

EVALUATION REPORT

on

RURAL ENTERPRISE DEVELOPMENT PROJECT

in

THE EASTERN REGION ORD OF UPPER VOLTA

Implemented by

PARTNERSHIP FOR PRODUCTIVITY

Under Grant #AID/AF-G-1591

December 1979

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# PfP Rural Development Enterprise Project: Upper Volta

## Evaluation Outline

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1.1 Contracted between consultant and PfP, conducted in Nov 1979

#### 1.2 Purpose(s)

1.2.1 To determine extent to which pilot phase of project has accomplished its objectives,

1.2.2 To ascertain the feasibility of entering into second phase of operation,

1.2.3 To assist PfP in identifying basic elements in process of attaining goal of promoting rural development enterprise

1.3 Context of evaluation under UNDP/Upper Volta auspices; itinerary

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## Evaluation Outline

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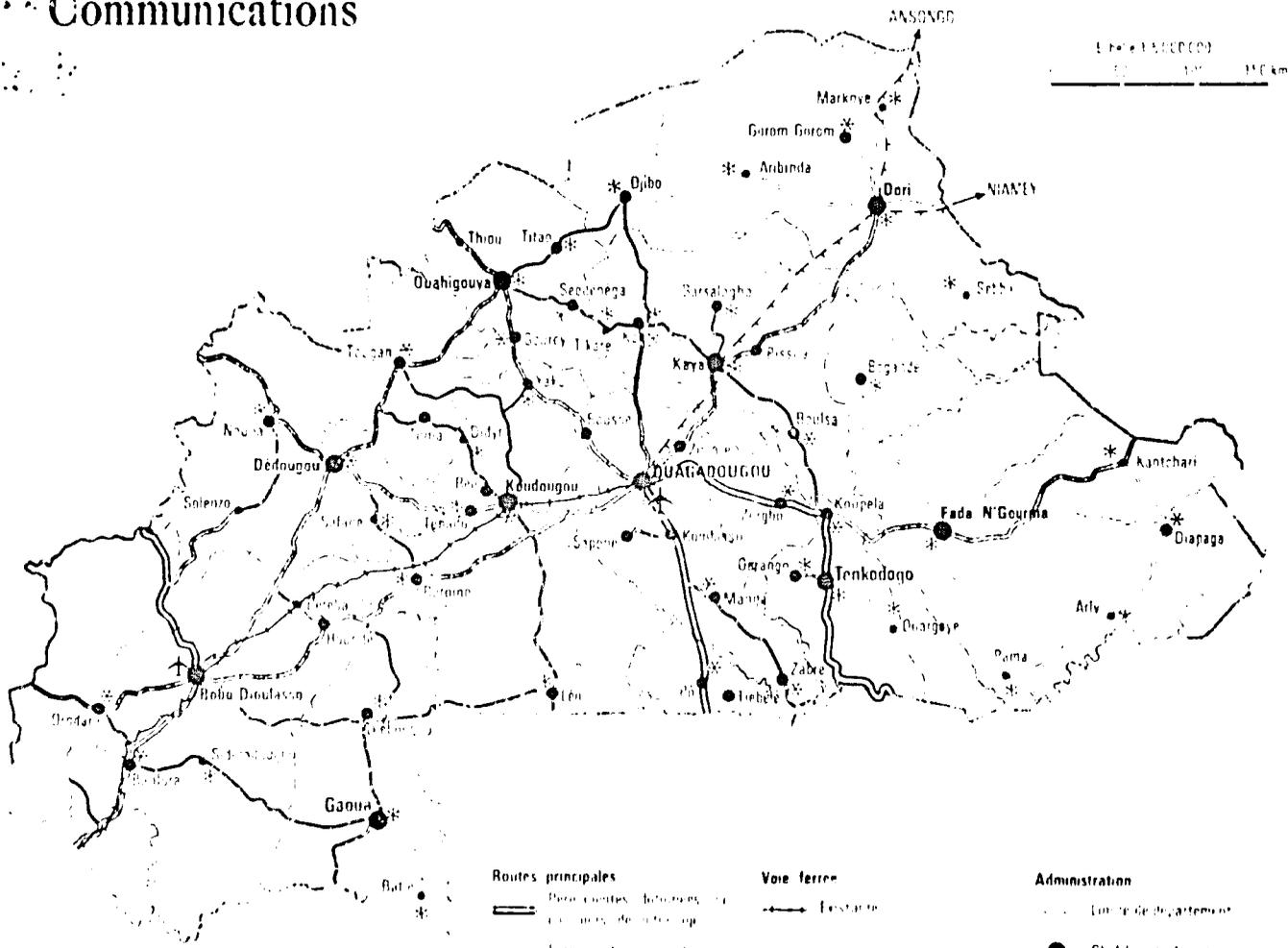
8.3 Participation - poor majority vs. bureaucratic elite

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#### 9.0 Conclusion

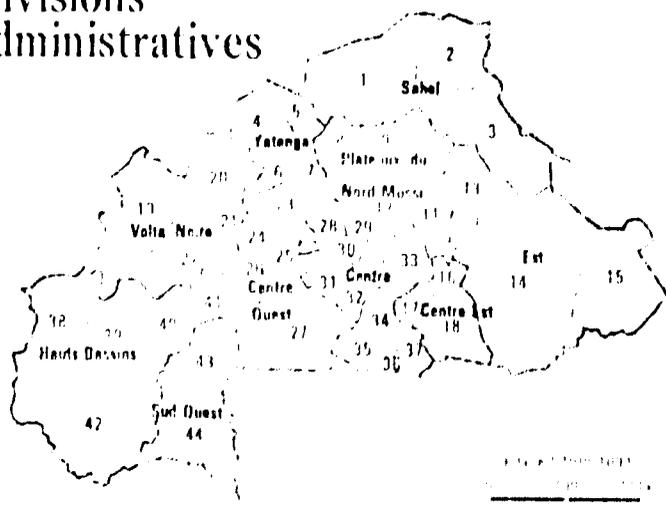
### Bibliography

# Communications



- |   |                          |                                |
|---|--------------------------|--------------------------------|
| <b>Routes principales</b>                                     | <b>Voie ferrée</b>       | <b>Administration</b>          |
| — Routes principales bitumées ou en ciment, de 100 km ou plus | — Ligne ferrée           | — Limites de départements      |
| — Routes principales en ciment, de moins de 100 km            | — Ligne à voie étroite   | ● Chef-lieu de département     |
| — Routes principales non bitumées                             | — Ligne à voie métrique  | ● Chef-lieu de sous-préfecture |
| <b>Routes secondaires (non bitumées)</b>                      | <b>Aérodromes</b>        | ● Autres villes                |
| — Routes permanentes  | ✈ Aéroport international |                                |
| — Routes temporaires  | ✈ Aéroport régional      |                                |
|   | ✈ Aéroport militaire     |                                |
|   | ✈ Aéroport d'urgence     |                                |

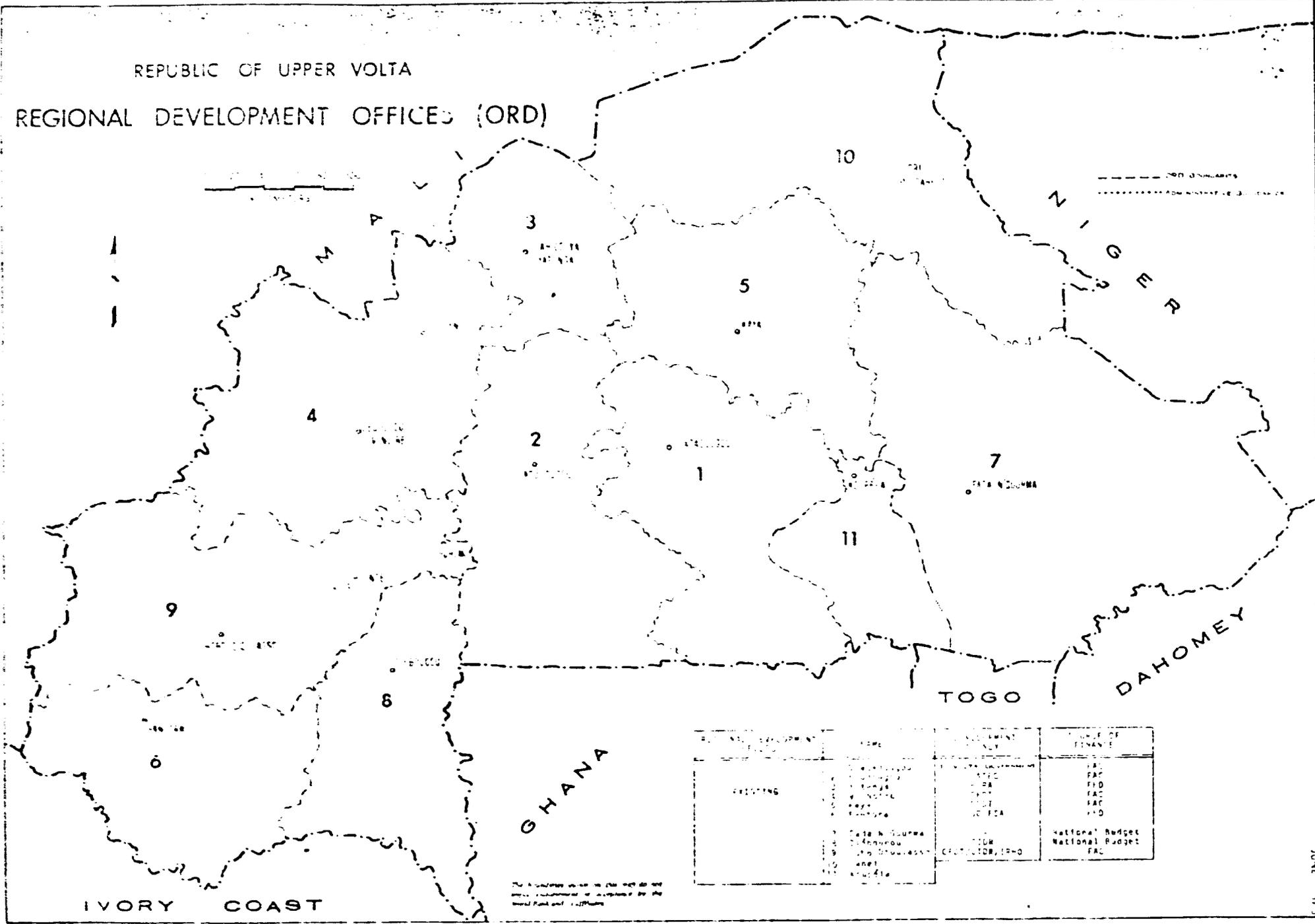
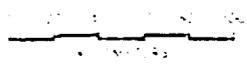
## Divisions administratives



- |                                   |                         |                        |
|-----------------------------------|-------------------------|------------------------|
| <b>I Sahel</b>                    | 14 Fada N'Gourma        | 28 Boussou             |
| 1 Djibo                           | 15 Pô                   | 29 Ziguinchor          |
| 2 Ouahgouya                       | <b>V Centre Est</b>     | 30 Ouagadougou         |
| 3 Doudou                          | 16 Koupela              | 31 Saponne             |
| <b>II Yatenga</b>                 | 17 Ouaké                | 32 Koudougou           |
| 4 Bobo Dioulasso                  | 18 Tenkodogo            | 33 Zorgho              |
| 5 Tota                            | <b>VI Volta-Nord</b>    | 34 Maroua              |
| 6 Ouesso                          | 19 Volta                | 35 Ouahgouya           |
| 7 Ouahgouya                       | 20 Tonga                | 36 Togo                |
| <b>III Plateaux du Nord-Mossi</b> | 21 Togo                 |                        |
| 8 Koudougou                       | 22 Dédougou             | <b>IX Hauts-Basins</b> |
| 9 Basso                           | <b>VII Centre-Ouest</b> | 37 Ouahgouya           |
| 10 Ouahgouya                      | 23 Yako                 | 38 Ouahgouya           |
| 11 Bobo Dioulasso                 | 24 Boko                 | 39 Ouahgouya           |
| 12 Ouahgouya                      | 25 Ouahgouya            | 40 Ouahgouya           |
| 13 Ouahgouya                      | 26 Ouahgouya            | <b>X Sud-Ouest</b>     |
| <b>IV Est</b>                     | 27 Ouahgouya            | 41 Ouahgouya           |
| 14 Ouahgouya                      | <b>VIII Centre</b>      | 42 Ouahgouya           |

REPUBLIC OF UPPER VOLTA

REGIONAL DEVELOPMENT OFFICES (ORD)



REGIONAL DEVELOPMENT OFFICE	HEADQUARTERS	FINANCING AGENCY	SOURCE OF FINANCE
1	Koudougou	UNEP	FAC
2	Bobo Dioulasso	UNEP	FAC
3	Ouagadougou	UNEP	FAC
4	Ouahigouya	UNEP	FAC
5	Zorgho	UNEP	FAC
6	Niakhar	UNEP	FAC
7	Fada N'Gourma	UNEP	FAC
8	Tenkodogo	UNEP	FAC
9	Dori	UNEP	FAC
10	Ouahigouya	UNEP	FAC
11	Fada N'Gourma	TIDR	National Budget
		CFR/UNEP, 1970	National Budget
			FAC

The boundaries shown on this map do not necessarily represent the official boundaries of the Republic of Upper Volta.

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PFP RURAL DEVELOPMENT ENTERPRISE PROJECT: UPPER VOLTA

I. EXECUTIVE SUMMARY

1.0 Nature of the Evaluation

In December 1976, the Partnership for Productivity Foundation presented an Operational Program Grant (OPG) proposal to AID requesting funds for an experimental pilot project designed to assist in the development of rural enterprise in the Eastern region of Upper Volta. PFF was subsequently awarded the grant and project implementation was to have begun in July 1977. However, due to various administrative and procedural delays, project activities were delayed several months. The first project report covers the period from January to June 1978. The pilot phase was to be for a period of two years. According to the OPG, a plan for a follow-on stage would "evaluate, verify, and measure the accomplishments of the pilot project."

In July 1978, the PFF staff in Upper Volta requested a one-year extension for the pilot phase of the project. A letter of request for an additional \$110,000 to carry the project to December 31, 1980, was submitted to Richard Leber, Country Development Officer in Ouagadougou. PFF also submitted a project concept paper for a phase II of the project which would facilitate the creation of a private Voltaique investment corporation supported by strong technical assistance and training.

1.1 In October 1978, PFF/Washington entered into an agreement with this consultant to assist in conducting an evaluation of the Upper Volta project. The consultant agreed to assist the USAID/Upper Volta mission in preparing a Program Evaluation Summary (PES) and a final report to PFF/Washington on the project in accordance with its own program objectives. It was felt that an evaluation at this time would help the USAID/Upper Volta mission determine the feasibility of granting an extension to the pilot phase and also assist PFF/Washington in charting its long-range program plans. The evaluation took place from November 4-10, 1978, in Ouagadougou and a field trip to the Eastern Region Organisme Régional de Développement (ORD).

## 1.2 Purpose(s)

The consultant participated in the USAID/Upper Volta mission's internal evaluation process, contributing to its Program Evaluation Summary and a debriefing session with the acting mission director, Richard Meyer. The observations contained in the following report are in response to PFP/Washington's particular interests and address the general categories below:

1.2.1 Quantitative analysis. To determine the extent to which the pilot phase of the project has accomplished its objectives, an examination of the verifiable indicators identified in the project document was conducted.

1.2.2 Qualitative analysis. A second level of analysis is more subjective and qualitative, drawn from interviews and a questionnaire drawn up in consultation with the PFP/Washington staff. It examines PFP's own statement of its program goals and objectives in the light of the Upper Volta project.

1.2.3 Factors in Development. A third category of analysis aims at identifying larger issues in development and examining the Upper Volta project in that context. It attempts to address questions surrounding PFP's future programming.

1.3 The evaluation was conducted under the auspices of the USAID/Upper Volta mission. Tony Vollbrecht, assistant program officer recently assigned to Ouagadougou, replaced Don Clark as the officer responsible for the PFP evaluation. The consultant arrived in Ouagadougou on November 3, spent the first few days in consultation with the AID staff and in data collection, and made preparation for the field visit. The first contact was made with Dr. Samir Zoghby, Program Officer for Rural Development Projects, who had recently replaced Tom Luche in that capacity.

The field visit was conducted from November 7 to 17. The first portion of it was in Fada N'Gourma with Mr. Bengt Thoren, Project Director, and his assistant, Rigobert Thiombiano. The second was with Director of Operations John Schiller and his assistant Soama in Diapaga.

## 2.0 Overall Conclusions

2.1 As reported in the PES submitted to the USAID/Upper Volta mission, it was the conclusion of the evaluation team that the PFP team operating in the Eastern ORD has made considerable progress toward accomplishing the objectives of the pilot phase. It was recommended that PFP's request for additional funds for a third year of the pilot phase be approved. Owing to the experimental nature of the project, the project document provided few concrete indicators for measuring achievement of the pilot phase. The most likely constraints to long-range objectives have to do with the project's relationship to Eastern ORD administrative authorities and the fact that the project is outside the ORD's development program. At the same time, project success thus far may very well be due to the ability to avoid working within the cumbersome bureaucratic machinery characterized by the ORD.

2.1.1 Quantitative measures. The PFP staff have devised effective methods of identifying economic needs within the project area, locating prospective clients, establishing loan criteria, and following up with managerial assistance. The Logical Framework proposed that a total of 30 rural enterprises be "involved" in the pilot phase. Using loan approval as a measure of "involvement", there were 120 loans granted by the time of the evaluation. Half of these were for entirely new enterprises. Both PFP staff members maintained long lists of additional prospective clients. A remarkably high loan repayment rate of 90% provided a reservoir of funds from which additional loans could be made. Technical assistance, mostly in the form of appropriate technology, was visible in the project area. Examples included grain mills, beehives, and a small Self-Helper tractor which will be used for clearing land and planting as well as irrigation. A rice decorticator will soon be on order. Appropriate methods for accounting, depending upon levels of literacy, have been introduced and continually refined.

2.1.2 Qualitative measures. Based on interviews with USAID staff, project staff, clients, expatriate technicians in other projects, and

Voltaïque national technicians, the PFP project has been well received. This includes an interview with only one GOUV official, the Chief of of the Diapaga ORD Sub-Region. A concerted effort by the evaluation team to meet with the Director of the Eastern Region ORD was of no avail. The regional ORD Director is the most important government official as he administers all government development activity in the region. The distinct lack of communication between PFP staff and the Director is cause for concern, until such time as the project can establish affiliation with an indigenous association or agency.

## 2.2 Recommendations

2.2.1 The project logical framework should be revised and extended for the third year of the pilot phase. The original logframe was not especially useful as an instrument for measuring project achievements.

2.2.2 At the purpose level, priority should be given to the establishment of an institutional linkage, especially since the project is operating outside governmental structures. By the end of the pilot phase, such affiliation should be assured and approved in principle by the ORD Director. To date, the most likely prospect is for the project to be affiliated with a newly formed Gourmantché Association headed by Mr. Tani, Minister of Information, and a native of the region.

2.2.3 Indicators for output achievement should be clearly defined. The project has generated sufficient data to be able to predict its accomplishments over the next twelve months. The PFP staff has identified its objectives for the anticipated third year of activities (letter from John Schiller to Richard Seyer, July 20, 1979). Those objectives (e.g. credit fund, business selection criteria, appropriate management) can be given numerical indices which will provide benchmarks for monitoring and evaluation for the coming year.

2.3 USAID should give the Upper Volta project special attention as a notable model for future programming. It has generated unusual enthusiasm both within the project and among those who have witnessed its progress from modest beginnings.

There is ample room for speculation as to the reasons for this initial success. The quality and dedication of the project staff can not be discounted. The appropriateness of the rural milieu in which the project operates may be significant. It is an area that has been largely ignored by outside investors and only recently has been the target of government attention. The distinctly limited and manageable objectives of the project may also have enhanced its chances of success. The cultural and political climate must be considered as important elements in conditioning project operations.

The final portion of this report will be dedicated to an examination of these external factors. There is certainly no guarantee that these early achievements will eventuate in accomplishment of long-range objectives. One of the key questions to be addressed is whether a development model aimed at the growth of the private economic sector can succeed in an era when development is increasingly seen as essentially an affair of the public sector.

## II. SETTING FOR PIP/UPPER VOLTA PROJECT

### 3.0 National Level

Upper Volta is classified as one of the twenty-five "least developed countries" in the world. Among the constraints to its economic development are: poor soils, unbalanced population distribution, its land-locked geographic position, and periodic rainfall deficits. Although the country is located within the Sahel region of West Africa, Upper Volta was less adversely affected by the great draught of the early 1970's than were neighboring countries. Since the mid-1970's a wide variety of international development assistance projects have been undertaken to combat the effects of the draught.

3.1 Colonial legacy. A large portion of the area that is today Upper Volta was dominated by the Mossi empire until the end of the 19th century. In 1896 Mossi resistance to the French incursion into the area was brought to an end with the capture of the capital at Ouagadougou. Thereafter, French colonial administrators variously governed the area as part of a larger provincial region and as a separate colony. In 1947, Upper Volta became a territory in its own right with the borders which it maintains today. Independence was granted in 1960, with little evidence of French efforts to develop the country economically during the colonial period.

From 1950 onward Upper Volta provided Ivory Coast with a steady flow of migrant laborers for the exploitation of its plantation economy. While furnishing the Ivory Coast with this crucial ingredient for its "economic miracle", Upper Volta suffered virtually complete economic stagnation. During the 1950's an average of 50,000 Upper Voltans emigrated south, depriving the young nation of its most dynamic population segment and leaving an imbalance of the aged and infirm. Meanwhile, agricultural production in the colony remained almost entirely at the subsistence level. In sum, the structural features of the economy at independence were typical of a state of extreme underdevelopment.

3.2 Population. The total population of Upper Volta is on the order of 6.5 million, making it one of the three most populous francophone West African states. Most of the country's population is concentrated in the south and center, where densities exceed 48 per square kilometer (125 per sq. mi.). This population pressure is unusual in Africa and is considered to be an important factor influencing the high rate of emigration. The Eastern Region is one of the least populated areas of the country, with approximately 300,000 inhabitants representing only 5% of the total.

The population is more than 90% rural and engaged in subsistence agriculture, placing Upper Volta among the most rural countries in Africa. Roughly half of the country's inhabitants are Mossi living in the central plateau region. The Gourmaughté, who comprise less than 5% of the total population of the country, represent nearly 65% in the Eastern Region. The Kosari comprise an important minority in the Eastern Region, especially in the town of Fada N'Gourma.

Non-traditional religions (Islam and Christianity) have not made substantial inroads into Voltaïque culture. Nearly 70% of the people continue to be classified as "animists", only 22% as Muslims, and less than 4% Christians. Few Voltaïques benefit from formal education and the literacy rate remains no more than 10%.

3.3 Economy. The GDP of Upper Volta was just over \$200 million in 1977 and the per capita income was \$114, up from \$72 in 1972. During the decade from 1969 to 1979 the real growth rate of the GDP was only 1.8% (compared with 4% in Ivory Coast). Furthermore, the inflation rate during the last five years has averaged 13% per year. The economy is characterized by subsistence agricultural production, few mineral resources, net importation of agricultural products, and extremely modest light industry. Although the overwhelming majority of the population is engaged in agriculture, only one-third of the GDP is accounted for by agricultural production. Light industry - such as agricultural processing plants, brewing and bottling, and brick making - accounts for slightly more than one-third of the GDP.

Agricultural production remains almost entirely oriented toward auto-consumption. The two most important subsistence crops are sorghum and millet, followed by maize, manioc, and rice. Peanuts, cotton, and shea nuts are the only agricultural products that enter the export market to any appreciable extent. The most important export is livestock, representing half of the total. Large portions of the Eastern Region ODD are not cultivated; the areas that are productive feature millet, sorghum, and cotton, and to an increasing extent, rice. Of particular relevance to the Eastern Region is the presence of large numbers of bas-fonds areas, low-lying catchments that are relatively well watered and rich in soil content. These areas are often unexploited or planted in millet and sorghum; with dry season irrigation they could produce a wide variety of crops, including rice.

The industrial sector of the Upper Volta economy is still at a very low level of development. Industrial activities are limited to rather basic food processing, textile, and beverage manufacturing. Traditional artisans account for half of industrial output and an even greater share of the sector's value-added. Producing entrepreneurs, especially in the rural areas, are not numerous and are often at the most basic level of activity. These include such operations as grain milling and bakeries. Many entrepreneurs are not indigenous to the country; they are often Lebanese, Hausas, Yorubas, and other West Africans. Small scale entrepreneurs are handicapped by lack of access to traditional sources of credit.

3.4 Government. The political system of Upper Volta is characterized by a high degree of diffusion and decentralization of administrative functions, in contrast to the general trend in Africa toward the concentration of power. The first president of the republic was forced to resign in 1966, following a general strike and demonstrations in the streets. He was succeeded by Major General Sangoule Lamizana in a military government. In 1977/1978 a peaceful transition to civilian rule was worked out based on a new constitution. Following general elections in April 1976, Lamizana was returned to

office with only 56% of the vote.

The 1977 Constitution provides for a multi-party system, although only the three parties receiving the highest number of votes in legislative elections are legally recognized. Currently, opposition deputies control nearly half of the National Assembly seats and they represent a wide divergence of ideological views. Upper Volta has pursued a moderate foreign policy since independence, enjoying good relations with both Western and communist countries.

#### 4.0 Eastern Region ORD (Organisme Regional de Développement)

The Eastern ORD is one of 11 administrative units for regional development in Upper Volta (see map). The ORD's represent an attempt on the part of political authorities to decentralize the country's rural development program. They are distinct from the political/administrative structure which handles traditional governmental functions such as education and health. The ORD's focus on specifically development functions such as extension services for farmers and artisans, agricultural research, farm credit, and marketing. Because of the influx of foreign assistance programs in recent years, the ORD's often enjoy greater financial support than their political/administrative counterparts. They also enjoy a remarkably high degree of autonomy, although they are officially under the control of the Ministry of Rural Development. The Eastern Region was traditionally among the most neglected in terms of development activities. Since the mid-1970's it has received more than its share of attention from outside donors.

4.1 The Agency for International Development maintained a modest presence in Upper Volta in the early years after independence, viewing the country as basically a French sphere of operation. Then, with the great draught of 1973 and the Congressional new directions mandate to aid the poorest of the poor, AID "rediscovered" Upper Volta. The Mission strategy has been to work within the Club du Sahel/CILSS (grouping donor countries) giving priority to increased agricultural production and improvement of the quality of rural life.

The first generation of projects beyond short-term drought relief was a comprehensive integrated rural development effort in the Eastern ORD, designed in 1974 with initial obligation in FY 1975. This project in fact represented the first significant external assistance to the Eastern ORD and was jointly undertaken with UNDP/FAO support and IBRD funding. As of 1977, USAID provided nearly half of the total budget of the Eastern ORD, most of it investment, while the GOV provided most of the operating costs. The project contracted with Michigan State University to provide technicians. Its initial activities were the construction of an ORD administrative complex in Fada N'Gourma, management training, animal traction, and agricultural extension. A non-formal education component was added in FY 1977. The project included a credit program aimed primarily at the animal traction effort.

The evaluation of this IRD project submitted in March 1978 concluded that the objectives originally set were "overambitious." Unrealistic assumptions had been made about the effectiveness of the ORD, improved technical packages, and contributions from other donors. The project was beset by a variety of delays: in construction, arrival of the MSU team, and in management training of Voltaïque cadres. The evaluation report indicated that the existing credit program in the ORD was inadequate, covering only a small percentage of the potential needs of the population. Information on the effective demand for credit was lacking and the interest rate of 0.5% per annum being charged on the loans was found to be too low to permit the program to become self-financing in the long run. The loan repayment rate to date was quite low.

At the time of the IRD project evaluation, the IRD project was entering a new and complex phase. USAID had agreed to participate with other international donors in a joint effort to redesign the project and to collaborate in the implementation of a second phase. This collaborative approach to development programming is somewhat novel at the project implementation level. The USAID program staff was optimistic about the possibilities that could emerge.

4.2 The Eastern Region IRD project aimed primarily at increasing agricultural production; its only provision for assisting small entrepreneurs was for animal traction. Otherwise, facilities for obtaining small loans were extremely limited. The BND (Banque Nationale de Développement) was established to assist entrepreneurs, but its loan requirements were very strict. It was in this context that the idea for a small business enterprise project gained currency. In October 1976, a five-member team under the auspices of the USAID project design office was sent to make a feasibility study of the Eastern ORD. It included Mr. George Butler of PFP.

The team reported that the area was sorely lacking in indigenous entrepreneurs. Most of those using any type of machinery were foreigners (from Nigeria, Ghana, and Togo) although most had taken up permanent residence in Upper Volta. There was little evidence of even basic bookkeeping nor was there an appreciation of the value of labor involved in production. There was no indication of any rural entrepreneurs having more work to do than they could produce. Some artisan training programs were in operation such as for blacksmithing and carpentry. The report raised questions as to the difficulties that might be encountered in setting up an appropriate credit program, citing the fact that an FSI report indicated a default rate of 65% to 70% on animal traction and seasonal crop loans. In each case the type of credit extended had been to finance operating costs/capital rather than investment credit. Often new enterprises had been established only to become bankrupt. The report concluded that it would be necessary to establish a viable credit extension mechanism to insure repayment.

4.3 The feasibility team included a rural sociologist, Youssif Diawara, who submitted a separate report on the socio-economic aspects of the Eastern ORD. It was observed that the region occupies most of the Gourma - or Gourmantché - territory. The population density level, 5 to 7 inhabitants per sq. kilometer, is one of the lowest in the country and suggests that the ORD is decidedly under-populated. The ORD is composed of 786 villages; except for a few larger centers such as

Fada N'Gourma and Diapaga, the villages are generally between 500 and 1000 inhabitants. The typical habitat was the "concession" - a large area grouping a family consisting of several households headed by a family chief.

In a governmental order of 1974, the old administrative units were replaced by the following: department, sub-prefecture, district, and village. The Eastern Department headquarters was located at Fada, with sub-prefectures at Diapaga, Bogande, and Fada. The village remained the base of the modern governmental structure and the village chief represented the community with regard to higher levels of administration. The position of chief, however, ceased to be strictly hereditary with a presidential decree of 1974 which stated that "any citizen...registered on the village electoral list may apply as candidate."

It is important to note that the region does not have a strong tradition of cooperative or groupement villageois production and marketing. The AID project, operating within the framework of the ORD administration, is obliged to work within a village group structure created specifically for project activities. Traditional Gourmantché farming activities are organized around the family unit. Furthermore, observers remarked that the poor record of loan repayment in the region might be due to lack of extension mechanisms rather than poor response by the individual farmer. It was argued, conversely, that the Gourmantché farmer took credit quite seriously (Zalla, 1976).

4.4 The response to a perceived missing element in rural development aimed at reaching small entrepreneurs outside the existing system of credit was contained in Partnership for Productivity's OPG proposal of December 1976. PFP proposed to undertake an experimental project to test a credit vehicle for small entrepreneurs to acquire operating capital and an appropriate technical assistance package to upgrade business practices. The PFP proposal did not aim at the creation of a new credit system; rather it was intended to provide an avenue to small entrepreneurs to enter the existing credit system. The USAID Mission saw the proposal as complementary to its IRD project and endorsed it.

## 5.0 Summary of Project Operations

5.1 Problems in starting up project operations centered on the usual delays experienced in beginning development efforts in remote rural areas. There were, in the first instance, delays in the signing of the Operational Program Grant as well as difficulties involved in the transfer of funds from the United States to Upper Volta. The acquisition of housing and household furnishings, equipment, and vehicles extended well beyond the one month anticipated. Both PFP staff members were obliged to spend an extended period of time in temporary housing in Fada N'Gourma. In Diapaga there was no housing available at all, so John Schiller undertook to build his own house. Not until May 1978 were both advisors settled in and concentrating on project activities. In retrospect, these difficulties may have been a blessing in disguise since the resolving of them provided PFP with an opportunity to show local communities a good example of problem-solving.

5.2 Equally important to the starting up process was the effort to establish the legitimacy of PFP in the eyes of political and administrative authorities. This was no small matter since the PFP project, unlike other AID-financed projects, was to operate outside the formal governmental structures. The first order of business was to obtain recognition of PFP as a legal entity in Upper Volta. An exchange of correspondence between USAID, PFP, and various government authorities took place from October to December 1977. PFP drafted an accord between the government of Upper Volta and PFP which outlined PFP objectives and stated articles of agreement. PFP was represented by Bengt Thoren as Director General and the government by the Director of International Cooperation. The document specifies that the project is to operate in the Eastern GRD but does not indicate which entity of the GOUV that PFP is directly responsible to.

The record mentions that the project is experimental in nature. Project functions described in the agreement are essentially those spelled out in the OIG. It is stated that the project will "support

the ORD, government agencies, and private groups" in various activities; beyond this, the relationship of PFP to GOUV entites is left undefined.

During the first few months, the PFP staff spent considerable time making contact with government officials and other development technicians, explaining the project's objectives. Several meetings were held with the Director of the Eastern ORD, Mr. Lompo. In June 1978 both PFP advisors presented a progress report to the Director, including a description of the project's proposed loan fund. In correspondence with PFP/Washington the following month, the Upper Volta staff reported mixed feelings concerning the Director. (July 8, 1978, John Schiller to David Scull). On the one hand the Director was a "great advocate of management...and sees the project chiefly in terms of enterprises running more smoothly." On the other hand, the project's relationship with the ORD was still ill-defined: "between him and us there is not full agreement as to the degree of independence which we have." Relations with the ORD Sector Chief in Diapaga were described as excellent.

In the initial months contacts were also made with various other agencies, including: the Banque Nationale de Developpement (BND), the Office de Promotion de l'Entreprise Voltaïque (OPEV), the Centre National pour la Promotion des Artisans Ruraux (ENPAR), the Societe Africaine pour les Etudes de Developpement (SAED), and the Secretariat Permanent des Organisations Non-Gouvernementales (SPONG).

3.3 Reservations expressed by the Minister of Rural Development in Ouagadougou (responsible for coordinating the GAD program) were transmitted to the USAID Mission Director in a letter of October 26, 1977. The PFP response to those concerns was contained in a letter from John Schiller to the Minister (November 19, 1977):

a. The project does not call upon the GOUV to play a role in or to assume any responsibility for the project. PFP responded that the project "envisioned the closest cooperation with the Eastern ORD." In the event the project should reach a second stage, "more formal planning

responsibility could be given to the ORD." The alternative would be to "set up a PFP Governing Council made up of ORD and business leaders which would make policy."

b. The Credit Fund is insufficient for the needs of entrepreneurs in both Fada and Diapaga. The PFP response was to point out that the project credit fund was not intended to meet all the credit needs of the area. Rather it was to be experimental: to provide loans as training devices for entrepreneurs. The main objective was to help make small entrepreneurs loanworthy for credit at the BND and other commercial banks.

c. The project doesn't provide for the use of Voltaique personnel. PFP expressed its intention to hire and train nationals as soon as the project was under way.

d. An effort must be made to coordinate the PFP project activities with those of the AID Integrated Rural Development project. PFP responded that every effort would be made to coordinate the activities of the two projects. "Efi feels it can complement that project without duplicating it by emphasizing the areas of business management, proper use of loans, and the application of appropriate technology to small enterprises."

e. Clarification is needed on possible donors who might be willing to fund a second stage project. PFP indicated that it would be in contact with a number of private agencies that support its projects in other countries for possible assistance in Upper Volta.

These reservations are of sufficient long-range import to have been presented here in detail. Implications of these issues are the subject of analysis in the following chapters. The fact that the convention granting official GOUV approval of the project was not signed until August 1978 is reason enough for concern.

### III. QUANTITATIVE ANALYSIS

#### 6.0 Measures of Achievement of Project Objectives

Because of the experimental nature of the project, little emphasis was given in the OPG document to providing reliable indicators for measurement of project success. The project staff has done a reasonably good job of generating its own data and presenting it in each of the three six-month reports. More attention will need to be paid to internal monitoring and evaluation in the future.

6.1 Goal. The long-range goal of the PFP project is linked in the OPG Logical Framework to that of the AID Integrated Rural Development project. The latter has as its (revised) goal the "increased production, income, and quality of life for the rural population in the Eastern Cad." The IRD project is at present the principal vehicle in the region for increasing agricultural production and farmer income. This is being attempted mainly by the introduction of animal traction which in turn entails the services of rural artisans such as carpenters, blacksmiths, and mechanics. Increased agricultural production will create greater demand for these services.

The PFP project seeks to complement this process by providing credit and management training to rural artisans and small-scale entrepreneurs that has not been provided through other government agencies or projects. Thus, the long-range objective is necessarily dependent upon that of the IRD project. The second phase design of the IRD project is likely to focus more on developing measures for income and quality of life in order to determine the impact of its efforts.

At present several generalizations can be made as to the kind of impact the PFP project is having. Its beneficiaries are certain to be the poor majority in the rural areas. The Eastern Region is entirely rural and semi-rural and its economy based on agricultural and livestock production. Differences in income levels are slight. Government civil servants and a few traders in livestock comprise the more privileged segment of the population. PFP has systematically avoided giving loans to established traders and government employees already

relatively well off. Only a few of the PFP clients thus far have been women, nor does there appear to be a concerted effort to recruit them.

6.2 Purpose. The OPG describes the project purpose as follows:

The purpose of this project is to determine by experimental implementation on a pilot basis the best program design to foster the development of rural enterprises which have a beneficial impact on the incomes and living standards of rural farmers and other residents in the area served by the Eastern ORD, and to provide in the village market a means of increasing farmer self-determination and commercial independence.

It is stated further on in the document that:

There are no critical assumptions to the implementation of the pilot project, since by its nature it will be testing various means to improve the market economy with as yet unknown effects.

The two measures for achievement of this purpose which are provided in the Logical Framework are: the existence of a "viable credit program" and a "viable technical assistance package." The only means of verification for this would be the existence of a plan for a second stage of the project.

The project document is somewhat vague as to the kind of institutional framework that ought to emerge from this experimental process beyond the wish that the existing resources and institutions of the ORD be utilized to the maximum extent possible. Reference is made to arrangements PFP has developed in other countries. A Governing Council for a PFP Foundation in Upper Volta is suggested as a possibility. To facilitate the loan granting mechanism, Market Loan Committees composed of local village authorities and business persons are used in Kenya with authority to approve loans. An Executive Committee composed of host country nationals serves to review problems arising from decisions of the Market Loan Committees.

In order to evaluate progress toward the stated objectives, let us first examine the efforts made in designing a credit program and appropriate management assistance.

a. Credit Program. In the early stages of the project the two advisors established<sup>a</sup> list of criteria that would guide them in the selection of the type of enterprises to assist and the approach to helping clients manage their business. They were the following:

1. Priority to those projects that address basic economic needs of the area, increasing productivity of essential goods as opposed to luxury goods.

2. Assistance to a variety of enterprises, including commercial, artisan, and agricultural.

3. Priority in technical assistance to the promotion of good management and entrepreneurial skills.

4. Importance of the loan as an increase in capital to the entrepreneur considered as secondary to proper planning and organization.

5. Entrepreneurs should be encouraged to find innovative and appropriate managerial and technical solutions to production and marketing problems.

In the second place, criteria were established for the selection of loan applications. They were:

1. Purpose. The loan fund was set up to assist entrepreneurs to become eligible for loans at established credit facilities and to facilitate the expansion of selected enterprises as well as the creation of new ones.

2. Eligibility. Any individual or group that proposed projects which are profit-making, contribute to the general well-being of the community, and increase productivity of essential goods, could be considered.

3. Documentation. All applicants were required to submit a PFP loan application form. Established entrepreneurs had to furnish a balance sheet and profit/loss statement; new entrepreneurs were required to detail capital investment needs and estimate income and costs.

4. Collateral. No collateral was required, as was the case with existing credit programs. A thorough feasibility study was required, however.

5. Ratio of loans to total investment. Ordinarily, projects in which the entrepreneur furnished less than 20% of the total investment were not to be considered, except in special instances.

6. Interest rate and repayment terms. Money would be lent at an annual rate of 10% (compared to 5.5% in the IRD credit program) with repayment to be arranged by the PFP advisor according to anticipated financial performance.

The OPG specifically states that the purpose of the project is not to create a new credit system. Therefore, the long-term objective of the project must be measured against the rate of success in integrating PFP clients into the existing credit system. It is too early to predict with any certainty the degree of success in this regard. The main indicator is the number of PFP clients who have been granted loans by established institutions. In the first six months of 1979, seven PFP clients had repaid their loans in full. Of these, three were recommended to the Banque Nationale de Développement (BND) in Fada N'Gourma for bank loans. All three were granted credit. The PFP advisors were encouraged by these initial achievements and are now focusing on other credit institutions as well, such as the Office de Promotion de l'Entreprise Voltaïque (OPEV) which grants loans to artisans and small industries.

The credit model adopted by the PFP advisors is appropriate to the milieu in which the project is operating. Measures of that appropriateness are examined in the following section on outputs. It is clear that, given the low level of capital development in the region, the policy of not requiring any collateral has opened doors to many small businesses that would otherwise not qualify for credit with established institutions. The question of the rate of interest (thus far 10%) should be re-examined. Although the PFP rate is considerably higher than that of the IRD credit program, it is still not reflective of the true interest value in the market place. Indications are that clients would be capable of paying higher rates (13% to 15%),

This would in turn increase the amount of money available in the revolving fund for other clients.

b. Management and Technical Assistance. In the second phase of project operations, the PFP advisors began to focus on what they considered to be the core of the program: business management. This involved devising ways of helping the entrepreneur organize his business in terms of the acquisition of merchandise and raw materials and the efficient utilization of capital. Elementary accounting systems were devised for recording sales, expenses, inventory, and calculating costs and profit margins. A large portion of project clients were illiterate, and therefore they required either assistance from a relative or friend or a specialized accounting procedure relevant to their business operations. An important feature of this effort has been the practice of the PFP advisors visiting each client once a month to monitor the client's progress in applying these procedures. This information, in addition to helping the individual client manage his business, was also seen as a means of monitoring the over-all progress of the project.

The application of this approach to management assistance has been somewhat uneven. The Diapaga office has devoted considerably more attention to accounting and record-keeping than has the Fada N'Gourma office. During the evaluation, clients in the Diapaga area were invariably able to produce accounting books and/or to demonstrate the more informal methods of record-keeping. For example, the young man employed to run a grain mill transfers pebbles from one calabash to another each time a customer is served. In the January-June 1979 report, statistics on the loan repayment rate in the Diapaga area were provided but not for Fada. More attention was given to the development of demonstration fields through the experimental fund in Fada than in Diapaga.

Technical assistance provided by the PFP project has consisted of testing various types of technology deemed appropriate to the environment. In Fada N'Gourma, a number of technologies have been

employed in connection with the demonstration farm at Tiparga. Modern beehives of the East African Long Bar variety have been set up on the demonstration site. A Self-Helper tractor with an 8-horsepower Yanmar engine is being used by farmers to clear land and plant crops. The same tractor engine will be used to facilitate irrigation of crops during the dry season. In Diapaga several different grain mills have been tested for quality and productivity. Because of the favorable market for rice in the region, the PfP advisor is considering providing credit for the purchase of a rice decorticator.

c. Institutional framework. The area of greatest weakness thus far has been the lack of integration within existing structures and the slowness in laying the groundwork for new structures. In fact, this bears upon a critical assumption that is unmentioned in the OPG: namely, that the objectives of the PfP project are in accord with those of other development agencies operating in the area. It is for this reason that the evaluation team recommended that priority be given to establishing an institutional linkage by the end of the pilot phase. At the time of the evaluation, the one example of an effort to establish a loan committee, the Fada Credit Union, had not met with encouraging results. This issue receives further amplification in the following chapters.

6.3 Outputs. The OPG Logical Framework proposes that by the end of the pilot phase of the project 80 enterprises be "involved", that 20 of them be new, and that a total of 40 loans will have been accorded. No indicators were provided for performance in terms of repayment rates, management assistance, or training of Volatiques.

6.3.1 Loans. By the end of the third reporting period, in June 1979, the project had granted a total of 110 loans amounting to a total of 18,800,000 CFA. By November an additional 10 loans had been accorded. (In December 1978 US 1.00 = 232 CFA; by November 1979 US 1.00 = 209 CFA.) This sum equaled the amount included in both the experimental and loan funds, which meant that additional loans would have to be made from the revolving fund based on repayments unless additional funds were

granted. (Based on the rate of US \$1.00 = 232 CFA, this means a total of \$81,034.00 had been disbursed. The credit fund established was for \$32,000 and the experimental fund \$50,000.) Most of the loans were for less than 200,000 CFA, some for less than 100,000 CFA. Although figures are not regularly provided in the periodic reports on the percentage of new enterprises assisted by the loans, the PFP staff estimates that half of the total thus far fall into that category. All but 5 of the loans have gone to individuals. One of the exceptions was for a village group near Fada for the rental of a bulldozer to clear rice fields. The other was a loan to an association of four blacksmiths in the Diapaga area for the production and marketing of agricultural tools. Only two loans have been granted to women.

Priority has been given to those projects which address aspects of basic economic needs. The PFP staff have refused to grant loans to clients for the establishment of bars or for speculation in the lucrative livestock market. All of the clients are indigenous to the project area; none are traders from neighboring countries. Loans from the credit fund have gone to three general categories of activity:

a. Agriculture and agricultural transformation. Roughly half of all loans have gone to support agriculture production or agricultural transformation, such as grain mills. In the Fada area there is a strong concentration on vegetable gardening and well construction, as well as the leasing of bulldozers for clearing land. In Diapaga, the generally smaller loans in agriculture have gone mainly to orchards, the cultivation of basic crops (millet, sorghum, rice, and peanuts), and guinea fowl/poultry production.

b. Artisans. The second category, closely related in its functions to agricultural production, is that of rural artisans. Sizeable loans have gone to blacksmiths, welders, carpenters, and well-diggers, and masons. Also included in this category are tailors, dyers, and weavers.

c. Commerce. The second largest category of loans has been for

commerce, primarily for general stores or boutiques. These stores usually market a line of basic commodities such as toilet articles, canned goods, and clothing. This category of businesses also includes pharmacies, bookstores, photo studios, bicycle spare parts, and butcher shops. Equally important to the local economy are the transporters of wood and water by means of donkey cart.

The allocation of experimental loan funds has been entirely in the Fada area. The largest concentration of loans in this category has gone to the development of a demonstration farm at Tiparga, a village six kilometers north of Fada. In cooperation with a village group, PFP has cleared a bas-fond area with a bulldozer, built a small dam to retain water for dry season irrigation, and planted a variety of crops. Beehives have been introduced in the demonstration area and a network of vegetable garden plots is being developed. Fish farming is also being considered as an integral part of the demonstration site. As of June 30, 1979, PFP loans to the Tiparga operation totaled just over 500,000 CFA, most of it for earth moving and plowing.

6.3.2. Loan Repayment Rates. PFP loan repayment schedules are arranged according to the nature and extent of the loan. (Schiller estimates that as many as 80% of all loan applications in the Diapaga office have been approved.) The typical loan is repaid on a monthly basis with the first payment due three months after the loan has been approved. Depending on the size of the loan, the client has from 12 to 24 months to make full repayment.

Indications are that the rate of repayment has been quite high. The January-June 1979 report provides a set of statistics on repayments for Diapaga which indicates that the on-time payment rate from September 30, 1978, to June 30, 1979, was 90.8%, or 118 out of 130 total payments due. Although percentages for the Fada office are not presented in the report, illustrations of a few cases of delinquent repayments in Fada reveal that there is usually a specific reason related to the performance of the business.

This repayment rate compares very favorably with that of the IRD's animal traction credit project. It is almost certainly due in large part to the close attention clients receive from the PFP advisors. There are other factors which will be examined in the following chapters. Suffice it to say here that more detailed information, both quantitative and qualitative, concerning loan repayments should be a regular feature of the project's internal monitoring procedures.

0.5.5 Accounting and management assistance. It is difficult to present precise measures of performance for this aspect of project development. However, it may well be that this is the most crucial factor determining the long-range impact of the project. Most of the information available is derived from the Diapaga office. Some of the clients interviewed in the Fada area showed evidence of simple bookkeeping methods, but it was clear that emphasis was not given to the development of appropriate management methods.

In the Diapaga area, each client interviewed readily produced his/her cahier showing daily expenditures and receipts. Schiller and his assistant Souma have been experimenting with a variety of methods of getting clients to keep tabs on their business affairs. Some of the methods thus far employed include:

- a. Inventory control to determine what goods are in greatest demand, how much has been sold, and when to place orders for new stock. A serious problem encountered with already established entrepreneurs was the habit of waiting until stocks were completely sold out before replenishing them.
- b. Simple bookkeeping and accounting procedures for controlling cash flow. Methods used by PFI in Kenya were studied and have been adapted to the conditions that obtain in the Eastern OAD of Upper Volta. This often involves illiterate clients requiring elementary methods of accounting. As the client masters one step he is encouraged to move on to a more sophisticated method.
- c. Profit and loss analysis at the end of a business period.

d. Elementary market analysis to determine which products are most likely to be in demand in the future. Conclusions drawn from these analyses may then lead to the decision to introduce a new technology such as a hand-operated grain mill or a rice decorticator.

6.3.4 Voltaique personnel. The two expatriate advisors have moved quickly to the selection and training of nationals as assistants. In early 1979, the first Voltaique staff member - the director of a primary school - was hired to assist in all aspects of project management. Fr. Kouma is the product of a Protestant mission education and is articulate as well as committed to the goals of the project. He has received very thorough on-the-job training and now has the authority to grant loans in the absence of the advisor. A second extension agent was hired in May 1979. Together the two assistants will facilitate the training of PFP clients in management skills.

In Fada N'Gourma, Mr. Thoren has selected Mr. Rigobert Thiombiano, head mason for the Eastern ORD, as his assistant. (The name Thiombiano in Gourmantché society is roughly equivalent to Smith in the U.S.) Having worked for several months in a volunteer capacity, Mr. Thiombiano joins the project as full-time staff - on leave from the ORD - as of January 1, 1980. As a mason for nine years, he was assigned little actual work by the ORD due to insufficient funds in the budget for construction. Mr. Thiombiano is very well known in the Fada area and is especially committed to a holistic approach to community development. He could provide the key to developing an institutional linkage for PFP because of his familiarity with Gourmantché cultural associations and leaders.

6.4 Inputs. The ORD provided for two types of inputs: two technical advisors for two years, and two credit funds (a revolving fund of \$52,000 for capital requirements and a \$40,000 demonstration fund).

6.4.1 Technical assistants. The Project Director, Fr. Bengt Thoren, is a Swedish national who was recruited from the PFP/Liberia project

and was therefore familiar with PFP program objectives. His strength is in agricultural development and community organization. He has devoted less time and attention to management assistance to clients than to over-all project administration and to the implementation of the demonstration fund. He has not been successful in establishing a working relationship with the ORD Director despite initial attempts to do so.

The Director of Operations, Mr. John Schiller, comes to PFP/Upper Volta via several years' experience with Peace Corps, both as a Volunteer and as a desk officer. His strengths lie in his meticulous attention to developing methods of management assistance and his ability to articulate project objectives. He has authored most of the written materials generated by the project. He has tended to focus more on working with individual clients than on group or community-oriented activities. Together the two share project management responsibilities and appear to enjoy smooth personal and working relationships. Both are committed to the expansion of responsibilities of Voltaique staff and to the need for further hiring and training of additional agents as funds become available.

5.4.2 Financial. The financial and administrative assistance allocated for the PFP project have been adequate for the first two years of project life. The staff now has adequate housing and transportation as well as the most administrative facilities of the project (in the homes of the two advisors).

As previously noted, the two funds have been invented either in client credit or demonstration projects. It is unclear exactly which expenditures belong to the "experimental" fund in the strict sense. Expenditures listed under experimental fund in Fada N'Gourma account for only slightly more than 2,500,000 CFA (just over \$12,000) which is far less than the 350,000 allocated for this fund. Individual loans for new technologies such as grain mills, on the other hand, are listed under the credit fund.

#### IV. QUALITATIVE ANALYSIS

7.0 Partnership for Productivity was founded by Quaker businessmen in 1969 and currently has projects underway in five countries in Africa. It sees its mission of improving the economic performance of people in small, rural enterprises as the missing element in most rural development programs. Real growth in rural areas requires not only greater farm production but the expansion of the economic activities which bring goods from the producer to the market and the consumer. At the same time, producers must have profits, goods, and services which provide incentive to increase production. The market mechanism necessary for this process to be completed is the small entrepreneur and/or the cooperative. In developing countries where the economy is predominantly rural, small businesses provide a vital linkage between the rural and urban sectors.

Development planners and administrators have heretofore given little attention to this element in the development process. Typically, large integrated rural development projects focus on increased agricultural production and extension services and secondarily on marketing functions. There is often a bias toward assisting cooperative production and marketing associations, even when there has been no tradition of cooperatives in the project area. To the extent they do function, cooperatives are often as not the "creation" of the project and do not reflect a natural social and cultural organization. The individual entrepreneur in the rural milieu thus escapes the attention of project designers. And unless he has already proved his creditworthiness, the small entrepreneur is ignored by established lending agencies because of being too great a credit risk.

PFT program activities are aimed at private sector development. Host development agencies are committed to enhancing the capabilities of host government institutions and agencies. Their project operations thus inherently reflect the weaknesses and strengths of the host government agencies. The purpose of the following chapter is

to examine the PFP/Upper Volta project in light of PFP's overall program objectives to assess the feasibility of this "missing element" approach to rural development.

7.1 Much of the information presented here is derived from interviews with PFP clients, staff, and conversation with other development advisors in the project area. An interview schedule was used in the Fada area, with answers to questions being written down as the client responded. However, at the request of the advisor in Diapaga, the questioning was informal and none of the responses were written down during the interview. Clients seemed to be considerably more relaxed with this format.

7.1.1 Integration of project activities must be viewed from several different perspectives. In terms of the relatedness of PFP activities to the Eastern ORD, a large question mark hangs in the air. The ORD has not had a long-term regional development strategy. Although both the AID and FAC assistance programs in the ORD have annual planning requirements, until recently planning has taken place independently of each other. With the current cooperative effort of the donor agencies to re-design the I&D project, there will hopefully emerge at least a medium-term (4 to 5 years) plan for rural development in the region.

We have already observed the tenuous relationship between the PFP project and the ORD. To be sure, there have been a number of attempts on the part of the PFP advisors to coordinate project activities with those of the ORD. The Cooperation Section of the Office of Community Development (OCD) provided helpful information on the ORD credit system which PFP used to develop its own loan format. In turn, PFP offered to translate its accounting forms into Gourmanché and make them available to non-francophone entrepreneurs. (The evaluators saw no evidence that this had as yet occurred.) By the second six-month period of PFP activities, extension agents of the ORD were referring clients (whom they could not assist) to PFP advisors. In the Diapaga area, the effort to develop and promote a network of village stores was initially coordinated with the ORD's

own attempt to assist village groups in the same endeavor.

Nevertheless, the relationship has been marked by frustration. An example involving the experimental beekeeping project in Fada serves to illustrate this point. In February 1979, PFP entertained a visit by an official of the UN Capital Development Fund. Mr. Thoren explained to him PFP's need for funding to establish a honey and beeswax center; the official indicated a willingness to provide UNCDF funds for this activity. In June, a proposal was submitted to the ORD Director with the understanding that the ORD would initiate the necessary formal request for these funds. At the time of the evaluation, PFP had received no word from the ORD regarding the subject.

At the level of economic integration of project activities there are several instances of positive advances. The demonstration farm at Tiparga is perhaps the most striking example. This is what Samir Zoghby refers to as "toes-in-the-mud" development. By clearing a bas-fond area of about 7 hectares (heretofore unused for agricultural production), villagers have opened the way for a wide variety of agricultural activities including irrigated dry-season farming. In addition to experimental crops of millet, sorghum, cotton, and rice, the project is spawning a network of vegetable garden plots, fruit trees, and beehives. Fishfarming is anticipated for next year.

Even more important than the economic achievements of the Tiparga demonstration project is the fact that it represents an integrated approach to community development. The villagers of Tiparga formed a groupement, elected a president, and obtained concessionary rights to the land from village authorities. This is precisely the type of group activity that the ORD's rural development project is struggling to promote. In terms of integrated community development, the Tiparga experiment provides a model which the Diapaga staff would do well to try to emulate.

7.1.2 Project management in PFP/Upper Volta may be somewhat unique in the degree to which the two advisers have shared management responsibilities. This is due to a large extent to the complementary

nature of their backgrounds and personalities. In some respects, one gets the impression that there are two separate projects going on: one in Fada N'Gourma and one in Diapaga. The former focuses on agricultural activities, and in so far as demonstration projects are concerned, on village group development. The latter emphasizes assistance to individual entrepreneurs who run small general stores and other commercial businesses. In the Diapaga area, much more attention is paid to developing appropriate methods of accounting and business management. Both advisors have accorded one loan for trade in livestock, according to their reports, but in general have concentrated on economic activities that are not overly speculative.

Both advisors have chosen excellent Voltaique assistants and are training them intensively in their own management techniques. Because the two operations are as different as they are, it would be advantageous for the Voltaique staff to be trained for a period of time by a different advisor. They, in turn, could bring insights from their experience to the activities of the other office. Even though the assistants have enjoyed a high level of confidence by the advisors, they must be given increased managerial responsibilities as the project expands.

7.1.3 Participation is the key to long range project success. Most of the clients interviewed during the evaluation expressed satisfaction with the presence of the PFP project in the area. Most of them indicated that they had never sought credit elsewhere and assumed that they would not qualify for it at existing institutions. They saw the PFP project as fulfilling an important role which no other agency has attempted to play. The frequent comment was that only those who do not understand the project are in any way opposed to it. They generally observed that they had frequent contact with the PFP advisor and felt free to visit him in his home/office any time. Several expressed an interest in applying for a second loan as soon as the first one was paid up in order to expand or diversify their business. Some had introduced friends or relatives to the PFP advisor; they in turn had

applied for a PFP loan.

One example serves to illustrate both the strengths and weaknesses of the participatory development of the project. Rigobert Thiombiano, the volunteer assistant to Mr. Thoren in Fada, lives quite close to a group of weavers, nearly all of them elderly men who are practicing the ancient Gourmantché art of making certain types of robes that have a special significance to the culture. Through Mr. Thiombiano's intervention, the group of 32 weavers applied for and was granted a PFP loan of 300,000 CFA which enabled them to purchase bulk quantities of thread at a wholesale price directly from the factory in Ouagadougou. This has allowed them to realize a larger margin of profit on their finished products, which are in local demand. Because their clients usually buy their products on credit, the weavers have experienced a cash flow problem and are requesting an additional loan. The group is officially recognized by the ORD as a groupement and has received some assistance from the ORD for agricultural activities which occupy the members during the planting season.

The activities of the weavers' group, who call themselves Boama (Friendship), are already quite diversified. Traditionally, they bought thread from local women who processed it from locally grown cotton. Nowadays, they say, young women are no longer interested in this activity. They would like to find ways to interest them in taking it up again. They are also interested in exploring the possibility of marketing their products outside of Fada, even exporting to other countries. Each member of the Boama group pays a 1000 CFA membership fee; 15 members have been added to the original number. Members of the group also make money by selling tobacco, peanuts, and other agricultural products.

The members of the Boama group collectively expressed the hope that the PFP advisor would stay in Fada for several years. They feared that the project would be taken over by the fonctionnaires (ORD civil servants) whom they have little contact with and do not trust. What did they see happening to the PFP project in the future? The

weavers concede that they have heard of Minister of Information Edouard Tani's Gourmantché Cultural Association, with whom PFP has explored the possibility of institutional affiliation. Mr. Tani is a native of the area. But they see the association as being no different from the other fonctionnaires, far removed from their own activities. The question then becomes one of defining what is meant by "participation" and how it is to be translated into a permanent institutional framework.

7.1.4 Project resources have generally been appropriately allocated according to standards set by the PFP staff. Unquestionably, the bulk of PFP loans have gone to support economic activities that are vital to the area. Occasionally loans have been approved for activities that prove not to be viable. One such example is the 250,000 CFA loan accorded an earnest young man who was intent on raising pigs. He quickly learned that because of the costs and risks involved, he could not make a profit in spite of the high demand for pork in the market. He is now raising rabbits and looking forward to his first sale and to paying off his loan.

In October 1978, the PFP advisor in Fada participated in the formation of the Fada Credit Union, a savings and loan association with 17 charter members. The union grew out of meetings arranged by the Office of Community Development of the ORD with small entrepreneurs in and around the town. The purpose of the union was to stimulate and facilitate savings and investment. To this end, PFP contributed money for the printing of membership books, loan application forms, and other materials, and agreed to channel some of the its loan fund through the union. At the time of the evaluation, the union was still struggling to get off the ground. It was plagued by the threat of domination by already established merchants and by mutual distrust of its members. It was still waiting for official recognition from the Ministry of Rural Development. As a model of a loan committee envisaged by PFP, the Fada Credit Union has not provided a viable alternative thus far.

7.1.5 It may be argued that the entrepreneurial skills exhibited by PFP clients are as much a product of the predominantly Gourmantché culture as they are the result of PFP efforts to impart such skills. Among the more successful and affluent clients are those who are virtually illiterate. Some have relied on friends and relatives to help in bookkeeping; others show no visible evidence of reliance upon written records. No doubt illiterate merchants have prospered in Africa throughout the centuries. What the PFP project provides is a source of credit and of management assistance for those who are willing and able to absorb it. It is too early and there is too little evidence to indicate whether the project is actually inculcating entrepreneurial attitudes.

7.2 The pilot phase of the PFP project has been "successful", at least in terms of initiating a process for assisting small rural entrepreneurs. It is, by all accounts, the envy of others involved in development efforts in the Eastern ORD, for better or for worse. The project deserves close attention within the USAID/Upper Volta mission for its possible implications for other AID activities in the region. It deserves attention by PFP in its search for a model for future program development. It also deserves study by those interested in the larger questions of development that are addressed in the concluding chapter.

## V. FACTORS IN DEVELOPMENT AND THE UPPER VOLTA EXPERIMENT

8.0 Is the Upper Volta Project unique? For this evaluation to have relevance to the comparative study of other development projects outside of Upper Volta, it will be useful to examine the context in which the project is operating and the factors that condition it. The working hypothesis here is that supports and constraints to project goal achievement that are external to project management are at least as important as those within project control. The following factors can be identified as having a significant impact on the PFP project in Upper Volta.

8.1 Political culture. Genuine development involving the mass of the population is enhanced by the presence of democratic/egalitarian values as opposed to authoritarian values. In the West we generally attempt to measure degree of democratic value orientation of a culture by the percentage of the population that has voted in elections over time and the presence of democratic institutions such as a two party political system. These may not be the most appropriate measures for non-Western cultures where communal and egalitarian values exist side by side with more authoritarian elements.

In contrast to most developing countries where the one-party state is the rule, Upper Volta has a multi-party system in which the opposition parties have nearly half the seats in the national assembly. Furthermore, opposition parties are very outspoken and tend to espouse ideological positions fundamentally different from the party in power. Yet there is no tradition of political repression during the period since independence. For 8 years the country was governed by the military but freedom of expression and association was not completely curtailed. In 1978 civilian rule was fully restored.

As important as political institutions are the attitudes of common people toward them. In a very lively and animated discussion with this consultant, Rigobert Thiombiano captured both the optimism and pessimism of a people striving toward development when he remarked: "La Haute Volta, c'est la démocratie; c'est notre seule ressource." (Upper Volta is democracy; it's our only resource.)

8.2 Administrative structure. Many developing countries are struggling against the centrifugal forces of regional and ethnic separatism unleashed at the time of independence. Often this has entailed a process of increasingly centralized political and administrative structures. Rural and agricultural development agencies follow this pattern, with all policy decisions affecting regional programs being taken in the capital city. Centralized development planning usually favors urban areas over rural areas in terms of agricultural pricing policies and distribution of energy resources. People living in rural regions are distant from decision-makers and alienated from them as well.

in Upper Volta, a conscious effort has been made to decentralize administrative structures in so far as development is concerned. Each of the ORD's enjoys a fairly high degree of decision-making autonomy and is able to deal almost on a bilateral basis with international development agencies. Nor is there apparently a systematic attempt by the central government to assign civil servants to regions other than their own to inhibit the growth of regional identities.

The effect is to bring government one step closer to the population it is meant to serve. This by no means assures efficiency and responsiveness of government to the people. In terms of development programming, however, it makes the region the main unit of development. The Eastern ORD in particular has received a great deal of attention in recent years after decades of nearly complete neglect.

8.3 Participation. As in all development efforts implemented by agencies and organizations not indigenous to the region, there are questions as to the true nature of participation in the development program of the Eastern ORD. The ORD itself is largely the creation of donor agencies, who by controlling the purse-strings are able to influence its activities to a considerable extent. The official approach of the ORD to community development is to recognize village groups as the only instrument for project implementation. These groups

are often, in turn, the creation of the project. So far they have not proved to be an effective vehicle for achieving project objectives.

In the absence of a traditional class of aristocratic or entrepreneurial elites, rural society in Upper Volta has remained without sharp class distinctions. There is emerging a bureaucratic-administrative class that owes its social and economic standing to the relatively high civil service salaries and the prestige attached to the position. Most PFP clients and those who are unemployed or marginally employed view the fonctionnaires as privileged and therefore different from themselves. Whether PFP will simply contribute to the creation of a commercial elite whose interests are parallel to those of the bureaucratic class, it is much too early to predict.

8.4 Development Ethos. It is common today for developing nations to assign the public sector the major task of capital formation. What private sector development there is can often be traced to foreign corporations that are capable of investing capital and technical/managerial assistance that the host government lacks. It is generally assumed that the entrepreneur whose motive is profit can not be expected to work for the public good. Small scale entrepreneurs in particular have been all but forgotten in the scramble for development.

Upper Volta is little different from most other developing countries in that development is considered basically an affair of the state and its various agencies. Development plans by no means close the door on private sector growth. The climate for private (if not "free") enterprise development is fairly benign by comparison with other African countries committed to strict socialist development. Equally significant is the cultural milieu in which the PFP project is operating. It is often observed that the Gourmantché society is amenable to individual initiative, that there are no cultural strictures against individuals in business. The nuclear and extended family is the most common unit of economic activity in the agricultural as well as commercial realm.

9.0 Conclusion

Upper Volta is among the poorest countries in the world by standard economic measures of GNP and per capita income. Its very lack of important mineral resources has kept it from becoming the domain of giant multinationals and export-led growth. Its predominantly agricultural economic base has forced government authorities to focus on agricultural production as the key to growth. The country is rich in human resources, however, and presents favorable conditions for balanced development with proper planning. The rural enterprise development project could provide an important element in that process.

Galen Hull  
Kensington, Maryland  
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