etc)	215
Semi-variable (maint. & Repair)	<u>117</u>
Total truck cost/km.	335 CFA

Assuming a truck can haul 4 tons of sacked peanuts, then the cost per ton-km. would be 335 divided by 4 equals 82 CFA instead of 191 CFA.

Cost of Transport

Sibiti to Loudima

Truck cost per Km.	= 335 CFA
For 200 Km. round trip	=67,000 CFA
(Peanuts) 4 tons per trip	=16,750 per ton
Cost per Kg.	=16.75 CFA
Maize and Rice 7 tons per trip	=9,571 per ton
cost /kg.	=9.6 CFA

Zanaga to Loudima

Truck cost per Km	= 335 CFA
For 520 Km round trip	=174,200 CFA
(Peanuts) 4 tons per trip	= 43,550 per ton
Cost per Kg.	43.55 CFA
(Maize and Rice) 7 tons per trip	= 24,885 CFA per ton
Cost per Kg.	24.9 CFA

Profile of Peanut Pricing and Estimated Costs from Farm to Market

1. Price/Kg. at the Village (OCV)	123 CFA
2. Collection cost/Kg.	20 CFA
3. Storage cost (Management and Insecticide)/Kg.	9 CFA
Cost of sacks/Kg.	
4. Handling and Loading/Kg.	
5. Trucking to Railhead:	
Sibiti to Loudima	17
Zanaga to Loudima	44
6. Loading on train	
7. Shipping by Rail to Brazzaville	10
8. Unloading cost	
9. Cost to Merchant (Sibiti peanuts)	179
Peanuts from Zanaga	206
OCV price	167
10. Merchant's Margin	
11. Retail price in Brazzaville	250 to 400 CFA

A profile of peanut prices showing functional marketing costs along the route to consumer markets is indicated in the above chart for the Sibiti and Zanaga districts. Some of the costs and prices are fixed by OCV, mainly the purchase price at the village level and the selling price to the merchant or distributor at the consumers' market.

With the village price of peanuts set at 123 CFA/Kg. and the selling price at 167, it appears that the cost of the marketing steps in between cannot be performed without losing money. Considering only the collection,

trucking, storage, and rail costs, Sibiti to Brazzaville, the derived cost is 179 CFA/Kg. versus 167 as the set price. This 179 CFA/kg. cost does not even include the cost of sacks, the handling and loading costs at the storages and railhead, nor the losses incurred in handling.

Furthermore, the proposal to build a warehouse in Zanaga and ship peanuts from that area is economically impractical. The larger distance and the almost impassable road more than doubles the transport cost, thus increasing the derived cost to the merchant to 206 CFA/Kg. as opposed to the fixed OCV price of 167 CFA/Kg.

The long distance and almost impassable road conditions between Zanaga and the railhead at Loudima make it foolhardy to consider building storage facilities in the Zanaga District at this time.

RECOMMENDATION

Due to the increased costs of transporting produce from more distant areas, the project should focus its efforts in villages near Mossendjo and Sibiti; planned activities in Zanaga and Bambana should be cancelled.

Transport costs for maize and rice, based on 7 tons per load, would be 9.6 CFA per Kg. from Sibiti and 24.9 CFA per Kg. from Zanaga. These costs plus storage at Sibiti would boost the producer price of maize from 73 CFA to 121.6 at the consumer market; and from Zanaga it would be 136.9 CFA per Kg.

For paddy, another 17 CFA per Kg. would be added to the producer price of 90 CFA per Kg.

Revolving Fund

The revolving fund was introduced as a means of financing the operation and management of warehouses in the project area. The selection and location of warehouse sites was to be made on the basis of production concentration as well as transportation costs. These two factors are not always compatible. Pockets of concentrated production are often located in areas served by very poor roads, sometimes impassable during the wet season and quite distant from railheads. Thus, transportation costs are unusually high. Additionally, political pressures to serve an area often outweigh decisions based on costs of transportation and economic feasibility.

A significant additional function of the revolving fund was to make funds available to pay farmers promptly for produce delivered to the warehouse. Ideally, produce is stored and held for a short time until OCV pays for it and moves it further along the marketing channel.

The fund is replenished when OCV pays for the produce. Unfortunately, OCV has not been very prompt in making payments, nor in moving produce out of warehouses.

Experience with the revolving fund in Mossendjo has been far from satisfactory.

As shown in Table 7, the revolving fund was not adequately replenished for crop years 1982-1983 and 1983-1984. The 1984-85 season is not yet completed, but the prospects for wiping out the current 59.5 million CFA deficit look rather dim. OCV has either advanced or reimbursed the project for crop purchases but they have not reimbursed the project for transport, handling, and storage fees.

It is too early to appraise revolving fund activities in the Sibiti district because it is just now getting started. OCV advanced 10 million CFA to buy produce for the 1984-85 season. At this writing only 1,857,035 has been expended for product purchases and storage, thus leaving a balance of 8,142,265 CFA for remaining purchases.

As was done by PAPAN in Mossendjo, Project d'Assistance aux Agriculteurs à Lekoumou (PAPAL) in Sibiti has contracted with OCV to be paid 20 CFA/kg. for produce collected for storage. In most cases this fixed fee is inadequate to meet real costs.

Management fees or "primes" are also paid to the purchasing committee in the GPC's on the basis of 2 CFA per kilogram purchased. The cost of collecting and marketing agricultural products in isolated rural areas is certainly much higher than the cost of providing the same service for farmers located near urban centers. If PAPAN and PAPAL are to continue providing collection and transportation, a re-evaluation of their costs is essential.

RECOMMENDATION

The project should conduct definitive studies to identify costs for specific marketing functions and OCV should adjust fixed market prices accordingly.

Revolving Fund

Table 7: Funding and Expenditures, FAPAN, 1982-83 to 1984-85

	1982-83	1983-84	1984-85
<u>1. Contributions to Revolving Fund</u>			
CARE payment.	17,000,000	_____	_____
OCV payments	45,000,000	111,500,000	44,090,000
TOTAL Received	62,000,000	111,500,000	44,090,000
<u>2. Expenditures</u>			
Collection costs	27,000,000	39,702,222	1,743,685
Bought crops	62,000,000	111,500,000	15,119,661
Bought sacks	_____	_____	<u>20,000,000</u>
Total Expenses	89,000,000	151,202,222	36,863,346
Annual balances	-27,000,000	-39,702,222	+7,226,654

At the end of the 1983-84 season PAPAN had shown a combined shortage of 66,702,222 CFA. For the 1984-85 season, not yet completed, OCV paid 44,090,000 CFA to PAPAN, which in turn had expended 36,863,364 by mid-July 1985, with still over 7 million to spend, or a deficit of about 59.5 million due from OCV for the three year period.

ANNEX 2: GRAIN STORAGE

The warehouse construction and grain storage facet of the project has been satisfactory. After some not unexpected delays and with some design modifications resulting from a grain storage consultancy, the structures are nearly all built and adequate. CARE determined that construction costs could be reduced and subsequent construction in Lekoumou (OC02) has been handled differently, under contract with local businessmen.

Of the 20 structures allocated in the project, 18 have been completed. Eight are new structures, ten have been refurbished. While the original locations for warehouses were established from discussions with OCV, in 1983-84 OCV changed their evacuation routing and required that all peanuts be amassed at the railhead warehouses: Mabafi, Tsimba, Mossendjo, Vouka, Mougoundou and Tsingidi. This resulted in an overcharging of these warehouses and peanuts were even stacked outside. This also resulted in a non-use of village-level warehouses as the project evacuated the grain directly from the collection point to the railhead. This was a management error for 1) OCV was late in evacuating the railhead warehouses and grain was improperly stored, and 2) in only the second year of operation the village warehouses were already deemed superfluous; the villagers and the cooperative members in charge of storing, registering and fumigating the grain also lost a valuable training opportunity. While it would have involved handling the grain more, the evaluation team believes it would have been wiser to collect and store grain as usual and to evacuate it to the railhead as coordinated with OCV pickup.

If OCV continues to collect grain only from the railhead, if OCV evaluation is slow, or if production increases even more at the village level, warehouse capacity may become limiting. As production is so variable (bad weather resulted in a sharp decline in production this year), optimal storage capacity is difficult to assess as it should conform to some sort of as yet unidentified mean.

The grain being stored under project control at the village level is reported to be adequately dry and free of insects and rodents. However, grain was improperly stored last year at the OCV collection points along the railroad. Good training has been offered to warehouse managers and pesticides are still being provided under the project. The warehouses visited were empty at the time of the evaluation so no first-hand observations were possible.

Storage under OCV control was observed at Sibiti. Last year's crop - over 90 MT of peanuts - were completely ruined. This year's crop was improperly stacked, in fact piled from floor to ceiling, and untreated. The project did not have the responsibility to provide training or storage chemicals at the OCV level.

ANNEX 3: COOPERATIVE DEVELOPMENT

One objective of the Projects (PAPAN and PAPAL) has been to assist farmer pre-cooperatives to gradually assume increased responsibilities for marketing crops. Little progress in this direction has as yet taken place. However, in both PAPAN and PAPAL, there exists an opportunity to significantly direct the cooperative movement towards assumption of added responsibility in the marketing of farmer crops.

With an ever increasing urban population and a concomitant dwindling and aging rural population, the Congo is looking to the nascent cooperative movement to greatly contribute to its goal of "Auto-Suffisance Alimentaire d'Ici à l'An 2000." The political nature of cooperative development in the Congo is evidenced by the creation of a new ministry dedicated to the development and maintenance of cooperative action, MERAC (Ministère de l'Équipement Rural et l'Action Coopératif).

Although the Congo has a history of cooperative efforts, particularly in the Niari Region (PAPAN), these attempts for the most part have long since fallen apart. As a consequence, the government refers to the village level movement as only pre-cooperatives, Groupement Pré-Coopératif (GPC). One advantage of Congo's cooperative history is that the idea of cooperation is fairly well understood. Unfortunately, the idea of a cooperative is not because of past tendencies to give "gifts" to all who belonged.

Although PAPAL (Lekoumou Region) is the younger of the two programs, the slower but more participatory approach taken in sensitizing villagers and seeking their input regarding the form of village participation in the construction of warehouses, their location and size, has laid a good foundation on which to commence cooperative education and development. In comparison, cooperative development may be a bit more difficult for PAPAN (Nairi Region), where old warehouses were refurbished or new ones built without as much village sensitization.

Pre-Conditions to Co-op Development

Several pre-conditions to cooperative development in the Congo must be in place before any real improvement is likely to be seen. If USAID and CARE/Congo decide to pursue cooperative development, the following pre-conditions should be considered. The CARE/Congo (PAPAN and PAPAL) project can assist in establishing some of the pre-conditions, while others will be outside its direct influence.

Some pre-conditions appear to be already in place and, in general, can be taken as positive indicators of potential cooperative development:

- Government support. In November 1984, MERAC was created to promote and support the cooperative movement in the Congo. Overall, the rhetoric has been favorable and MERAC is a positive policy indicator, although it is uncertain to what degree other needed policies will be forthcoming (e.g., sufficient operating budget for MERAC; improved farmer level producer prices; establishment of an effective, efficient, and financially sound marketing system).
- Economic activity effectively exercised jointly. The marketing of farmer output (peanuts, maize, paddy, etc.) is an activity that can be performed effectively through joint action. Cooperative action at the lower levels of the marketing chain—gathering, storing, and selling produce to an intermediate buyer—could serve as a significant and efficient alternative to the present method of commercializing produce via an undercapitalized and inefficiently managed state marketing board.
- Adequate potential membership and volume base. With respect to volume, the monumental increase attained in the PAPAN marketing area during the '82-'83 and '83-'84 marketing seasons, partially as a result of improved storage facilities and prompt payment, serves as an indication of a potentially sufficient volume of activity. In addition, within a cooperative movement the possibility would exist to market other produce, such as manioc. A statistical report done in the PAPAN marketing area indicates that while peanuts contribute nearly 20% to a family's yearly income, manioc contributes three times that much, or 60%. Manioc would have significant potential and contribute greatly to a cooperative's volume of business; thereby, also increasing the financial wherewithal of the cooperative.

Past cooperative registration records in the PAPAN project area show the extent to which the movement has deteriorated, but also highlight the level of potential membership. Depending on the year and the source, between 60 and 74 GPCs, with membership well in excess of 1300, are officially registered. Far fewer are actually functioning though. With a population reportedly in excess of 50,000, it would appear that potential co-op membership could easily surpass 1300.

Although the above figures are for the PAPAN marketing area, the assumption is made that they are indicative of the PAPAL area as well.

While the previously mentioned characteristics can be considered as positive indicators, several pre-conditions to cooperative development in the Congo are unknown factors at this time:

- o Existence of a cooperative legal instrument. As of this report, the Cabinet of MERAC is reviewing a proposed cooperative legal document. Although the drafting of such an instrument is a commendatory step, it is uncertain to what degree the document will be a positive influence on the Congolese cooperative movement.
- o Sufficient reason for forming a cooperative. Visits to several villages revealed any number of individual but common needs. At this point it is unknown how successfully these needs can be translated into benefits of cooperative membership. At the very least, the marketing function appears to be an economically viable reason around which to organize and support cooperative action.
- o Nucleus of active members. If the villages visited are representative of the majority, present GPCs are typically composed of an older President and Vice President and a somewhat younger Secretary and/or Treasurer. While these people normally are elected by the GPC membership, and required to have some basic education (read and write), their abilities to serve as a dynamic, active nucleus around which to motivate and organize others is uncertain.

It is equally unclear whether traditional hierarchy will permit younger, probably more dynamic farmers (35 to 45), who are dwindling in number, to play a more catalytic, leadership role as President or Vice President of a GPC. In addition, although traditionally the more industrious and probably the more enterprising, the role women will be able to play is unknown.

- o Members' ability to contribute to co-op capital. Presently a farmer contributes FCFA 1,000 for membership to a GPC. From all appearances, GPC members seem to think this is equitable. What is not known is whether:
 - Previously collected "parte sociale" are still available (i.e., held in an account) or long since lost.
 - A fee of FCFA 1,000 is sufficient based on potential membership to establish an adequate equity fund with which to pursue endeavors.
 - Members or potential members are willing to contribute additional equity capital or a higher membership fee if deemed necessary.

Finally, two pre-conditions to successful Congolese cooperative development, in their current state, are negative factors. Either element could effectively inhibit the cultivation of a cooperative movement:

- o Level of cooperative understanding. Visits to a few villages suggest that in general there appears to be a good understanding of cooperation, but not necessarily of cooperative action. In the past, joining a cooperative meant receiving gifts. A "souvenir éternel," a "give me" attitude would appear to be more prevalent than an attitude of self-help motivation. In other words, an understanding of the advantages—not gifts—of group action in meeting common needs does not seem to exist.
- o Effective marketing channel. Simply stated, without an effective marketing channel, i.e., a buyer for co-op output, there is little incentive for farmers to produce. Without a viable economic activity, there is little reason to organize a cooperative nor a financial base on which to operate. Unfortunately, this is a facet over which the Project has little control.

Even in those areas where it is operating as a stop-gap marketing agent, the Project is dependent on OCV funds to purchase farmer produce. If OCV funds, like the back commissions owed the Project, are not forthcoming one year, the Project (read CARE) will lose all credibility, even in its limited marketing territory.

Of the nine pre-conditions, the establishment of an effective marketing channel for the interim period before co-ops can assume the entire function (which will be many years) is probably the most critical. Critical because it is currently considered a negative factor and, other than any influence CARE/Congo can bring to bear via MERAC, is outside CARE/Congo control.

RECOMMENDATION

As soon as possible, CARE/Congo should attempt to obtain a copy of the proposed co-op legal instrument and provide MERAC with constructive comments on the formation of this important document. These comments should include, if possible, concerns of financial and legal autonomy for the cooperatives.

Cooperative Development in PAPAN (Niari) and PAPAL (Lekoumou)

No specific, directed cooperative development efforts have started in either region. Concentration has been on other facets of the project, principally the construction of warehouses.

Although the construction methodology has been different in both Project regions, in neither was the GPC the sole contributor of in-kind assistance; as a rule, the entire village contributed. While this arrangement is not inherently bad, it makes it difficult, if not impossible, to say that the warehouse is the property of the GPC. In turn, this fact effectively renders one possible advantage of GPC membership impossible to provide—the free weighing and storing of GPC members' crops.

Niari:

The big bang approach perhaps best describes the method followed in Niari (PAPAN). Efforts focused on construction of staff housing, the training center, and warehouses. Warehouse building sites were chosen by project management, based on the location of old warehouses and/or crop production and distance.

Partly due to promises of prompt payment within the PAPAN marketing area and tangible evidence going up before them of an improved ability to properly store their produce, farmers sold significantly more through the government marketing system the following commercialization campaign than at any other time in recent history. The existing GPCs, however, had little if any input regarding the design and location of warehouses.

While the procedure of demonstrating, through the construction of warehouses, a level of sincerity to purchase produce most certainly contributed to the rise in produce sold, an opportunity was lost to begin laying the foundation for future cooperative education and development. As a result, even though villages contributed in-kind to warehouse construction, the feeling in a few villages is that the warehouse belongs to CARE, as much as to the village, and that CARE is responsible for maintenance.

With respect to Project staffing in Niari, a specific position does not currently exist for a cooperative development individual. In addition, it is not clear that any of the present positions (CARE/Congo Project manager, Project national director, seed specialist, farm manager) have been delegated the responsibility for cooperative development.

Lekoumou:

The approach in Lekoumou (PAPAL) might best be characterized as "walk softly." Before constructing warehouses discussions were held with villagers to determine their desires regarding location, size, and type of in-kind contribution.

Although discussions were directed by Project management a certain degree of cooperative pre-education took place. This example of group action can be referred to in later discussions aimed more specifically at cooperative development.

In Lekoumou, as Niari, in-kind contributions were a collaborative, village-wide effort. As a consequence, the possibility of offering GPC members the advantage of free weighing and storage over non-GPC members is not a practical proposition.

Although not specifically part of the job description, the CARE/Congo Project manager in Lekoumou has demonstrated an interest and initiative in co-op development. Unfortunately, other demands on the manager preclude him from giving this function the attention needed if CARE/Congo is to attempt to achieve the objective of strengthening GPCs and the cooperative movement overall.

RECOMMENDATION

Future warehouse construction should be done, if possible, through the sole in-kind participation of existing GPCs.

Continued warehouse construction in Lekoumou (PAPAL) or any additional warehouse construction in Niari (PAPAN) should follow the current approach of village sensitization now used in the PAPAL project area.

Additional emphasis needs to be placed on CARE/Congo's role in the construction process at the village/GPC level, so that village/GPC clearly understand that it is their warehouse and their maintenance responsibility. (An important cooperative lesson is being taught simultaneously—rights, obligations, participation, and management—which contributes to meeting one pre-condition, sufficient level of cooperative understanding.)

Ministère de l'Équipement Rural et l'Action Coopératif (MERAC)

Created in November 1984, MERAC is charged in general with improving and facilitating work at the village level as well as with establishing and assisting the cooperative movement. A MERAC Cabinet level agent defined MERAC's current objectives as:

- o To organize and to promote farmer agricultural production.
- o To promote cooperative action in the country.
- o To assist farmers in receiving agricultural credit.
- o To assure the multiplication and diffusion of animal and plant species.

- o To equip rural inhabitants in order to facilitate work and to augment productivity.
- o To organize a commercialization marketing| system (within the GPC framework).

The same MERAC official defined long-term objectives as:

- o To assure a minimum level of food for people, at reasonable prices, in view of attaining self-sufficiency.
- o To provide national agro-industries with raw material.
- o To obtain foreign currency through exportation of certain products agricultural|.
- o To raise the populations standard of living.

Figure 8 shows an organizational chart of MERAC. Referring to this chart, it should be noted that not all Regional ERAC Directors are installed. Concomitantly, District Sector Chiefs and their Co-op Development Zone Chiefs (encadreurs de base) are planned but not yet established.

MERAC and Project Management:

Practically speaking, from MERAC's perspective the Project is to be eventually completely supervised by MERAC personnel (i.e., no CARE/Congo management). Indeed, initial steps are being taken in this direction. In order to maintain some necessary autonomy and flexibility though, the Project has not been completely integrated directly into MERAC—nor evidently do future plans call for its integration.

The Project is considered attached to the Secretary General, which allows the Project to by-pass lower level bureaucracy and, consequently, receive more immediate action on matters that are raised with MERAC. In addition, as depicted in Figure 8, the Project's activity contributes to the performance of the Co-op Action and Regional ERAC divisions of MERAC.

While on paper it appears that the Project's positioning would allow it autonomy to operate as an independent (hopefully, eventually cooperative controlled) marketing entity, the reality of future continued independent management in a state controlled economy (particularly should its success and influence—marketing territory—grow) is uncertain.

Figure 8

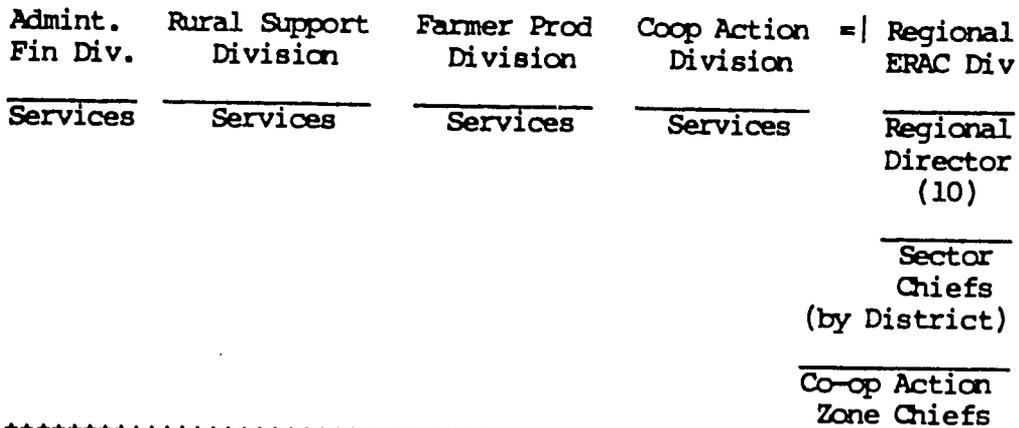
MERAC

Minister

Department of Study
and Planning

Cabinet

Secretary General - - - -PROJECT (PAPAN/PAPAL)



MERAC and Project Redundancy:

Figure 9 depicts an organizational structure described in a report by the Regional ERAC Director in the Lekoumou; who in addition is also the GPRC/MERAC National Project Director for Lekoumou (PAPAL). Presently, in the Niari Region, the Regional ERAC Director and the GPRC/MERAC National Project Director for Niari (PAPAN) are not the same individual.

Although some redundancy may be eliminated by combining the positions of Regional ERAC Director and National Project Director, as in the Lekoumou (PAPAL), the ability to eventually allow a cooperative to operate (i.e., hire and fire personnel based on performance) and freely market produce is severely handicapped when the MERAC appointed Regional ERAC Director doubles, at such a high level within the Project, as PAPAL's National Project Director. Not to mention the difficulty this individual would have in efficiently wearing two hats.

RECOMMENDATION

Keep the Project segregated, but attached to MERAC. This structure should provide the Project autonomy and hopefully facilitate an eventual transition to co-op ownership, while keeping MERAC sufficiently in the picture to satisfy their need to be informed and involved.

Keep separate the function of Project National Director (PAPAN and PAPAL) and MERAC Regional ERAC Director.

Eliminate Project (PAPAN and PAPAL) Zone Chiefs in favor of consolidating their role with MERAC Zone Chiefs.

CARE/Congo

CARE/Congo is working with a newly created ministry, MERAC, and is in a good position to influence MERAC's movement regarding cooperative development. A plan should be drawn up as to how best to work with MERAC on a more systematic and educational basis. CARE/Congo does have an individual who works quite closely with MERAC. Placing the individual in MERAC will contribute to his image as an integral MERAC player.

As several MERAC participants on the evaluation team suggested, this person, with a counterpart, could establish a plan for cooperative development as well as a cooperative education program directed initially at general GPC membership and GPC officers. This co-op specialist would then train MERAC's Regional ERAC Zone Chiefs. In-turn, these Zone Chiefs would serve as the GPC instructors.

As the CARE/Congo co-op officer would work within MERAC, he/she could possibly put together other programs for MERAC - Brazzaville employees. In this manner, CARE/Congo could participate in formulating MERAC's strategy and enhance its efficiency.

Conversations with MERAC officers indicate that MERAC is most concerned with self-sufficiency for the Congo and, therefore, is not opposed to farmer owned and managed co-ops if they successfully contribute to this goal.

Indeed, one of MERAC's current objectives is to organize a marketing system--within the GPC framework. At the very least then, as the co-op specialist would work closely with MERAC officials in devising a co-op development plan, he/she could influence the general direction cooperatives take--independent, farmer owned or state controlled and administered.

Another possible location for a CARE/Congo hired co-op specialist would be to place him/her in Moussendjo (the Niari Region) with a counterpart. Together they would draw up a plan for co-op education, again aimed initially at general GPC membership and GPC officers. The co-op development agent and the counterpart would train four MERAC Regional ERAC Sector Zone Chiefs operating in the PAPAN and PAPAL marketing territory.

CARE/Congo would provide these six individuals with needed transportation. The training center in Mossendjo would be used for the instructing of MERAC Zone Chiefs. After the training, either the co-op specialists or counterpart would move to Sibiti (Lekoumou Region) to supervise co-op development there.

A small percentage of all GPCs in the PAPAN and PAPAL marketing area would be chosen and cooperative development efforts concentrated on these few selected locations. The purpose for this focused approach is two-fold:

- 1) To not over tax Zone Chiefs, particularly early on when they are new to the co-op education game; nor to stretch the co-op specialist and the counterpart too thin by encumbering them with a large number of Zone Chiefs to train and concomitant territory to then supervise.
- 2) To get some early wins, i.e., well educated, effectively organized and efficiently managed GPCs.

As a handful of GPCs become successfully organized, Zone Chiefs will have the opportunity to employ what may be the most effective teaching tool--an eager-beaver member of a well established GPC. The second phase of cooperative development would again attempt to keep a Zone Chief's responsibility limited to a few villages, but additional Zone Chiefs would now be trained, thereby expanding the actual number of villages contacted. After a solid nucleus of GPCs is created education and training efforts could concentrate on establishing a well oiled District Union, composed of GPCs in the district. (Additional thoughts regarding this incremental approach to cooperative development are provided under separate heading.)

CARE/Congo and Marketing:

Until both PAPAN and PAPAL gain additional experience in their respective marketing areas and have built a successful track record vis-à-vis the farmers, especially GPCs, CARE/Congo should not allow the marketing areas to expand. The Project represents an intermediate marketing agent, doing for a commission what OCV is incapable of doing, but still dependent on OCV to front the purchasing money. Should the Project's marketing territory expand too rapidly, beyond the Project's management capability and experience or beyond OCV's ability to provide sufficient and timely funds, the Project would jeopardize all previous years' efforts.

While the marketing area should not expand in the immediate future, the Project should develop a plan to gradually take on the commercialization of manioc within its present marketing area. As mentioned previously, manioc sales represent 60% of a typical family's yearly income (Niari Region) and is a year-round marketable product. In terms of GPC development, manioc marketing would represent a means for the GPC to enhance its financial foundation, which in-turn opens the door to many other possibilities. And the marketing of manioc does not fall under the control of any state marketing board. It may be the closest thing to a free supply and demand market in the Congo.

With respect to OCV, the Project's commission should be re-negotiated and, if at all possible, changed to a variable rate based on logistics and support, with a small profit. While this undoubtedly requires more work and closer management attention, it is also more equitable and reflective of actual costs. By assuring that costs are covered, a variable rate should eliminate feast or famine cycles, thereby, smoothing out earnings from year-to-year, allowing management to plan better.

In addition, CARE/Congo should attempt to disassociate itself as much as possible from the marketing activity; inserting instead an association between marketing and PAPAN/PAPAL. A farmer knows he can never be a part owner of CARE/Congo, but might be shown how in years to come, through GPC efforts, he might be part owner of PAPAN or PAPAL.

RECOMMENDATION

If AID or CARE decide to pursue long-term cooperative development, then CARE should hire a long-term co-op specialist. If it is determined that CARE/Congo's Liaison officer can not allocate sufficient time to MERAC for co-op planning and education (which should be a full-time job), attempt to hire two long-term specialists: one for MERAC - Brazzaville, the other for field supervisor.

Devise a multi-year cooperative development agenda in conjunction with MERAC.

Disassociate CARE/Congo name from the marketing activity.

Do not expand Project marketing territory in the near future.

Expansion into manioc marketing should be explored through GPCs in present Project marketing areas.

Re-negotiate the commission paid by OCV to the Project.

Thoughts on Cooperative Development

For any number of reasons co-op development, although one of three original objectives, has taken a back seat. Now CARE/Congo is expressing an interest in bringing this activity to the forefront.

For a cooperative movement to have a realistic chance of successful development the previously mentioned pre-conditions must be in place. While these pre-conditions can be addressed concurrently with co-op education and development efforts (indeed these efforts will contribute to meeting some of the pre-conditions), the cooperative movement will not progress far nor very rapidly until the pre-conditions have been met.

One additional pre-condition to successful cooperative development should probably be added to the nine listed—patience. Patience on the part of the co-op members. Patience on the part of donor agencies. Patience on the part of host governments. Nothing can deter or ruin a co-op movement more than the imposition of a system and calendar that is not in step with grass roots development. This approach necessitates the creation of a cooperative movement that expands at a pace acceptable at the farmer level.

Each successive tier of cooperative development must be founded on a solid financial and managerial underpinning. Cooperatives expand to enhance member services and benefits, placing additional management layers on the existing structure. With growth, the cooperative moves farther away from its primary and original source of revenue and reason for being. Invariably as the co-op hierarchy expands, extra overhead is added that is not always balanced by increased revenue. Without solid financial management and, in general, capable management, the structure becomes top-heavy and can easily tumble.

RECOMMENDATION

Have patience.

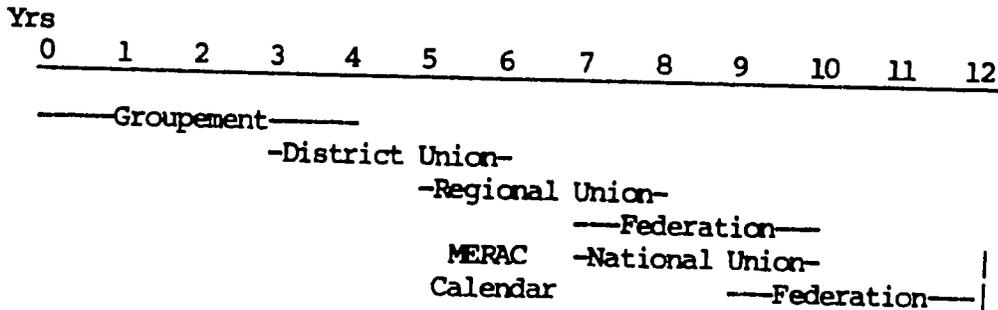
Incremental Approach:

One scenario would have the Congolese cooperative movement pass through four stages. Members of the evaluation team from MERAC suggested five stages of development. Figure 10 depicts phases through which the movement might progress. Although the schedule considers a ten year development calendar (twelve with a National Union) delays of several years would not be unusual.

The Groupement development stage is the most crucial in the process. Detailed plans should be drawn up for this phase of development based on a monthly calendar over the four year period. These plans need to be realistic, incremental, attainable and flexible. If delays in adhering to a schedule are ever acceptable, they are most acceptable at this stage. With a solid Groupement movement as underpinning each successive layer will be easier to establish. Therefore, whatever length of time is necessary—three, four, or more years—should be taken to establish such a foundation.

Cooperative Development Calendar

Figure —



If this time frame seems like a long period, consider it not in years but in harvests. Particularly at the Groupement level, the financial foundation of the movement is based on receipts from crops harvested. In other words, only some time after each harvest is there an infusion of capital into the movement. It is this capital which enables the Groupement to

pursue various activities. In turn, these activities attract a larger membership, bringing in additional capital. If a harvest occurs once a year, the Groupement movement has only three or four harvests (following the above calendar), around which the major economic activity of the cooperative revolves, to establish itself as a viable entity.

Realistically, the Congolese co-op movement may not progress beyond a solid Groupement and a workable District Union system before becoming too politicized for the its health. Already District Unions have been established (read imposed) on a Groupement system that is incapable and unwilling to support it.

RECOMMENDATION

Plan a long-term, incremental development calendar.

Groupement Pré-Coopératif:

As previously discussed, a plan for GPC development should be established that concentrates on a few GPC's at a time. Criteria for choosing these GPCs could be quite varied:

- o History of strong cooperative activity.
- o Tonnage of marketable produce.
- o Level of current cooperative activity.
- o Good location for next phase of development—District Union.
- o Sizeable number of young farmers.
- o Accessibility.
- o In current marketing program

Groupement Identity: One of the most important initial management steps will be to give the GPCs a sense of identity. An identity makes the cooperative more tangible to its members. An identity gives the membership something to rally around and, hopefully, to take pride in.

Providing the government would permit it and that the farmers would accept it, old GPCs could be disbanded followed by intensive cooperative orientation and the formation of new cooperative groups. Perhaps such a group could simply be called "Groupement" or "Centre Coopératif," followed by the village name "Groupement - YaYa" or Centre Coopératif-Mouscoumou.

In any event, other measures could be undertaken to instill a sense of identity. Distributing membership cards (carte d'adhesion) and opening a bank account (no matter how small the sum) in the GPCs name are two must steps. Creating a standard

questionnaire that members fill out once a year is not only an indispensable and effective means of gathering essential management information, but also acts as a rite-of-passage of sorts to joining a cooperative and imparts the idea of record keeping to farmers.

While it may sound a bit corny, distributing to members painter-style caps or T-shirts with the GPCs name on it, can also go a long way in promoting membership and unity. So as to avoid the gift syndrome the caps or T-shirts could be provided at cost or some nominal fee to members only. One side benefit, the process of taking orders, collecting payment, distributing the caps or T-shirts, and keeping track of any surplus inventory provides a simple, inexpensive, hands-on cooperative managerial lesson.

Groupement Management and Involvement: While the current GPC elected hierarchy could be kept in place, members should be encouraged to consider the benefits of electing younger farmers and women to co-op positions. This move would undoubtedly require some studying and testing of the water beforehand.

Referring back to the cap and T-shirt scenario, the management of this activity could be done outside the co-op hierarchy as it is a temporary, specific activity, therefore, of no threat to the entrenched co-op management. Encouraging young farmers or women to perform this task (or others like it) gets them active and in front of the membership, as well as disperses co-op management training to others besides the present hierarchy.

Involving members as much as possible through various committees (although the number should be manageable and of limited duration or rotating chairmanships) disperses management skills and advances a member's sense of identity and contribution to the cooperative. For example, a manager of GPC cooperatively farmed land could be chosen to organize work on this collective acreage. A co-op rover could be chosen who simply talks with members about ideas and problems. The rover is sort of a lead P.R. person for the co-op. Perhaps a building committee is warranted.

None of these various positions would be remunerated. Nevertheless, a system could be established that allows members, outside of the co-op hierarchy (President, Vice President, Secretary, Treasurer), who contribute time, to accumulate points that can then be used to acquire some benefit from the co-op. The success of such a system would be highly dependent though on the types and extent of benefits the co-op can offer.

Groupement Statistics: One of the most fundamental and necessary of cooperative activities is the organization and safe keeping of pertinent statistics. Statistics can contribute to the detection of potential problems as well as new areas of opportunities. Accurate record keeping is a pre-requisite to equitable distribution of benefits. At a minimum, records kept on each member should include:

- o Name and membership card number.
- o Year of membership.
- o Weight sold, price per kilogram, and total received on a yearly basis for each product marketed through the cooperative.
- o Offices held and years.
- o Indication of non-remunerated work performed.

Groupement Training: An oftentimes neglected aspect of cooperative training in the early stages (GPC level) is the necessity of training general membership in the rudiments of management. There is without a doubt a need to teach cooperative officers/management the basics of accounting or pricing or record keeping or costing or finance. Unfortunately, failure to instruct general membership at least peripherally in the same fields leads to misunderstandings, distorted expectations, and the formation of a cooperative elite.

All training at the GPC level should be done in the village and kept simple. Given the fundamental level of initial GPC management training, there is little reason to take the farmer out of his familiar environment or to employ unduly sophisticated teaching techniques.

Cooperative training at the GPC level (in fact at any level) should stress the setting of realistic goals and the establishment of small, incremental objectives. Nothing will bolster a GPC's enthusiasm and pride more than early attainment of a few objectives.

RECOMMENDATION

Develop a GPC co-op identity.

Develop a standard GPC questionnaire.

Involve and encourage young farmers and women to take an active role in GPC management.

Involve general GPC members as much as possible.

Develop a system of record keeping.

Include general GPC members in management training.

Perform training at village level.

Stress the setting of realistic objectives.

District Union:

This stage represents the first step away from the primary financial base of the cooperative. It also represents the addition of overhead that may or may not be covered through increased revenues attained as a result of undertaking activities that at the GPC level would be uneconomical.

A District Union should be allowed to evolve as a result of fruitful discussions among GPCs in the district. Villagers should not be forced to join a GPC and, at the district level, GPCs should not be forced to join District Unions. It takes only two to tango. If two GPCs deem it to their advantage to incur additional obligations to have the right to additional services, then a District Union can be formed. As at the village level, membership to the union should be open to all interested GPCs; one does not want to encourage multiple unions within the same district.

District Union cooperative development should mirror the GPC's development, i.e., slow and incremental. As at the GPC level, it is important to establish a sense of unity and of understanding within the GPC membership of the District Union's goals and objectives. Each GPC must feel that they have an adequate voice in District Union management. Careful attention must be paid to election procedures.

Training of District Union elected or hired officials may take place at a site with a more conducive environment, such as a training center or district schoolhouse. As before though, GPC membership needs to be aware of the basic parameters of this training. They need to have a feel for what is or is not adequate performance on the part of District Union officials. Again, one needs to keep expectations of general membership and management parallel.

Each activity undertaken by a District Union that deviates from the basic financial impetus of GPCs and/or is meant to be a source of positive cashflow should be managed by different individuals, whether hired or chosen. Lines of authority and responsibility are much clearer and it is easier for GPCs to judge performance.

Unfortunately, in the Congo, District Unions (Union Locale des paysans) have already been forced on the embryonic GPC movement, which is incapable of adequately supporting and monitoring it. Most GPCs would appear to have little confidence in the District Unions. GPCs complain that they do not know the disposition of their union fees and that they only see union officials when they come around to collect money.

The existence of District Unions presents a difficult management scenario because they are in place. The best alternative may be to just ignore the union. However, it may not be possible to simply overlook them for three to four years waiting for GPCs to evolve to the level of needing and wanting a District Union. One possibility for addressing this problem would be to stress realitively early in the GPC general co-op education program that the GPCs control the union. If GPCs wish to elect new union reps, disband, or put activities on indefinite hold, then they can do so.

RECOMMENDATION

Allow the District Union to evolve.

Develop a sense of unity among GPCs within district.

Pay careful attention to District Union election procedures.

Keep general GPC members appraised of District Union goals and objectives.

Keep distinct District Union activities under separate management.

Attempt to work around the imposed Union Locales until GPCs are capable of controlling them.

Regional Union and Federation:

As these stages of co-op growth are years away less will be said of their development. In general, the same simple caveat applies at the Regional Union and Federation levels: let them evolve.

Starting with a Regional Union, it may not be feasible to find from within the ranks of membership, qualified managers. One obstacle then to Regional Union and higher stages of development is the availability of a pool of non-government, educated managers.

By the regional level, general GPC membership is no longer interested nor involved in day-to-day management. They are simply interested in having things run smoothly and, if things don't, having an acceptable way of seeking and receiving answers.

Because general membership is farther from the day-to-day management, election procedures and the removal process of hired or elected officials becomes increasingly more important. As at the district level, it becomes even more important to segregate distinct activities under separate management authority.

RECOMMENDATION

Follow District Union recommendations in triplicate.

Benefits:

Cooperative action makes most sense to people when they perceive that they have common activities, desires, or problems. As long as perceived individual benefits exceed individual costs, people will be willing to contribute (capital, time, labor) to develop a cooperative to pursue their common activities, desires, or problems. Given the decaying state of most GPCs, it is probably safe to assume that non-members and members alike believe the costs exceed the benefits of GPC membership.

In the early stages of cooperative development (GPC and District Union) members play an important role in the decision process. While they should expect some benefits of membership, their expectations must also be kept in line with the co-ops capabilities. As a co-op system develops (Regional Union, Federation) members play a less important role in daily decision making. They also come to expect more benefits of membership. While a few benefits may come automatically and equally to all at membership, most should be allocated based on a member's patronage and contribution of time and labor. Like various stages of cooperative development, the need for a particular co-op service should evolve from the grass roots membership. A barometer for whether a service is needed might be members' willingness to contribute some small amount to raise additional capital or to accept the imposition of restraints.

The biggest constraint to the provision of benefits is the limit of one's imagination. Benefits of co-op membership need not be always monetary. Benefits delivered in-kind are just as effective as cash. Simple recognition among co-op peers for a job well done can also be an effective motivational tool. A tiered pricing system, with members paying less than non-members, can also be an effective advantage.

In the spirit of brainstorming, some advantages to co-op membership are listed that might be effective in the Congo. The level at which the benefit might be offered is in parentheses.

- o Commercialization of produce (GPC, DU, RU).
- o Access to peanut dehuller (GPC, DU).
- o Access to seed distribution (GPC, DU).
- o Construction and use of drying beds (GPC, DU).
- o Access to increased extension service from M. of Agriculture (GPC).
- o Access to credit (RU, F).
- o Centralization of member records (DU, RU).
- o Access to management training (GPC, DU, RU).
- o Acknowledgement of membership (all levels).
- o Receipt of off-season (saison morte) bonus (GPC).
- o Service awards (all levels).
- o 4-H program or young farmer program (RU).
- o Access to manioc or corn flour mill (DU).
- o Access to implements (GP, DU, RU).
- o Access to health supplies (GPC, DU).
- o Access to health facilities (RU).
- o Access to general goods (GPC, DU, RU).
- o Fish farming assistance (GPC, DU).

RECOMMENDATION

Allocate benefits based on patronage and contribution of time and labor.

Allow the need for a benefit or service to develop from the grass roots level.

Be imaginative.

ANNEX 4: TRAINING

This annex will be presented in three parts, one dealing with training , another with the training center itself, the third with extension. In general good training was provided for the village level warehousemen and Chef de Zones; other training in the project has been negligible. Successful village level training has been held in bookkeeping, weighing and assorted aspects of warehouse management. Warehousemen have also been trained in fumigation techniques. Thus, a reliable and solid base has been established at participating villages through which expanded operations may continue. Chef de Zones have also received training in these same fields, and they appear to be able to work well with villagers and answer and resolve village problems concerned with commercialization. Both the Project Paper and the mid term evaluation called for training of both the village level warehousemen and the Chef de Zones, and this training was completed.

RECOMMENDATION The villagers need to be trained to operate the warehouses on a year round basis. This should include other crops that could be stored and how to calculate charges for the hangars use. Social uses should also be considered.

RECOMMENDATION The Chef de Zones should receive some training in better crop management techniques that they can extend to the village growers.

Training for those associated with the seed farm has not been of the same caliber, however. This divergence can be partly explained by the difficulty both Care and the GPRC had in staffing the various seed farm positions. It has not been possible for these people to become established, do the work that was necessary, and receive formal training simultaneously.

This is unfortunate and has had a negative impact on the smooth operation of the farm. Training for the Congolese seed farm manager was called for in the mid term evaluation, in areas of personnel management, inventory control, equipment maintenance scheduling and commodity procurement planning. At best he has received only informal on the job training. One of the two Congolese seed production specialists has recently been on a two week course in Zaire.

There was to have been an agricultural consultant to work with the project for six months, training all levels of staff and pre-cooperative groupements to develop seed appreciation among farmers. This consultancy was to have provided seminars with the project management, Chef de Zones and village level extension workers, and to have developed a curriculum for teaching farmers techniques of planting, harvesting and storing improved seeds. This position was never filled. Eight months of other short term consultancies were to have been offered in the project in crop storage and cooperative development. Some training materials in crop storage were developed but none were in cooperative development. The mid-term evaluation recommended formal and informal training for the project director. Indications are that this training was not conducted.

RECOMMENDATION If the seed farm is to continue, the seed farm manager and his counterpart should receive training in seed farm management and all the related financial, administrative and personnel aspects. This was called for in the Project Paper to be done at Mississippi State University.

RECOMMENDATION If the seed farm is to continue, the seed production specialist and his counterpart should receive training in seed production and multiplication, processing and storage. This could also be done at Mississippi State or at IITA.

To sum up this section, training of the villagers & Chef de Zones in warehouse operations and commercialization was done well and effectively. Conversely, senior staff management, personnel, technical and administrative training is found to be totally inadequate.

TRAINING CENTER

In November of 1983, CARE completed construction of a training center at their complex on the outskirts of Mossendjo. This is a single structure, incorporating a classroom, dining hall, kitchen, and male & female dormitories. It was built to be used for training and as a general meeting hall, but to date has not been utilized in any significant manner, and still lacks the management required to obtain higher occupancy.

The evaluation team was not able to obtain accurate dates of usage from 1983 to January 1985. It appears from what can be pieced together, that village warehousemen and Chef de Zones were trained as proposed in the original Project Paper. Together this would utilize the facility for only 6 weeks. Some training had also been done for the CARE health projects. Since January 1985, the center has been used twice for a total of one month; a two month health training session will commence in August.

It was recommended in the mid-term project evaluation that training be given to someone who could act as training center manager, perhaps the PAPAN director. The incumbent CARE director now functions in this role. The use of the center is currently restricted to CARE projects or related ministries. No attempt is being made to attract other ministries or organizations to use the facility, thus not meeting the PP idea of its use as a general meeting hall.

The mid term evaluation noted the need to define who will assume control of the center at the end of the project. The Ministries of Health and Agriculture cooperated in its construction, and now a third ministry, MERAC, is involved. Who controls the center and its usage is a problem that should have been resolved before, and to date is not yet resolved. This unresolved control may lead to inter ministerial rivalries and difficulties for CARE. Also recommended in the evaluation was that charges be established for the use at the center, and management of scheduling and provision of services be developed. None of this has been done. Currently, the center is used free of charge by the Ministries of Health and Agriculture. Others wanting to use the facility have been turned away. There is no maintenance fee charged to the users, though CARE does supply electricity, equipment and cleaning personnel. The facility is now considered by CARE to be entirely free of maintenance and operating costs. This is not a realistic situation and should be dealt with as quickly as possible. The training center is a resource that should be more fully utilised, first for various training programs of the project and then by others. With proper utilization and management, it could become a major training institution in Mossendjo District.

RECOMMENDATION The Training Center should be more properly managed, advertised as available to all, and charges calculated and applied for its use. This was recommended in the mid-term evaluation and is again strongly recommended. Responsibilities for managing the centers should be turned over to the GPRC.

RECOMMENDATION CARE and the GPRC, as represented by its various ministries involved with the Training Center, must decide who will be the responsible party for the center.

Extension

The Project Paper called for an extension system composed of five sector chiefs, 9 zone chiefs and 25 cooperative agents. The results to date include only five zone chiefs who have been trained and are working along different road axes. Though the numbers do not match the PP requirements, the Chef de Zones have proven to be a most effective extension organization. Acting as both extension agents and as representatives involved in commercialization, they have overcome many obstacles and established a good rapport with the villagers. They represent the first level of extension and information linkages, and should remain in such positions. With training in crop management techniques, the chef de zones could become the teaching medium in the village. With the demonstrated effectiveness of the Chef de Zones extension effort, it is now a moot point to expand the system. It is questionable if GPRC support could be found to add on as many field extension workers as was hoped, and it may prove to be a level that would not be as effective as the zone chiefs.

RECOMMENDATION No additional extension agents should be hired until commercialized production increases and stabilizes and the GPRC can support their activities. The existing Chef de Zones are currently capable of increased extension activities with training.

Due to a lack of training in extension techniques no major work has been done by the Chef de Zones in crop improvement. They are currently recruiting a fledgling core of villagers, who would act as seed multipliers should the seed farm function; they have received some information on improved cultural techniques from the seed production specialist. This, though, is a very small, localized number of people, and it is doubtful if this would be rapidly expanded. A five year plan has been drawn up by the seed production specialist which would necessitate the project supporting 20 agents. This would not cover all villages, and would deal basically with seed multiplication. It is unfortunate that basic management techniques for improving production are not brought to the villages participating in the commercialization process. This project, however, does not have the resources to institutionalize agricultural extension.

There are some potential problems which the project should consider concerning the Chef de Zones. The linkages that they have with commercialization, should OCV or PAPAN fail to maintain its commercial activity levels, may cause the Chef de Zones to lose credibility with the villagers. He will be seen as the representative who failed, and his effectiveness will suffer. Another problem that faces both the project and the Chef de Zones is their relocation into the villages. This problem occurs now for the two chefs who currently reside in Mossendjo, and who are to be moved to their villages. In Mossendjo they have electricity and many other physical amenities. In the villages, they will find very few. This transfer may have a detrimental affect on their performance, and will require understanding and help on the part of all concerned to effect this transfer.

As noted in the management annex, more extension effort will be needed to make the hangars both multi purpose and more fully utilized. Following the definition of ownership, the Chef de Zones will have to be more fully trained so they can present options for hangar use to the villagers. First though, they should work to obtain the villagers opinions of hangar use, and the villagers capabilities to match the proposed usage. During our village interviews, several activities were proposed, all of which were feasible. These ranged from using the hangars as schools to storing other crops during unused periods. These ideas represent a beginning for full hangar usage and also demand that the villagers be trained in how to manage the hangar.

Annex 5: Seed Farm Analysis

Two assumptions for continuing support to the seed farm have been addressed: that the seed farm is not yet self-sustaining and that the seed farm is essential to the prospects for increased incomes of village cultivators.

Assumption one: The seed farm is, in fact, not yet self-sustaining. The project paper amendment authorizing the establishment of a seed farm was signed by AID 8/82 with a PACD of 9/85. The subsequent signing of the CARE/GPRC agreement and time delays for full staffing and equipping the project have rendered the real life of the farm at less than two years. It was initially to have been a three-year project, which was in itself an impractical length of time in which to establish a seed farm and the quality controls necessary to function properly. This unrealistic timeframe was pointed out in the mid-term evaluation of June 1983*.

Aside from an error in timeframe expectation during the design of the project paper amendment, implementation problems have occurred which have set back the seed farm component. The principal problem has been the inability of CARE to adequately staff the project. The project document calls for two long term TA personnel: a senior project advisor who would primarily be responsible for managing the seed farm as well as the continuing aspects of village-level storage and marketing in cooperation with the PAPAN director, and a seed production specialist who would conduct on-station and multi-location cultivar adaptability trials and who would advise CRAL in quality control of breeder seed production. The latter was to have had a PhD in plant breeding or an MS with much experience.

At some point the TA staffing pattern changed from the above two individuals to three people: a senior advisor who administers all CARE activities in Mossendjo, including a Primary Health Care project which does not contribute to his salary; a seed farm manager; and a seed production technical advisor. The latter has an undergraduate degree in agriculture. If support to the seed farm is to continue, short-term technical assistance in plant breeding and seed handling will be needed to direct the activities of the farm.

Apart from the senior project advisor position which has been staffed since January 1983, personnel recruitment has posed enormous problems for CARE.

Senior Project Advisor

January 1983 -	March 1985	S. Troester
December 1984 -	present	W. Poirier

Seed Production Technical Advisor

July 1982 -	Spring 1983	K. Varvel
October 1983 -	April 1984	J. Denis
October 1984 -	present	F. Tra

Seed Farm Manager

August 1983 -	April 1984	M. Draper
August 1984 -	present	J. Lampron

*Mission Director's Comment - The problem of the seed farm and the appropriate time frame for its support was discussed within the USAID on August 21, 1982. The conclusion was that to properly implement such a project component might take five to eight years or longer. But since we had no experience in the Congo with this type of activity - including CARE competence to perform and the GPRC's ability to provide staff and funding - it was decided that it was inappropriate to extend the PACD at that time.

Instead the USAID decision was to wait until there was sufficient implementation experience before deciding on a realistic time frame and future support. Thus we would not be locked into a long term activity with CARE and the GPRC before we had a chance to find out through implementation the possibility for sustainability and an appropriate time frame for achieving it. This evaluation has given us the analysis we need to determine a future course of action.

If one considers the real life of the seed farm component from January 1983 to present there has been only 66% coverage of the farm-level positions. Even more important is the fact that the farm has never been covered during the regular harvesting, crop drying and storage period from April to September. This is also the case this year where both TA personnel were permitted to take vacations at this same critical time.

The technical assistance currently in place represents the longest continuum of the project being fully staffed - 10 months.

While shortage of staff posed an implementation problem, the overall problem with the seed farm activity is that the concept was premature and the assumptions unworkable for the current state of the Congolese economy.

The idea of the farm becoming economically self-supporting is very unrealistic at this time or in the foreseeable future. In the first place, there is not a viable market for improved seeds. In the past, farmers received free seeds to encourage greater production. Unfortunately, the seed was of poor quality and much of it failed to germinate. Accordingly, farmers are very skeptical. Even assuming that farmers buy all the peanut seed necessary for planting in the area, estimated at 60 MT in the PP, the total revenues to the farm would be:

60,000 kg. x 148 CFA/kg = 8,880,000 CFA

Moreover, if the resulting yields are good farmers will save seeds for the next planting instead of buying again. That is to say that improved seeds need not be purchased every year. The harvested crop can provide seed for the next planting. This is in fact customary where experienced peanut farmers carefully select, dry and store their proper seedstocks.

Current annual costs for operating the seed farm appear to be about 30 million CFA, or an average of 2.5 million CFA per month. In other words, annual operating costs would exceed optimistic annual returns from seed sales by over 21 million CFA.

Table II. Monthly Operating Costs of the Seed Farm (CARE Data)

August	2,531,200
September	718,614
October	998,660
November	3,477,345
December	1,585,220
January	3,192,000
February	3,850,220
March	3,619,833
April	4,100,000
May	<u>4,200,000</u>
10 Months =	<u>28,273,092 CFA</u>

The above costs include salaries, travel, parts, maintenance, construction, equipment, fuel, and miscellaneous items, but not the salaries of expatriates currently employed. This would add an additional yearly cost of 48,000,000 CFA (based on \$60,000/year/expatriate).

The following planned outputs have been achieved:

A. Seed Farm Infrastructure

- 42 ha of land were opened of which 14 ha were cultivated this year;
- a concrete seed drying floor and two IRRI kerosene batch driers have been installed;
- staff housing and offices have been refurbished;
- most farm implements and seed conditioning and testing equipment have arrived;
- two seed technicians and one farm manager have been designated as Congolese counterparts and are receiving on-the-job training;

The following outputs have not been achieved and should be if the seed farm is to function:

Infrastructure

- a storage hangar for fertilizer, pesticides, and seeds should be built. Currently these commodities are stored subject to deterioration in a screened poultry house. Plans drawn up by the seed production technical advisor are not adequate. A previous consultancy in June 1983 by seed storage specialist Frank Balduc detailed a preferred storage facility with sound reasons for controlled ventilation, the principal one being that a dry product is best stored by limiting air exchange under such humid ambient conditions as exist in Mossendjo. A tight warehouse is required, at least to the standards of the grain storage warehouses currently being constructed. In fact, as seed storage is more demanding than grain storage, under the current pallet and jute sack system viability would be expected to decrease rapidly after more than three months' storage; for this reason, if longer storage is needed, hermetic facilities would be more desirable. (See Balduc consultancy report, June 1983)

- a stationery peanut thresher, a peanut sheller, and the peanut separator plates for the existing seed cleaner should be ordered. Hand threshing and processing peanuts represent a real bottle-neck in the operation at the present time.

Seedstocks

Apart from the problems of staffing mentioned above, the lack of seedstocks available to the project from CRAL poses a serious problem. In fact, the lack of CRAL or any other source being able to provide good quality breeder seed is perhaps the major reason associated with the lack of progress at the seed farm. The project assumed that CRAL breeder seed would be available for adaptive trials and multiplication. In fact no plant breeding has ever been conducted in the Congolese forest ecosystem and those varieties which are available from CRAL are adapted to savanna zones. Consequently, any seed targets hoped for in the original project will not come to pass and, as this project has neither the mandate nor the personnel to launch a peanut breeding effort, any improvements in seeds will likely come from purifying local varieties and better physical conditioning.

As recommended in the mid-term evaluation, alternative sources of seedstocks are being sought; a closer association, however, should be developed between CRAL, the seed farm, IARC's (IRRI, IITA, CIMMYT, ICRISAT) and the Peanut CRSP.

B. A modest multilocal testing program to ascertain the adaptability of the Kasai corn variety was conducted in 1984-85 in five villages under the surveillance of the Chef de Zones. As best as can be constructed from interviews with existing personnel and from project reports, few if any trials were conducted previously.

C. Assistance to CRAL was never given in this project, nor were breeder seeds purchased. The associations between project personnel and CRAL have been minimal, constituted only by the receipt of some seeds for adaptive trials. No trial results were ever communicated back to CRAL. Problems expressed by project staff of having received a mixed cultivar instead of pure lines from CRAL, and a whole season spent isolating these lines, could have been avoided if both parties had discussed their programs more thoroughly. Issues which developed over costs for transport and indemnities for CRAL staff who expressed interest in visiting the seed farm (4-5 hours by unimproved road) resulted in refusal of the project to assist and lack of subsequent participation by CRAL. It is evident that CRAL, as a state organization receiving no donor support, is unable to conduct an extensive research program. They also have no funds for off-station activities. In the brief time allotted, it was not possible to assess the technical capabilities of CRAL plant breeders; however, both the project and CRAL would benefit from closer collaboration in determining research protocols and in reporting results. Both entities would undoubtedly benefit from a short-term consultancy by a seasoned peanut breeder; the best source of this expertise would be through the AID-sponsored Peanut CRSP. As cassava plays such an important role in the farming system, the project should consider testing improved cultivars such as those available from IITA. Village-level nurseries could also become a possible extension theme.

D. Farmers have as yet received no training in seed appreciation or other improved techniques. A 6-month consultancy to train extension workers was programmed but was never implemented. It is doubtful whether farmers in the area view their seed stocks as one of their major constraints to production. The baseline study conducted by B. Moussongo in 1983 revealed that 1% of disposable income was spent on seeds; 16% of the farmers acquired seeds from others, most probably in years of calamity. The terms of exchange were not requested in the survey.

In principle improved seed would be one means of increasing agricultural production. At this writing there is no evidence to indicate this would happen. In the first place villages are skeptical about the merits of improved seeds, having been given seed in the past which did not germinate. They also recognize that their production problems are dependent on weather, illness, soil fertility, and bird and rodent attack. Improved seeds will not surmount these problems. It is also doubtful whether the costs of improved seeds would be covered by the marginal increase in production.

Illustration of the futility of applying fertilizers and lime to traditional production of peanuts, where costs and prices are not synchronized, assuming the application of improved seed, fertilizers and lime at indicated costs of inputs and price of the output:

Table 12.	<u>Production with fertilizers and lime</u>	<u>Traditional Production</u>
Yield:	1000 kg./ha.	600 kg./ha.
Value at 123 CFA/kg.:	123,000 CFA	73,800 CFA

Additional costs using fertilizers and lime

Added fertilizer (100 kg.):	22,300 CFA/ha.
Lime (1500 kg. at 12 CFA/kg.):	18,000 CFA/ha.
Improved Seeds ¹ (70 kg. at 147.6 CFA/kg.):	<u>10,332 CFA/ha.</u>
Total Additional Costs	50,632 CFA/ha.

Net value using fertilizers and lime

Value per hectare	123,000 CFA
Less additional cost per hectare	- 50,632 CFA
Net Value per hectare	<u>72,368 CFA</u>

Improved seeds are estimated to sell at 20 percent above the market price of peanuts set by OCV. Thus, with existing prices of fertilizer and lime, it would not be profitable to use improved seed with recommended applications of fertilizer and lime. If one assumes a 20% yield increase from using improved seeds alone, profit would be negligible, less than 5,000 CFA over the traditional system which brings 73,800 CFA per hectare:

Yield at 20% increase over traditional production with improved seed without fertilizer and lime:	720 Kg/ha
Value at 123 CFA/kg.:	88,560 CFA
Cost:	<u>10,332 CFA</u>
Net value using improved seed without fertilizers and lime:	78,228 CFA

The current seed production technical advisor conducted a survey soliciting village interest in acquiring improved seeds (resulting in an 80% affirmative response for peanuts, 15% for maize and 5% for rice). The survey however did not discuss issues of payment.

In the evaluation team's interviews, farmers were more interested in the quantity of seedstocks available as poor weather in 1984-85 reduced considerably total crop yield. When queried about improved seeds, some expressed interest in observing its cooperative performance but none expressed interest in paying for it. At present in general no cash inputs are used in the farming system and with an uncertain marketing structure this is a totally reasonable stance.

With the poor harvest in 1984-85, seedstocks will be a problem. GPRC officials are seeking sources of seed for distribution to farmers. As this seed will likely come from elsewhere and may or may not be adaptive, as it will likely be grain and may or may not germinate, and as it will likely be given to farmers, CARE/CONGO and PAPAN and PAPAL should completely disassociate themselves from this endeavor.

RECOMMENDATION

The project should in no way be associated with any GPRC efforts to distribute seed this year. Confidence and credibility would be at risk.

Where farmers might be receptive in the area of seed improvement is the use of higher quality (cleaner, larger, vermin-free) local types - varieties already recognizable and proven under years of use. Determining areas of improvement within the traditional process of selecting, drying and storing seeds would be an interesting pursuit and would be a village-level effort.

Due to the dearth of improved varieties in the forest zone, the main function of the seed farm, should it be continued, would be in identifying local varieties and "cleaning them up". This purification process has already begun with the identification of several parent lines of a prevalent local variety. Contrary to the opinion of the current seed production technical advisor, the evaluation team agronomist would not narrow the production of seed to one identified line but would expand the selection program to include several more. Safeguarding the biological diversity of local types and observing their comportment on-station and in multilocational trials for several years— while also offering a choice to farmers—is the preferred route. This could be valuable from a technical point of view but not from an economic point of view.

This is also true for the Rouge de Loudima, a high oilseed introduction from years past, which has degenerated and is also less vigorous under forest conditions than some local varieties. The fact that farmers continue to grow it, and that it is preferred by state marketers for its higher oil content (though no premium price is paid) would indicate that, until a better replacement is found, it should also be maintained on the seed farm.

4. Farm Management

Seed farm management - beyond the previously mentioned problem of insufficient recruitment of TA - has been lacking. As both technical assistants bring different knowledge and skills to the project, the best management style would be collaborative. Unfortunately, in the present case the seed technologist has been given authority over farm management and there appears to be little leeway for discussion.

The evaluation team agronomist noted in her site visit, and from discussions and reports, that certain technical operations have been improperly managed. The most serious were:

Insufficient seed handling - the most crucial period in seed farm production is that of harvesting, drying, and storage. At no time since the beginning of the project (3 harvest periods) have project TA been on-site to supervise this process. This year both project TA were permitted to go on vacation at the same time and during this crucial period.

It is incorrect to assume that because seed drying is a slow and tedious process it is an inactive period. It is also incorrect to assume that GPRC staff are ready to assume this responsibility. The agronomist observed inadequate storage of unthreshed peanuts, driers not used to capacity, inadequate surveillance of drying (batch drying should be continuous and monitored by taking moisture readings to 12% and 10% for maize and peanuts, respectively), and the sacking of wet peanuts.

Fertilizer trials and recommendations:

Since no soil tests have been available the successive seed farm managers have been obliged to open fallow fields to production based upon their experience and on general crop production recommendations. Peanuts and maize favor a 6.0 soil pH for which a large amendment of lime (available in country) is required since soils are highly acid (4.5-5.0 pH). Peanuts, which are always grown first after breaking fallow, also require amendments of P₂O₅. Maize which follows peanuts require P₂O₅ and N at planting with a subsequent sidedressing of N. Figuring best crop responses under field conditions without soil tests is a matter of trial and error. In this situation trial and error and common sense are better than fertilizer recommendations basing upon the conducted field experiments. These experiments conducted over one growing cycle squeezed 5 treatments and 4 repetitions into 18.77m². A trial this size is meaningless as an estimation of fertilizer requirements for farm-scale production. As an interjection, the statistical analysis performed on these data also did not take into account the extreme variation within repetitions.

Conclusion: The seed production farm has a limited applied research agenda that of adaptability trials for introduced cultivars and the purification of existing varieties through selection, roguing of off-types, and improved seed processing. The farm does not have adequate personnel to conduct agronomic research nor is this considered part of the project's mandate.

Laboratory Analyses

The project has been supplied with the instruments necessary to measure seed moisture content and germination quality. It appears that seed moisture readings are taken only occasionally; the rest of the laboratory has never even been set up. The evaluation team found seed samples from adaptability trials left to mold under the lab bench - the CARE and Congolese seed technologists were travelling (one on vacation, one to Brazzaville) and they did not leave instructions with their staff. It should be stressed that, if the farm is to function as a seed farm, seed handling and quality control must be emphasized more than is currently the case.

Assumption Two: There are no economic or technical reasons to support the premise that the seed farm is essential to the prospects for increased incomes of village cultivators.

The seed farm was added to the project under the assumption that improved seeds would increase farmer productivity by 20% and that the seed farm would eventually be self-sustaining. It assumed that breeder seed would be available for multiplication and that on-going crop improvement programs would provide new germplasm which the farm would test for adaptiveness in the forest zone. It also assumed that farmers view existing seedstocks as a major constraint to increasing production and that should improved seeds be available they would be willing to purchase them. Associated with this was the assumption that the implementing agency CARE could staff the project with technically qualified people.

It is interesting to note that the seed farm feasibility study which was the basis for the project paper amendment was rather candid in recognizing the complexity of the existing situation. This complexity was not communicated in the project paper amendment which presented an extremely optimistic picture. There are many factors which limit production more than the lack of improved seedstocks, primarily tardy payment for marketed produce, illness, low soil fertility, birds, rodents, and unavailable land and labor. Certainly it is true that improved germplasm, were it available, would be useful, but real increases in farm production would be first and foremost functions of lifting the above constraints.

It is important to realize that villagers are currently farming with a minimum of cash inputs. With the uncertain marketing situation which exists, it would be imprudent to invest in crop production. From interviews with farmers, some expressed an interest in seeing the relative performance of improved seeds over local varieties but none expressed a willingness to purchase seeds. Thus even for local seed the increment of increased production may not be worth the input cost of the seed. In Nyangoila's feasibility study, Moussongo's baseline study, and in village interviews, farmers more often expressed a problem with the quantity of seeds available after a bad season. According to Moussongo's study, 16% of the farmers acquired seeds in 1983; the terms of acquisition (amount and form of payment) were not determined.

As no plant breeding has been conducted in the forest zone, there are no improved seedstocks available to plug into the farm. Therefore, the only improvement in seed quality which could be expected in ensuing years would be the purification of local material and improved physical conditioning of seeds. These in themselves would not solve the farmers' major seed problems (susceptibility to disease and insect infestation) and are not necessarily going to be improvements over what better farmers are already doing. Good peanut farmers in the area are cognizant of the different plant types which they grow; they harvest, dry, store and select seed peanuts apart from grain for sale or consumption. A better use of project resources than that of supporting the seed farm would be the encouragement of good seed processing, selection and storage among villagers, some of whom are certainly less proficient than others.

Given the many other constraints which limit productivity in the project area, the point of zero departure in seed improvements which confronts the farm, the dubious response of farmers to paying for seeds, the undesirability of the project subsidizing farmer production, and the less than adequate management of seed farm activities, any further investments in the farm must take these facts into account.

What then can be done with the farm in light of present investments in farm equipment, housing, etc? What are the options? First, and foremost ownership of the seed farm must be clarified. Is it to become part of the Ministry of Agriculture as it was when the project began, or MERAC which is concerned with all other project activities? Negotiations on alternative uses should begin immediately. Some possibilities might include:

- The seed farm could be closed out, avoiding further losses: Auction off the equipment or donate it to the Congolese Government.
- Transfer management of the farm to a commercial operator. Convert it to an intensive peanut and corn production unit, farming two crops per year on 100 hectares.

<u>Ist Cycle</u>	<u>2nd Cycle</u>
100 ha. maize 1.5 tons/ha	100 ha. peanuts 1T/ha
150,000 kg. 73 CFA/Kg	100,000 kg. 123 CFA
<u>10,950,000</u> CFA	<u>12,300,000</u> CFA

For a total annual return of 23,250,000 CFA.
(Based on present operating costs and current prices it would likely not make a profit.)

- Have the farm make contract arrangements to directly supply state and private farms with its needed supplies of animal feeds: corn, soy beans, etc.
- Attempt to find out if the GPRC or other agency could use the farm in a research capacity.

RECOMMENDATION

Based on technical and economic reasons, further support to the seed farm is not recommended. Alternative non-project uses for the farm and/or equipment should be sought.

ANNEX 6: PROJECT MANAGEMENT

There are three distinct areas within the project that are affected by management. These are the warehouses at the village level, the seed farm, and the overall CARE/GPRC management of the project. There are relations between the three; they can be examined individually also. This section will treat these areas individually.

Village-level Management

The warehouses which were constructed or refurbished offer the villages a most useful building, probably of the best construction in the village, and the largest in size. However, there currently exists serious confusion in the villages regarding ownership and use of the hangars. The management of these hangars will either create a healthy mode for expansion of agricultural production and village pride, or cause dissension, lack of use, and deterioration of the hangar.

During village interviews by the evaluation team, it was learned that the villagers do not know for sure who owns the storage hangars. Some believe the GPC, some believe CARE. When asked who is responsible to repair the hangar, or maintain it, answers also varied, depending upon the extent and cost of the operation. The ownership and responsibility for the hangar has not been clearly defined, but must be that so the villagers know what is expected of them. This was not answered in the Project Paper, and should have been, thus presenting it to the villagers from the beginning (had it been possible then to see the outcome clearly). In addition to the problem of ownership and maintenance, it has not been clearly explained to the villagers how they can use their hangars. Some believe they can be used only for OCV purchased crops, others would like to use them for class rooms. They do not know if they can be used for other crops, what charges should be made for this usage, and for what period other crops could be stored.

This problem of ownership, hangar usage and hangar maintenance should be resolved as quickly as possible. It should involve representatives from CARE, the GPRC and the villagers. In areas where new hangars were constructed, the question must be resolved if the hangar was a gift of the CARE or of the government. The villagers usually made contributions of sand, rock or labor; is this considered to be the equivalent of their contribution towards ownership? Without resolution of these questions, the villagers may not fully understand their responsibilities, and the hangars may never be fully utilized to the benefit of the community.

RECOMMENDATION It must be made clear to the villagers who owns, maintains and operates the storage hangars.

The mid-term evaluation made three management recommendations. These were to establish support staff to the village warehouses, provide training to these staff personnel, and develop a long term storage marketing plan which would allow for a 12 month hangar use cycle. These recommendations were not fully put into action, except in a partial sense in the first instance. The first recommendation has been dealt with by the training of the pre-coop groupement individuals. They handle all transactions, from weighing to record keeping and financial disbursement. In hindsight, this recommendation would have been useful if commercialization had continued to expand, and such detailed record keeping had become a necessity. CARE, PAPAN and the villagers are able for the time being to keep track of the districts record keeping, thus avoiding another level of staff that has to be maintained. Since the recommended staff were not employed, training was given instead to the local warehouse staffers. This training though, has been rudimentary, in that it covers only basic warehouse operations. It did not entail business or financial principles. As noted previously, some additional training in these aspects will be necessary for the warehouses to function fully during a complete year. The third recommendation could have been a cornerstone for full hangar usage, and unfortunately was not adopted. If a plan had been formulated concerned with 12 month usage of the hangars, the villagers would be more involved, and greater use of the hangar would take place. Currently, the hangars are used for only two-three months a year, and then sit empty. This is a waste and misuse of a valuable resource available to the people, and even now should be corrected

RECOMMENDATION As recommended in the mid term evaluation, CARE should work with villagers to develop a plan that will enable the hangars to be used fully during the year.

Seed Farm Management

The second area of management concerns the seed farm. CARE has faced continual difficulty in recruiting and keeping qualified staff at the seed farm in the positions of seed farm manager and seed production specialist. There are currently incumbents in both positions who have been in the positions for a year each. There is also an administrative manager in Mossendjo, a distance of two or so miles from the farm. It was evident in our discussions that all is not well on the farm on a management level. There appears to be a lack of management direction provided to the farm manager and the seed production specialist by the administrative director. This is compounded by the fact that the administrative director has not visited the farm with regularity, thus allowing problems to become disruptive. Though both farm positions have job descriptions, it was evident in discussions that professional rivalries exist between the work programs of the farm manager and the seed production specialist, and this has affected the smooth operation of the farm. For more details on seed farm management, please refer to ANNEX 5: Seed Farm Analysis.

RECOMMENDATION If the seed farm is continued, the seed farm manager should take over the tasks currently handled by the CARE administrative director.

RECOMMENDATION If seed farm support is discontinued, AID should support only the farm manager position until final support is withdrawn.

CARE/GPRC Management

The third level of management is at project level and involves the relationships between CARE and the GPRC, represented by the director of PAPAN, and MERAC, the new ministry in charge of the project. To date CARE has been the dominant managing partner, and it appears that it will continue in this role. One of the crucial tasks of this project is the transfer of these responsibilities to the GPRC. Relations at Mossendjo between the PAPAN director and the CARE administrative director are strained, though the evaluation team was told that working relationships have improved. After four years of operation, the PAPAN director does not know how the money is used, CARE says that he has never expressed interest in learning the financial operations. CARE is now in the process of handing over control of resources to PAPAN, though it is obvious that neither the PAPAN director nor MERAC is ready to assume fully the project's activities. It is necessary that the PAPAN director should be knowledgeable in financial and project management before assuming full control of the project. It is a serious problem in the project in that there has not been a better rapport established between project management-level counterparts.

RECOMMENDATION The PAPAN director should receive training in project management, such as is offered at the University of Pittsburgh. This training should include finances and budgets, administrative and personnel management.

RECOMMENDATION The position of CARE administrative director is superfluous if MERAC assumes control of all financial operations of PAPAN. AID support for this position should be withdrawn.

CARE has presented to the MERAC a budget of operating costs for the project so that MERAC will know what charges are incurred by the operation of the project. This is in answer to the Minister of MERAC requesting that they be given more control over the project. Though this is a step in the right direction for MERAC to assume control, MERAC does not yet understand the CARE budgetary procedures fully and will take time to reach that point. They must then transpose it into their ministry's accounting system. This step should have been started earlier, so that the current confusion as to accounting needs and funding requirements for PAPAN could have been reconciled and project functions continued smoothly.

RECOMMENDATION MERAC staff in Brazzaville should receive training on cooperatives and finances and budgets. This could be done in country by the University of Wisconsin Cooperative Center or the U.S. Department of Agriculture.

Following the request of the MERAC minister to give greater control of the project to the PAPAN director, CARE is no longer providing funding from its sources for commercialization activities. Funding for indemnities and other GPRC costs are being provided on a loan basis to MERAC to operate PAPAN. These are currently 2.5 million CFA per month. This is not good management, to provide money to PAPAN in hopes of receiving it later. Questions are also raised as to the usage of USAID money, if CARE is no longer providing funding. We were informed that the USAID funding for project 0001 had finished, and that funds from project 0002 were being used to support the seed farm. Why USAID was not informed of this changeover remains to be answered.

RECOMMENDATION AID/Kinshasa should analyze their accounts with CARE to determine if AID funds are being managed properly.

ANNEX 7: PROJECT OUTPUTS CHECKLIST

The following checklist of project outputs, as listed in the Project Paper, shows what outputs were reached and to what degree.

From the Project Paper:

1. Construct nine new warehouses and refurbish eleven existing warehouses. Results Eight warehouses have been constructed, ten warehouses have been refurbished
2. Construct a training center to provide training facilities and to serve as a general meeting hall. Results Training center has been constructed, has been used for some training, but has not been used as a general meeting hall. (see ANNEX 4: Training)

Train crop storage personnel at zone chief and village warehouse level first, then train GPRC district level agricultural, cooperative, OCV and union locale officials. Results Zone chiefs and local village warehouse people trained in weighing, bookkeeping and inventory form completion. No training was received by district level agricultural, cooperative, OCV and union locale officials.

3. Pre-cooperatives strengthened. This was to increase membership through the provision of incentives to farmers to join pre-coops. Results Membership has not increased since no incentives were offered. Villagers, including those outside of the pre coop built the warehouses, thus eliminating the ability of the pre-coop to charge outside members.

4. Three feasibility studies in rural roads, seed farm, and rural technology; and baseline data gathered. Results Only the seed farm feasibility study was done. The baseline data was collected.

From the Project Paper Amendment:

1. 40 hectare seed farm, equipped to produce large quantities of peanut, rice and maize seed. Results 40 hectares have been cleared but only 14 hectares are in production. Farm equipment is in place with the exceptions of peanut thresher, cleaner and sheller. Storage facilities for seed, fertilizer and pesticides have not been built.
2. Collaboration with CRAL for conducting multilocational trials. Results On farm testing has been minimal. There has been little collaboration with CRAL.
3. Assistance to CRAL in breeder seed production. Results No assistance to CRAL has taken place.
4. Farmers educated in seed appreciation. Results No training has taken place.
5. Marked increases in yield per hectare. Results No data available. No effect expected as project not involved in production issues. (except for the ineffectual seed effort).
6. Training of GPPC seed farm counterparts. Results On-the-job training in process. Some short-term training for seed technologist.

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