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EVALUATION  
OF THE  
BURKINA FASO GRAIN MARKETING DEVELOPMENT PROJECT  
(NO. 686-0243)

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## LIST OF ACRONYMS AND ABBREVIATIONS

AA/Afr	Assistant Administrator for Africa
AID	Agency for International Development
CDR	Committee for the Defense of the Revolution
CEPS	Cellule d'Etudes et de Planification Statistique
CFA	Monetary Unit of the West African Monetary Union
CILSS	Permanent Inter-State Committee on Drought Control in the Sahel
CRED	Center for Research and Economic Development (University of Michigan State)
DG	Director General
DHS	Deloitte Haskins Sells
FAO	Food and Agriculture Organization
FY	Fiscal Year
FYE	Fiscal Year Ending
GAO	Government Accounting Office
kg.	Kilogram
KSU	Kansas State University
LOP	Life-of-Project
MT	Metric ton
NCR	National Cash Register
OCAM	Organisation Commune Africaine et Mauricienne
OFNACER	National Cereals Office
ORSTOM	Office for Scientific and Technical Research Overseas (France)
PID	Project Identification Document
PIO/C	Project Implementation Order for Commodities
PIO/T	Project Implementation Order for Technical Services
PL 480	Public Law 480
PP	Project Paper
RFP	Request for Proposal
SDR	Special Drawing Rights
SECID	Southeast Consortium for International Development
TA	Technical Assistance
US	United States
USAID	United States Agency for International Development

## GLOSSARY OF FRENCH TERMS

Appel de la patrie	A call to perform one's civic duty
Burkinabé	People of Burkina Faso
Fonds de contrepartie	Counterpart funds
Groupements villageois	Village groups
Maîtrise de la marché	Market control (by the government)
Méfi du gouvernement	Mistrust of government
Soudure	Period of grain scarcity prior to the new harvest season

**CURRENCY EQUIVALENTS**

**Week of March 4, 1985**

**1 West African franc (CFA) = US\$ 0.002**

**US\$1 = CFA 516 to CFA 523**

**(The CFA is tied to the French franc (F) at the rate of CFA 50 to 1 F.)**

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## EXECUTIVE SUMMARY

### A. Purpose of the Evaluation

In December 1984, the Agency for International Development (AID) contracted with Devres to carry out a Mid-Term Evaluation of the Grain Marketing Project (No. 686-0243) in Burkina Faso on behalf of the USAID Mission.

The objectives of this evaluation were:

- o To assess the activities of the project with regard to the fulfillment of its intended purpose and objectives; and
- o To present recommendations as to appropriate activity modification or future development.

The scope of work (see Annex 1) included:

- o Assessment of the project assumptions;
- o Review of other grain marketing activities being conducted in Burkina Faso and presentation of suggestions for better coordination of research conducted under the project;
- o Review of project inputs, including the financial management and reporting system installed in the National Cereals Office (OFNACER); and
- o Recommendations for improved project implementation, performance and financial management of OFNACER.

The evaluation took place only a few months before project activity was expected to be completed (May 1985) so that it represents more an end-of-project evaluation than one at mid-term.

In discussions with AID officials in Washington, as well as at USAID/Burkina Faso, it was confirmed that the evaluation team should interpret its mandate broadly. The team was explicitly instructed not only to evaluate the performance of the different participants<sup>1</sup> in this project, but also to consider questions raised by USAID's institutional support of OFNACER. The team was also asked to provide recommendations on whether and how the project ought to be extended, or whether a follow-on project should be considered.

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The project was implemented by a number of contractors--the Abidjan office of Deloitte Haskins Sells (DHS), Ronco Consulting Corporation, and SECID in cooperation with Lincoln University (Missouri).

The research component was explicitly excluded from this evaluation, as it had just been completed and no results were available yet. It was specified, furthermore, that the emphasis of the evaluation should be on the technical assistance (TA) rather than the financial components of the project.

## B. Procedures

The evaluation methodology consisted of:

- o A thorough review of documentation;
- o Interviews with the General Director and Technical Director of OFNACER, officials in the Government of Burkina Faso, other donor representatives, technical advisors to OFNACER, and officials of USAID;
- o Site visits, outside of Ouagadougou, in Burkina Faso, and to Southeast Consortium for International Development (SECID) Headquarters; and
- o Frequent review of evaluation activities with USAID/Ouagadougou.

The evaluation team consisted of Daniel F. Kohler, Agricultural Economist and Team Leader, and Clive Baker, Financial Management Specialist. Dr. Kohler was responsible for evaluating the policy and planning aspects of the project, while Mr. Baker concentrated on the financial management component. The final report and recommendations were prepared with the assistance of Devres' Senior Associate Albert R. Baron and Associate Allen G. Turner

Chapter I provides an introduction to the evaluation and a review of the project's background and design. Chapter II is a detailed review of the project's implementation, discussed in terms of the logical framework (log frame), the objectively verifiable indicators established by the log frame, and the means of verification. Chapter III summarizes the evaluation team's conclusions and findings and develops recommendations regarding future US/Burkinabé cooperation for improved grain marketing and food aid.

## C. Conclusions

### 1. Project design

- a. The project design was based implicitly on the incorrect assumption that strengthening OFNACER was equivalent to improving the overall grain marketing system

The Project Paper's (PP) background section (Annex M of the PP) itself noted the doubtfulness of this assumption. Furthermore, the project design did not adequately take into account existing

empirical studies which strongly indicated that interventions by OFNACER in price stabilization and grain marketing could be counterproductive to the project's purpose. Part of this problem lies in the failure to explicitly include the "immediate objectives" concerning strengthening OFNACER in the log frame. As a result, the implicit assumption was never examined as rigorously as it should have been. (See Chapter III, pp. 50 and 52.)

- b. The USAID-sponsored planning unit was not well-placed to have the desired influence on policy formulation

The USAID-sponsored planning unit, the Cellule d'Etudes et de Planification Statistique (CEPS), which was supposed to be the major conduit of policy advice to the Burkinabé government, was placed in a subdirectorate of OFNACER. It was too far removed from policymaking, which takes place in the supervising ministries, to have much influence at all. (See Chapter III, p. 51.)

- c. During the project design, USAID failed to coordinate its project with other donors

No attempt seems to have been made to develop a common policy approach in cooperation with other donors or to take into account that other donors, who were also providing technical assistance to OFNACER, might be supporting alternative policies inconsistent with the American approach.

During implementation, this led to unnecessary friction between the TA teams from different donors, which impeded the project's progress. (See Chapter III, p. 51.)

## 2. Achievement of project purposes and objectives

- a. The project did not achieve its purposes as stated in the log frame

The project did not achieve its first stated purpose of improving grain marketing conditions and increasing food production and rural security. (See Chapter III, p. 52.) To a limited degree the project contributed to its second stated purpose of improving the basis for policy and operational decision making in food grain marketing. The research nearly completed by the University of Michigan could help further improve the basis for policy formulation and decision making. (See Chapter II, pp. 42 ff., and Chapter III, p. 53.)

- b. The project achieved its "immediate objective" of improving OFNACER's capability and operating efficiency

Most of the objectively verifiable indicators in the log frame have been attained, although not generally to the degree called for. In particular:

- o The rolling fund which was established is smaller than planned;
- o Grain stocks are available;
- o Producer prices have increased;
- o Fewer warehouses than planned have been built;
- o Except for accounting, OFNACER is over-staffed;
- o No explicit information system is available; and
- o The planning unit, albeit of limited impact, is organized and staffed.

These achievements are described more fully in Chapter II, pp. 18-22 and Chapter III, pp. 55-56.

### 3. Project assets and achievements

#### a. Contractor performance

In general, the work of the contractors under this project was found to be satisfactory. The contractors had little or no input into project design and their performance, therefore, must be measured by the manner in which they carried out the tasks assigned to them. With minor exceptions, the contractors in question--the Abidjan office of Deloitte Haskins and Sells (DHS), Ronco Consulting Corporation and Southeast Consortium for International Development (SECID)/Lincoln University--are all considered to have performed well under difficult circumstances. (See Chapter II, pp. 25-34.)

#### b. The financial management system

Not explicitly mentioned in the log frame is the new financial accounting system, which DHS designed and the financial accounting advisor implemented. Implementation of the DHS system thus appears to be an "unplanned output"; in many ways it was the most successful output of all. However, although the DHS financial accounting system was well designed and is used effectively by OFNACER, it cannot be considered to have been fully implemented until the General Accounting policies and Credit Sales policy have been formally accepted and duly incorporated. These policies have been drafted by the long-term financial advisor, but OFNACER senior management has yet to act on them.

#### c. OFNACER's role and status

In general, OFNACER has been strengthened and is capable of handling its current work load, despite frequent changes in leadership. However, OFNACER's commercial buying and selling

operations are very costly; it would lose less money by not buying any domestic grain at all. As a result, OFNACER depends on income realized from handling food aid to balance its domestic grain marketing losses. The government is currently considering expanding OFNACER's control over food marketing and distribution, diminishing the role of the private sector. OFNACER and related government activities are discussed in greater detail in Chapter II, pp. 34-45 and Chapter III, pp. 58-60.

D. Principal Recommendations

1. Project design

- o USAID should pay greater attention to the available literature, data, and criticisms during project preparation, and should be more willing to question its own basic assumptions. All major project objectives should be closely examined within the rigorous structure of the log frame. Whenever possible, qualified outsiders should be brought in to critique the project design; and
- o Coordination with other donors should be undertaken early in the project design phase. USAID should inform its contractors about the activities sponsored by other donors within the same area.

2. Achievement of project purpose

- o USAID should recognize that its support to OFNACER is not improving grain marketing conditions or contributing to increased cereal production and long-range food security in rural areas. It should seek other means to help the government achieve the project purpose and goal, and it should redefine its policy and expectations regarding OFNACER;
- o USAID should expand its policy dialogue with the government, using the results of CEPS studies, CRED research and past research to help indicate to policymakers the negative effects of national efforts to dominate the grain market and the desirability of using a free market approach. It should oppose and refuse to support an expansion of OFNACER's role by the Burkinabé government; and
- o Future warehouse building programs should be approached with caution.

3. Project assets and achievements

- o USAID should resist the temptation to require professional qualifications of their TA teams beyond the requirements of most of the work that will actually be performed. For those

activities where a postgraduate education is an essential prerequisite, short-term consultants can be brought in to work with resident advisors:

- o USAID should try to use the mechanism of counterpart funds whenever appropriate;
  - o USAID should make clear that it is not prepared to replenish the OFNACER rolling fund, and that mechanisms to protect its working capital are in OFNACER's own interest;
  - o USAID should exert its influence to convince the OFNACER senior management of the desirability of implementing the remaining components of the DHS financial accounting system; and
  - o USAID should assist OFNACER in its debt collection, an area where OFNACER on its own account has made some progress. USAID should also be prepared to support OFNACER in the further establishment of the audit and control function.
4. General recommendations regarding future US/Burkinabé cooperation in grain marketing

The current Burkinabé government is considering an expanded role for OFNACER in its grain marketing policy. The evaluation team believes that expanded government control over food marketing and distribution will work against improved grain marketing, against increased cereal production and food security in rural areas, and against the attainment of national food self-sufficiency (the sector goal). Since these results are contrary to the interests of the general population, we recommend that USAID seriously question continued support of OFNACER.

Genuine improvements in marketing conditions in Burkina Faso can only be brought about by fundamental policy changes. The government should abandon the desire to try to control grain markets and forego setting official prices. Very limited government intervention at the wholesale level to maintain an emergency stock for that part of the population that is unable to stock their own cereals might be considered. Additional efforts to impose government control over the markets ("maîtrise du marché")--by having OFNACER control a substantial market share or by more coercive methods--should not be undertaken. Such policies are counterproductive, and USAID should find ways of communicating this to the government. Attempting to do so "from the inside", through the CEPS, has had absolutely no effect. Cereals policy is made at the ministerial level, if not at an even higher level, and that is where USAID's voice must be heard. Absent such policy influence, the fundamental result of the project is an improved and more efficient OFNACER that is better able to impose the government's market control policies.

However, OFNACER plays an additional role other than to intervene in the domestic grain markets: it receives, stores and distributes the food aid that Burkina Faso receives. It is certainly in the interest of USAID as well as the Burkinabés to have a competent and efficiently run operation that can carry out these tasks. The project has succeeded in improving OFNACER's abilities to carry out this function, and in that way has been a worthwhile undertaking.

Besides providing needed assistance to a portion of the population, food aid channelled through OFNACER also provides a much needed source of income for the organization. As many reports have noted, OFNACER's operating costs exceed the margin allowed by the official buying and selling prices, and even its variable costs are higher than this spread. Accordingly, OFNACER increases its losses with every additional unit bought domestically. Its only profitable line of business is the distribution and sale of donated food aid, where OFNACER is allowed to deduct its costs prior to depositing the net receipts in the different counterpart accounts. Thus, OFNACER's lifeblood is donated food aid, and it is probably only a small exaggeration to state that OFNACER can never afford to have a good harvest, for this would cause the pipeline from abroad to dry up. This places USAID in a difficult position. If we want to provide the necessary food aid to those who need it most, we are placed in a position of propping up OFNACER, and with it the government's marketing policies, which may be highly counterproductive.

In conclusion, as noted above, USAID should recognize that its support to OFNACER is not improving grain marketing conditions or contributing to increased cereal production and long-range food security in rural areas. It should seek other means to help the government achieve the project purpose and goal, and it should redefine its policy and expectations regarding OFNACER.

For this purpose, this evaluation has recommended that the Mission seek to expand its policy dialogue with the government to help educate policymakers on the negative consequences of attempts to control the grain market and to encourage a shift toward a free market approach. It should oppose and refuse to support an expansion of OFNACER's role in grain marketing by the Government. An objective would be a streamlined OFNACER set up to manage security stores and food aid, with greatly reduced responsibilities for intervening in grain marketing combined with other more productive measures to improve food and grain marketing. If the Government insists on embarking on strong and rigid controls of grain marketing, USAID may wish to consider the alternative of attempting to channel food aid through private volunteer organizations. To increase the ability of these organizations to accept and distribute the food aid that it can provide, USAID might also want to consider logistic and other support. Such a strategy would provide food to those who need it most without at the same time subsidizing an OFNACER following counterproductive marketing controls.

## I. INTRODUCTION AND PROJECT BACKGROUND

### A. Purpose of the Evaluation

In December 1984, the Agency for International Development (AID) contracted with Devres to carry out a mid-term evaluation of the Grain Marketing Project in Burkina Faso on behalf of the USAID Mission.

According to the contract, the objectives of this evaluation were to:

- o Assess the activities of the Grain Marketing Development Project to date with regard to the fulfillment of the project's intended purpose and objectives; and
- o Present recommendations as to appropriate activity modification or development which can be proposed as a future National Cereals Officer (OFNACER)-USAID/Burkina Faso project activity.

The scope of work (see Annex 1) included:

- o Assessment of the project assumptions;
- o Review of other grain marketing activities being conducted in Burkina Faso and presentation of suggestions for better coordination of research conducted under the project;
- o Review of project inputs;
- o Review of the financial system designed by one of the project's contractors, its installation, and the financial management and reporting system of the OFNACER; and
- o Recommendations for improved project implementation, performance and financial management of OFNACER.

Two remarks are important. First, the evaluation took place only a few months before project activity was expected to be completed (May 1985) so that it represents more an end-of-project evaluation than one at mid-term. The delay in scheduling the evaluation is considered regrettable since points of concern which the evaluation raises come too late to be useful for mid-term corrections.

The second point is that the terms of reference are quite broad, requiring that the evaluation team not only "assess the activities of the Grain Marketing Development Project to date", but also "present recommendations as to appropriate activity modification or development which can be proposed as a future OFNACER-USAID/Burkina Faso project activity" (see Annex 1). In discussions with AID officials in Washington, as well as with the Mission Director, the Agricultural

Development Officer and the Grain Marketing Project Officer at USAID/Burkina Faso, it was confirmed that the evaluation team should interpret its mandate broadly. The team was explicitly instructed not only to evaluate the performance of the different participants in this project, but also to consider questions raised by USAID's institutional support of OFNACER. The team was also asked to provide recommendations on whether and how the project ought to be extended, or whether a follow-on project should be considered.

The research component was explicitly excluded from this evaluation, as it had just been completed and no results were available yet. It was specified, furthermore, that the emphasis of the evaluation should be on the technical assistance (TA) rather than the financial components of the project, as an internal USAID evaluation team had already analyzed extensively problems associated with the counterpart fund aspects of this project in November, 1982 and a Government Accounting Office (GAO) team had reviewed the PL 480 counterpart accounts in December, 1984.

## B. Procedures

The evaluation methodology consisted of:

- o A thorough review of documentation;
- o Interviews with the General Director and Technical Director of OFNACER, officials in the Government of Burkina Faso, other donor representatives, technical advisors to OFNACER, and officials of USAID;
- o Site visits, outside of Ouagadougou, in Burkina Faso, and to Southeast Consortium for International Development (SECID) Headquarters; and
- o Frequent review of evaluation activities with USAID/Ouagadougou.

The evaluation team conducted an extensive review of the available literature on grain marketing in Burkina Faso, and conducted a series of interviews with individuals involved in the project as well as others knowledgeable about OFNACER and Burkina Faso grain marketing policies. The list of people contacted is given in Annex 2. As most of these people so requested, we have refrained from attributing specific comments to individuals.

In reviewing the large number of studies and reports on grain markets in Burkina Faso, care was taken to assure that the individuals making decisions in this project were, or should have been, aware of them. It would, of course, be most inappropriate to criticize a particular decision as ill-informed, on the basis of a study that was not published until after the decision had been reached.

Additional sources of information for the evaluation team were the voluminous project correspondence files, as well as relevant internal USAID memos. In this fashion, it was possible to clearly document major USAID decisions, and analyze the justifications given.

With respect to Burkinabé government policies, however, this was not always possible. The current government is actively seeking to reduce the flow of paperwork and official decrees. For example, there is no written order or decree covering the transfer of oversight authority over OFNACER from the Ministry of Rural Development to the Ministry of Commerce and Supply of People's Needs. The decision for this change was reportedly taken by the Council of Ministers in November 1984, and was effective with the arrival of the new Director General at OFNACER. But there exist no minutes or any other documents that would explain the reasons for this decision.

Nevertheless, every effort was made to locate official government documents and public announcements on cereals marketing and price policy in Burkina Faso. These are cited throughout this report, and some are reproduced in its annexes. In addition, the team raised the question of what policies the Burkinabé government intends to follow and what role OFNACER would be expected to play in these policies. This was done in a series of interviews with representatives of donor organizations, technical advisors, and Burkinabé government officials, most notably the Secretary-General of the Ministry of Commerce, and the incoming Director General of OFNACER.

The evaluation team consisted of Daniel F. Kohler, Agricultural Economist and Team Leader, and Clive Baker, Financial Management Specialist. Dr. Kohler, who has followed grain marketing in the Sahel in general and in Burkina Faso in particular since 1975, was responsible for evaluating the policy and planning aspects of the project, while Mr. Baker concentrated on the financial management component.

The team arrived in Burkina Faso on January 4, 1985. The evaluation team obtained permission from the Director General of OFNACER to visit two regional management centers, Koupéla and Fada N'Gourma, as well as the only completed warehouse constructed under this project in Boulsa. Each week, the Team Leader provided an oral report to the USAID Project Officer. A final oral presentation was made to the Mission prior to the team's departure on January 24, 1985. The oral report was accompanied by a written draft report with recommendations. In February, the team visited the headquarters of SECID where it met with SECID and Lincoln University regarding the TA inputs they provided to the project. Included in these meetings were the long-term financial advisor, Mr. Tim Mooney, who by the time of the evaluation had completed his assignment with OFNACER and had returned to the United States.

## C. Analysis of the Problem and Identification of Project Objectives

### 1. Myths and facts about the traditional system

Every researcher who has ever tried to analyze grain markets in the Sahel bemoans the absence of hard data and fact on which to base conclusions and recommendations. The individuals who designed the Upper Volta Grain Marketing Project are no exception. A large portion of the Project Paper (PP), for example, is devoted to emphasizing the gaps in our knowledge about cereals markets in Burkina Faso. Indeed, this is taken as a basis for justifying the research portion of this project.

Lack of data has become such a common complaint that many do not even bother to look for the data that are available. In 1977, the Team Leader of this evaluation participated in a large analytic survey of grain marketing in the Sahel for the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS). This survey produced voluminous statistical appendices and identified many sources of data useful for the analysis of grain marketing in all Sahel countries, including Burkina Faso (Upper Volta). The report was also quite critical of the common complaint about the absence of data.

Lack of reliable data has become a common complaint for all researchers operating in less developed countries. But quite frequently this has been exaggerated. Claiming that it is not reliable, researchers frequently refuse to take certain data into account. This convenient twist of logic makes it possible to consider only the facts which happen to coincide with one's beliefs. Any desired conclusion can be reached if this form of argument is permitted.<sup>1</sup>

This is nowhere more true than in the grain marketing area. For years donors and governments alike have ignored much of the data that were available in favor of continued reliance on stylized "facts" which justify government intervention in the cereals market. Some of these are:

- o Farmers are exploited by having to sell their marketable surplus immediately after the harvest;
- o Farmers are trapped in a debt cycle which forces them to sell their grain prior to harvest and then purchase it back at exorbitant prices during the next soudure;

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<sup>1</sup>CILSS/Club du Sahel, Marketing, Price Policy and Storage of Food Grains in the Sahel, A Survey, Vol. II: Country Studies: Niger (Ann Arbor: Center for Research on Economic Development (CREDE), University of Michigan, 1977), p. 37.

- o Intra-annual price fluctuations are excessive, as a result of speculation by merchants and traders wielding market power; and
- o There are "market price inefficiencies which translate to unremunerative producer prices and much higher consumer prices."<sup>1</sup>

Many of these claims about traditional markets, however, are more myth than fact. They have acquired some credibility only because everyone repeats them. Any study based on actual data provides ample evidence that these stylized facts are at least inaccurate or exaggerated, if not downright false. For example, the CILSS report, in analyzing available data found that intra-annual price fluctuations are much less than is commonly claimed. The median increase over the period from harvest to soudure is only about 60 percent, nowhere near the tripling and quadrupling of prices that is generally claimed.<sup>2</sup>

The same can be said for the various claims that farmers are forced to sell their grain after harvest, only to have to repurchase it again at much higher prices during the soudure. An Office for Scientific and Technical Research Overseas (ORSTOM) study by Boutillier<sup>3</sup> found that only 15 percent of farmers buy and sell grain within the same year. As Boutillier himself notes, a large number of them sell one type of grain to purchase another. It is also probable that some are speculators in their own right, buying after the harvest to sell during the soudure. This leaves only a small proportion, probably much smaller than 15 percent, of farmers who sell after the harvest to buy back the same type of grain during the soudure, and their predicament can readily be explained by miscalculations and unforeseen events.

We have intentionally cited studies published prior to the drafting of the Project Identification Document (PID) and the PP. At the time that this project was designed there was ample evidence indicating the general competitiveness and efficiency of the traditional marketing channels. Jacqueline Sherman's study of grain

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<sup>1</sup>USAID/Upper Volta, Grain Marketing Project Paper, p. 4.

<sup>2</sup>CILSS/Club du Sahel, Marketing, Price Policy and Storage of Food Grains in the Sahel, A Survey, Vol. II: Country Studies: Upper Volta (Ann Arbor: Center for Research on Economic Development (CRED), University of Michigan, 1977), p. 56 (hereafter cited as CILSS/Club du Sahel, Country Studies: Upper Volta).

<sup>3</sup>ORSTOM, "Etude sur les Mouvements de Population à Partir du Pays Mossi," 1975.

marketing in the Manga region<sup>1</sup>, carried out with USAID funding, became available at that time, even though the final report was not published until 1981. While it may be correct that a "definite study of market structure, conduct and performance of the cereals sub-sector" in Upper Volta had yet to be done<sup>2</sup>, it is incorrect to claim that no hard facts were available. The hardest fact of all is that virtually every study based on actual empirical evidence led to conclusions that clearly contradicted the basic premises used to justify OFNACER's intervention in grain markets.

## 2. Analysis of the problem in the PID

The copy of the Grain Marketing PID from the project files in Ouagadougou bears no date, but it was probably completed in early 1979. There exists a precursor document also entitled "Project Identification Paper," but without the usual cover sheet and other boilerplate. This earlier document was written by Hans Guggenheim of The Wunderman Foundation and it bears a date of December 1978. Both documents analyze the situation prevailing in grain markets at that time in a similar way. In fact, the PID seems in large portions to be based directly on the Guggenheim document. However, the project proposed in the official PID is considerably different from what Guggenheim proposed and we only regard this later document as relevant.

Grain markets in the country were seen by the authors of the PID to be poorly integrated. Indeed, previous studies<sup>3</sup> had found some evidence of lack of market integration. Given the poor transportation infrastructure, it should not be surprising that markets in isolated regions react sluggishly to price signals from other markets.

If markets were poorly integrated, they would offer opportunities for spatial monopolies and/or monopsonies to persist over some time. The authors of the PID maintained that monopsonistic traders take advantage of these circumstances to dominate most markets. They were believed to take advantage of, if not manipulate outright, the annual price increases from the low prices during the period after the harvest to the higher prices during the soudure, the period immediately prior to the next harvest when stocks have been used up. Traders, it was believed, are typically speculators who buy at non-remunerative prices from the farmers after the harvest, store the grain throughout the year and then exploit the consumer during the soudure period.

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<sup>1</sup>Jacqueline R. Sherman, "Crop Disposal and Grain Marketing in the Manga Region of Upper Volta - A Case Study," (Ann Arbor: CRED, University of Michigan, February 1981) (hereafter cited as Sherman, "A Case Study").

<sup>2</sup>USAID/Upper Volta, Grain Marketing Project Paper, p. 5.

<sup>3</sup>CILSS/Club du Sahel, Country Studies: Upper Volta.

The small farmers were seen as particularly helpless victims:

Small farmers are less able to profit from the grain storage option. At harvest time they need money to pay taxes and so may be forced to sell their small surplus when prices are lowest. If they have contracted debts during years of bad harvests, they often have to meet very high interest payments on their debts, and may be forced by their creditors to pay at harvest time. If they sell too much cereals after the harvest, they may have to buy grain again later in the year when prices are highest...<sup>1</sup>

Another consequence of poorly integrated grain markets was seen to be an exceedingly low level of farmgate prices for producers of food grains. "The price that a farmer receives does not make it worth his while to increase his production of food grains."<sup>2</sup> Given the policy goal of food self-sufficiency, it was believed to be important to find ways of increasing producer prices for food grains.

The project was supposed to improve the situation through a series of activities designed to strengthen the official grain marketing agency, Office National des Céréales (OFNACER). If OFNACER was able to be a presence in the rural areas, farmers would no longer be at the mercy of the traders. Furthermore, with the proper encouragement and assistance, OFNACER could pursue a "positive" price policy, i.e., it could help raise producer prices for food grains.

Specifically, the project was to improve OFNACER's operations by:

- o Providing an agricultural economist to advise OFNACER on market strategies;
- o Providing short-term technical assistance to improve OFNACER's financial management;
- o Constructing warehouses at local and regional levels;
- o Establishing a revolving fund<sup>3</sup> for the purchase of local grains;
- o Training of OFNACER agents; and

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<sup>1</sup>USAID/Upper Volta, Grain Marketing Project Identification Document, p. 1.

<sup>2</sup>Ibid., p. 2.

<sup>3</sup>The term "revolving fund" is a literal translation from the French term "fonds de roulement," and simply describes what is more commonly called "working capital".

- o Providing other material support (vehicles, etc.).

A feature of this project was the request for PL 480 grain to be sold to cover the local costs of the project, and to help constitute the revolving fund. Approximately half of all the project costs were to be covered from local currency generated through the sale of PL 480 food aid.

At the writing of the PID total Life-of-Project (LOP) costs were estimated at slightly under five million dollars, and it was hoped that the Project Agreement between the governments of Upper Volta and the United States could be signed by October, 1979. The PID was promptly approved; the PID approval message is dated March 9, 1979.

#### D. Designing the Project

##### 1. Issues raised in the PID approval cable

The PID approval cable was not unconditional. Final project approval was reserved for the Assistant Administrator for Africa (AA/Afr), pending answers to a number of questions. In all there were 16 specific issues that should have been resolved during the PP design (see Annex 3). Some of the more important of these were the following:

- o Lack of evidence to support the contention that the farmer-trader relationship was the critical element depressing farm prices;
- o The question whether more village level storage was indeed needed;
- o The concern that an expanded and strengthened OFNACER would displace efficient private traders, rather than complement them; and
- o The question of whether OFNACER was the mechanism best suited for achieving the purpose of the Project.

Unfortunately, the PP did not directly address these basic issues. Instead, it noted that:

The final project design differs from that described in the PID in two fundamental ways. First, the emphasis on achieving intra-annual price stabilization has been replaced by an investigative approach which will assist the cereals office in defining a sustainable role with minimal recurrent charges and a greater possibility of financial self-sufficiency. The PP itself does not contain direct responses to some of the questions posed in the PID approval cable. It was not possible for the PP team to assemble the data and to conduct the analyses necessary to answer all the questions. However, the substantial investigative component

of the study will encompass a systematic examination of the remaining issues outlined in the PID cable.<sup>1</sup>

By this concession, USAID avoided addressing the hard questions concerning the economic feasibility of the project, while retaining those components of the project designed to increase the ability and efficiency of OFNACER in intervening in the market. As noted in the following sub-section, the truly basic question of whether AID should support OFNACER at all, or to what extent, was not adequately addressed. The position taken was that the government:

...is determined that OFNACER will continue to play a significant role in intra-annual price stabilization as well as in long-term reserve storage activities. Although the extent to which short-term prices stabilization is essential in Upper Volta is a debatable issue, the involvement of OFNACER in stabilization efforts is a fait accompli. This being the case it is useful to promote a cost-effective deployment of existing resources and to provide certain selected additional resources which will, at the margin, substantially enhance efficiency of the overall operation.<sup>2</sup>

## 2. OFNACER

Even though the project was supposed to improve grain marketing in general, the design as presented in the PP clearly confined the technical and other assistance to OFNACER. Furthermore, the logical framework did not adequately establish the causal linkages between strengthening OFNACER (the immediate objectives of the PP--discussed in a following section) and the PP's purpose of improving grain marketing conditions, increased cereal production and food security in rural areas. Indeed, in reviewing the project background, Annex M of the PP<sup>3</sup> notes that the OFNACER objective of grain stabilization was not an unambiguous objective; that the method proposed may not have been feasible and, if heavily stressed, could cause more economic displacement than economic development; and that there were operational and economic problems with the degree and type of stabilization effort proposed. Alternatives that might have improved the efficiency of the private market channels--such as improved communication and transportation infrastructure--were never considered.

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<sup>1</sup>USAID/Upper Volta, Grain Marketing Project Paper, pp. 1-2. The second fundamental change was the elimination of a village grain bank component.

<sup>2</sup>Ibid, p. 9.

<sup>3</sup>USAID/Upper Volta, Grain Marketing Project Paper, p. 94.

It is easy to understand USAID's affinity for OFNACER. USAID was instrumental in its founding, and has throughout the years supported it. A project that promised to alleviate some of OFNACER's more glaring inefficiencies (poor management, nonexistent accounting, etc.) must have appeared attractive. Moreover, as noted in the PP, other reasons for support of OFNACER were its important related obligations involving housing and management of emergency reserves and the programming, storage and disposition of grain imports. It was also noted that additional storage in rural areas would enhance emergency revenues as well as short-term stabilization goals if the stocks are handled properly.<sup>1</sup> As a result, however, the question of whether or to what extent AID should continue to support OFNACER was not addressed adequately in either the PID or the PP.

### 3. Marketing and price policy

The objectives and goals of Burkinabé cereals marketing policy in general, and of OFNACER in particular, are far from clear. For example, OFNACER was created in 1971 by Presidential decree<sup>2</sup> and to this date no statutes define its role and responsibilities. Its existence is commonly justified by all sorts of arguments, ranging from the need to increase farm incomes to the desire to undercut monopolistic traders. Accordingly, grain marketing policy has been very erratic. The frequent shifts of oversight responsibility from one ministry to another are one indication of this.<sup>3</sup>

At the time of this project's inception, OFNACER was under the control of the Ministry of Rural Development. It had recently been moved there from the Ministry of Commerce. It can thus be understood that the project's authors placed great emphasis on OFNACER's role in raising producer prices. Even a cursory review of OFNACER's history, however, should have suggested that viewing the support of producer prices as OFNACER's primary function was not very realistic.

OFNACER was originally set up as a grain price stabilization agency. It was believed that due to the inefficiencies of the market, private traders were reaping unduly large profits. Had this been true, it would indeed have been possible for an institution like OFNACER to buy at higher prices, sell at lower prices and still cover its costs. Furthermore, it was believed that OFNACER could offer uniform prices throughout the entire country because losses in areas where the difference between official producer and consumer prices did not cover

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USAID/Upper Volta, Grain Marketing Project Paper, p. 10.

<sup>2</sup>Government of Upper Volta, Ordonnance No. 71/003/PRES/MFC, January 1971.

<sup>3</sup>For an overview of Voltaic and later Burkinabé grain marketing policy see CILSS/Club du Sahel, Country Studies: Upper Volta, or the forthcoming OECD report by Lecaillon and Morrison.

the costs would be offset by profits in other areas. Experience revealed, however, that private traders were underselling OFNACER in the profitable markets, i.e., markets where the costs were less than the difference between official producer and consumer prices, while leaving all the high cost markets almost exclusively to OFNACER. The problem was made worse by the fact that OFNACER's operating costs were much higher than what had originally been expected, and that they probably exceeded the gross margins of most private traders.

As a consequence, OFNACER saw itself continually undercut by private traders, especially in the profitable markets, while losing large sums overall. To correct this situation, the government eventually decreed a marketing monopoly for OFNACER and the SRDs in 1974. This experiment was a disaster.<sup>1</sup> The government was incapable of buying a substantial share of the grain sold, and the legal monopoly was largely ignored. The only effect of the monopoly decree was probably an increase in marketing costs for private traders, who were exposing themselves to higher risks due to the illegality of their activities.

By the time of the drafting of the PP, the government had retreated somewhat from its 1974 decree granting a marketing monopoly for OFNACER. It had recognized that it did not have the means to enforce the state monopoly, and that it had to rely on the traditional market channels (i.e., the private traders) for a large portion of purchase, distribution and sale of food grains. The decree that proclaimed this new official policy<sup>2</sup> was cited in the PID and the PP as evidence of a new, more rational cereals policy pursued in Burkina Faso.

Much as this decree was welcome, it was probably overvalued as the sign of a new beginning. More likely, it was an expression of the frustration the government felt with its inability to control the markets through a state monopoly, rather than a fundamental change in thinking. It recognized a fait accompli--that OFNACER could not displace the traders completely--but did not recognize the full importance and social role of the private trade. Fixing of official producer and consumer prices, for example, was retained.

These prices were still applicable to anyone buying or selling cereals. An interministerial commission<sup>3</sup> recommended in January, 1981 that the price controls should be applied with more vigor, and that

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<sup>1</sup>CILSS/Club du Sahel, Country Studies: Upper Volta.

<sup>2</sup>Arrêté No. 01308/mcodim/dgcp/dci portant réglementation de la campagne de commercialisation des produits agricoles locaux, 1978/79.

<sup>3</sup>Rapport Relatif à la Commercialisation des Céréales. Etude confiée à un groupe de travail: Ministère du Commerce/Ministère du Développement Rural, January 1981.

those merchants who did not respect the official prices should be more severely punished. It also recommended that the price control agents be accompanied by gendarmes for their protection during their visits to the markets.<sup>1</sup>

The authors of the PP--who at that time believed they were observing a rationalization of the government's grain marketing policy--were probably misled. Most likely, the basic desire to control the market had not changed; the government had simply recognized its inability to enforce its decrees. Nevertheless, it was still keen to see a more efficiently operating OFNACER, recognizing that this was essential for control of the grain markets.

None of the above discussion is intended to convey the impression that there was no need for improving cereals marketing in Burkina Faso. Inefficiencies did exist (and still do), and there are numerous ways in which they could be minimized or at least reduced. However, it is the opinion of the evaluation team that strengthening OFNACER market intervention capabilities was not the best way of achieving the goals of the project design.

#### E. USAID's Objectives

##### 1. Explicit objectives

The PID and the PP both give improving agricultural output to achieve self-sufficiency, as the overall objective of the project. According to the PP the immediate objectives of the project were:

- o To improve the ability and operating efficiency of OFNACER to buy and sell grain in rural areas;
- o To upgrade OFNACER's ability to allocate storage facilities in a manner which maximizes efficient use of its resources; and
- o To make a systematic diagnosis of the Burkinabé grain marketing system with the objective of determining how the private sector's extensive capital stock and entrepreneurial talents can best be utilized in a mixed system.

The project was to achieve these objectives by means of five interrelated components:

- o Technical assistance within OFNACER;

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This is a justified concern. During a visit to the price control office in 1976, the author learned that none of the price control agents had been in the market during the last ten months for fear of physical harm. One agent had a particularly telling excuse for his inability to commute to the market--the traders had broken his bicycle.

- o Short-term training in the United States for 15 OFNACER employees;
- o A revolving fund financed out of PL 480 counterpart funds;
- o Construction of storage facilities and provision of materials to operate them; and
- o Country-wide research into grain marketing by private and public traders.

Apart from the research component, the project focuses exclusively on improving the efficiency of the official marketing channels. However, one might argue, somewhat paradoxically, that OFNACER's inefficiency had in the past been its saving grace. Because OFNACER was inefficient, the government had been unable to enforce the most extreme of its marketing policies, such as the state monopoly, and ultimately had to concede the major portion of the cereals market to the private sector. If OFNACER was now made more efficient, especially at the retail level where the USAID-sponsored new warehouses were to be built, it was being put in a position to compete more effectively against the private traders. This runs completely counter to the recommendations of the CILSS/Club du Sahel report, which recommended that OFNACER should not attempt to displace private traders, but should instead work with them.

## 2. Implicit objectives

While the explicit objective of the project was to improve marketing conditions through improvements within OFNACER, there is at least one implicit objective that would warrant technical assistance to OFNACER. For the past 15 years, Upper Volta/Burkina Faso has been a major recipient of food aid from the United States and elsewhere. There have been serious problems with the accounting for this food aid, which culminated with the discovery of a 535 million CFA Franc (US\$ 2.7 million) shortfall in the counterpart accounts at about the time this project was being considered.

There was thus justifiable doubt as to whether OFNACER was capable to adequately manage and account for the food aid it was receiving. It may well have been USAID's implicit objective to improve OFNACER's ability to handle food aid. Certainly, USAID must have recognized the utility of the project in enhancing OFNACER's ability to manage and account for food aid. The PP did, as mentioned above, note in the economic feasibility analysis that OFNACER had important obligations for managing emergency reserves and food imports. Possibly, this aspect of the project was not explicitly noted in the goal or purpose of the project log frame because of concern that it might be interpreted as "institutionalizing" food aid.

If USAID had explicitly established as a project objective strengthening OFNACER to handle food aid, the project might have been designed quite differently. An institution whose acknowledged purpose was the handling of food aid in emergencies would have to look considerably different than OFNACER today. It would have to be much more flexible, administratively smaller, with only a skeletal staff. Instead, with the improvement of OFNACER's ability to intervene in the domestic cereals market the explicit objective of this project, USAID continued to support a large permanent parastatal bureaucracy, which depends on food aid for its continued existence.<sup>1</sup> Indirectly, food aid was thus more permanently institutionalized than if an objective of building an institution to handle food aid had been pursued.

#### F. Appropriateness of the Project's Assumptions

The project's intended contributions are laid out in the project logical framework (log frame) in Annex 4. They consist of technical assistance, coupled with training of OFNACER personnel in the United States, the construction of additional warehouses for OFNACER, provision of equipment for these warehouses, providing OFNACER with working capital generated through the sale of PL 480 food aid, for the purpose of purchasing local grain and the research component added to improve the information base and analysis needed for policy formulation.

The technical assistance consisted of short-term technical assistance (TA), primarily in financial management, and a two-person long-term technical assistance team<sup>2</sup>, consisting of a financial management specialist and an agricultural economist. The former was to assist OFNACER in improving its accounting system, while the latter's role was primarily to form a planning unit in the commercial directorate of OFNACER, and to staff it with two Burkinabé collaborators. This Cellule d'Etudes et de Planification Statistique (CEPS) was to provide studies and analyses to OFNACER's senior management, particularly its commercial director, who is responsible for OFNACER's buying and selling campaigns.

The project design thus sought to tackle just one of the shortcomings in Burkinabé grain marketing: the lack of operational efficiency at OFNACER. The assumption was if OFNACER was better run, was better able to plan its buying and selling campaigns, had more and better storage facilities at its disposition, and had sufficient

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<sup>1</sup>Most observers agree that OFNACER depends for its existence on continuous infusions of foreign aid and capital, primarily in the form of food aid. See for example, Enger, "Marketing Position."

<sup>2</sup>Originally a third person, an information management specialist, had been planned, but this position had later been deleted and functions merged with those of the short- and long-term financial management advisors.

working capital, it could more effectively intervene in the cereals markets. If OFNACER was more efficiently managed and better equipped it would be better able to carry out its role in Burkina Faso's grain marketing policy.

As noted early, however, this line of reasoning presupposes that OFNACER's interventions in the cereals markets were desirable per se, and that the bad experiences with OFNACER in the past were primarily due to its inefficiency. The designers of the project were aware of the possibility, indeed the danger, that the government might be tempted to try again to use OFNACER to replace the private marketing channels, rather than supplement them where necessary. The numerous references to the perceived improvements in government grain marketing policy were testimony to this sensitivity. It is in part out of these concerns that the research component was added and that the long-term TA team's role in conducting marketing studies was stressed. The expectation was that through these activities information could be generated that would convince policymakers that it was desirable to continue liberalizing grain trading, and to limit OFNACER's market intervention.

However, in the evaluation team's opinion, this aspect of the project was not sufficiently thought out. It was unlikely that an expatriate advisor, attached to a sub-directorate at a policy executing agency like OFNACER, would ever have much influence on policy decisions. Similarly, no indication was given as to how the results generated by the research component could be communicated effectively to policymakers senior enough to make use of them, nor was there any suggestion that other donors, who through their projects and advice are influencing marketing policy in Burkina Faso, might benefit from such research.

#### G. Project Costs and Schedules

The PP estimates the costs of the project had been estimated at slightly over seven million dollars, about two-thirds of which were local costs to be financed by counterpart funds generated through the sale of PL 480 grain. Subsequent project modifications did not result in any further substantial changes in project cost.

With hindsight, the implementation schedule provided with the PP turned out to be extremely over-optimistic. The financial accounting advisor arrived in October, 1982, and the team was completed with the arrival of the agricultural economist in January, 1983, whereas according to the PP they were expected in August, 1980. Most of the delays are attributed to AID/Washington, where the change in administration as well as changes in contracting procedures delayed the issuing of the Requests for Proposals (RFPs) for the research and long term TA components. During these delays, events somewhat overtook the project, and some modifications to project design had to be made. We will discuss some of the changes in the following section of this evaluation.

## II. CURRENT PROJECT STATUS: ASSETS AND ACHIEVEMENTS

### A. Verifiable Project Achievements

#### 1. Broad project objectives

##### a. Project goal

The project logical framework (log frame), in Annex 4, listed "attaining food self-sufficiency in Burkina Faso" as the overall program or sector goal towards which this project was to contribute. It also gives a series of criteria by which the project's success in achieving this goal could be objectively measured. Ideally, the project could be objectively evaluated on this basis.

Unfortunately, this is almost impossible in the present case. Shortcomings in the project's design and assumptions resulted in the project having almost no beneficial impact on overall food self-sufficiency in Burkina Faso. Moreover, even if the project had been ideally suited to furthering the stated goal, it would be difficult to determine its success on the basis of the criteria listed in the log frame.

For example, the first objective verification criterion stipulates an increase of food production by 5 percent as a measure of success. Even if food production in Burkina Faso could be measured with the kind of accuracy needed to distinguish a 5 percent increase, it would be difficult to attribute the increase to this project. Should food production ever start to increase in an appreciable way in Burkina Faso, there would be dozens of projects from numerous donors that would have contributed in an indirect way.

Some of the other measures of verification offer the same difficulty. For example, higher grain prices will not necessarily increase the purchasing power of the rural population, who presumably are a major consumer of food grains. It is almost certain that rural consumers would tend to reduce their consumption of food grain in response to a price increase, and shift to staple foods such as manioc, that are relatively less expensive.

The published statistics and national income accounts proposed as a means of objective verification are too inaccurate to allow the necessary informed judgement. The only way any progress in achieving the broader program objectives could be assessed is through periodic surveys at the micro level. Such surveys, however, are very expensive when more than a small region or a single village is affected.

In sum, it is very difficult to ascertain whether the project had any positive impacts on food self-sufficiency in the rural areas of Burkina Faso. Even if such measurement was possible, we doubt that a

large positive effect could be found. The primary reasons for this are the problems inherent in the project design, and the incorrect premises on which the project was based. Whether the project was properly implemented or not plays a decidedly secondary role.

b. Project purpose

According to the log frame the project has two purposes:

- o To improve grain marketing; and
- o To improve the basis for policy making.

The only problem that presents itself in determining the achievement of these two purposes is whether a more efficient OFNACER is indeed an "improvement" in grain marketing. It can be argued that--if OFNACER is used to enforce questionable policies such as fixed prices, discouraging private trading of cereals, etc.--it may be less harmful to Burkina Faso's economic health if OFNACER is inefficient in achieving its goals. However, if one accepts that an efficient OFNACER is preferable to an inefficient one, the verifiable indicators proposed in the log frame may be taken as useful evaluation criteria:

(1) Rolling funds available

Although a rolling fund has been established, at present this fund represents only about 6,800 metric tons (MT) of grain, instead of the 10,000 MT originally planned. If the fund ever was constituted at the equivalent of 10,000 MT, it has already decapitalized by 32 percent over the two seasons it has been in use.

(2) Stocks of grain available

The evaluation team visited warehouses in Boulsa, Koupéla, and Fada N'Gourma. Most of them were empty. However, this may be more due to the timing of the evaluation visit (one month after the initiation of OFNACER's buying campaign) than to any shortcomings on the part of OFNACER or the project. On the market in Ouagadougou, however, grain is available and all the merchants' stalls are completely full.

(3) Increased producer prices

Official producer prices have increased (See Annex 5), and actual prices paid to producers may have gone up as well. In this respect the project has been successful, although the degree of the project's contribution to increased producer prices is unclear.

(4) Thirty warehouses completed

Presently one warehouse has been built and seven others are under construction. Thirteen more are planned. The evaluation team believes that the construction of more warehouses for OFNACER is not necessary. The Ronco study<sup>1</sup> conducted at the outset of this project made it abundantly clear that the planned warehouses were not needed. Not achieving this original objective is thus not necessarily detrimental to overall project success.

(5) OFNACER fully staffed

Except for the accounting function, OFNACER is currently over-staffed for the volume of grain it is handling. Only in accounting and control can further additions of qualified personnel be justified.

(6) Information system readily available

The information system specialist was deleted from the project design, and his functions merged with those of the DHS and SECID/Lincoln financial advisors. Currently there is no explicit information system available.

(7) Planning unit organized and staffed

The planning unit in OFNACER (Cellule d'Etudes et de Planification Statistique, CEPS) was organized and staffed. However, one of the Burkinabé collaborators has since quit his job at OFNACER to continue his career at the university. The remaining person seems well qualified, but will have great difficulty carrying on alone after the TA team leader's departure.

2. Project outputs and inputs

a. Project implementation orders and contracts

The different project implementation orders and contracts are listed in chronological order in Annex 6. The first components of the project that were initiated were the short term TA components. A pesticide specialist analyzed the different pesticides proposed for the warehousing operations and made recommendations. A consultant was also hired to make recommendations regarding the locations of the warehouses to be built under this project. He came to the conclusion that no further warehouses should be built and that OFNACER should discontinue operating in the retail cereals markets. His report, which seriously questioned some of the premises on which the project was based, was ignored.

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<sup>1</sup>Enger, "Marketing Position."

It was not possible, however, to ignore the conclusions of a team of Government Accounting Office (GAO) auditors (George L. Barwicke and Antoine Zongo), who analyzed OFNACER's ability to account for the PL 480 grain and the counterpart funds generated by it. Their report, dated April 6, 1981, was very critical of OFNACER's accounting abilities, and concluded that "without substantial improvements to OFNACER's accounting information system, it would be unwise to entrust PL 480 grain to them at this time."<sup>1</sup> This conclusion put the entire counterpart scheme of the project in jeopardy.

USAID/Upper Volta and OFNACER responded in June, 1981 by signing a project implementation order for technical services (PIO/T) to hire an international accounting firm to assess OFNACER's current accounting practices and to make recommendations for improvements. Ultimately, the Abidjan office of Deloitte Haskins and Sells (DHS) was retained for this job. By the time the long-term TA team arrived, the contract with DHS had been extended several times, the scope of work had been expanded to include the implementation of the new system, and the total costs had grown to almost half a million dollars from an original budgeted amount of US\$ 123,000.

The remaining PIO/T dealt with the training of OFNACER personnel at Kansas State University (KSU). It was signed in May, 1982, more than two years behind schedule. A number of OFNACER employees did indeed complete that course, but additional counterpart funds that had been intended for in-country and/or third country training have as yet (February, 1985) not been spent.

The long-term TA component of the project did not get under way until 1982. The original PIO/T was signed in June, 1981. However, it was modified before AID/W issued the request for technical proposal (RFP). The information specialist was deleted to reduce the budget, and his functions were added to the DHS contract. In April 1982, the RFP was issued, and on August 23, 1982 a contract was signed with South East Consortium for International Development (SECID) and Lincoln University, the only respondents. Lincoln University, one of the members of the SECID consortium, furnished the long-term TA under a sub-contract and provided technical guidance. SECID headquarters was primarily responsible for administrative and contract matters.

A careful reading of the different statements of work contained in Annex 7 reveals that USAID and its contractors were not quite in tune as to the roles the TA team was expected to play. In the original PIO/T, for example, the scope of work for the financial accounting advisor states that "He/she will be responsible for the implementation of a financial accounting system designed with USAID support," an

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<sup>1</sup>G. Barwicke and A. Zongo, "Results of Examination of OFNACER Accountign Records Relating to U.S. Public Law 480 Title II Sales Proceeds," Office of Financial Management, USAID/Upper Volta, April 6, 1981.

apparent reference to the system contracted to DHS. The RFP of April 12, 1982 (RFTP-AFR-00040) repeats essentially the same formulation. The SECID/Lincoln proposal and the contract signed in September, 1982 (Contract AFR-0243-C-00-2062-00) state, however, that the financial advisor will "design, plan for, and implement a financial accounting system." Tim Mooney, the financial accounting advisor, was therefore quite taken aback when--after the contract was signed--he found out by accident that DHS was already working at OFNACER. Such lack of communication was unnecessary and detrimental to the morale of the contractors and ultimately to the project output.

More generally, the contractor's interpretation of the assignment was much more in the direction of conducting research and serving in an advisor or consultant role.<sup>1</sup> USAID, on the other hand, may have been looking more for individuals who were willing to organize and execute tasks within OFNACER. A clearer definition of the roles, and some coordination with other donors supporting OFNACER (e.g., the West German team) could have helped to avoid a number of misunderstandings later on.

The long-term TA team's role was ultimately clarified in a PIO/T amendment which led to a modified contract in August, 1984. The emphasis in the modified statements of work was clearly on applied practical work and assisting OFNACER in its day-to-day operations. Had this emphasis been clear from the beginning, the long-term TA team might have been staffed somewhat differently. As it stands, one cannot escape the conclusion that partly due to its own fault, but mainly due to the fact that USAID did not provide it with all the relevant information, the long-term TA team arrived in Burkina Faso with an understanding of their work that was quite different from what USAID and OFNACER expected them to do, as evidenced in several of SECID/Lincoln's quarterly management reports.

b. Appropriateness, impact, and effectiveness

(1) Achievement of project outputs and inputs

Most of the outputs specified in the log frame were achieved, albeit not in the hoped-for magnitudes. Fewer warehouses have been built, the rolling fund is smaller than planned, and fewer OFNACER employees than specified have attended the KSU storage course. Local and third-country training seems to have atrophied completely and there have been some problems with the materials supplied (see Section (4) below).

Some inputs were reduced over the life of the project. Instead of 9.5 person years of technical assistance, only about 6.5 were ultimately provided (DHS 2.7 and SECID/Lincoln 3.75). The shortfalls

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<sup>1</sup>The Team leader, Dr. Mounissie, claims to have had no knowledge of the CRED research component prior to his arrival in Burkina Faso.

in training and materials have already been noted. Overall, however, the evaluation team feels that most adjustments made during the course of the project have been reasonable, and it would be inappropriate to attach too much importance to the literal execution of the project design as represented by the log frame.

(2) Appropriateness of project outputs and inputs

The appropriateness of the project outputs and inputs must be measured against the project goal and purpose. The explicitly stated purpose was to "improve grain marketing conditions, increase cereal production and food security in rural areas" and "improve the basis for policy and operational decision making". However, the project's actual purpose was much narrower, and focused exclusively on improving OFNACER's operations.

With respect to the narrow focus, the project outputs were appropriate, i.e., if they were produced, the project purpose would be furthered. It is also clear, that under those circumstances, the project inputs were the correct ones for producing the desired outputs. However, this does not necessarily imply that the project's stated (broader) purpose was well served by these inputs and outputs. For this to be the case, one would have to assume, that improvements in OFNACER's operational efficiency would lead to improvements in marketing overall.

One output that was not entirely appropriate was the construction of more warehouses for OFNACER. The consultant hired to evaluate the priority sites for these warehouses made it very plain in his report that they were not needed. It is unfortunate that the Burkinabé government and OFNACER nevertheless insisted on at least some warehouses being built.

(3) Relations with other donors

It is not an exaggeration to state that over the duration of this project, USAID and its contractors relationships with other donors were poor. This was especially true in the case of the team of West German consultants already working at OFNACER when the American teams arrived. There were numerous conflicts and misunderstandings regarding the respective roles of different teams. OFNACER management did not intervene forcefully enough to resolve the conflicts, although the SECID/Lincoln team explicitly asked them to do so.

This is most unfortunate, but it is understandable that OFNACER management did not intercede. According to Tim Mooney, OFNACER consistently considered the USAID team members to be USAID employees. The evaluation team feels that the USAID project manager should have contacted other donors active at OFNACER during the project design phase, and certainly prior to the DHS and SECID/Lincoln teams' arrival. USAID's intended contributions should have been explained to and

discussed with the other donors, and the way in which the different projects were to interact should have been considered. Thus, with some foresight and a little diplomacy things could have been made considerably easier for the TA teams. Improved cooperation among donors would also have been of benefit to OFNACER.

The security grain stock, which was in the purview of the West German team, had only recently been integrated into OFNACER. The German team thus found itself under new management. The German team claims that it was never informed about the role of the USAID-financed long-term TA, and the SECID/Lincoln team did not know that West Germany was already providing technical assistance to OFNACER. In addition to discussing the project with the West German team, the USAID project manager should also have briefed the DHS and SECID/Lincoln teams and informed them of the other donor's activities and the way in which the work would be divided.

This failure to apprise the SECID/Lincoln team of the potential areas of conflict with other donors was in part responsible for unnecessary confrontations precipitated by the SECID/Lincoln team. It was, for example, not very politic of Dr. Moussie, the long-term agricultural economist, to suggest almost immediately after his arrival that the management of the security stock be merged with that of OFNACER's general stocks. While the advantages of such a solution may be clear to most, it was probably interpreted differently by the German team. Its members dug in their heels to defend their turf.

It appears that the most serious friction arose in the financial accounting section, where the roles of the German advisor and the SECID/Lincoln financial management specialist overlapped. The Director of Finance did not take a forceful enough initiative to clear up the situation. As a consequence the American and the German advisor were more often working in parallel, if not actually against each other, rather than together.

To understand some of the friction, one must realize that the approach of the German team has been fundamentally different from that of USAID. It sees little use in consultants and advisors. Instead the Germans have tended to send practitioners, who come and do the work until a system works smoothly, and then fade away slowly, if at all. The job descriptions the Germans foresaw for their collaborators can be summarized in five words: "Watch how I do it." The German team had years of experience working in cereal marketing offices in the Sahel and perceived the SECID/Lincoln University team as theoreticians with little or no shirt sleeve experience in the management of cereal marketing offices. These operational and perception differences between the two groups could have been minimized with a little understanding and advance communication.

USAID's failure to inform and brief the long-term TA team about the different roles and possible conflicts was not the only error of omission. USAID did not inform the long-term technical advisor about

the DHS contract, which had been funded by USAID, nor was SECID/Lincoln aware of the research component funded under the same project. As a consequence, the long-term TA team arrived fully believing they were going to be the only outside advisors to OFNACER, and were not prepared to accommodate the views of other foreign technical advisors.

#### (4) Material problems

This evaluation has not analyzed the materials component of the project in detail. We note, however, that there were discrepancies between the goods specified in the project implementation orders for commodities (PIO/Cs) and the material actually delivered. For example, some tarps were measured in feet, even though the PIO/C clearly specified meters, and some equipment was delivered with instructions in English only.

Since only one of the originally 30 proposed warehouses has been built, much of the material is still in storage. The evaluation team visited the only warehouse financed out of the counterpart funds generated under this project (at Boulsa), and found it contained only three bags of Pakistani rice. The warehouse keeper was on sick leave, visiting his colleagues at the regional headquarters. No equipment was located in this warehouse.

The reasons for the delays in warehouse construction are numerous. The consultant who had been hired to evaluate the priority sites concluded that there was no justification for building additional storage for OFNACER.<sup>1</sup> But since this report was largely ignored by the Burkinabé government as well as by USAID, and was soon replaced by a study conducted by CEPS which reached opposite conclusions, it could not have been the major reason for the delays. Most of the slippage was simply due to delays in obtaining bids and awarding contracts by the Burkinabé government. As of the writing of this report, one warehouse is completed, seven more are under construction and expected to be completed within three months, and bids on 13 more have been awarded. This last group of 13 is expected to be completed by October of this year. No further warehouses are planned at this time.

The contract team also had considerable problems with the US-supplied vehicles. The Jeeps did not survive the hardship of local roads. The local contractor hired to maintain them (Manutention Africaine) was unable to keep them in working order. The problem eventually was resolved by getting rid of the vehicles and purchasing new vehicles (Toyotas) out of counterpart funds.

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<sup>1</sup>Enger, "Marketing Position."

(5) Cooperation and expertise of Burkinabé collaborators

The evaluation team was impressed with the caliber of the Burkinabé personnel cooperating with the SECID/Lincoln team. They work under most difficult circumstances and with admirable motivation. Many find themselves in the unenviable position of holding responsibilities which exceed their authority, especially in the financial department. This characteristic of highly bureaucratic structures such as OFNACER, has been reinforced with campaigns of the current government against real or presumed enemies of the people, who do not execute their jobs faithfully enough. One result is that many are afraid to take decisions, and tend to push this responsibility further up the line.

Unfortunately, it took over four months to staff the CEPS. The two Burkinabés who were ultimately hired were quite competent. At this point there is only one left. The other collaborator had been holding two jobs, teaching part-time at the university in addition to his job at OFNACER. He received a promotion at the university, which forced him to decide. According to Dr. Moussie, the collaborator would have preferred to continue working for CEPS, but could not refuse the government's appointment, as it was an appel de la patrie.

B. Contractor Performance

The contractors had little or no involvement in the design of the project. They responded to RFPs and carried out the work as specified for them by USAID. Their performance, therefore, has to be evaluated primarily on the grounds of how well they carried out the tasks assigned to them, and not on how well those tasks were designed.

1. Deloitte Haskins and Sells (DHS)

The financial accounting system devised by the Deloitte Haskins & Sells team was found, with three minor exceptions, to be both comprehensive and adequate for the purposes of OFNACER's reporting both to USAID and the Burkina Faso Government. Without compromising these fundamental requirements DHS has evidently made a laudable effort to keep the system as simple as possible. This is especially appropriate in view of the fact that no proper accounting records had been kept by OFNACER prior to 1981.<sup>1</sup> A complete Financial and Accounting Manual has been provided, divided into five sections:

- o Organization;
- o Accounting Policies and Practices;

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<sup>1</sup>Deloitte Haskins and Sells, "Improvement of Accounting and Stock Control Systems for OFNACER, Upper Volta," December 14, 1982, Appendix C (hereafter cited as DHS, "Improvement").

- o Chart of Accounts;
- o Accounting Procedures; and
- o Internal Audit.

Twenty-two copies in French have been supplied to OFNACER and four in English to USAID. Its loose-leaf form allows for subsequent modifications.

Given the nationwide extent of OFNACER's operations the system had to be created in such a way as to provide for greatly decentralized accounting. The DHS team recognized this and designed the system accordingly, even though its implementation thus necessitates the presence of adequately trained personnel in each of OFNACER's regional centers. Followed carefully, the instructions contained in the Financial and Accounting Manual make it possible to maintain the necessary control over purchases, sales, cash and inventory on a daily basis, and to facilitate the timely provision of reports for management.

The three minor modifications introduced subsequently by OFNACER's accounting department relate to the buying campaign, year-end closing, and accounting analysis procedures and are dictated by standard procedures established by OCAM (Organisation Commune Africaine et Mauricienne). As was provided for in the Manual, these modifications should have been inserted into the Manual by OFNACER but this has not yet been done and they have not yet been brought to the attention of USAID.

The team received several comments of appreciation of the DHS system from accounting staff in both Ouagadougou and Fada N'Gourma. The DHS contract was originally due to end in October 1981, but after five extensions finally terminated in December 1982, during which time the team had not only designed the system but also implemented it in OFNACER's head office and some (but not all) regional centers, controlled and supervised the distribution and storage of 12,000 MT of sorghum, and given on-the-job training to numerous OFNACER accounting staff.

The performance of the DHS team is considered excellent.

## 2. SECID/Lincoln

### a. Overview

The long-term technical assistance component of this project had been declared a Title XII project, and thus was reserved for University-affiliated institutions. The only bid came from SECID with a subcontract to Lincoln University. Neither institution had had much previous experience in the Sahel, but they were nevertheless able

to put together a well-qualified team. They cannot be blamed for the shortcomings in the project design, although an institution more familiar with the background history of government-directed grain marketing in the Sahel might have felt more free to question some of the assumptions supporting the project design.

As was pointed out above, the statement of work for the two long-term technical advisors was modified significantly over the course of the project. The very detailed description of their duties in the modified contract of August, 1984 (see Annex 7) is considerably more operationally-oriented than was the original proposal. It contains a description of the work that had, with mutual agreement, been carried out during the first part of the project. It is thus the relevant document describing what USAID expected from the SECID/Lincoln team, rather than the original contract which contains a statement of work based partly on incorrect assumptions (see above, Section A.2.a). It also contains a list of additional detailed tasks that were expected to be carried out before the end of the project. When this document was signed, the financial advisor had only three months left on his contract, and this evaluation is taking place only four months later. We presume that the contractors were aware of the modified statement of work before the actual signing of the contract amendment.

b. Agricultural economist

The specific responsibilities of the Agricultural Economist during the first part of his assignment were:

- o To establish and develop the research unit (CEPS), including on-the-job training for the Burkinabé counterparts, development of a market information system and execution of "specific studies as required to complement existing data.";<sup>1</sup>
- o To assist the Commercial Director in planning the buying and selling campaigns;
- o To assist OFNACER in the development of an improved warehouse distribution plan; and
- o To assist OFNACER in the analysis of transportation, storage, and administrative costs.

The Agricultural Economist, Dr. Moussie, carried out all these responsibilities, albeit with varying success. The CEPS was established and appears to be operating, despite the recent departure of one of the Burkinabé collaborators. The fact that the new Director General has asked Dr. Moussie to develop a new organization plan for OFNACER can be taken as evidence that the CEPS has acquired some

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<sup>1</sup>See Annex 7.

prestige. However, it should have more influence, and for this purpose it would have to be moved up and attached to the Director General's office.

Developing a market information system, however, proved to be impossible. For obvious reasons, traders simply refused to talk to OFNACER employees, even if these "disguised" themselves as students. This mistrust of government (méfi du gouvernement) is a consequence of the policies pursued by the current government, and there is nothing that OFNACER can do about that. Of course, it was somewhat unrealistic to believe that OFNACER would be able to collect market intelligence from its competitors, even if these did not have to fear being exposed to the government.

The evaluation team has reviewed the analyses of past buying campaigns and the planning documents for the current ones, and found them to be of good quality and quite informative. It appears that some of the suggestions, such as limited regionalization of prices, are actually being applied by the new Director General. What does not seem to be working yet is the integration of these analyses into overall corporate planning, particularly financial planning. Dr. Moussie is pushing for such an integration, and his efforts may yet prove successful.

The warehouse study was requested in response to Ronco Corporation's refusal to recommend any new warehouses (see below). Warren Enger, the Ronco consultant, had concluded that the small business volume of OFNACER did not justify an expansion of warehouse infrastructure, particularly in light of the fact that OFNACER already had difficulty managing the warehouses it owned, and additional structures would only spread its resources even more thinly. In the evaluation team's opinion, Ronco's objections to new warehouse construction are valid and USAID should have taken them seriously. The long-term advisor justifies the need for more small warehouses in rural areas by the argument that OFNACER should expand its role to reaching more farmers directly. His cost/benefit calculations are based on a comparison of the rental costs and the costs of warehouses owned outright. This method of course presupposes the need for more warehouses, and evaluates solely whether they should be rented or owned. The Ronco study may nevertheless have had some influence: the overall plan for construction of new warehouses has been reduced from 30 warehouses to 21.

The costing study prepared by CEPS is quite informative and probably one of its best pieces of work. The German financial advisor also prepared a costing analysis along somewhat different lines. The bottom line from both studies is quite similar: OFNACER's costs are considerably above the margin allowed between official buying and selling prices. Even the variable costs alone are above that margin, implying that an expansion of OFNACER's business would only increase losses. Those involved in preparing these studies hope they will be used in future meetings of the interministerial committee on prices.

The statement of work lists ten specific responsibilities which Dr. Moussie should carry out between June 3, 1984 and his departure in May 1985. (See Annex 7.) Some, such as continuing the on-the-job training, are simple extensions of the overall responsibilities. However, some responsibilities are completely new and may be unattainable before his departure.

The majority of the responsibilities seem to involve managerial functions. "Planning computer systems appropriate for OFNACER's managerial requirements," or "better coordinate the management of the regional management offices" are tasks that do not require the training and background of an agricultural economist, but a manager with some practical experience. One task explicitly directs Dr. Moussie to complete a detailed analysis of market prices, using the newly established market information system. While such a task would be appropriate to Dr. Moussie's training and background it ignores the foreseeable problem, namely, that OFNACER has been unable to collect much useful market intelligence. One of Dr. Moussie's Burkinabé collaborators in the CEPS explained to the evaluation team the subterfuges and tricks he and his colleagues went through in their attempt to collect market information from private traders. They were largely unsuccessful, as is documented in Annex 5 where some of the price data collected by the CEPS are reproduced. The market prices for grain on the Ouagadougou market in recent years are listed as unavailable due to price controls. Being an interested party, OFNACER is ill-suited as a collector of market data, especially in an environment of increasing state intervention in the market. The collection of market data statistics should be left to other institutions.<sup>1</sup>

At the time of this evaluation, only two tasks in addition to the general on-the-job training for the remaining Burkinabé collaborator were well under way. The analysis of the previous buying campaign was done, and an analysis of warehouse utilization was under way. Since some of the other items require the cooperation of OFNACER's senior management--who at the time of this evaluation were preoccupied with preparing the necessary documents for the transition from one Director General to the next--the evaluation team has been unable to evaluate how many more tasks are likely to be completed before May 1985, when the project is expected to end.

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<sup>1</sup>Nongovernmental agencies such as ICRISAT, some donor organizations such as USAID from 1980 to 1983, and some private researchers such as Sherman have had much less difficulty collecting price information, and most of it is publicly available. The research component of this project will probably also produce reliable price information.

The statement of work for the agricultural economist in the contract modification is in effect a list of things that ought to be done. If by his departure in May, 1985, Dr. Moussie has only completed a portion of this list, it will not be entirely his fault. Nevertheless, the evaluation team would like to suggest the following tasks as most important:

- o Task 7: Analyze previous year's commercial activities to inform OFNACER management. The analysis of the 1983/84 campaign is done. However, it is an analytic synthesis of several past campaigns, rather than an individual analysis of each, which would be desirable;
- o Task 1: Continue training of the remaining Burkinabé collaborator; and
- o Task 6: Complete a detailed analysis of market prices. Instead of trying to rely on data collected by OFNACER, data from other sources, where it is available, should be used (see footnote 1 above).

In addition, Dr. Moussie should continue his current efforts to push the CEPS upwards in the hierarchy, in order that it might have at least some influence on policy. Most of the remaining tasks on his list, though desirable, are less crucial from the evaluation team's point of view.

c. Financial management advisor

From October, 1982 to June, 1984 the Financial Management Advisor's specific responsibilities were:

- o To assist and advise the Financial Director and Director General concerning the implementation of OFNACER's revised accounting system, designed by DHS;
- o To assist OFNACER develop and implement a system of physical inventory;
- o To establish and advise an internal account inspection unit;
- o To establish and advise the analytical cost unit;
- o To assist OFNACER with the revision of its Credit Sales policy and establish a unit within the Financial Office responsible for credit sales;
- o To assist the Financial Director with the management of diverse food aid accounts;

- o To assist OFNACER management review its existing management structure and present recommendations; and
- o To provide on-the-job training of the staff of the Financial Office.

It is evident that the advisor, Tim Mooney, worked very hard and performed excellently in certain of these areas. However, by his own admission, he was unable to succeed in all due to circumstances beyond his control.

As a first step the advisor prioritized OFNACER's needs with regard to implementation of the DHS Financial and Accounting Manual. He began with the General Accounting and Accounting Inspection sections, which cover sales, cash receipts, cash expenses, purchases, grain purchases, stocks, salaries, counterpart funds, logistics, general ledger, control procedures and the reporting system.

Thanks to Mr. Mooney's close collaboration with regional controllers and warehousemen, the regional centers are now demonstrating their ability to provide the proper information in the proper format to Ouagadougou, although delays and arithmetical errors are still occurring as mentioned elsewhere in this report. In Ouagadougou he trained staff to analyze these reports and to detect errors before proceeding to consolidation, and the progress made is still in evidence after his departure. He also designed additional procedures, in concert with the Head of Stock Management, for tracking and analyzing all stock movements month by month.

Until the arrival of the financial accounting advisor there was considerable duplication of work between the accounting and marketing departments. Mr. Mooney succeeded in inducing them to cooperate, especially on accounting analysis, and the result was a very substantial reduction in paperwork--by the advisor's reckoning as much as 60 percent. It is difficult to understand how the existing staff complement ever coped with the paperwork volume before.

There are now two well-trained auditors in Ouagadougou as a result of the on-the-job training he provided. Mr. Mooney also trained one member of the accounting staff to follow the Manual's prescribed procedures for accounting and reporting of Counterpart Funds (Fonds de Contrepartie), and this system has been seen to be working well at that level; delays in submission of these reports to donors arise now only from the ensuing paper chase through two ministries.

In the area of stock evaluation, Mr. Mooney reports that he was unable to obtain the support of the Director of Finance and Accounting for the exercise for fiscal year ending (FYE) 9-30-83, with the result that the DHS procedures were not followed and stock evaluation at regional centers was not supervised. The result of this is that the opening inventory for FY 9-30-84 is based on unverified figures, and short of being in ten places simultaneously there was nothing he could

do to prevent this. He did have a further twelve months in which to convince OFNACER management of the necessity of adhering to the DHS provisions, and as of 9-30-84, he succeeded in ensuring that stock evaluation was properly supervised by accounting staff representatives in Ouagadougou and all regional centers.

Given the heavy demands of the above work statement the advisor was wise not to devote too much of his time to the analytical accounting section. This function had been supervised by his German counterpart and was already one of the better-run sections. The evaluation team has seen work produced by this section, as mentioned elsewhere in this report, and it is satisfactory.

Lack of cooperation on the part of OFNACER senior management denied Mr. Mooney the opportunity to introduce a Credit Sales policy. Revision of such a policy, as specified, was superfluous as none had ever existed. In conjunction with the Director of Finance and Accounting and the Head of Credit Recovery, the advisor drafted a Credit Sales policy--as required by both the DHS manual and the work statement--and submitted it to the Director of Finance and Accounting for approval in mid-1983. At the time he left, no management action had been taken and the Head of Accounting has informed the evaluation team that his own subsequent efforts on this subject have produced no result. The persistent lack of a Credit Sales policy is, in this team's opinion, one of the most serious defects in OFNACER's accounting system.<sup>1</sup>

Assisting OFNACER management in reviewing its existing management structure is another area in which the advisor was unable to make headway. A commission formed to study OFNACER's organizational structure--of which the advisor became a member on his arrival (replacing the DHS financial systems advisor)--submitted its recommendations to OFNACER's senior management. These were accepted, and the final report was submitted to the Minister of Rural Development in May, 1983 for approval, but no reply has ever been forthcoming.<sup>2</sup> From June to December, 1984 the advisor's specific responsibilities were:

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<sup>1</sup>The Director of Finance and Accounting has succeeded in reducing the actual volume of credit sales. On the other hand, an official at the Ministry of Commerce informed the evaluation team of the plan to expand credit sales. OFNACER would ultimately supply grain on credit to all civil servants and salaried employees, who would have repayment deducted directly from their paychecks.

<sup>2</sup>OFNACER has since been placed under the supervision of the Ministry of Commerce and Supply of People's Needs.

- o To monitor and assist the application of all procedures included within the financial and accounting manual and continue the training of the accounting and financial personnel;
- o To finalize the Financial and Accounting Manual;
- o To participate in the definition of needs for the computerization of the Financial Management Office; and
- o To assist OFNACER to improve the quality of its management.

As mentioned above, the advisor saw both implementation of the manual and training of staff as his first priorities, and organized his efforts accordingly from his arrival. Finalization of the manual was completed, with the exceptions that:

- o The three modifications of accounting procedures for the buying campaign, period-end account closing and analysis accounting have yet to be inserted in the manual; and
- o Definitions of a Credit Sales policy and General Accounting policies, which were formulated and submitted by the advisor, have still not been formally ratified.

Despite the advisor's active participation in discussions to define a computerization program, and a formal proposal to form a study team including SECID/Lincoln, FAO and German aid personnel, OFNACER senior management has failed to lend its support. The FAO advisor acted unilaterally and bought an Apple computer, which has never been used, and the German team replaced their NCR accounting machine with an NCR computer. The subject of donor co-operation is discussed elsewhere in this report.

Valuable assistance has been rendered throughout by Mr. Mooney. His performance in the face of a number of difficulties beyond his control has been exemplary.

### 3. Ronco Corporation

Ronco Corporation carried out the short-term contract to evaluate and rank the first ten sites for the construction of small to medium warehouses. Ronco was also asked to develop criteria for evaluating the remaining 20 locations. In its statement of work it was specifically instructed to apply the profit maximization/cost minimization criterion. In other words, Ronco was asked to select those locations for new warehouses that would contribute most to the reduction in OFNACER's operating expenses.

The Ronco consultant (Warren Enger) visited Upper Volta in May, June, and July of 1981. His report, dated October, 1981, is a very careful piece of analysis, possibly too careful for OFNACER's and

USAID's liking. He concluded that none of the thirty proposed sites for new warehouses could be justified on economic grounds. He even went one step further and concluded that OFNACER's costs compared to the private sector's did not warrant continued operation in the retail grain trade. Even the effectiveness of OFNACER's efforts toward one of its prime objectives was questioned. Observing that OFNACER's market interventions are sporadic and do not take into account the actual economic costs, the Ronco consultant finds that "OFNACER may be creating distortions in the market that will have negative effects on normal distribution and price stabilization systems." In other words, the private market's price stabilization functions are being undermined.

The Ronco study carefully sifts the available empirical evidence. Unlike the PID or the PP, it contains a bibliography that lists a number of empirical studies concerning farm production and marketing behavior in Upper Volta. Although the study certainly has a number of gaps and shortcomings, it should have been taken more seriously by USAID, for it questioned the basic premises on which the entire project was based.

The quality of the Ronco report should have led to a reexamination of the premises on which the project was based. In his departure report, the USAID agricultural economist in charge of the project speculates that the Ronco consultant suffered from "short-term contract burn-out" and possessed "negative biases". The evaluation team cannot support this assessment. The findings and conclusions that Ronco arrived at are all well-supported, with as much hard data as were available. It is true that the study does not take into account the social role that OFNACER might have to play, but Ronco's statement of work clearly directs it to do its analysis on the basis of the "profit maximization/cost minimization principle".

It is possible to interpret the Ronco consultant's statement of work narrowly. If he was asked only to provide a ranking of the 30 preselected sites, he may indeed have overstepped his scope of work by stating that none of them justified construction of a warehouse. But in doing so he answered a question that should have been answered long before. The PID approval cable had already raised the question "Is there really a need for more village level storage?" and made approval of the project contingent on the answer. However, nowhere in the PP is this question answered. The Ronco report finally answered this query as unambiguously as possible, and USAID did not draw the consequent conclusions.

## C. OFNACER

### 1. OFNACER's role

OFNACER's traditional role was that of a market stabilizer. By actively intervening in grain markets through purchases from farmers after harvest and sales to consumers during the oudure, it was

supposed to reduce the fluctuations in prices. However, OFNACER has never been able to handle a sufficient quantity of grain to be a major force in the market, and its effect has probably been quite limited.

In 1980, OFNACER also was put in charge of managing the national security stock of local grain being accumulated with West German technical assistance. Each year a certain portion of the locally purchased grain is turned over to the security stock, and the grain being rotated out of the security stock is sold through the usual OFNACER channels. Currently the security stock has a capacity of 30,000 MT, although less than 10,000 MT are actually in use.

In addition to these functions involving locally produced grain, OFNACER has also assumed the responsibility for the distribution of food aid that has been flowing to Burkina Faso in a steady stream since the large drought of 1973. This has become a very important part of OFNACER operations. Practically all the commodities that the evaluation team saw in OFNACER warehouses during its visit were food aid.

Transactions involving domestically produced grain are very costly for OFNACER. According to an analysis made by the CEPS, OFNACER's costs are around 60 CFA per kg. More than half of these costs (CFA 35) are fixed costs, which decline with increasing volumes, and the variable costs amount to about 25 CFA per kg. An alternative analysis conducted under this project by the Ronco Corporation<sup>1</sup> estimates the total costs to be about CFA 46 per kg, with variable costs amounting to 28 CFA per kg. These estimates are important in view of the fact that the spread between official producer and consumer prices, which defines OFNACER's maximum margin, has never exceeded 24 CFA/kg. It is therefore not possible for OFNACER to reduce its losses by increasing the volume of its business; each additional kg sold will cause additional losses amounting to CFA one to three. In economic terms, OFNACER is operating below the shutdown point: it would lose less money by not buying any domestic grain at all, despite having to pay for the fixed costs.

The activity that contributes the most toward keeping OFNACER in business today is the steady inflow of food aid. This is because the sale of such food aid is the only operation where OFNACER can cover its costs. It is allowed to deduct its operating costs from gross revenue earned from food aid sales prior to depositing the balance in the various counterpart accounts. OFNACER is thus a parastatal bureaucracy that depends heavily on food aid for its financial existence; this implies that it has a very strong interest in the declaration of food emergencies in Burkina Faso year after year. Also through OFNACER, USAID and the other donors have institutionalized food aid to a larger degree than if they had created a specific agency with expenses geared solely to distributing food aid in emergencies.

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<sup>1</sup>Enger, "Marketing Position."

One solution to OFNACER's problem would of course be a widening of the spread between producer and consumer prices. But it is most doubtful whether such a strategy would succeed. Private traders face considerably lower marketing costs than OFNACER. Observers estimate private sector margins to be around 10 to 15 percent of the retail price, from CFA ten to twenty (US\$.04) per kg in most major markets.<sup>1</sup> Of course, the increased costs of supplying inaccessible regions are reflected in higher margins for those areas. However, because OFNACER is committed to the same buying and selling prices in all markets at all times, it is easy for the private traders to concentrate on the profitable ones, leaving the high cost ones to OFNACER. If OFNACER's spread were increased, more markets would become profitable for private traders and OFNACER's business would decline even further. The evaluation team feels that even if OFNACER were to offer regionally differentiated prices, it could not compete against the inherently more efficient (i.e., operating at lower cost) private traders.

## 2. Changes in management and role during the project

Since the initiation of this project OFNACER has had six different Director Generals. Mr. Bansé, who had signed the original PIO/T for this project in December, 1980 was shortly thereafter replaced by Alfred Sawadogo. Alfred Sawadogo had come in with the new regime of President Zerbo, and promptly started a housecleaning campaign.<sup>2</sup>

In November, 1982 Jean-Baptiste Ouédraogo took over as President of Upper Volta, and Thomas Sankara became Prime Minister in January of 1983. In June of 1983, the new regime replaced Alfred Sawadogo as Director of OFNACER with Robert Ouédraogo. Alfred Sawadogo was put on trial for allegedly enriching himself as Director of OFNACER, convicted, fined and imprisoned.

It was clear from the beginning that Robert Ouédraogo was only an interim Director until the new regime could put its own man in place. On August 4, 1983, Thomas Sankara took over as President in a coup, and replaced Robert Ouédraogo with Mamadou Sawadogo, an East German-trained agronomist. Mamadou Sawadogo, who according to some had a habit of

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<sup>1</sup>See, for example, Sherman, "A Case Study;" and I.S. Ouédraogo, "A Socioeconomic Analysis of Farmers' Food Grain Marketing Linkages and Behavior in Eastern Upper Volta" (PhD Dissertation, Michigan State University) (hereafter cited as Ouédraogo, "Socioeconomic Analysis"). The World Bank, Upper Volta Agricultural Issues Study (Washington, DC: The World Bank, October 1982) reports a "guesstimate" of 12 CFA/kg.

<sup>2</sup>In an internal memo the USAID project officer comments that in this effort, the new Director General found the USAID-sponsored accounting system very useful (memo by D.A. Smith, n.d.).

placing his AK-47 machine gun on the table during discussions to emphasize who was in charge, was by all accounts a "dynamic" Director. He was given essentially free rein to run OFNACER along the lines of the new revolutionary government.

Mamadou Sawadogo started implementing the policies of the new regime by integrating the local political authorities--the Committees for the Defense of the Revolution (CDR)--into the grain marketing system. His view of how OFNACER should sell cereals is expressed in a Note d'Information on how OFNACER grain sales should be organized (see Annex 8). Since then, the CDRs have also been integrated into the OFNACER buying campaigns (see Annex 10), and they also play an evermore important role in approving trader licenses and controlling grain movements.

Mamadou Sawadogo's reformation of OFNACER was interrupted by his death due to a traffic accident, early in 1984. He was replaced as Director of OFNACER by Laurent Ouédraogo, who had been OFNACER'S Director of Commercial Operations, and later its Controller General. Laurent Ouédraogo was a cautious man, working hard to improve OFNACER'S technical abilities but refusing to make any decisions that might be politically difficult. He left of his own volition, and was replaced in December of 1984 by Tiéri Béni.

With the arrival of Tiéri Béni, OFNACER was also transferred from the supervision of the Ministry of Rural Development to the Ministry of Commerce and Provision for People's Needs (Approvisionnement du Peuple). Tiéri Béni had in fact been at this Ministry before and was sent to OFNACER to impose the new policies. By the time this evaluation team arrived, these new policies were not yet spelled out in detail. However, it seems unlikely that the cautious, technocratic management style of Laurent Ouédraogo will continue. Both the new Director General, as well as the General Secretary at the Ministry of Commerce, talked to the evaluation team at length about their plans for making OFNACER more dynamic and expanding its role.

A role which OFNACER will increasingly have to play, according to the government officials interviewed by the evaluation team, is a social one. Already during the last soudure OFNACER had been ordered by the government to sell some cereals at half price for a period of time. OFNACER did submit an invoice to the national treasury for the losses thus incurred but has not been paid to date. In addition, OFNACER is also seen as the major instrument by which the government can impose its price policy, which is essentially based on social considerations. The minutes of the latest interministerial price committee meeting are quite clear on that point (see Annex 9). However, USAID has consistently refused to support OFNACER as an instrument of social policy.

### 3. Current state of OFNACER competence

It would be inappropriate to make any assessment of the management quality and personnel efficiency within OFNACER at the present time without first making reference to the situation which existed prior to 1981. For the first six years of its existence OFNACER failed to maintain proper records, especially with regard to accounting and reporting, and the effort involved in rectifying the mistakes and omissions of the past still causes undue strain and demands on precious management time.

OFNACER is at present finalizing its accounts for FYE 9-30-84 and will be submitting them to an external auditor before 1-31-85. For an organization with some 120 sales centers throughout a country in which the communications system leaves much to be desired, this four-month preparation period is considered satisfactory. An accounting analysis has also been prepared in terms of manpower costs per metric ton of sales at each of the regional centers. The significance of this is twofold; firstly, OFNACER's accounting function has demonstrated its ability to produce these figures; secondly, the great divergence in these costs from center to center indicates an inadequate control over manpower resources.<sup>1</sup> Now that this system of accounting analysis has been introduced it is expected that it will eventually constitute a useful management tool.

Timely reporting has still not been fully achieved. The DHS Financial and Accounting Manual requires operation reports to be submitted to Ouagadougou by the seventh day of the following month, but only six of the ten regional centers normally achieve this. It appears that the four centers failing to report on time are the same ones each month. The Director of Finance and Accounting is presently considering withholding salaries to encourage compliance. Further delays are commonly experienced in Ouagadougou at the typing stage, and it is not unknown for a week to elapse between the submission of the handwritten drafts of the consolidated figures to the Head of Accounting and the commencement of typing.

The submission of reports on Counterpart Funds to USAID and other donors is likewise subject to delays. First, the reporting requirements of each donor differ considerably, creating additional strain on OFNACER's accounting function. Secondly, after the report has been signed by the Finance and Accounting Director, the paperwork has to be passed to the Director General, then to the Ministry of Commerce, then to the Ministry of Foreign Affairs before the donor can see it. Keeping track of the documents through these various stages is another unnecessary drain on accountants' time.

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<sup>1</sup>SECID, "Quarterly Operational Report 7," August 1984, p. 5.

The audit department is inadequately staffed. It consists of only two persons, and both are often required for additional duties with the result that neither can be considered a full-time auditor. For the eight month period ended June 1984 the department was inoperative altogether.<sup>1</sup> Apart from the personnel time constraints the department is found to be performing a useful function. However, for an entity whose transactions are effected almost entirely in cash, the controls in force are insufficient. Internal fraud is known to have been perpetrated in one regional center, and the suspect disappeared without trace; indeed, it was only his disappearance which brought the defalcation to light. At least one travelling inspector is needed as a matter of urgency, to visit regional centers unannounced, and conduct snap examinations. At present, the controls existing at the regional level rely heavily on each regional manager's honesty, and thus present considerable temptations. Furthermore, OFNACER has no insurance policy covering cash in transit.

Additional strains on the accounting function are imposed by:

- o Arithmetical errors and incorrect carried-forward balances in reports from regional centers;
- o Difficulties in communicating with certain regional centers (by telex, telephone, or other means) in order to rectify errors; and
- o Late starts of buying campaigns, due to late notification of the official buying price by the Ministerial Committee. No buying campaign has ever begun on time.

Another factor adversely affecting OFNACER's ability to function effectively is the inadequacy of the local banks. Until 1982 all transactions were in cash, but since then funds for buying campaigns have been remitted from Ouagadougou to the regional centers by bank transfer, thus introducing an element of security. It is not unknown, however, for the banks to mislay the funds for up to three weeks at a time, with personnel and vehicles standing idle during these periods. It is even more common for the bank branches to have inadequate cash in their vaults when the transfers are received, resulting in further delays as all purchases are cash transactions.

The accounting staff often work late into the night and weekends in order to keep up to date, and the present Director of Finance and Accounting has taken no vacation in three years. This is directly attributable to the volume of paperwork in relation to the staff available. Morale is detrimentally affected. OFNACER is hard put to maintain sufficient control over its present workload of 20 percent - 30 percent market intervention. Any further additions of responsibility such as envisaged by the Ministry of Commerce, e.g., 50

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<sup>1</sup>SECID, "Quarterly Operational Report 7," August 1984, p. 6.

percent of the market share and retail credit sales to civil servants and other salaried workers, would inevitably surpass OFNACER's ability to maintain proper accounting records.

#### 4. Progress achieved

Without any doubt, considerable improvements have been achieved during the project thanks to the efforts of the SECID financial advisor, the Director of Finance and Accounting, and the latter's overworked team.

OFNACER now has a complete manual accounting system in place which is producing the necessary reports. The 9-30-84 accounts will be ready to go to external audit at the end of January, 1985. For the first time ever, inventory valuation was supervised by representatives at local and regional levels as of 9-30-84.

Until recently, much management time was being devoted to the problems and inadequacies still existing from the past, and five changes of Director General over the past two years have been responsible for several months' holdups of work in the accounting department. The heavy workload has prevented OFNACER from building up any standard of personnel flexibility in accounting, with the result that any absences through sickness, etc., cause more problems than they should.

One discrepancy suggesting a lack of coordination between Ouagadougou and the regional centers was found by the team during its visit to Koupéla and Fada N'Gourma. The team found that whereas copies of all monthly reports submitted to Ouagadougou are retained in the latter, Koupéla keeps no files of these reports, meaning that any loss in transit would necessitate duplication of effort in Koupéla and delays in account consolidation in Ouagadougou. This elementary precaution should be brought to the attention of regional managers.

With three modifications, OFNACER has implemented the DHS accounting procedures in their entirety and has thus been able to make dramatic improvements so far. The modifications--namely in period-end account closing, buying campaign accounting and accounting analysis--have been made in order to conform to OCAM (Organisation Commune Africaine et Mauricienne) procedural requirements, but until now they have not been inserted in the Financial and Accounting Manual at OFNACER and USAID has no record of them.

The whole question of implementation of the Manual rests on the formalization of accounting policies by OFNACER's senior management. This has still not been done, with the result that the organization of the system has been achieved by virtue of the Director of Finance and Accounting having had to assume responsibilities well beyond his own authority. It is much to his credit that his hard work and decisiveness have finally produced a working system. For as long as this situation is allowed to continue, the position of the Director of

Finance and Accounting will remain an unenviable one and progress in this important area will depend upon the willingness of the Director to continue to extend his authority.

The lack of support from senior management so far is especially apparent in the case of Credit Sales, where there is still no established chain of command or policy stipulating who has the authority to extend credit. Accounts Receivable, in the form of unsettled credit sales, accumulated over the years up to CFA 1.2 billion (US\$ 2.5 million) until the Director of Finance and Accounting, in addition to his normal duties, took it upon himself to initiate a recovery exercise in October 1984. The SECID/Lincoln Financial Management Advisor had gone to great pains already to bring the gravity of this situation to the attention of OFNACER senior management. In many cases prior to 1981 the identity of the debtor cannot even be established due to incomplete records. Since October, 1984 over CFA 300 million (US\$ 620,000 plus) has been recovered as a result of the recovery exercise. Moreover, OFNACER has submitted many more cases to the Ministry of Justice for action; it is understood that these cases represent a total exceeding that of recoveries to date, and it would be desirable for USAID to do whatever it can to ensure timely action on the part of that Ministry.

The balance of the Working Capital (Fonds de Roulement) account as of January 7, 1985 was CFA 543,159,598, equivalent to approximately 6,790 MT of white sorghum at the prevailing buy price of 80 CFA/kg. It was the intention of USAID that this account would be maintained at the counter value of 10,000 MT. There is no mechanism in place to prevent further decapitalization.

In terms of accounting and reporting, the progress achieved so far is considered sufficient, even though there is room for improvement, as noted above. The overall utilization of the accounting and reporting system, however, is not sufficient in that it has had little influence so far on OFNACER management capabilities.<sup>1</sup> OFNACER senior management should be encouraged to begin using the system as the management tool it is intended to be.

##### 5. Prospects for the future

As the team was informed by a senior official at the Ministry of Commerce and Provision for the People's Needs, the Burkina Faso Government intends to raise OFNACER's level of market intervention from the current 20 to 30 percent up to 50 percent as a first step. Also, he said, it intends to introduce sales of cereals on credit to all government officials, eventually followed by a system of credit sales to all salaried workers in the private sector. It is not known

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<sup>1</sup>Deloitte Haskins and Sells, "Improvement of Accounting and Stock Control Systems for OFNACER. Upper Volta," December 14, 1982, Appendix C (hereafter cited as DHS, "Improvement").

to the team how many people this represents, but OFNACER's Director of Finance and Accounting agrees that such measures will constitute an additional workload which simply cannot be handled with OFNACER's present resources. Maybe the credit sales could be processed through another government organ, such as the Caisse de Péréquation, but the expansion of OFNACER's market share to 50 percent alone would entail, inevitably, a far greater number of regional centers and a proportionate increase in the monthly reports to OFNACER Ouagadougou. The preparation of reports in the regional centers, and the collation, correction and consolidation of these reports in Ouagadougou each month represents approximately half of OFNACER's accounting workload.

One of the project's major achievements was the implementation of the DHS-designed accounting system in 1982. Since then OFNACER has had four new Director Generals (DGs), and each successive DG has been further removed from any involvement with the DHS team's work. Thus, each has felt less committed to the DHS system than his predecessor and the appreciation of the system's benefits by senior management has been somewhat dissipated.

Nevertheless, OFNACER is at present still adhering to the DHS system. There is a reasonable chance that OFNACER will continue to adhere and maybe even improve upon present standards of efficiency provided that:

- o The size of OFNACER's accounting staff does not fluctuate or decline;
- o The position of Director General does not change hands as frequently in the future as during the past two years; and
- o No additional burdens such as those mentioned above are placed upon OFNACER'S accounting department.

#### D. Burkinabé Cereals Marketing Policy

##### 1. Influence of the project on policy formulation

The project attempted to influence policy formulation in Burkina Faso through the creation of a planning unit (Cellule d'Etudes et de Planification Statistique, CEPS) within OFNACER. This planning unit was headed by the long-term agricultural economist, and was staffed initially with two Burkinabé counterparts. By providing statistical information and analyses to the OFNACER management, it was supposed to inform policy formulation and execution in the grain marketing area.

However, CEPS was not well placed to influence Burkinabé grain marketing policy. It was attached to the commercial directorate of OFNACER, a sub-directorate of a policy executing agency, several layers removed from where policy is formulated. Despite this

structural difficulty, CEPS has succeeded in exerting some positive influence on marketing policy and could, over time, develop a somewhat broader audience for its statistics and analyses.

For example, by providing OFNACER with data and analysis, especially analyses of past buying campaigns, the CEPS has helped develop the arguments that have led to a narrowing of the gap between official producer prices and market prices (see Annex 5). It is doubtful whether the official producer prices have much influence on the grain markets, and it is likely that the official prices have simply followed the market prices. Nevertheless, since it is USAID's position that such increases in producer prices are a necessary precondition to a more rational policy towards the producers of food grain, these increases can be viewed as a policy success.

This emphasis on raising producer prices, however, has distracted from the more fundamental question of whether the government should dictate producer and consumer prices at all. The official producer price tends to be irrelevant for most producers, many of whom are not even aware of it. What matters to them is the market price they can get when they try to sell their grain. Furthermore, only a few of them understand the artificial distinction between producer and consumer prices, as the failure of the 1983/84 buying campaign illustrates. Consumer prices were announced shortly after producer prices were set, and OFNACER found that those farmers who were aware of official prices were trying to hold out to sell their grain at the higher price.

The CEPS has never been asked to address such fundamental issues as whether OFNACER should intervene in the retail markets at all, and whether the Burkinabé government should try to fix prices. On their own, Dr. Moussie, the long-term agricultural economist, and his colleagues never touched such sensitive topics either. The reports that were produced took as given the need for direct government intervention in the cereals markets in general, and the need for OFNACER in particular.

This reluctance was probably due to the recognition of serious political constraints. Dr. Moussie wanted to be heard by the Commercial Director and the Director General. Had he taken a stance more critical of the state of affairs in Burkinabé cereals policy, he would probably not have had any effect at all. Given that these questions were not raised during project design, when they should have been considered, it was wise of Dr. Moussie not to raise them once the CEPS was established.

Within these constraints, the CEPS has without doubt had a positive influence on Burkinabé cereals policy. It has helped develop the basic information for this year's donor meetings for example, and its statistics are trusted and accepted. Dr. Moussie can take credit for this positive development.

## 2. Prospects for further improvement

Consistent with the aims of the current Burkinabé government, OFNACER is taking on an expanded role. It has been transferred back from the Ministry of Agriculture to the Ministry of Commerce, now called the Ministry of Commerce and Supply of People's Needs. It is easy to read too much into this transfer of responsibility; however, it is probably fair to say that OFNACER's role as a primary tool of raising farmer incomes seems to be diminished relative to other social aims. A high official of the new supervising ministry (Commerce) explained to the evaluation team that OFNACER's primary role was the control of markets (maîtrise du marché). This codeword "control" has been at the heart of all interventions into the cereals markets since OFNACER's early days.

USAID, too, once supported the goal of influencing the markets.<sup>1</sup> It was believed that with a relatively small share of the marketed supply (20 to 30 percent), the cereals office could effectively control the markets and thus protect producers and consumers. Experience, however, has shown that the cereals office can at best influence the markets in a marginal fashion. That is not satisfactory for the new government, which now plans to expand OFNACER's market share to at least 50 percent as a first step.

At the same time the study team was informed that the Ministry of Commerce has begun registration or licensing of all cereals traders in cooperation with the local political authorities, the CDR. The purpose of this registration, government officials stated, was to have information about likely speculative stocks which then could be mobilized (i.e., confiscated) by the CDR in case of market imbalances.

During the last harvest CDR militia had begun stopping trucks carrying grain throughout Burkina Faso. Proposals are under way to institutionalize these controls and to allow grain shipments only with the approval of the revolutionary authorities. The main purpose of these controls is to avoid shipment of Burkinabé grain into neighboring countries; the net effect, however, is an increase in risks and thus costs associated with grain trading throughout Burkina Faso.

As a consequence one can expect a retrenchment in private marketing activities. On several previous visits to Burkina Faso, the leader of this evaluation team had never experienced much difficulty in inducing private traders to talk openly about their businesses. During this visit, however, questions by the evaluation team were met with considerably more suspicion than ever before. OFNACER's CEPS was trying to collect some statistical information from traders, but found that traders categorically refused to talk to government or OFNACER

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<sup>1</sup>See, for example, Frank Ellis, "Report on the West Africa Grain Stabilization Project," USAID, May, 1972. (Mimeographed.)

agents. If dealers in grain now risk having their stocks confiscated during the soudure, it is safe to predict that many traders will seek alternative activities.

This implies that in order to "provide for the people's needs", OFNACER will have to expand its operations. In the evaluation team's opinion, OFNACER is not equipped to handle a rapid expansion of its responsibilities, nor should it have to. The ill-fated attempts at monopolization in Burkina Faso, as well as in neighboring countries, should be sufficient to dissuade most governments from such an experiment. The current Burkinabé government, however, seems to feel that with the active involvement of the CDRs, some of whom have recently been armed to form a sort of militia, it will be able to enforce its decrees. The CDRs already receive a commission from OFNACER for their cooperation in the buying campaign (see Annex 10), and they are in charge of controlling the family allotments in the OFNACER sales offices (see Annex 8). They would probably be the ones in charge of enforcing the quotas which the Minister of Commerce has been proposing.<sup>1</sup>

This increased politicization of OFNACER's operations is a disquieting development, but it is largely outside USAID's or its contractors control. The ideological zeal of the current Burkinabé administration does not make it very receptive to US policy advisors' suggestions. As a result, the contribution of the USAID project has been reduced mostly to improving the managerial efficiency of OFNACER. Within some limitations described elsewhere in this report, it has essentially succeeded in doing this. In a perverse twist of fate it may be that, thanks to USAID, the Burkinabé government now has a more efficient tool with which to execute its planned cereals policy.

#### E. Impact on Other Grain Marketing Activities

##### 1. Farmers

It is probable that the project has had positive effects on those farmers who are able to sell to OFNACER directly. Inasmuch that the project has contributed to increases in official producer prices offered by OFNACER for the grain it buys, it has influenced those farmers' incomes in a positive way. Based on OFNACER's own statistics, however, over half of the 24,752 MT of local grain purchased in 1982/83 was purchased from private traders, who probably paid market prices for the grain. Assuming an average sales volume of two to three

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<sup>1</sup>Establishing production quotas for local grain was suggested by the Minister of Commerce at a meeting with foreign donors on January 4, 1985.

sacks per household<sup>1</sup>, this implies that only about 60,000 farm families--less than 10 percent--are likely to have been able to sell their grain to OFNACER. In 1983/84 OFNACER bought only 5,681 MT, despite a ten percent increase in the official producer price. How much was purchased from private traders, and how much by OFNACER directly is not known, but even if all of it had been bought by OFNACER directly only very few farm families would have been directly affected.

Such calculations are of course irrelevant, as long as official prices are below market prices. But official prices have been increasing, and the level for the current campaign (80 CFA/kg; See Annex 10) is quite close to market prices in many locations. However, purchases by OFNACER do not appear to be markedly higher than in past years<sup>2</sup> and the number of farm families affected by OFNACER is likely to remain small.

Through the work of the technical advisor in CEPS, however, OFNACER has at least been sensitized to the importance of the small farmers, and the need to view prices realistically. Thanks to the improvements in operating efficiency brought about by the project overall, and by the Financial Advisor in particular, OFNACER is today more likely to be able to purchase grain once it becomes available. Inasmuch as every additional purchaser in rural markets improves the situation for the farmers, this is a positive development.

## 2. Consumers

Consumers, especially urban consumers, have always been the primary beneficiaries of the implicit subsidy provided through OFNACER's operating deficits. As long as OFNACER's deficits are being reduced through improvements in efficiency, consumers continue to enjoy the benefits. As OFNACER becomes capable of handling more grain, the number of potential beneficiaries grows.

The construction of additional warehouses that can serve as outlets for food aid is also of benefit to increasing numbers of consumers. The evaluation team visited the only warehouse constructed

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<sup>1</sup>Agroprogress GmbH, the company providing technical assistance to OFNACER for the security stock, also carries out annual surveys among a sample of farmers. In their 1981/1982 survey ("Enquête Haute-Volta, 1981/1982") they list the sales volumes per capita for the various sample villages. The median is about 22 kg/capita, and the median household size is about 12. Thus, the median for sales of cereals would be somewhere around 250 kg/household.

<sup>2</sup>Most warehouses visited by the evaluation team in January, more than a month into the buying campaign, were empty, and only small quantities of grain were arriving. Furthermore, whatever grain was arriving was brought by private traders, who were importing maize from Ghana.

under this project so far, and found it standing essentially empty. However, the construction of additional warehouses is underway, and the food aid to offset the current year's declared deficit has not yet begun to arrive. Thanks to the information gathered by the CEPS and the plans drawn up by the agricultural economist, this year's food aid is likely to be distributed more directly and more efficiently than in the past. This also benefits primarily consumers.

In contrast to its limited influence on producer prices, OFNACER probably does have some influence on consumer prices, particularly in the deficit regions and cities where most of its sales take place. By being able to sell during periods of high prices, OFNACER has been able to prevent very large price increases. However, since most grain is stored at the farm level, farmers are among the primary beneficiaries of intra-annual price increases. Inasmuch that OFNACER, through the sale of donated food, succeeds in moderating such fluctuations, farmers are among those who lose from this intervention.

### 3. Traders

The government in its marketing policy has traditionally approached traders with considerable suspicion, and OFNACER has cooperated with traders only because it was never able to buy sufficient grain on its own. The USAID-sponsored CEPS within OFNACER has nevertheless been diligent in trying to convince OFNACER to cooperate with all traders. The documentation prepared by the CEPS for OFNACER's presentation at the January, 1984 donor meetings states: "The objective of OFNACER's intervention in the cereals market is not to eliminate the private traders, but lead them to respect the official producer prices".<sup>1</sup> However, in the official guidelines for the 1984/85 buying campaign (see Annex 10), OFNACER describes the three ways in which it plans to purchase grain: directly from the Groupement Villageois, from the traders (these two are the traditional methods), and directly from the farmers in people's markets, organized by the CDR. OFNACER then expresses a clear preference by stating that the traditional purchase centers have to be replaced very quickly by the popular markets (organized by the CDR, ed.)<sup>2</sup>, i.e., it plans to displace the private traders as primary purchasers on OFNACER's behalf.

It would be erroneous to view traders as a homogeneous group. Some traders have traditionally been very keen to cooperate with OFNACER, and have successfully done so. Those traders that are licensed by the government have every interest in keeping additional traders out of the markets. Some traders support the current government plans to require permits for transferring grain from one

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<sup>1</sup>Government of Burkina Faso, Ministry of Commerce and Supply of People's Needs, "Annex OFNACER," distributed at donor meeting January 4, 1985. (Mimeographed).

<sup>2</sup>See Annex 10.

region to another. The permits would be issued only to licensed traders, and would thus in effect convey to them a legal monopoly. These licensed traders are well represented in the Ministry of Commerce, and their representatives, together with the representatives of the CDR, sit on the committees that must approve all applications for new trader licenses.

In sum, therefore, the government's marketing policy favors some traders over most of the others. The favored traders have learned to use the government apparatus, especially the licensing process, to their own ends, while the majority of traders see their activities curtailed and impeded by the government. The project and the SECID/Lincoln team cannot be blamed for these policies; they are firmly entrenched in the government's view of markets as disorderly entities which require management by the government.<sup>1</sup>

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<sup>1</sup>The new Director General explained to the evaluation team in great detail what he perceived to be the primary hinderance to Burkina's marketing development. "The markets are a mess ("pagaille"), he stated. "Anybody and everybody can buy and sell. That's no way to run a market."

### III. CONCLUSIONS AND RECOMMENDATIONS

#### A. Evaluation Criteria

This project's contribution to economic development in Burkina Faso has to be evaluated on several levels. First and foremost, we have to consider whether the project has succeeded in its ultimate aim of helping Burkina Faso attain food self-sufficiency. With respect to the project log frame this amounts to evaluating the extent to which the project has contributed towards reaching the overall program or sector goal. Criteria for evaluating the project on this score are spelled out in the log frame; however, as was discussed in Chapter II, we found it difficult to reach a definitive conclusion about the project's success by applying these criteria. Our evaluation is thus based primarily on a careful analysis of whether the project, as designed, could have contributed towards the overall program and sector goals. This discussion has been presented in Chapter I, and the conclusions and recommendations are presented under Section B, Project Design, below.

The purpose of the project was more narrowly defined and thus lends itself more easily to an objective evaluation along the lines proposed in the log frame. However, there are some important assumptions implicit in the way the project approaches the problem. For example, it assumes that improving OFNACER's operational efficiency is equivalent to improving the efficiency of the overall grain marketing system in Burkina Faso. Such an assumption ignores the important role played by the private traders. Nevertheless, the criteria proposed in the log frame are relevant and they form the basis of the evaluation at this level. The first part of Chapter II has discussed the extent to which the individual objectively verifiable indicators were met, and the main conclusions and recommendations are summarized under Section C, Achievement of Project Purpose, in this Chapter.

Finally, the project was supposed to deliver certain outputs. The production of some of these outputs was the responsibility of a number of contractors, whose performance has been reviewed in Chapter II.B. Other outputs, such as the warehouses and the working capital fund, had to be produced by OFNACER with means put at its disposal by USAID. How this cooperative effort has succeeded in improving OFNACER has been discussed in Chapter II.C. Our conclusions regarding project outputs are summarized below in Section D.

Where the evaluation has identified errors and omissions in project design and/or implementation, the recommendations for future actions are fairly obvious. It is more difficult, however, to recommend actions that could be undertaken to enhance beneficial US/Burkinabé cooperation in the grain marketing area in the future. Much will depend on what kind of cereals policy the Burkinabé government adopts and implements. This policy is nowhere explicitly

specified and the evaluation team had to rely almost exclusively on interviews with government officials and on inferences drawn from past policy decisions as well as decisions taken in other areas (e.g., the expropriation of private real estate property). Section E of the present chapter, Recommendations for Future US/Burkinabé Cooperation, is therefore necessarily somewhat speculative.

## B. Project Design

### 1. Conclusions

The overall goal of USAID's activities under this project has been to assist the Government to attain food self-sufficiency. This project has attempted to contribute towards this goal by improving grain marketing and food production through strengthening OFNACER in various ways. It takes a long chain of reasoning to conclude that increased planning and operational capability in OFNACER would lead to increased food production and self-sufficiency. In the evaluation team's opinion, some of the links in this chain of argument are weak. Therefore, it is difficult to determine the extent to which the project has contributed to achieving this goal.

One important finding of this evaluation was that the project design was based, in part, on certain questionable premises. Thus, the justification for the project given in the PP relies in part on hearsay and myths about the traditional marketing sector that are at odds with the results of empirical studies available at that time. The project design that resulted places undue emphasis on providing technical assistance to OFNACER, rather than upon supporting measures, such as improved communication and transportation links, that would have had more direct beneficial effects on the efficiency and operating costs of the overall grain marketing system.

Questions regarding the validity of these assumptions were raised repeatedly with USAID. For example, the PID approval cable (See Annex 3) explicitly directed USAID/Ouagadougou to provide evidence to support the basic assumptions on which the project was based. This was not done, possibly because the data available at that time would have shown the project design to be deficient. Instead a research component costing over a million dollars was added, presumably to investigate the questions raised in the PID approval cable.<sup>1</sup>

There was at least one more instance early on in this project, when USAID was made aware of the problems inherent in the project design. One of the first tasks conducted under this project involved an evaluation of sites for construction of the warehouses planned as part of this project. Ranco Corporation provided a consultant for this

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<sup>1</sup>USAID/Upper Volta, Grain Marketing Project Paper, p. 6.

activity, and his report<sup>1</sup> quite explicitly refuted some of the premises on which the project was based. He concluded that OFNACER had no need for additional storage, that it had little positive influence on cereals markets, that the private markets were much more efficient and much more competitive than either USAID or the Burkinabé government was willing to admit, and that OFNACER should therefore cease operations at the retail level at least. This report should have led to some rethinking on USAID's part. The project had not really been started yet (January 1981) and modifications could still have been made. Instead, the report was buried in the project files and no actions were taken to reassess the project design.

The designers of the project were sensitive to the importance of government policies. Unfortunately, however, the policy aspects of the project were designed in a manner that made it very unlikely that much influence on policy formulation would result. The CEPS, which was supposed to be the major conduit of policy advice to the Burkinabé government, was placed in a subdirectoriate of OFNACER. It was thus too far removed from policy making, which is taking place in the supervising ministries, to have much influence at all. The USAID-sponsored CEPS should have been reporting at the very least to the Director General at OFNACER. Its usefulness would have been even more enhanced, if mechanisms had been found that would have provided an audience for the CEPS output at the ministerial level. Furthermore, the project placed too much emphasis on the generation of additional information at the expense of analysis. The continued adherence to failed grain marketing policies by Sahelian governments, including Burkina Faso's, has not been due to a lack of available information, but due to an unwillingness to draw the consequences from the data that were available. The evidence against the basic assumptions that were used to justify OFNACER and other institutions of its kind was already considerable at the time that the project was being designed, and adding more evidence was unlikely to have had much effect.

During the project design, USAID failed to make contact with other donors who were also providing technical assistance to OFNACER. No attempt was made to develop a common policy approach in cooperation with other donors or to take into account that other donors, who were already active in grain marketing, might be supporting alternative policies inconsistent with the US approach. This led to unnecessary frictions between the TA teams from different donors, which impeded the project's progress. Other donors should have been informed about the purpose and scope of the US TA teams, and the USAID contractors in turn should have been briefed about the presence of other TA teams at OFNACER.

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<sup>1</sup>Enger, "Marketing Position."

Not only did USAID fail to inform the US TA teams about the activities of TA teams from other countries, it also failed to brief the different TA teams about other TA efforts sponsored by USAID. For example, the SECID/Lincoln financial accounting advisor found out three weeks prior to his departure to Ouagadougou, only by accident, that DHS was already at OFNACER, developing the financial management system that he was expected to implement. The agricultural economist arrived in Burkina Faso fully believing that he would be conducting research. He was unaware that the project design contained a special research component, which had been contracted to another institution. To what extent these failures to provide TA teams with adequate information have impeded the project's success is difficult to gauge.

## 2. Recommendations

- o USAID and its contractors should pay greater attention to the available literature, data, and criticisms, and should be more willing to question its own basic assumptions. Consultant reports like the Ronco study should at least be taken seriously enough to precipitate re-evaluations of projects. Whenever possible, qualified outsiders should be brought in to critique the project design;
- o USAID should use its leverage early in project to place TA teams in positions where their evidence will be heard by policy makers;
- o Coordination with other donors should be considered early in project design. USAID should inform its Contractors about the activities sponsored by other donors within the same area, as well as other USAID activities; and
- o Contractors should also undertake efforts to better inform themselves, even if this means expending resources, for an early fact-finding mission. If the expenditure of resources on such a fact-finding mission should be considered too onerous for bidders, the evaluation team recommends the extension of planning grants to pre-qualified bidders (e.g., bidders on the short list).

## C. Achievement of Project Purpose

### 1. Conclusions

If the first stated project purpose, "to improve grain marketing conditions, (and) increase cereal production and food security in rural areas" is taken literally, then the project has certainly failed to achieve its purpose. It was simply too narrowly focusing on the official marketing channels, to the detriment of the private channels to improve grain marketing conditions, to contribute to increased cereal production or to improve food security in the sense of adequate production and marketing.

However, at least implicitly, the project had a much narrower purpose, i.e., to improve the operational efficiency of OFNACER. This purpose has been largely achieved. In terms of the short run, the improved operational efficiency of OFNACER may have contributed to improved food security in deficit food-production areas by the distribution of food aid and the use of security stocks.

There are a few areas where the project achievements have fallen somewhat short, even if we accept the implicit interpretation. For example, only one of the 30 warehouses originally planned has been completed to date. Nine more are under construction and a total of 21 are planned to be completed within a year. Since the evaluation team feels, along with the Ronco consultant, that these warehouses were not necessary in the first place, failure to complete them can not be regarded as a serious shortcoming.

Another concern is the rolling fund, which has been decapitalized by approximately 33 percent as of January 7, 1985. It represents today the counter-value of 6,800 tons of grain, instead of the 10,000 tons that it had been constituted for. There appear to be no mechanisms in place to protect it from further decapitalization by way of OFNACER operating deficits.

In general, however, OFNACER has been strengthened and is capable of handling its current workload. Reporting on counterpart funds has vastly improved, the remaining bottlenecks are mostly at the ministerial level. However, the workload is still quite heavy on OFNACER's accounting staff, and ways should be found to reduce it further. It is also most unlikely that the current structures could accommodate a large expansion of OFNACER's activities and responsibilities, as seems to be planned according to the new Director General of OFNACER and the Secretary General of the supervising ministry (Commerce).

The second stated purpose, "to improve the basis for policy and operational decision-making in food grain marketing" has also been essentially achieved, if we are willing to confine our attention to "official" marketing channels. Even though no formal "information system" exists, data and studies are produced by the CEPS and OFNACER management seems to make use of them. If we evaluate this second purpose in terms of overall national policy regarding food grain marketing in toto, it appears that a basis for policy and operational decision-making has been provided in the work done by CEPS and to be provided in the research being carried out by Michigan State's Center for Research and Economic Development (CRED)--which we did not evaluate. However, the influence that OFNACER management has on policymaking is very limited at best, and it is doubtful whether the CEPS studies will be used or taken into account by the government in fashioning overall policy for grain marketing or for food production.

## 2. Recommendations

- o USAID should recognize that its support to OFNACER is not improving grain marketing conditions or contributing to increased cereal production and long-range food security in rural areas. It should seek other means to help the government achieve the project purpose and goal, and it should redefine its policy and expectations regarding OFNACER;
- o USAID should make it clear that it is not prepared to replenish the rolling fund, and that mechanisms to protect working capital are in OFNACER's own interest. It should adhere to its current position--that such funds should not be used to subsidize OFNACER operations. The studies produced by the CEPS should be used to demonstrate very clearly, not only to OFNACER, but particularly to the senior officials of the Ministry of Commerce, the cost of these operations.
- o USAID should take the lead in discussing with other donors a standardization of the format in which they require the reports to be presented. Since all donors require identical information a standardization of the forms, with the necessary transcriptions and compilations done by the respective missions themselves, should be achievable. For USAID to accept the reports in French, rather than in English as is currently required, would be a simple first step in the right direction;
- o USAID should expand its policy dialogue with the government, using the results of CEPS studies, CRED research and past research to help educate policymakers to the negative effects of national efforts to dominate the grain market and to the desirability of using a free market approach. It should oppose and refuse to support an expansion of OFNACER's role by the Burkinabé government. According to the evaluation team's discussions with high officials in the new supervising Ministry of Commerce and with the incoming Director General of OFNACER, a large expansion of OFNACER's retail activities--including credit sales to government officials and salaried employees--is planned. If these plans are implemented, OFNACER's accounting system will probably break down again and it is highly likely that OFNACER will find itself once again unable to properly account for PL 480 grain shipments. In this case, the US government would be forced to exclude OFNACER from handling any more food aid, a circumstance that should be explained carefully to the Burkinabé government.
- o It is probably too late to prevent the remaining warehouses from being built. However, future building programs should be approached with great care. OFNACER already has

difficulty managing the warehouses currently under its control and the further addition of warehouses, especially in rural areas, forces it to spread its management resources even thinner. Furthermore, additional storage capacity provides incentives for the government to find ways of getting the warehouses filled, either by food aid demands, or by inducing farmers to sell the grain that they would otherwise store themselves on their farms.

#### D. Project Outputs

##### 1. Conclusions

The project log frame lists five outputs that the project was to produce. The first four have been produced:

- o Completion of market studies;
- o Selection and training of personnel;
- o Selection of sites for the new warehouses and start of construction; and
- o Establishment of a rolling fund.

The fifth, the establishment of an information system, was in subsequent contract modifications explicitly deleted.

A number of marketing studies were produced by the CEPS, and they provided some useful information, especially with respect to OFNACER operations. The local counterparts for the TA team were found to be highly motivated and well trained, even though one of the two collaborators in the CEPS had since left. Unfortunately, there does not appear to have been much effort made to continue the training component of this project beyond the first group of OFNACER agents that attended the grain storage course at Kansas State University. Local training, for example, should have been financed from counterpart funds, but appears not to have been undertaken.

The generation of counterpart funds through the sale of food aid commodities, which provided the resources for the warehouse construction and the establishment of the rolling fund, has proved itself. This integral feature of the project provided some sorely needed flexibility when some of the materials turned out to be of limited use. For example, OFNACER was able to purchase locally vehicles (Toyotas) for the TA teams to use, when it proved to be impossible to maintain the originally supplied US-made Jeeps in Ouagadougou.

Not explicitly mentioned in the log frame is the new financial accounting system, which DHS designed, and which the financial accounting advisor implemented. This is because the importance of this

component was not fully clear at the time of the writing of the PP, as the GAO team had not yet conducted the audit which discovered the CFA 535 million shortfall. Implementation of the DHS system could thus be added as a further "unplanned output," and in many ways it was the most successful of all the project's outputs.

The DHS financial accounting system appears to be well designed and is used effectively by OFNACER; however, it cannot be considered to have been fully implemented until the General Accounting policies and Credit Sales policy have been formally accepted and duly incorporated. These policies have been drafted by the long-term financial advisor; however, OFNACER senior management has yet to act on them.

Nevertheless, the discussion of the new credit policy has focused OFNACER's attention on its outstanding accounts. Since then, OFNACER has made remarkable progress over recent months in the recovery of accumulated debts. However, approximately 30 percent of the still outstanding accounts receivable (300 to 400 million CFA) represent credit sales to individuals who, due to inadequate record keeping, cannot be identified. These receivables are thus irrecoverable, and must be written off in order to not continue stating an unrealistic net worth for OFNACER.

For an office like OFNACER, which conducts almost its entire business in cash, the control and audit functions take on a particular importance. The two existing auditors are competent, but they also have other duties and are thus unable to discharge their audit and control duties adequately. So far, OFNACER has not been willing to devote sufficient personnel resources to this function.

A difficulty is that over the past two years, OFNACER has had five different Directors General. Such changes have been very costly. Each changeover requires the production of voluminous additional reports and the preparation of account balances. According to the financial accounting advisor, each such change in management has cost anywhere from one to two months of the senior and middle management's time. Furthermore, each successive Director General has been farther removed from the original decision to install the DHS system and has accordingly felt less committed to it.

Nevertheless, if OFNACER does not suffer any more such serious fluctuations in management in the future, if its accounting staff remains relatively stable, and if no further burdens such as credit sales or a large expansion of the market share are placed on it, then there is a reasonable chance that the accounting department will function satisfactorily in the foreseeable future.

## 2. Recommendations

- o Most of the project outputs were produced by various contractors. They performed generally quite well in the present case, given the project design. It might be useful

to find ways of utilizing their expertise earlier in a project. If possible, a project should not be over-specified and should leave some room for contractor input where appropriate.

- o USAID should resist the temptation to require professional qualifications that are in excess of the requirement for most of the work to be carried out by technical advisors. Experienced practitioners, with limited postgraduate training, in many instances are amply qualified to carry out most of a technical advisor's functions. For those activities where a postgraduate education is a prerequisite, short-term consultants can be brought in to work with the resident advisors.
- o USAID should try to use the mechanism of counterpart funds whenever appropriate. The flexibility it provides to project budgets is of considerable value. Without counterpart funds the TA and research teams of this project would literally have been stranded halfway through the project. The programming of the remaining counterpart funds should be undertaken as early as possible. Efforts by the Burkinabé government to use these funds for subsidizing sales of grain by OFNACER should be resisted. Overall they would probably provide the largest benefits if expended on infrastructure projects unrelated to OFNACER.
- o USAID should exert its influence to convince the OFNACER senior management of the desirability of implementing the remaining components of the DHS financial accounting system. The evaluation team supports the threat of withholding food aid if OFNACER management continues to refuse to act. This is justified and would probably be effective, since an adequately operating accounting system is a prerequisite for proper accounting of PL 480 grain. The DHS component of this project was accepted by the government within three weeks after an audit by a team of the General Accounting Office discovered substantial shortfalls in counterpart accounts and threatened a cutoff of food aid. Note also that OFNACER, much more so than the Burkinabé people, is dependent on continuous inflows of food aid to meet many of its financial obligations (see below).
- o Despite our generally skeptical view of OFNACER and its role in Burkinabé cereals marketing, there are two areas where USAID can and should assist the office. One is the area of debt collection, where OFNACER on its own account has made some progress. To make further progress it will have to rely heavily on the cooperation of the Ministry of Justice. USAID and the American Embassy should be prepared to support OFNACER's initiative as soon as the opportunity presents itself. USAID should also be prepared to support OFNACER

in the establishment of the audit and control function. Using counterpart funds to finance an external audit of OFNACER, or to train internal auditors for OFNACER, would seem to us to be entirely appropriate.

E. Observations by the Evaluation Team Regarding Future US/Burkinabé Cooperation in Grain Marketing

1. Cereals policy

USAID is partly responsible for OFNACER's existence. OFNACER, like some of the other cereals offices in the Sahel, was originally set up with USAID and FAO assistance. US interest in supporting such offices is therefore understandable, particularly in the light of their established roles in distributing food aid (as discussed in the next section), even though it had become increasingly clear that their usefulness in grain marketing interventions was highly questionable.

The shortcomings of the official grain marketing systems were widely known when this project was designed. The CILSS report<sup>1</sup> was only one study that systematically reviewed them. It provided an analysis of the inherent contradictions of the policies followed and also pointed out the inefficiency with which the cereals offices were run. This project attempted to improve the situation by attacking these inefficiencies. However, this only amounted to fixing the vehicle by which the official marketing policies, which remained essentially unchanged, were implemented. The direction in which the vehicle travels today is still the same it was eight years ago. The only change is that it does so more efficiently today.

It is this policy direction that is of grave concern. The current Burkinabé government is considering an expanded role for OFNACER<sup>2</sup> in its grain marketing policy. Senior government officials interviewed by the evaluation team talked about increasing OFNACER's market share to 50 percent, introducing credit sales to civil servants, and increasing the integration of the CDR into the OFNACER buying and selling activities. (See Annexes 8 and 10.) All are developments that would run counter to this project's goals and purpose. Since we feel that expanded government control over food marketing and distribution is not in the interest of the general population and the attainment of national food self-sufficiency, we believe that USAID should seriously ask the question whether it continue supporting OFNACER.

To the extent that support of OFNACER amounts to supporting counterproductive policies, we feel that this question must be answered in the negative. Genuine improvements in marketing conditions can only

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<sup>1</sup>CILSS/Club du Sahel, Country Studies: Upper Volta.

be brought about by fundamental policy changes. In its own interest, the government should abandon the desire to try to control grain markets and forego setting official prices. Very limited government intervention at the wholesale level to maintain an emergency stock for that part of the population that is unable to stock its own cereals might be considered. Additional efforts to impose government control over the markets ("maîtrise du marché") by having OFNACER control a substantial market share or by more coercive methods--should not be undertaken.

Such policies are counterproductive and USAID should find ways of communicating this to the government. Attempting to do so "from the inside", through the CEPS, has had absolutely no effect. Cereals policy is made at the ministerial level, if not at an even higher level, and that is where USAID's voice must be heard. In the absence of such policy influence, the principal result of the project is an improved and more efficient OFNACER that is better able to impose the government's market control policies.

Within OFNACER, the only function that the evaluation team can unconditionally support is the audit and control function. It is in the interests of the current Burkinabé government, and of USAID, to undertake whatever is necessary to prevent fraud and embezzlement. Dishonesty makes bad policies only worse, and helping to prevent it is a desirable goal under all circumstances. Beyond that, however, further technical assistance to OFNACER or the provision of additional warehouses and materials, are bound to lead to an expansion of OFNACER's operations and thus to a tightening of the government's grip on the free market.

## 2. Food aid

Besides the official justification of the project as promoting food self-sufficiency through improved marketing, there are other justifications for supporting OFNACER. It is certainly in the interests of USAID as well as the Burkinabés to have a competent and efficiently run operation that can receive and distribute food aid. Inasmuch as the project has succeeded in improving OFNACER's abilities to carry out this function, it has been a worthwhile undertaking.

OFNACER and USAID realized, under the gun of the auditors, that failure to achieve improvements in the area of accounting for PL 480 grain might spell the end of the working relationship. Given that discontinuing food aid might have disastrous consequences for large portions of the Burkinabé population, it was probably also in their interests that the PL 480 accounting problem was resolved.

However, besides providing needed assistance to a portion of the population, food aid channelled through OFNACER also provides a much needed source of income for the cereals office. As the Ronco report and other previous reports have noted, OFNACER's operating costs exceed the margin allowed by the official buying and selling prices. Even

its variable costs are higher than this spread. Accordingly, OFNACER increases its losses with every additional bag of grain bought domestically. Its only profitable line of business is the distribution and sale of donated food aid, where OFNACER is allowed to deduct its costs prior to depositing the net receipts in the different counterpart accounts. The project paper attempted to come to grips with this issue by providing as a covenant that two years before the end of the project, the Government and the implementation would develop a strategy to cover recurrent costs. The evaluation team found no indication that such a strategy was developed.

Thus, OFNACER's lifeblood is donated food aid. It is probably only a small exaggeration to state that OFNACER cannot afford ever to have a good harvest, for this would cause the pipeline from abroad to dry up. Accordingly, OFNACER's interest is to see a food deficit declared every year and a food aid request addressed to the international community. This places USAID, along with most other donors, in a difficult position. In the first place, it becomes increasingly difficult to have confidence in the official food deficit estimates. However, even in years when there exists a deficit that is clearly recognized by everybody, the donors face a dilemma. If they want to provide the necessary food aid, they are forced to continue propping up OFNACER and the government's marketing policies.

The recommendations formulated above, under the section on project purpose, suggest that the Mission expand its policy dialogue with the government to help educate policymakers on the negative consequences of attempts to control the grain market and to encourage a shift toward a free market approach. One possibility would be a streamlined OFNACER set up to manage security stores and food aid, with greatly reduced responsibilities for intervening in grain marketing combined with other more productive measures to improve food and grain marketing. If the Government insists on embarking on strong and rigid controls of grain marketing, USAID may wish to consider attempting to channel as much food aid as possible through private voluntary organizations. To increase the ability of these organizations to accept and distribute the food aid that USAID can provide, USAID might also want to consider logistic and other support. Such a strategy would provide food to those who need it most without at the same time subsidizing an OFNACER following counter-productive marketing controls.

**ANNEX 1**

**Scope of Work**

## Background

The Grain Marketing Project is an effort to establish a more efficient grain marketing system for Upper Volta. The project consists of several elements which, in combination, promote the improvement in the cereal distribution and marketing system as part of a general multidonor effort to develop a more viable and productive agricultural sector.

The immediate objectives of the project are: (1) to improve the ability and operational efficiency of OFNACER to buy and sell grain in rural areas; (2) to upgrade OFNACER's ability to allocate storage facilities in a manner which maximizes efficient use of its resources; and (3) to make a systematic diagnosis of the Burkina-Faso grain marketing system with the objective of determining how the private sector's extensive capital stock and entrepreneurial talents can best be utilized to promote a more responsive grain marketing system.

To achieve these objectives, USAID/Burkina-Faso and OFNACER have contracted with Deloitte Haskins, and Sells (DHS), an accounting firm based in Abidjan, Ivory Coast and the Southeast Consortium for International Development (SECID) to provide technical assistance in designing and establishing systems for improved financial and economic management. Also, USAID/Burkina-Faso contracted with the Ronco Corporation to provide a preliminary assessment of OFNACER's Planning Unit (CEPS) to develop an improved warehousing system. Finally, the University of Michigan Center for Research and Economic Development (CRED) is conducting a grain marketing research activity to enable both USAID/Burkina-Faso and GOB to have a better understanding of the basic parameters of grain markets in Burkina-Faso which will aid in establishing more appropriate policies.

ARTICLE I - TITLE: Mid-term evaluation of the Grain Marketing Development Project: SECID Component.  
(Project No. 686-0243)

ARTICLE II - OBJECTIVE: The objectives of this evaluation are to: 1) assess the activities of the Grain Marketing Development Project to date with regard to the fulfillment of the project's intended purpose and objectives; and 2) present recommendations as to appropriate activity modification or development which can be proposed as a future OFNACER - USAID/Burkina-Faso project activity.

ARTICLE III - SCOPE OF WORK:

1. The incumbent of this position shall carry out the following scope of work:
  - a) assess the project assumptions as stated in the Project Paper logframe with regard to their appropriateness given the intended outputs;

- b) review other grain marketing activities being conducted in Burkina-Faso and present suggestions concerning how research conducted under the project can be better coordinated to achieve the maximum complementary efforts
  - c) Review the project's inputs (PIO/Ts and contracts with SECID) and determine the appropriateness, impact and/or effectiveness of these inputs with regard to achieving the project's purpose and objectives. Likewise, review the performance of the SECID provided technical assistance team and evaluated team members' efforts in terms of fulfilling the SECID contract; review the appropriateness of the warehouse location and of the training system for OFNACER staff.
  - d) summarize the findings of a., b., and c, above and make recommendations for improved project implementation performance in terms of the technical assistance provided for the achievement of the project's purpose and objectives relating to improved grain marketing research and policy development by OFNACER; and
  - e) as team leader, edit and prepare final evaluation report.
2. Financial Management Specialist: The incumbent of this position shall carry out the following scope of work:
- a) review and assess the appropriateness of the financial system designed by DHS;
  - b) assess the extent to which the DHS designed system has been implemented at OFNACER;
  - c) review the performance of the SECID provided technical assistance team and evaluate the team members' efforts in terms of fulfilling the SECID contract's level of effort in implementing the DHS financial management and reporting system;
  - d) summarize the findings of a., b., and c., above and present recommendations for improved project implementation performance of the technical assistance provided via the SECID contract for the achievement of the project's objectives relating to improved financial management by OFNACER;
  - e) make recommendations for improvements in the financial management system at OFNACER.
3. Review of Documentation: The evaluation team shall review the Project Agreements, grain marketing research and policy documents, OFNACER financial reports and commodity transactions, SECID contract and amendments thereto, PIO/Ts and related project implementation and technical documentation.

4. Interviews: The evaluation team shall interview the Director General of OFNACER, technical directors of OFNACER, the Director of Studies and Programming at the Ministry of Rural Development (MRD), USAID officials, other donor representatives, other technical advisors to OFNACER and officials of SECID universities.
5. Site Visits: The evaluation team shall make on-site visits to the following locations:
  - SECID Headquarters, Chapel Hill, NC
  - Lincoln University, Jefferson City, MO
  - CDGs of Degougou, Ouahigouya, and Kaya.

ANNEX 2

List of People Interviewed for the Evaluation of  
the Burkina Faso Grain Marketing Development Project

ANNEX 2

List of People Interviewed for the Evaluation of  
the Burkina Faso Grain Marketing Development Project

Burkina Faso

USAID

BECKER, John	-	Agricultural Officer
HALL, Lee	-	Senior Agricultural Economist
HEILMAN, Larry	-	Deputy Director
MELAVEN, Emerson	-	Director
TRAORE, Bonaventure	-	Agricultural Economist

OFNACER

BATTA, Dieudonne	-	Director of Security Stock
BENO, Pyalo	-	Financial Director
BENTHE, Klaus	-	Security Stock Advisor
CISSE, Abdoulaie	-	Controller General
DABCUE, Andre	-	Personnel Director
OUEDRAOGO, Jean Pierre	-	Commercial Director
OUEDRAOGO, Laurent N.	-	Coordinator of Buying Campaign
OUEDRAOGO, Robert	-	Former Director General
OUEDRAOGO, Zaphar	-	Regional Controller, Fada-N-Courma
TIERI, Henri	-	Director General
WILLARD, Yves	-	FAO Consultant
ZONGU, Tertius	-	Chief Accountant

MINISTRY OF COMMERCE AND SATISFACTION OF PEOPLE'S NEEDS

SAWADOGO, Mady - Secretary General

MINISTRY OF AGRICULTURE

KAMBIRI, Jean Martin - Secretary General

KONTOGOMDE, Daoude - Director of Studies

OTHERS

ENGER, Warren - Ronco Corporation

LAFONTAINE, Pierre - FED Representative

LEJOU, Chantal - CRED, University of Michigan

MORRISSON, M. - OECD Development Center

STAEHLI, Peter - Director, Swiss Technical Assistance

USA

SECID - North Carolina/Lincoln University - Missouri

CHEEK, Pamela - Project Administrator

MOONEY, Tim - Financial Advisor

MOUSSIE, Menwouillet - Agricultural Economist, Team Leader

VICKERY, Ed - Director, SECID

WEIR, Colin - Home Campus Coordinator, Lincoln University

ANNEX 3

PID Approval Message

PID APPROVAL MESSAGE

FM: SECSTATE WASHDC

TO AMEMBASSY OUAGADOUGOU 0065

UNCLAS. SECTION 01 OF 02 STATE 092440

AIDAC

SUBJECT: GRAIN MARKETING DEVELOPMENT (686-0243) REVIEW

MAR 9, 1979

REF: STATE 62235

1. BASED ON THE COMMITTEE RECOMMENDATION THE AA/AFR APPROVED THE PID FOR FURTHER DESIGN. IN VIEW OF THE COMPLEX NATURE OF THE PROPOSED INTERVENTION, HOWEVER, FINAL PROJECT APPROVAL IS RESERVED FOR AA/AFR.

2. THE ISSUES RAISED AT THAT MEETING (AS NOTED BELOW) SHOULD BE RESOLVED DURING THE PP DESIGN:

A. WHAT EVIDENCE IS THERE WHICH INDICATES THAT THE FARMER TRADER RELATIONSHIP IS THE CRITICAL ELEMENT DEPRESSING FARM PRICES AND FARMER INCOMES?

B. IF OFNACER CAN OFFER PRODUCERS HIGHER PRICES AND RURAL CONSUMERS LOWER PRICES WHAT IS THERE WHICH MAKES OFNACER THE SUPERIOR ARBITER RELATIVE TO THE PRIVATE TRADING SYSTEM?

C. WHAT IS EXPECTED INTERRELATIONSHIP BETWEEN PROJECT PURCHASES OF 10,000 TONS OF GRAIN AND OFNACER'S OTHER PURCHASES OF ANOTHER 20,000 TONS? (PID P. 14/15)

D. WHAT IS THE RELATIONSHIP TO ORD FOOD PURCHASES?

- E. IS OFNACER THE BEST CHOICE FOR THESE FUNCTIONS? WHAT ARE THE ADVANTAGES AND DISADVANTAGES?
- F. WILL ANY FORM OF THE BAREME STRUCTURE BE RETAINED?
- G. WHAT IS THE EXPECTED URBAN-RURAL INTERACTION AS THE PROJECT ATTEMPTS TO CONCENTRATE ON RURAL AREAS BUT OFNACER ALSO WORKS WITH URBAN AREAS?
- H. WHY IS INCREASING STORAGE A MAIN OBJECTIVE IF FARMERS ALREADY HAVE TWO TO THREE YEARS STORAGE CAPACITY?
- I. WILL GRAIN-DEFICIT FARMERS PRODUCE MORE IF THEY HAVE ACCESS TO MORE STORAGE?
- J. DO GRAIN-DEFICIT FARMERS GROW OTHER CROPS FROM WHICH SOME INCOME IS USED TO PURCHASE FOOD GRAINS?
- K. CAN THE PRIVATE TRADING SYSTEM'S INEFFICIENCY BE TRACED TO GOVERNMENT REGULATIONS, POOR ROADS OR FACTORS OTHER THAN MONOPSONY/MONOPOLY CONTROLS?
- L. COULD AN IMPROVED AND EXPANDED SMALL FARMER CREDIT PROGRAM BE A VIABLE ALTERNATIVE TO ALLEVIATE FARMERS' PROBLEMS DURING THE "SOUDURE"?
- M. IS THERE REALLY A NEED FOR MORE VILLAGE LEVEL STORAGE?
- N. IS THERE SUFFICIENT ASSURANCE THAT THE GOUV WILL ESTABLISH AND MAINTAIN PRICE POLICIES WHICH DO NOT FAVOR THE CONSUMER OVER THE FARMER?
- O. THE PROPOSED SUPPORT FOR A GOVERNMENT CONTROLLED MARKETING SYSTEM MIGHT HARM OR EVEN DISPLACE RATHER THAN COMPLEMENT EFFORTS TO CREATE A BETTER FREE MARKET SYSTEM.
- P. WOULD A LARGER MORE POWERFUL OFNACER INCREASE THE POTEN-

TIAL FOR FARMER EXPLOITATION BY, AMONG OTHER THINGS, IMPOSING LOW PRICES AND GIVING GREATER PRIORITY TO FOOD FOR URBAN AREAS FOR POLITICAL REASONS?

Q. IS IT ESSENTIAL THAT OFNACER BE WELL MANAGED AND MEET ITS OPERATING AND FIXED COSTS FOR THE PROJECT TO BE SUCCESSFUL (THE PP DESIGN SHOULD ADDRESS HOW WELL-QUALIFIED MANAGEMENT PERSONNEL WILL BE RECRUITED AND RETAINED, AND IT SHOULD CONTAIN A CAREFUL ANALYSIS OF OFNACER'S FINANCIAL VIABILITY).

3. THE PP DESIGN WILL ALSO HAVE TO ESTABLISH IF THERE IS AN APPROPRIATE ATMOSPHERE FOR SUCH A PROJECT. ATTITUDES OF FARMERS TOWARD PRODUCTION INCENTIVES AND MOTIVATIONS ARE ESSENTIAL. A FIRM EVALUATION OF OFNACER'S NEW POTENTIAL FOR SUCCESS WILL BE REQUIRED. THE NATURE OF THE RISKS, AND SIGNS OF SUCCESS OR FAILURES, WILL NEED TO BE IDENTIFIED.

4. OTHER CONSIDERATIONS OR OBSERVATIONS NOTED BY THE COMMITTEE:

A. SINCE THE IEE DID NOT ADDRESS WHETHER AND THE EXTENT, TO WHICH CHEMICALS (I.E. PESTICIDES) WILL BE USED IN THE GRAIN STORAGE WAREHOUSES, A REVISED IEE MUST BE SUBMITTED. PESTICIDES POTENTIALLY HARMFUL TO HUMANS HAVE BEEN UTILIZED IN OTHER SIMILAR PROJECTS. IF PESTICIDES ARE TO BE EMPLOYED, FULL COMPLIANCE WITH SECTION 216.3(9) OF REG 16 WILL BE REQUIRED (SEE AID HANDBOOK 3, APP.4 B).

B. WOMEN AND RURAL PCOR AS BENEFICIARIES COULD BE BETTER HIGHLIGHTED. THE ROLE OF WOMEN AS PARTICIPANTS AND BENEFICIARIES WAS NOT ADEQUATELY ADDRESSED IN THE PID (SEE P. 7) AND SHOULD BE ELABORATED IN THE PP. CONCERNING BENEFICIARIES GENERALLY,

THE PP DESIGN SHOULD ELABORATE ON THE GOUV'S COMMITMENT TO ASSIST RURAL POOR CONSUMERS THROUGH THIS PROJECT, PARTICULARLY IN LIGHT OF OFNACER'S BREAK EVEN PRICING POLICY AND THE LIKELIHOOD THAT HIGHER PRICES MAY BE AVAILABLE IN THE URBAN CONSUMER MARKETS. (THE COMMITTEE RECOGNIZES THE INHERENT PROBLEM IN THE EFFORT TO MAXIMIZE OFNACER'S FINANCIAL INDEPENDENCE WHILE PROVIDING LESS THAN MARKET PRICES TO RURAL CONSUMERS).

C. THE PP DESIGN SHOULD ADDRESS HOW THE IMPACT OF AID SUPPORT OF OFNACER CAN BE MAXIMIZED THROUGH LINKAGES WITH THE GERMAN AND BADEA PROJECTS, INDICATE THE DURATION OF THOSE PROJECTS AND REVIEW WHETHER THE GOALS AND PURPOSES OF UCH PROJECTS ARE COMPLEMENTARY WITH AID'S.

D. CONGRESSIONAL NOTIFICATION WILL BE REQUIRED PRIOR TO OBLIGATION OF FUNDS, SINCE FIRST YEAR BUDGET EXCEEDS AMOUNT INDICATED IN FY 80 CP.

E. FARMER ATTITUDES ON SALE TO GOVERNMENT DURING BUYING CAMPAIGNS WILL NEED TO BE IDENTIFIED.

F. THE EFFECT OF GRAIN LEAKING INTO GHANA, MALI, AND OTHER COUNTRIES WILL NEED TO BE EVALUATED IN TERMS OF PROJECT STRATEGY.

E. ADDITIONAL CONSTRUCTION INFORMATION ON SITES AND A 611A STATEMENT WILL BE REQUIRED.

5. COMMENTS PERTINENT TO PL 480 FOOD HAVE BEEN, PROVIDED IN STATE 62235. THE COMMITTEE NOTED THAT THE FOOD REQUIREMENTS WOULD BE ACTED ON SEPARATELY. HOWEVER, THE PROJECT DESIGN WILL HAVE TO COORDINATE/INTEGRATE THE RESOURCES AS APPROPRIATE.

6. IN VIEW OF THE COMPLEX NATURE OF THE PROPOSED MARKETING

ANNEX 4

Project Logical Framework

PROJECT DESIGN SUMMARY

Life of Project:  
 From FY 80 to FY 83  
 Total U.S. Funding 7,176,000  
 Date Prepared 08/22/1979

Project Title & Number: GRAIN MARKETING DEVELOPMENT 618-0243

LOGICAL FRAMEWORK

EXECUTIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To attain food self-sufficiency in Upper Volta.</p>	<p>Measure of Goal Achievement:</p> <ol style="list-style-type: none"> <li>1. Increased production of food grains and other food crops by 5%.</li> <li>2. Reduction of food imports and possible increase in food exports.</li> <li>3. Increased farmer income.</li> <li>4. Increased demand for agricultural labor.</li> <li>5. Increased purchasing power of rural consumers.</li> <li>6. Increased consumption of food grains and other foods to provide a more nutritionally adequate diet to rural areas.</li> <li>7. Decrease in regional shortages of food.</li> </ol>	<ol style="list-style-type: none"> <li>1. Published crop production statistics.</li> <li>2. Import-export reports of GOUV.</li> <li>3. National Income Accounts.</li> <li>4. Farm management research.</li> <li>5. Rural household surveys.</li> <li>6. Nutritional studies.</li> <li>7. Regional food supply and population data.</li> </ol>	<p>Assumptions for achieving goal targets:</p> <ol style="list-style-type: none"> <li>1. Severe drought does not reoccur.</li> <li>2. Increase in food grain production not prevented by decline of soil fertility.</li> <li>3. Other food production is not reduced in order to increase food grain production.</li> </ol>
<p>Project Purpose:</p> <ol style="list-style-type: none"> <li>1. To improve grain marketing conditions, increase cereal production and food security in rural areas.</li> <li>2. To improve the basis for policy and operational decision making in food grain marketing.</li> </ol>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> <li>1. Rolling funds available to support creation of grain buffer stock to influence rural market price structure.</li> <li>2. Stocks of grain available to relieve food shortages in rural areas.</li> <li>3. Increased producer price for cereals provides incentive for increased production.</li> <li>4. 30 warehouses with a total of 7,500 m<sup>3</sup> storage capacity completed to facilitate grain marketing transactions.</li> <li>5. OFNACER fully staffed with sufficiently trained personnel for grain marketing operations.</li> </ol>	<ol style="list-style-type: none"> <li>1. OFNACER financial reports.</li> <li>2. OFNACER reports on market conditions.</li> <li>3. OFNACER stock reports by sub-prefecture.</li> <li>4. Project reports.</li> <li>5. GOUV reports on cereals policy; project reports.</li> <li>6. OFNACER operational reports.</li> <li>7. OFNACER and project reports.</li> </ol>	<p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> <li>1. (a) Welfare of rural consumers continues to receive at least equal priority with welfare of urban consumers.                  (b) GOUV has political courage to reduce dependence on food aid as OFNACER's local stocks increase.</li> <li>2. Study results, planning unit analyses, and GOUV desire to economize result in concurrence on realistic food policy goals and most economic means of achieving goals.</li> </ol>

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	<p>6. Grain marketing studies and information system readily available for policy and operational decision making in food grain marketing.</p> <p>7. Planning unit organized and staffed.</p>		
<p><b>Outputs:</b></p> <ol style="list-style-type: none"> <li>1. IA completes market studies.</li> <li>2. Personnel selected and trained.</li> <li>3. Sites selected and construction started.</li> <li>4. Rolling fund established.</li> <li>5. Information system established.</li> </ol>	<p><b>Magnitude of Outputs:</b></p> <ol style="list-style-type: none"> <li>1. Traditional and modern grain marketing studies available for informed policy decision making.</li> <li>2. 15 employees trained in grain marketing and warehouse techniques</li> <li>3. 50 locals trained in warehouse management.</li> <li>3. 10 new warehouses for grain storage constructed each year.</li> <li>4. \$1.5 million available for purchase of local cereals.</li> <li>5. Current data readily available for up-to-date marketing actions.</li> </ol>	<ol style="list-style-type: none"> <li>1. Study reports</li> <li>2. K.S.U. training certification; OFNACER and project reports.</li> <li>3. Project records, site visits.</li> <li>4. Bank statements, OFNACER financial reports.</li> <li>5. OFNACER operational reports.</li> </ol>	<p><b>Assumptions for achieving outputs:</b></p> <ol style="list-style-type: none"> <li>1. Sufficiently accurate information can be gathered for market studies.</li> <li>2. Trainees and warehousemen remain with CFNACER after training.</li> <li>3. Analysis of storage demonstrates need for rural warehouses.</li> <li>4. Demand for cereals at official price permits sale of food aid to constitute rolling fund.</li> <li>5. Analyses by management information system specialist will be translated into operational improvements.</li> </ol>
<p><b>Inputs:</b></p> <p><u>AID</u></p> <ol style="list-style-type: none"> <li>1. Technical Assistance</li> <li>2. Commodities</li> <li>3. Training</li> <li>4. Other</li> <li>5. RI-IRM       <ol style="list-style-type: none"> <li>(a) Construction</li> <li>(b) Training</li> <li>(c) Rolling fund</li> </ol> </li> </ol> <p><u>GOV</u></p> <ol style="list-style-type: none"> <li>1. Land</li> <li>2. Personnel</li> </ol>	<p><b>Implementation Target (Type and Quantity)</b></p> <p><u>AID</u></p> <ol style="list-style-type: none"> <li>1. 9% p/y of Long &amp; Short Term IA (valued at \$1.6 million).</li> <li>2. Vehicles, Warehouse equipment &amp; Pesticides (\$566,000).</li> <li>3. Locals Trained in Grain Storage Marketing at U.S. University (\$116,000).</li> <li>4. Local Salaries, POC/Maintenance (\$116,000).</li> <li>5. 30,000 MT (\$4.6 million - to be converted to counterpart funds)       <ol style="list-style-type: none"> <li>(a) Warehouse Construction with 150 to 250 MT capacity (\$2.1 million).</li> <li>(b) Third Country Training in Warehouse Management (\$125,000).</li> <li>(c) Finance Purchase of Local Grain (\$2.2 million).</li> </ol> </li> </ol> <p><u>GOV</u></p> <ol style="list-style-type: none"> <li>1. Sites for Construction (\$40,800)</li> <li>2. Administrative Responsibilities (\$196,200).</li> </ol>	<ol style="list-style-type: none"> <li>1. Project records (PIO/T's PIO/C's - PIO/P's)</li> <li>2. Transfer authorizations.</li> <li>3. Implementation letters.</li> <li>4. Site visits.</li> <li>5. OFNACER financial reports.</li> </ol>	<p><b>Assumptions for providing inputs:</b></p> <ol style="list-style-type: none"> <li>1. Qualified, motivated personnel interested in working with cereals office long-term will be recruited.</li> <li>2. Economics degree-holders available for hire by CIUV.</li> <li>3. Qualified management consultant available for one year.</li> </ol>

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ANNEX 5

Background Data on Grain Marketing in Burkina Faso

BURKINA FASO: EVALUATION OF THE GRAIN MARKETING DEVELOPMENT PROJECT

Table 5-1: Official Producer Prices<sup>a</sup>

Année	78/79		79/80		80/81		81/82		82/83		83/84		84/85	
Produit	78/79	79/80	80/81	81/82	82/83	83/84	84/85	78/79	79/80	80/81	81/82	82/83	83/84	84/85
MIL	12	14	18	22	18	21	32	40	40	45	50	60	66	80
MATS	13	15	18	22	18	21	32	40	40	45	50	55	60	85
SORGHO BL.	12	14	18	22	18	21	32	40	40	45	50	58	64	80
SORGHO BOCC.	-	-	-	-	-	-	-	30	32	37	42	50	55	75
MLZ	19	19	30	35	35	55	63	63	63	63	68	68	74	-

<sup>a</sup>Data by crop year (October through September).

Source: CEPS/OFNACER, Burkina Faso

BURKINA FASO: EVALUATION OF THE GRAIN MARKETING DEVELOPMENT PROJECT

Table 5-2: Consumer Prices

Produits Années	M I L		SORGHO BLANC		SORGHO ROUGE	M A I S		R I Z	
	1 <sup>b</sup>	2 <sup>c</sup>	1 <sup>b</sup>	2 <sup>c</sup>		1 <sup>b</sup>	2 <sup>c</sup>	1 <sup>b</sup>	2 <sup>c</sup>
1974/75	32	68	32	68	-	32	65	-	93
1975/76	30	45	30	45	-	30	44	60	121
1976/77	35	57	35	57	-	35	57	80	144
1977/78	45	124	45	124	-	45	118	110	174
1978/79	57	136	57	124	47	57	168	125	165
1979/80	57	129	57	136	47	57	183	125	176
1980/81	69	135	69	129	61	69	186	125	176
1981/82	60	<sup>a</sup>	80	135	75	80	172	135	198
1982/83	80	<sup>a</sup>	80	<sup>a</sup>	75	80	<sup>a</sup>	155	<sup>a</sup>
1983/84	90	<sup>a</sup>	88	<sup>a</sup>	83	88	<sup>a</sup>	155	<sup>a</sup>
1984/85									

<sup>a</sup>Market prices are not available due to the controls placed on private merchants to use official prices.

<sup>b</sup>Official prices.

<sup>c</sup>Market price in Ouagadougou.

Source: CEPS/OFNACER, Burkina Faso

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BURKINA FASO: EVALUATION OF THE GRAIN MARKETING DEVELOPMENT PROJECT

Table 5-3: Grain Production<sup>a</sup>  
(Tons)

ANNÉE PRODUITE	SORGHO	MIL	MAIS	TOTAL	MOYENNE SUR 5 ANS	RIZ
1975	799 000	385 700	84 400	1 205 100		39 900
1976	534 000	347 300	60 000	941 300		45 400
1977	654 800	354 700	73 700	1 083 200	1 096 120	37 600
1978	635 000	377 900	107 700	1 120 600		39 700
1979	653 200	377 700	99 500	1 130 400		46 900
1980	546 900	350 700	104 500	1 002 100		40 200
1981	658 800	442 800	118 600	1 220 800		45 200
1982	608 700	441 400	111 300	1 161 400		42 300
1983	702 933	328 195	107 161	1 138 289	1 119 002	37 858
1984	610 924	391 886	70 213	1 073 023		27 108

<sup>a</sup>Data by crop year (October through September).

Sources: Steve Haggblade, An Overview of Food Security in Upper Volta July 16, 1984 (MDR 1974-1982);  
DIP/SSA, Bulletin de Statistiques agricoles campagnes (1982-83/1983-84).

BURKINA FASO: EVALUATION OF THE GRAIN MARKETING DEVELOPMENT PROJECT

Table 5-4: Imports<sup>a</sup>  
(Tons)

CEREALES ANNEE	MIL + SORGHO	MAIS	RIZ	BLE + FARINE DE BLE	TOTAL
1973	909	10 646	2 571	14 380	29 506
1974	37 195	39 575	2 908	20 385	100 061
1975	2 615	164	9 721	13 000	25 500
1976	308	501	12 364	15 000	28 173
1977	8 205	71 000	12 382	28 000	119 585
1978	29 231	6 746	10 251	24 000	70 228
1979	18 549	1 809	25 580	34 000	79 938
1980	19 579	259	30 323	26 908	77 069
1981	7 932	740	15 079	24 400	48 151
1982	3 029	-	10 972	-	14 001

<sup>a</sup>Data by crop year (October through September).

Source: CEPS/OFNACER, Burkina Faso

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BURKINA FASO: EVALUATION OF THE GRAIN MARKETING DEVELOPMENT PROJECT

Table 5-5: Local Purchases<sup>a</sup> by OFNACER  
(Tons)

Régions Années <sup>b</sup>	Centre	Volta	Centre	WEST	NORD	EST	SUD	Centre	Centre	Sahel	TOTAL
		Noire	West				WEST	EST	NORD		
1978/79	4 250	3 270	577	3 077	264	1 212	-	1 497	23	305	14 477
1979/80	1 167	1 583	310	656	8	2 310	1 142	1 125	-	110	8 361
1980/81	138	175	358	320		1 243	389	92	-	93	2 609
1981/82	1 777	9 515	1 502	8 807	2 967	2 573	521	685	109	159	28 615
1982/83	1 768	9 382	753	5 883	3 732	1 983	1 141	87	23	0	24 752
1983/84	62	4 171	360	428	30	490	26	124	0	0	5 681

<sup>a</sup> The office did not begin to organize purchasing efforts for local cereals until 1978/79. Before that year, it was supplied by direct delivery, specifically, private merchants.

<sup>b</sup> Data by crop year (October through September).

Source: CEPS/OFNACER, Burkina Faso

BURKINA FASO: EVALUATION OF THE GRAIN MARKETING DEVELOPMENT PROJECT

Table 5-6: Sales by OFNACER<sup>a</sup>

Année Produit	Centre	Volta Noire	Centre West	WEST	Nord	Est	Sud West	Centre EST	Centre Nord	Sahel	Total
1978/79	1 934	335	8 635	593	1 091	1 036	117	2 116	5 143	2 100	24 000
1979/80											25 000
1980/81	4 979	598	454	502	6 420	741	384	330	6 820	8 008	29 306
1981/82	6 574	127	262	2 263	1 410	296	376	184	372	4 479	16 343
1982/83	20 039	814	2 003	4 773	18 716	1 264	780	942	4 363	8 360	62 054
1983/84	18 366	2 792	2 406	2 742	11 005	2 534	1 571	2 077	10 171	13 455	67 119

<sup>a</sup>Data by crop year (October through September).

Source: CEPS/OFNACER, Burkina Faso

BURKINA FASO: EVALUATION OF THE GRAIN MARKETING DEVELOPMENT PROJECT

Table 5-7: Security Stock Movements<sup>a</sup>

DESIGNATION	75-77	77-79	79-80	80-81	81-82	82-83	83-84
<b>ENTREES</b>							
- Stock Initial	-	8 007	9 204	15 824	4 858	25 966	18 342
- ACHATS	8 680	18 061	11 699	953	23 806	19 211	6 881
- Transferts internes	-	-	-	215	3 237	2 165	25
<b>TOTAL ENTREES</b>	<b>8 680</b>	<b>96 068</b>	<b>20 903</b>	<b>16 992</b>	<b>31 901</b>	<b>47 342</b>	<b>25 248</b>
<b>SORTIES</b>							
- Rotations techniques	667	16 521	4 725	8 599	2 522	22 545	1 706
- Intervention	-	-	500	3 000	-	4 200	13 570
- Intervention d'urgence	-	-	-	251	3 369	2 210	25
- Transferts internes	-	-	-	-	-	-	-
- Pertes/régularisation	- 6	-343	+ 146	- 204	- 124	- 45	- 15
<b>TOTAL SORTIES</b>	<b>673</b>	<b>16 864</b>	<b>5 079</b>	<b>12 134</b>	<b>6 015</b>	<b>29 000</b>	<b>15 315</b>
<b>STOCK FINAL .....</b>	<b>8 007</b>	<b>9 204</b>	<b>15 824</b>	<b>4 858</b>	<b>25 966</b>	<b>18 342</b>	<b>9 933</b>

- 3 782 achat lo-  
- 3 099 im- cal  
importation

<sup>a</sup>Data by crop year (October through September).

Source: CEPS/OFNACER, Burkina Faso

ANNEX 6

Project Implementation Orders (PIOs) and Contracts

ANNEX 6

Project Implementation Orders (PIOs) and Contracts

A. Short-term Technical Assistance

1. PIO/T # 686-0243-3-00019  
Contract amount: \$ 9,321  
Signed August 4, 1980 by Bansé, Director General, OFNACER

a. Statement of work

Provide a pesticide specialist to:

- o Identify storage pests;
- o Identify pesticides conforming to GOUV and AID requirements; and
- o Make recommendations.

b. Output

Report by Channing J. Fredrickson integrated into Environmental Risk/Benefit Assessment, January 1981.

2. PIO/T # 686-0243-3-00013  
Contract Amount: \$ 47,200  
Signed December 15, 1980 by Bansé, Director General, OFNACER

a. Statement of work

Provide a consultant to:

- o Identify and rank initial ten warehouse sites; and
- o Develop procedures and criteria for an additional 20 sites.

This work to be done on the cost minimization principle!

b. Output

Report by RONCO Corp.

3. PIO/T # 686-0243-3-00050  
Contract amount: \$ 123,500  
Signed May or June 1981 by Kibsé Alfred Sawadogo, Director General, OFNACER

a. Statement of work

Provide an accounting system designer to:

- o Make an assessment of the current OFNACER accounting system;
- o Provide recommendations for improvements such that: objectives of the organization (OFNACER) are achieved; proper accounting of transactions results; and donor requirements for food aid accounting can be met.

Also provide a financial control specialist to:

- o Assure that the above designed system is operational; and
- o Install procedures that lead to timely reporting.

b. Output

Deloitte Haskins Sells provides two specialists to analyze OFNACER's accounts.

4. PIO/T # 686-0243-3-00050 1st amendment  
Contract amount: \$ 13,103  
Signed October 1981 by Kibbé Alfred Sawadogo, Director General, OFNACER

This amendment extends the Deloitte Haskins Sells contract to provide further training to OFNACER personnel.

5. PIO/T # 686-0243-3-10060  
Contract amount: \$ 82,500  
Signed October 1981 by Kibbé Alfred Sawadogo, Director General, OFNACER

a. Statement of work

Deloitte Haskins Sells is to provide a financial advisor who will:

- o Implement the system designed by DHS;
- o Train the OFNACER personnel in the use of that system; and
- o Cooperate with other donors giving similar assistance to OFNACER (i.e. the West German contractors).

Deloitte Haskins Sells will also provide a Grain Stock advisor who will:

- o Assist OFNACER in inventory and stock control; and

- o Help OFNACER meet the quarterly reporting requirements for the PL-480 food aid.

b. Output

Final summary report, presumably incorporated into the accounting guidelines and handbooks produced by DHS.

- 6. PIO/T # 686-0243-3-10060 1st amendment  
Contract amount: \$ 118,000  
Signed February 1982 by Kibés Alfred Sawadogo, Director General, OFNACER

This PIO/T extends the Deloitte Haskins Sells contract negotiated under PIO/T # 686-0243-3-10060. DHS also assumes the responsibilities of the management information specialist, deleted from PIO/T # 686-0243-3-00040 and 686-0243-3-10057 (long-term technical assistance).

- 7. PIO/T # 686-0243-3-10060 2nd amendment  
Contract amount: \$ 60,750  
Signed May 4th 1982 by Laurent Ouédraogo, Controller, OFNACER.

This amendment extends the Deloitte Haskins Sells contract due to the late arrival of the long-term technical assistance team.

- 8. PIO/T # 686-0243-3-10060 3rd amendment  
Contract amount: \$ 57,400  
Signed July 29, 1982 by Laurent Ouédraogo, Comptroller, OFNACER

This amendment provides for a further extension of the contract with Deloitte Haskins Sells.

- 9. PIO/T # 686-0243-3-10060 4th amendment  
Contract amount: \$ 0  
Signed October 1982 by Kibés Alfred Sawadogo, Director General, OFNACER

This amendment provides for a no-cost extension of the Deloitte Haskins Sells contract.

- 10. PIO/T # 686-0243-3-10060 5th amendment  
Contract amount: \$ 0

Signed October 1982 by Kibés Alfred Sawadogo, Director General, OFNACER

This amendment provides for another no-cost extension of the Deloitte Haskins Sells contract.

11. PIO/T # 686-0243-3-10073  
Contract amount: \$ 12,000  
Signed May 4, 1982 by Laurent Ouédraogo, Director General,  
OFNACER

Provide for OFNACER personnel to participate in the Kansas State University training course.

B. Long-term Technical Assistance

1. PIO/T # 686-0243-3-00040  
Contract amount: \$ 209,000  
Signed May/June 1981 by Kibbé Alfred Sawadogo, Director  
General, OFNACER

a. Statement of work

See Appendix 5.

2. PIO/T # 686-0243-3-10057  
Contract amount: \$ 616,000  
Signed October 1981 by Kibbé Alfred Sawadogo, Director  
General, OFNACER

Provide Life Of Project (LOP) funding for the work initiated under PIO/T # 686-0243-3-00040; reduce assignment of economist and financial specialist to 28 person months each.

3. PIO/T # 686-0243-3-00040 1st amendment  
Contract amount: \$ 69,600  
Signed February 1982 by Kibbé Alfred Sawadogo, Director  
General, OFNACER

Delete the position of management information specialist from this PIO/T. The functions of the information specialist were assumed by DHS under PIO/T # 686-0243-3-10060, 1st amendment.

4. PIO/T # 686-0243-3-10057 1st amendment  
Contract amount: \$ 94,400  
Signed February 1982 by Kibbé Alfred Sawadogo, Director  
General, OFNACER

Same as PIO/T # 686-0243-3-00040, 1st amendment, but concerning LOP funding.

5. PIO/T # 686-0243-3-10057 2nd amendment  
Contract amount: \$ 0  
Signed June 1, 1984 by Laurent Ouédraogo, Director General,  
OFNACER

Redefine the role of the SECID team (see Appendix 5)

C. Research Component

As this component is not part of this evaluation, we only list the PIO/T numbers, amounts and dates for information. For details on the respective Statements of Work and research products consult the USAID files or the Contractor: Center for Research in Economic Development, The University of Michigan.

1. PIO/T # 686-0243-3-00013  
Contract amount: \$ 360,000  
Signed December 15, 1980 by Bansé, Director General, OFNACER
  
2. PIO/T # 686-0243-3-10098 (Extend CRED Contract)  
Contract amount: \$ 540,000  
Signed August 6, 1984 by Laurent Ouédraogo, Director General,  
OFNACER

ANNEX 7

Statements of Work (SOWs) for the Long-Term  
Technical Assistance Team

1. SOW from Original PIO/T (May/June 1981)
2. SOW from RFTP-AFR-00040 (April 12, 1982)
3. SOW from Original Contract (May 1982)
4. SOW from PIO/T Amendment (June 1984)
5. SOW from Modified Contract (August 1984)

STATEMENT OF WORK

A. OBJECTIVE

The Grain Marketing Development Project provides assistance in improving grain market conditions, increasing food grain production, and improving the prospects of food security in rural areas of Upper Volta. The long-term technical assistance component is : (1) to upgrade the National Cereals Office's ability to allocate storage facilities in a manner which maximizes the efficient use of its resources; (2) to strengthen OFNACER's ability to analyze market conditions; and (3) to make rational pricing recommendations and procurement plans which conform with market conditions and intervention capabilities. A final objective is that OFNACER's data gathering and analytical capabilities will be upgraded, enabling the organization to perform day-to-day commercial operations more efficiently.

A major overall task of the technical assistance team will be to demonstrate to the Director General and to his staff the value of empirical information, how to identify what information is needed, how to collect and process the selected information, and how to apply the information within the day-to-day operations of OFNACER. The team must also work to help define OFNACER's role in the Voltaic grain economy by identifying the operations, cereal varieties, etc. best suited to OFNACER's capabilities and those operations and areas which should be left to the initiative of the private sector. Similarly, the team should seek to outline the practical constraints to OFNACER's abilities to predict and enforce fixed prices and possible interactions with market factors.

B. SCOPE OF WORK

The Contractor agrees to make available the personnel to perform the following responsibilities :

1. Agricultural Economist/Economist (Team Leader) (33 months) : The Agricultural Economist or Economist will serve as a technical advisor to the Commercial Director of OFNACER for a period of thirty three months. He will be responsible for the establishment and development of a planning unit and the on-the-job training of two Voltaic college graduates with degrees in Economics who will ultimately assume the responsibilities of the planning unit.

Specific responsibilities of the Agricultural Economist/Economist include :

- a) to assist and advise the Commercial Director and the Director General of OFNACER regarding the location and capacity of storage structures. This will include an assessment of the local grain balance over time, the availability and adequacy of alternate storage facilities and other factors which affect the need for warehouse construction. Information

.../...

and procedures established by a short-term marketing specialist will be available to the contractor.

- b) to assist in planning the buying and selling campaigns including :
1. the selection of regions/areas where market activities should expand;
  2. providing estimates of the amounts to be purchased and sold in each region so as to assure profit maximization conditions;
  3. assisting in the determination/recommendation of an economically rational pricing system so as to increase the chances for success of the buying and selling campaigns;
  4. assisting in the improvement and expansion of OFNACER's data-gathering and analytical capabilities in order to assure a more efficient day-to-day operation. This data should include prices and quantities bought and sold in the private market so as to better understand the role of OFNACER in the market. Means of standardizing data (quantity and quality) and the rapid transmission to headquarters also need to be addressed.
- c) to assist in the development of basic market concepts and experience in order to guide operational decision-making;
- d) to carry out analyses of OFNACER's operation as requested by the Commercial Director and the Director General;
- e) to supervise and train local employees in planning techniques and analysis;
- f) to coordinate the planning unit activities with the different divisions and regional controllers of OFNACER.
2. Financial Accounting Advisor (33 months) : The Financial Accounting Advisor will serve as a technical advisor to the Accounting Division of OFNACER for a period of thirty three months. He/she will be responsible for the implementation of a financial management system designed with USAID support. He/she will also be responsible for on-the-job training of the accounting office to assure that such a system will continue to provide useful information following the departure of U.S. technical assistance. The Federal Republic of Germany financed accountant/information specialist is responsible for the accounting of the FRG security stock portfolio and providing technical assistance to the Financial Division of OFNACER. The U.S. funded accountant will be responsible for the implementation of an accounting system for the balance of OFNACER's commercial transaction. Collaboration will be required for transactions between security and commercial stocks.

Specific Responsibilities of the Financial Accounting Advisor include :

- a) to assist and advise the Financial Director and the Director General concerning the implementation of OFNACER's revised accounting system, i.e. assuring that :
  1. transactions are executed in accordance with management's general and specific authorizations, and that approvals within each step of the general and specific authorizations conform to the authorization, and that such authorizations take cognizance of donor requirements, regulations, and restrictions concerning the use of donor assets;
  2. transactions are recorded as necessary to (a) permit preparation of financial statements in conformity with generally accepted accounting principles, and (b) to maintain accountability of assets;
  3. access to assets is permitted only in accordance with OFNACER management authorization;
  4. recorded accountability of assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
  5. record keeping errors and irregularities can be prevented or will be discovered promptly;
  6. information can be generated on a timely basis from the financial records to meet the demands of OFNACER management and the reporting requirements of each donor.
- b) to assist the Financial Director and Director General in meeting the PL 480 reporting requirement of this project;
- c) to assist and advise the Financial Director in generating useful financial information to assure efficient management of the Office;
- d) provide on-the-job training to OFNACER management and financial personnel to assure that the system will continue to be implemented following the departure of U.S. technical assistance.

3. The Management Information Systems Specialist (12 months) :

This specialist is to work under the direct supervision of the Controller General and in close cooperation with the Federal Republic of Germany financed accountant/information specialist so as to avoid duplication

of activities. The Federal Republic of Germany financed specialist is responsible for evaluating the recording and communication methods of information relative to management and mechanizing the accounting system. The specialist under this project is expected to complement these activities by evaluating the information system (both procedures and flows) including the formal and informal mechanisms and will recommend to the Director General and his staff modifications in form and substance which will improve the efficiency of OFNACER management.

Specifically the responsibilities of the management information system-specialist will include :

- a) to work in close association with personnel from the various discipline within OFNACER in finding cost-effective methods for improving the quality and timeliness of communication between divisions;
- b) to assure the systematic institutionalization of the rapid transmittal of data acquired and the utilization of this data by OFNACER officials in day-to-day operations;
- c) to aggregate and organize the data in such a way that it yields information relevant to the needs of OFNACER and is presented in a form which is readily understood by OFNACER management;
- d) to design a means to assimilate data from sources outside of OFNACER into the OFNACER decision-making process.

### C. REQUIRED REPORTS

Article 16 of the General Provisions for Cost-Reimbursement Type Contracts will apply. Reports will be quarterly and are to be delivered to USAID/Upper Volta within 30 days of the end of each reporting period. The first report will be due three months following the arrival of the first contract team member. In addition to the requirements of Article 16, the following items will be addressed in each report :

- 1) Contractor's contributions toward meeting the objectives of the project.
- 2) Problems experienced in meeting the requirements of the contract and contractor efforts to resolve these problems.
- 3) General observational remarks on the progress of the project as

.../...

viewed by the Contractor (GOUV field directors will prepare project status report for which the contractor will provide input).

4) Potential relationships and contacts which USAID might establish with individuals, organizations, or government agencies which would benefit project implementation and be of assistance to USAID's global interest in grain marketing development.

5) List of contractor goals and objectives for next reporting period.

6) Administrative plans for the contract team during following reporting period including leave, vacation, TDY, etc. and other details that would assist the USAID project officer in performing project activities with GOUV project manager.

Reports will be prepared in English. In addition to distribution requirements in the General Provision, the contractor will provide four copies of the report to USAID/Upper Volta and six copies to the GOUV. Each report will contain an extracted summary written in French.

In addition to these reports the team will prepare brief analytical reports for the use of the Director General of OFNACER, the Commercial Director and their staffs. These reports will fall into two general categories: (a) reports on operational aspects of OFNACER which can be implemented in a relatively short time span, e.g. a more efficient transportation system, and (b) reports concerning more strategic subjects such as how official grain prices should be determined or methods to incorporate empirical findings into policy decisions, etc.

These reports are to be prepared upon the request of the Director General or the Commercial Director, or at such time that the team believes they are appropriate and/or needed. A copy of these reports is to be submitted to USAID/Upper Volta.

A final report to be submitted by OFNACER with the assistance of the Contract Team to the Ministry of Rural Development and USAID/Upper Volta concerns the recurrent costs to OFNACER as a result of this project. This report is to analyze the recurrent costs to OFNACER upon project completion (June 3, 1984) and propose measures by which these costs can be covered. This report is to be submitted by January 1, 1982 in French to the Ministry of Rural Development and in English to USAID/Upper Volta.

2. SOW from RFTP-AFR-00040 (April 12, 1982)

5. Statement of Work

a. General

A major overall task of the technical assistance team will be to demonstrate to the Director General and to his staff the value of empirical information, how to identify what information is needed, how to collect and process the selected information, and how to apply the information within the day-to-day operations of OFNACER. The team must also work to help define OFNACER's role in the Voltaic grain economy by identifying the operations, cereal varieties, etc. best suited to OFNACER's capabilities and those operations and areas which should be left to the initiative of the private sector. Similarly, the team should seek to outline the practical constraints to OFNACER's abilities to predict and enforce fixed prices and possible interactions with the private market.

Contract services are to commence immediately upon award of Contract and continue for 35 months. It is anticipated award of Contract will be made about July 15, 1982 and the arrival of the project team should be immediately after the award of Contract.

b. Specific

The specific purpose of this component of the project is to increase the overall efficiency of OFNACER and create analysis and data systems knowledgeability to enhance that institution's decision-making capability.

In furtherance of these objectives, the Contractor shall furnish a team of long-term technicians including an Agricultural Economist/Economist as team leader and a Financial Accounting Advisor. The Contractor shall provide adequate home office support

to support the field team, as necessary. Individual Staff of Work follow:

c. Personnel

The Economist will serve as a technical advisor to the Commercial Director, the Financial Accounting Advisor will work with the Office of Accounting. The contract employees will be subject to the same administrative controls as their Voltaic counterparts.

(1) Agricultural Economist/Economist (Team Leader)  
(33 months)

The Agricultural Economist or Economist will serve as a technical advisor to the Commercial Director of OFNACER for a period of thirty-three months. He will be responsible for the establishment and development of a planning unit and the on-the-job training of two Voltaic college graduates with degrees in Economics who will ultimately assume the responsibilities of the planning unit.

Specific responsibilities of the Agricultural Economist/Economist include:

- (a) To assist and advise the Commercial Director and the Director General of OFNACER regarding the location and capacity of storage structures. This will include an assessment of the local grain balance over time, the availability and adequacy of alternate storage facilities and other factors which affect the need for warehouse construction. Information and procedures established by a short-term marketing specialist will be available to the Contractor.
- (b) To assist in planning the buying and selling campaigns including:
  - i. the selection of regions/areas where market activities should expand;
  - ii. providing estimates of the amounts to be purchased and sold in each

region so as to assure profit maximization conditions;

- iii. assisting in the determination/recommendation of an economically rational pricing system so as to increase the chances for success of the buying and selling campaigns;
- iv. assisting in the improvement and expansion of OFNACER's data-gathering and analytical capabilities in order to assure a more efficient day-to-day operation. This data should include prices and quantities bought and sold in the private market so as to better understand the role of OFNACER in the market. Means of standardizing data (quantity and quality) and the rapid transmission to headquarters also need to be addressed.

- (c) To assist in the development of basic market concepts and experience in order to guide operational decision-making.
- (d) To carry out analyses of OFNACER's operation as requested by the Commercial Director and the Director General.
- (e) To supervise and train local employees in planning techniques analysis.
- (f) To coordinate the planning unit activities with the different divisions and regional controllers of OFNACER.

(2) Financial Accounting Advisor (33 months)

The Financial Accounting Advisor will serve as a technical advisor to the Accounting Division of OFNACER for a period of thirty-three months. He/she will be responsible for the implementation of a financial management system designed with USAID support. He/she will also be responsible for on-the-job training of the accounting office to assure that such a system will continue to provide useful information following the departure of U.S. technical assistance. The Federal Republic of Germany

financed accountant/information specialist is responsible for the accounting of the FRG security stock and providing technical assistance to the Financial Division of OFNACER. The U.S. funded accountant will be responsible for the implementation of an accounting system for the balance of OFNACER's commercial transaction. Collaboration will be required for transactions between security and commercial stocks.

Specific Responsibilities of the Financial Accounting Advisor include:

- (a) To assist and advise the Financial Director and the Director General concerning the implementation of OFNACER's revised accounting system, i.e. assuring that:
  - i. transactions are executed in accordance with management's general and specific authorizations, and that approvals within each step of the general and specific authorizations conform to the authorization, and that such authorizations take cognizance of the donor requirements, regulations, and restrictions concerning the use of donor assets;
  - ii. transactions are recorded as necessary to (a) permit preparation of financial statements in conformity with generally accepted accounting principles; and (b) to maintain accountability of assets;
  - iii. access to assets is permitted only in accordance with OFNACER management authorization;
  - iv. recorded accountability of assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
  - v. record keeping errors and irregularities can be prevented or will be discovered promptly;

- vi. information can be generated on a timely basis from the financial records to meet the demands of OFNACER management and the reporting requirements of each donor.
- (b) To assist the Financial Director and Director General in meeting the PL 480 reporting requirement of this project.
- (c) To assist and advise the Financial Director in generating useful financial information to assure efficient management of the Office.
- (d) Provide on-the-job training to OFNACER management and financial personnel to assure that the system will continue to be implemented following the departure of U.S. technical assistance.

#### 6. Required Reports

Article 12 of the General Provisions for Cost Reimbursement Type Contracts with Educational Institutions will apply. Reports will be quarterly and are to be delivered to USAID/Upper Volta within 30 days of the end of each reporting period. The first report will be due three months following the arrival of the first contract team member. In addition to the requirements of Article 12, the following items will be addressed in each report:

- a. Contractor's contributions toward meeting the objectives of the project.
- b. Problems experienced in meeting the requirements of the contract and Contractor's efforts to resolve these problems.
- c. General observational remarks on the progress of the project as viewed by the Contractor (GOUV field directors will prepare project status report for which the Contractor will provide input).
- d. Potential relationships and contacts which USAID might establish with individuals, organizations, or government agencies which would benefit project implementation.

- e. List of Contractor goals and objectives for next reporting period.
- f. Administrative plans for the contract team during following reporting period including leave, vacation, TDY, etc. and other details that would assist the USAID project officer in performing project activities with GOUV project manager.

Reports will be prepared in English. In addition to distribution requirements in the General Provision, the Contractor will provide four copies of the report to USAID/Upper Volta and six copies to the GOUV. Each report will contain an extracted summary written in French.

In addition to these reports the team will prepare brief analytical reports for the use of the Director General of OFNACER, the Commercial Director and their staffs. These reports will fall into two general categories: (a) reports on operational aspects of OFNACER which can be implemented in a relatively short time span, e.g., a more efficient transportation system, and (b) reports concerning more strategic subjects such as how official grain prices should be determined or methods to incorporate empirical findings into policy decisions, etc.

These reports are to be prepared upon the request of the Director General or the Commercial Director, or at such time that the team believes they are appropriate and/or needed. A copy of these reports is to be submitted to USAID/Upper Volta.

A report shall be submitted by OFNACER with the assistance of the Contract Team to the Ministry of Rural Development and USAID/Upper Volta concerns the recurrent costs to OFNACER which may result from programs implemented through this component of the project (688-0243). This report is to analyze the recurrent costs to OFNACER upon project completion and propose measures by which these costs can be covered. This report is to be submitted within 4 months of commencement of contract duties in French to the Ministry of Rural Development and in English to USAID/Upper Volta.

Contractor shall submit two copies of each annual report required by the above to the Office of Development Information and Utilization, Bureau for Development Support, Agency for International Development, Washington, D.C. 20523. The title page of all reports forwarded to the AID Reference Center pursuant to this paragraph shall

include the contract number, project number and project title as set forth in the Schedule of this contract.

In the event of an inconsistency between these provisions and General Provision 12, the above provisions shall apply.

7. Language Requirements

The long-term Contractor employees will be required to speak and read French at the FSI S-3 and R-3 levels. The Government reserves the right to require the Contractor employees to submit to a language capability test. (See Attachment A-1 for Definitions of Language Proficiency Rating.)

3. SOW from Original Contract (May 1982)

Contract AFR-0243-C-00-2062-00

[with SECID; Total Cost \$568,101]

ARTICLE I: STATEMENT OF WORK

A. BACKGROUND

For a period as hereinafter set forth in the Schedule, the Contractor shall make available its facilities and personnel at the level of effort hereinafter set forth, for the Upper Volta Grain Marketing Development project.

B. OBJECTIVES

1. General

The goal of this contract is to assist the Government of Upper Volta to establish a set of conditions within the country that will lead to food self-sufficiency. More efficient grain marketing is a key condition to be met in order to reach this overall objective.

2. Specific

The specific purpose of the technical assistance component of the project is to improve the operational efficiency and managerial capabilities of Upper Volta's National Cereals Office (OFNACER).

The specific goals of the technical assistance component include:

- a. Improving the marketing and distribution of grains for the purpose of providing food security especially to grain deficit areas and during the pre-harvest (hungry) season;
- b. Assisting OFNACER in its operational activities of buying and selling via an effective pricing and distribution system;
- c. Determining means of effectively integrating the private sector into the national grain marketing system to optimally utilize scarce resources, capital, and entrepreneurship;
- d. Assisting and advising OFNACER regarding the efficient functioning of supporting infrastructures such as transportation, communication, and storage to stimulate an orderly and economical expansion of grain distribution systems;

- e. Assisting and advising the Director General of OFNACER in policy matters that will enhance the mobilization of savings via producer incentive policies, trade policies, monitoring and analyzing the effects of foreign exchange controls, and proper collection, analysis and utilization of data; and
- f. Supervising and training local employees in planning techniques and financial accounting procedures such that upon completion of the project OFNACER will possess indigenous personnel to carry out subsequent planning and accounting activities in a timely and effective way.

D. WORK STATEMENT

In attaining the objectives of this contract, the Contractor shall provide OFNACER with a team of long-term technicians including an Agricultural Economist/Economist as team leader, and a Financial Accounting Advisor.

These advisors will work closely with OFNACER's senior management to design and implement management systems that will identify what empirical data OFNACER needs, collect and process the selected data, and produce the information needed to improve OFNACER's day-to-day operations. In carrying out their activities, the advisors' emphasis will be to help OFNACER define the role it must play in the marketplace to make grain marketing in Upper Volta more efficient and to implement changes in day-to-day operations so that OFNACER does fill that role.

1. Agricultural Economist and Economics/Marketing Management (21 1/2 months)\*

In order to fulfill the specific goals and objectives, the Contractor's agricultural economist (team leader) will work closely with the Commercial Director to establish and develop a planning unit within OFNACER. The Contractor's agricultural economist will provide on-the-job training over the life of the project to two Voltaic counterparts who will be capable of running the planning unit on their own by the end of the project. The Agricultural Economist shall provide 21&1/2 person months of technical assistance.

\* Note: Time spent in language training shall be counted towards the total 21&1/2 months required.

The planning unit team of contractor advisor and two host country counterparts will undertake the following operations:

A. Identification and Analysis of Structure and Performance of the Existing Grain Marketing System.

(1) Surplus and deficit areas: Grain surplus and grain deficit areas will be identified by Regional Development Organizations (ORD) and subprefectures and by cereal crops.

(2) Structure, Conduct and Performance: The contractor agricultural economist and his counterparts will also seek to determine the number, size (market share), conduct (pricing and product strategy), and performance (marketing efficiency) of buyers and sellers by regions and by crops.

In order to have a good data base to be utilized for formulating trade policies, the geographic dispersion of market concentration of buyers and sellers should be analyzed. The contractor team leader will work closely with the Commercial Director to evaluate the policy implications of market concentrations for each type of grain.

B. Trade Policy

Food security and food self-sufficiency analyses can be significantly enhanced by improving OFNACER's ability to recommend flexible trade policies. These policies might include:

1. Free Trade
2. Restricted Trade
3. Stabilizing Trade

The planning unit will analyze and estimate the effects of each trading policy (intervention) on grain production and marketing; savings and investments; foreign exchange reserves and balance of payments; and general employment of resources and distribution of income.

C. Pricing Policies

Policies to fix the procurement and selling price of grain should be based upon a combination of data analysis, an estimation of future trends, and some

judgment regarding socio-political considerations. The planning unit will be capable of analyzing the impact fixed procurement and selling prices has on farmers and traders; and the general ability of OFNACER to operate efficiently in grain marketing activities.

(1) Procurement prices. The planning unit should be able to generate the following information to recommend procurement prices for each type of grain;

(a) Estimated costs of production and marketing;

(b) Current trends in the open market wholesale price that mainly depend on demand and supply of grain;

(c) Estimated inter-regional price differences, distance, and trucking and storage;

(d) Estimated impact on production and prices of related crops;

(e) Effect on consumers, competitors, industrial development and overall stability.

(2). Selling prices. The planning unit should also be able to determine the costs of buying, storing, handling, processing and distributing grain. Analysis of these factors will be necessary to support selling price recommendations.

The planning unit will work closely with OFNACER to make the price difference between regions more realistic and economic so that producers of surplus grain and consumers of deficit regions are not hurt by low procurement prices and high selling prices, respectively.

#### D. Increasing Overall Efficiency of Infrastructures

Upper Volta has a transitional agricultural economy. In such economies, two major marketing objectives are: assured purchase of outputs, and price stabilization. The following are types of inputs that should be provided in order to attain the above objectives:

(1) Transportation: Using germane and up-to-date data, the planning unit will evaluate the potential for using a Linear Programming Model, in this case, the Transportation Method, which is a well-known technique for analyzing and solving transportation problems such as assignment problems and traffic management.

(2) Storage and Handling:

(a) Location and Selection of Sites;

(b) Buffer Stock Policy: If appropriate data are available, Input-Output analysis will be used to find an optimum solution regarding the costs and benefits of locating storage facilities in a particular area;

(c) Reducing Losses in Grain: The economic costs and benefits of reducing losses in grain will be documented periodically for subsequent planning and evaluation;

(d) Inventory Management.

(3) Dissemination of Information: Through development of an effective market information system, OFNACER will have a good data base for the day-to-day operations and for policy planning and strategy. The information system will consist of the following:

(a) Internal accounting systems reporting inventory levels, orders, sales, prices, production and consumption levels. The planning unit will seek ways to improve the speed, accuracy, and efficiency of reporting.

(b) Market intelligence will provide OFNACER's management with current information about competitors and developments and changing conditions at the macro level. The art of disseminating information using the simplest method of reporting, such as simple and short sentences, graphs, tables, summarized research reports and pamphlets will be used.

(c) Market research provides specific studies of marketing problems, market effectiveness and marketing alternatives. The team will provide the methodology of doing good market

research by involving itself and local employees in the actual research. The training and research work will be designed on site with OFNACER's staff.

E. Supervision and Training of OFNACER Employees

A central assumption of this contract is that the contractor team will assist OFNACER in improving the capacities of its personnel in planning techniques analysis. This can only be accomplished in an effective manner if the contractor Agricultural Economist operates with his OFNACER counterparts as a close knit team. Hence, throughout this contract the term planning unit has been used to refer to both the contractor advisor and his OFNACER counterparts.

Achieving this objective will include assuring that the Agricultural Economist works closely with his OFNACER counterparts and that the latter are knowledgeable and can independently utilize the planning techniques employed during the project. Further, OFNACER counterparts will be able to analyze results and make policy recommendations to the Director in a timely and effective manner.

Prior to the undertaking of any specific task, the contractor team Agricultural Economist will meet with his counterparts to establish objectives and the methodology(ies) required to reach said objectives. This effort will be mutually supportive insofar as OFNACER counterparts will have insights regarding the existing systems and constraints to alternative methods. Prior to employing specific methodologies, sessions will be held to ensure mutual comprehension. Similarly, data analysis will be undertaken collegially.

2. Financial Accounting Advisor and Financial Accounting Management (21&1/2 person months)

The principal task of the financial accounting advisor will be to implement a financial management system and to provide on-the-job training of OFNACER's accounting office to assure that such a system will continue to provide useful information following the departure of contractor technical assistance. The financial accounting advisor shall provide 21&1/2 person months of technical assistance.

Accordingly, the financial accounting advisor will collaborate with OFNACER's senior management, accounting staff, and various members of the donor community, including USAID, to design, plan for, and implement a financial accounting system that will assure that:

- o transactions are executed in accordance with management's general and specific authorizations;
- o transactions are recorded so as to facilitate the preparation of accurate financial statements in conformity with generally accepted accounting principles and to maintain accountability of assets;
- o periodic audits are taken to verify the accuracy of records and that any discrepancies are accounted for;
- o record-keeping errors and irregularities can be prevented and discovered promptly;
- o information can be generated on a timely basis to meet all of OFNACER's reporting needs, including the requirements of P.L. 480.

In addition to these responsibilities, the financial accounting advisor will work closely with the Financial Director to provide useful financial information to improve the managerial effectiveness of OFNACER. In a similar vein, the financial accounting advisor will collaborate closely with the project's agricultural economist to see that he is getting the information he and his counterparts need to carry out their planning functions. In addition, the two advisors will work together to prepare timely, accurate, and useful quarterly reports for USAID/Upper Volta and brief analytical reports on operational and strategic aspects of OFNACER.

Throughout the project, the financial accounting advisor will provide on-the-job training to OFNACER management and financial personnel. This on-the-job training will have to be tailored to fit the capabilities of the OFNACER staff and will be carried out so as to meet the needs and to develop the skills of each individual OFNACER employee.

To carry out these tasks, the financial accounting advisor will have to establish a collaborative and cooperative working relationship with OFNACER management and personnel. The first assignment for this advisor,

therefore, will be to familiarize himself with OFNACER's current procedures. At the same time the advisor will learn about the accounting and financial requirements of OFNACER's donors, including the requirements mandated by P.L. 480. This knowledge will give the financial accounting advisor an understanding of the foundation upon which OFNACER's new accounting system is to be based and a chance to gain the credibility necessary to work with OFNACER's accounting staff. Specifically, in order to gain an understanding of current procedures and to establish a personal rapport with his counterparts, the financial accounting advisor plans to work on a one-on-one basis with each member of the accounting staff. The culmination of the first phase of operations should be an in-house seminar conducted by the advisor to examine OFNACER's current procedures and financial reporting obligations.

The purpose of this seminar will be to review with the accounting staff how their responsibilities relate to the overall financial accounting system. This first phase should take approximately three months.

Also during the first three months, the financial accounting advisor will work with the project's agricultural economist to assist OFNACER in preparing a report for the Ministry of Rural Development and USAID/Upper Volta on the recurrent costs that may result from programs implemented during the project. With a thorough understanding of current operations and financial accounting needs, the financial accounting advisor's next task will be to work closely with OFNACER personnel to design and plan for the implementation of a revised accounting system. In this phase the advisor will have to experiment with various parts of the system, i.e., journals, ledgers, and worksheets, that will provide the information OFNACER requires. The advisor will have to work closely with each member of the accounting staff to make sure that he understands not only what he will do under the revised system, but also why he will do it.

The design and subsequent implementation of the various parts of the financial accounting system will be greatly affected by the capabilities of OFNACER's personnel. The advisor will have to revise his designs and implementation plans as his assessment of these capabilities change. The culmination of this second phase of operations will be another in-house seminar to examine the revised financial accounting system and to finalize the plans to implement it. This second phase should take about six months.

The actual implementation of the revised financial accounting system will take an entire year, i.e., one crop/marketing year. Implementation should begin at the start of the rainy season (May-June), which is near the end of the crop/marketing year, when OFNACER's day-to-day operations are minimal. A one year phase-in will allow ample time to make adjustments to the system as it is implemented. During this phase of the project, the financial accounting advisor should have the ability to supervise the day-to-day operations of OFNACER's accounting department. Regardless of how collaborative the development of a revised system is, it is still likely to be viewed by the accounting staff as the advisor's system. Therefore, the advisor should have the authority to manage its implementation and to take responsibility for any difficulties with the system and its implementation.

Once the revised system is in place, the financial accounting advisor will address the following points. Specifically, during the final, phase-out stage of the project, the advisor will collaborate closely with OFNACER's Financial Director to make better use of the data provided by the system to monitor OFNACER's financial condition and to produce the financial data needed to address various issues of policy, including pricing. Also, during this phase the financial accounting advisor will concentrate on providing the accounting staff with the on-the-job training it needs to operate and maintain the accounting system. Through on-the-job training, the financial accounting advisor will be able to phase his withdrawal from accounting operations well in advance of the end of the project.

The Financial Accounting Advisor will be fielded immediately upon signing of contract. Actual implementation of the revised accounting system would begin about May or June of 1983 and proceed through the 1983/84 crop marketing year. During the final twelve months of the project, the financial accounting advisor would focus on on-the-job training and advising the Financial Director on financial management and policy.

D. Language Requirements

The long-term Contractor employees will be required to speak and read French at the FSI S-3 and R-3 levels. The Contractor employees will submit to a language capability test. (See Attachment A-1 for Definitions of Language Proficiency Rating.)

E. Structure of Project Team

1. SECID

SECID will assume the role and responsibilities of prime contractor; Lincoln University will serve as the project lead institution and subcontractor. Administrative and backstopping services, including budget control, procurement and shipment of equipment and personal effects, and liaison with AID/W regarding contract management and technical coordination will be handled by SECID in Chapel Hill, North Carolina, in collaboration with Lincoln University. SECID will provide a Project Coordinator to oversee these tasks.

The Administrative Office of SECID will provide logistical services as needed to free the University personnel for maximizing the efficiency and effectiveness of their technical assistance in-puts. Such services will include contract negotiation, making travel arrangements, and organizing orientation conferences for SECID faculty. SECID staff will liaise frequently with Lincoln University and the implementation team in Upper Volta to ensure the provision of effective administrative support.

2. Agricultural Economist/Team Leader

The Contract Team Leader will serve as technical advisor to the Commercial Director of OFNACER. The team leader will coordinate and monitor the work of the SECID team. His administrative duties will include ensuring that the project team's skills and expertise are effectively integrated and keyed to project goals; that international coordination and institutional capacity are strengthened within OFNACER; and that continuity in effective project management is assured by the organizational structure that exists once the contract teams departs.

Additional duties will include: liaison with USAID/Ouagadougou, liaison with SECID and the participating member institutions; assistance in planning buying and selling campaigns; supervision and training of Voltaic employees in planning techniques analysis; and coordination of the planning unit's activities with the different divisions and regional controllers of OFNACER.

4. SOW from PIO/T Amendment (June 1984)

AID 1380-1 (10-79)  PIO/T	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT  PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1. Cooperating Country <b>UPPER VOLTA</b>	Page 1 of 1 Pages
		2. PIO/T No. <b>686-0243-3-10057</b>	3. <input type="checkbox"/> Original or Amendment No. <b>2</b>
		4. Project/Activity No. and Title <b>Grain Marketing Development, 686-0243</b>	

DISTRIBUTION  /OUAGA  (Contracts)  UGA  /PSS WA e	5. Appropriation Symbol <b>72-11X1012</b>	6. Attachment Symbol and Charge <b>GSHX-81-21686-KG18</b>
	7. Obligation Status <input type="checkbox"/> Administrative Reservation <input checked="" type="checkbox"/> Implementing Document	8. Project Assistance Completion Date (Mo., Day, Yr.) <b>June 3, 1986</b>
	9. Authorized Agent <b>AID/Washington</b>	10. This PIO/T is in full conformance with PRO/AG <b>686-0143</b> Date <b>June 3, 1980</b>
	11a. Type of Action and Governing AID Handbook <input checked="" type="checkbox"/> AID Contract (HS 14) <input type="checkbox"/> PASA/RSSA (HS 12) <input type="checkbox"/> AID Grant (HS 12) <input type="checkbox"/> Other	11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment) <b>AFR-0243-C-00-2062-00</b>

12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. \_\_\_\_\_)

Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
		521,600			
	B. U.S.-Owned Local Currency				

13. Mission  
References

14a. Instructions to Authorized Agent

The authorized Agent is requested to amend contract AFR-0243-C-00-2062-00 as detailed below:

The Cognizant Scientific/Technical Office should be amended to read "USAID/Upper Volta/OAG"

Article I Statement of Work is Amended to read as follows:

A. Background is adequate as it now reads.  
B. Objective is amended to read as follows:

14b. Address of Voucher Paying Office

Office of Financial Management, Ouagadougou (ID)  
Department of State, Washington, D.C. 20520

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

The project officer certifies that the specifications in the statement of work are technically adequate	Phone No.	B. The statement of work lies within the purview of the initiating and approved agency programs	Date		
	D. Smith, B. Traoré, J. Böcker			OPR/M.A. Rugh	5/21/84
	L.C. Heilman, DDIR			Jim Stanford, Controller	
C.	Date	D. Funds for the services requested are available			
E. Technician, JAG/DIR	5/31/84				
	Date				
	6/1/84				

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to	17. For the Agency for International Development
Signature: <u>Laurent Guedraogo</u> Title: <u>Directeur General, OFNACER</u> Date: <u>02/06/84</u>	Signature: <u>Emerson J. Melaven</u> Title: <u>Mission Director</u> Date: _____

**B. OBJECTIVE**

The Grain Marketing Development Project provides assistance in improving grain market conditions, increasing food grain production, and improving the prospects of food security in rural areas of Upper Volta. The long-term technical assistance component is: (1) to upgrade the National Cereals Office's ability to allocate storage facilities in a manner which maximizes the efficient use of its resources; (2) to strengthen OFNACER's ability to analyze market conditions; and (3) to make rational pricing recommendations and procurement plans which conform with market conditions and intervention capabilities. A final objective is that OFNACER's data gathering and analytical capabilities will be upgraded, enabling the organization to perform day-to-day commercial operations more efficiently.

A major overall task of the technical assistance team will be to demonstrate to the Director General and his staff the value of empirical information, how to identify what information is needed, how to collect and process the selected information, and how to apply the information within the day-to-day operations of OFNACER. The team must also work to help define OFNACER's role in the Voltaic grain economy by identifying the operations, cereal varieties, etc., best suited to OFNACER's capabilities and those operations and areas which should be left to the initiative of the private sector. Similarly, the team should seek to outline the practical constraints to OFNACER's abilities to predict and enforce fixed prices and possible interactions with market factors.

**C. Work Statement should be amended to read as follows:**

The work statement contractor agrees to make available the personnel to perform the following responsibilities.

1. Agricultural Economist (Team Leader) (28 months - January 1983 - May 1985). The Agricultural Economist will serve as technical advisor to the Commercial Director of OFNACER for a period of twenty eight months. He/she will be responsible for the establishment and development of a planning unit (the Cellule des Etudes, de la Planification, et des Statistiques) and on the job training of two Voltaic college graduates with degrees in Economics who will ultimately assume the responsibilities of the planning unit.

A. Specific responsibilities from January 1983, thru June 3, 1984 include:

1. The establishment and development of a statistical research and management planning unit capable of collecting relevant data analyzing such data to permit OFNACER to become a more efficient and effective market intervention agent.
  - a. provide supervision and on-the-job training for two local economists employed by OFNACER
  - b. develop market information system (quantities and prices.)
  - c. conduct specific studies as required to complement existing data
2. Assistance to the Commercial Director in planning the buying and selling campaigns.
  - a. analyzing available production and stock information
  - b. recommending localities and timing of intervention to assure maximization of OFNACER's objectives
  - c. recommending quantities to be purchased/sold by locality to assure maximization of OFNACER's objectives
  - d. analyzing the relevant cost and price parameters in order that OFNACER may present rational pricing recommendations to the interministerial commission
3. Assist OFNACER in development of an improved warehouse distribution plan.
  - a. assess local grain balances over time
  - b. assess the availability and adequacy of alternate storage facilities
  - c. assess the economic and financial implications of such a plan
4. Assist OFNACER in the analysis of transportation, storage, and administrative costs and present recommendations of OFNACER management regarding increased efficiencies.

B. Specific responsibilities from June 3, 1984, thru May 3, 1985 include:

1. To continue the training of two Voltaic economists currently working with him who will be able to manage themselves the Cellule des Etudes de la Planification, et des Statistiques (CEPS) upon contract completion.

2. To play a directing role to the CEPS in identifying the marketing problems of OFNACER in coordination with the Commercial Department by conducting surveys for OFNACER.
3. To assist the Commercial Department conduct statistical analyses, plan, and improve the staff potential of this department, and better coordinate the management of the regional management offices.
4. To readjust the expected geographical sales reports over time according to needs and available cereal stocks.
5. To assist the Commercial Department to plan stock movements in order to minimize the frequency and cost of such movements.
6. To complete a detailed analysis of market prices using the newly established market information system.
7. To analyze the 1983/84 and previous year's commercial activities in order that OFNACER's managerial staff can utilize such information for formulating its marketing policy and taking managerial decisions.
8. To assist the Commercial Department to establish a system of analyzing stock movements.
9. To work in close collaboration with the other technical offices of OFNACER in order to improve the general management of the office.
10. To participate in the planning and installation of a computer system appropriate to OFNACER's managerial requirement.

2. The Financial Accounting Advisor (26 months, October 1982-December 1984). The Financial Accounting Advisor will serve as a technical advisor to the Director of Finance and Accounting for a period of twenty six months. He/she will be responsible for the implementation of a financial management system designed with USAID support. He/she will be responsible for the on-the-job training of the accounting office to assure that such a system will continue to provide useful information beyond the life of the contract.

A. Specific responsibilities of the Financial Accounting Advisor from October 1982 thru June 3, 1984 include:

1. To assist and advise the Financial Director and Director General concerning the implementation of OFNACER's revised accounting system, i.e. designed by Deloitte Haskins and Sells, i.e. assuring that:
  - a. transactions are executed in accordance with management's general and specific authorizations conform to the authorization, and that such authorizations take cognizance of donor requirements,

regulations, and restrictions concerning the use of donor assets;

- b. transactions are recorded as necessary to (1) permit preparation of financial statements in conformity with generally accepted accounting principles, and (2) to maintain accountability of assets;
  - c. access to assets is permitted only in accordance with OFNACER management authorization;
  - d. recorded accountability of assets is compared with the existing assets at reasonable interval and appropriate action is taken with respect to any differences;
  - e. record keeping errors and irregularities can be prevented or will be discovered promptly;
  - f. information can be generated on a timely basis from the financial records to meet the demands of OFNACER management and the reporting requirements of each donor.
2. To assist OFNACER develop and implement a system of physical inventory
  3. To establish and advise an internal account inspection unit within the Financial and Accounting Office to verify procedures used and data submitted by the regional offices.
  4. To establish and advise the analytical cost unit in order that OFNACER may become more efficient and improve the basis for price recommendations.
  5. To assist OFNACER with the revision of its Credit Sales policy and establish a unit within the Financial Office responsible for credit sales.
  6. To assist the Financial Director with the management of diverse food aid accounts (including PL 480) to assure that OFNACER meets the responsibilities detailed in the various bilateral agreements.
  7. To assist OFNACER management review its existing management structure and present recommendations as to how this structure may be modified to encourage efficiency.
  8. To provide on-the-job training for the staff of the Financial Office.
- B. Specific responsibilities of the Financial Advisor from June 3, 1984 thru December 3, 1984. include:
1. To monitor and assist the application of all procedures included within the financial and accounting manual and continue the training of the accounting and financial personnel who will be responsible for the correct application of the system upon the departure of the advisor.

- a. to assist the Financial Office improve its internal audit capabilities through on-the-job training
  - b. to assist the implementation of internal control procedures
  - c. to assist the application of counterpart fund procedures and train the responsible accountants in their management
  - d. to update the Financial and Accounting Manual by incorporating necessary modifications
2. To finalize the Financial and Accounting Manual with the collaboration of a local accounting expert to better adapt the current system to Voltaic accounting regulations.
    - a. to contribute to the implementation of analytical accounting system and to train the agent charged as section chief
    - b. to contribute to the implementation of an accounting system for purchases, and to train the personnel charged with this operation
  3. To participate in the definition of needs for the computerization of the Financial Management Office.
  4. To assist OFNACER to improve the quality of its management.
    - a. to examine and propose all possible measures which permit the reduction of costs and improved efficiency
    - b. to complete any study, analysis, or assignment for the Financial and Accounting Department, the other technical departments, or Central Management that will permit improved information flows and decision making capabilities
- D. Language Requirements. No change is required
- E. Structure of the Project Team need not be amended

Article II Reports Deliverables is to be amended as follows:

- A. Quarterly Report - No changes
- B. Analytical Reports - No changes
- C. OFNACER Report. The due date is amended to read June 3, 1984.
- D. Final Report is amended to read as follows: "Upon completion of the effort described in Article I - Statement of Work and not later than August 3, 1985, the contractor shall submit a final report to USAID/Upper Volta (5 Copies in English) and to OFNACER

and the Ministry of Rural Development (5 Copies in French.) The final report shall be in narrative form and shall reflect the Contractor's efforts, findings, observations and recommendations, accomplished as a result of performance under this contract. A draft report and oral briefing shall be completed prior to departure from post.

E. Evaluations is to be deleted.

Article III: Technical Directions is amended as follows

- A. Cooperating Country Liaison : Directeur General of OFNACER
- B. AID Mission Liaison: Project Officer, USAID/Upper Volta

Article IV - No Modifications

Article V Period of Contract

- A. The estimated completion date is 5/3/84.
- B. Contract services are to "... and continue for thirty two a half months. The Financial Accounting Advisor arrived in October 1982, and the Agricultural Economist arrived in January 1983.

Article VI Estimated Contract Cost and Financing

The total estimated cost of the contract to the Government is \$661,000. The total Amount obligated is \$661,000. See Article VII Budget.

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE	PAGE OF
2. AMENDMENT/MODIFICATION NO. AFR-0243-C-00-2062-03	3. EFFECTIVE DATE 06/03/84	4. REQUISITION/PURCHASE REQ. NO. 686-0243-3-10057, A-2	5. PROJECT NO. (If appl) 686-0243
6. ISSUED BY Agency for International Development Office of Contract Management Regional Operations Division - Africa Washington, D. C. 20523	CODE	7. ADMINISTERED BY (If other than Item 6) Same as Issuing Office TECHNICAL OFFICE: AFR/PD/SWAP	CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) South-East Consortium for International Development 400 Eastowne Drive Suite 207 Chapel Hill, NC 27514		(4)	9A. AMENDMENT OF SOLICITATION 9B. DATED (SEE ITEM 11) 9C. MODIFICATION OF CONTRACT/ NO. AFR-0243-C-00-2062 9D. DATED (SEE ITEM 13) 09/13/82
CODE	FACILITY CODE		

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended  is tendered.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by tele letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

72-11X1012 GSHX-81-21686-KG18	Amount Obligated: \$ 92,886
	Cumulative Obligation: \$660,987

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

<input checked="" type="checkbox"/>	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in payment appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: The FAA of 1961, as amended, and E.O. 11223
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

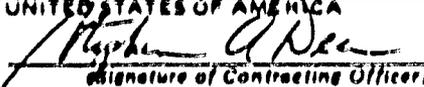
E. IMPORTANT: Contractor  is not,  is required to sign this document and return   X   copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible)

A. Cover Page

- Delete the Estimated Completion Date of "06/03/84" and insert in thereof "05/03/85".
- Under the General Provisions delete the dates "10/81", "10/81", and "6/82" and insert in lieu thereof "10/82" for each.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full effect.

15A. NAME AND TITLE OF SIGNER (Type or print) EDWARD VICKERY EXECUTIVE DIRECTOR	15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED 8/27/84	15A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Stephen A. Dean (S:111)	15B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	15C. DATE 8/30
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**B. General Provisions**

Delete in its entirety and insert in lieu thereof the following:

"The General Provisions applicable to this contract consist of form AID 1420-41C entitled 'General Provisions-Cost Reimbursement Type Contract,' dated 10-82, which includes provisions 1 through 48; form AID 1420-41D entitled 'Additional General Provisions Cost Reimbursement Type Contract,' dated 10-82, which includes provisions 1 through 20; and Alterations in Contract (AIDPR 7-7) dated October 1982."

**C. ARTICLE I - STATEMENT OF WORK**

1. Delete B. OBJECTIVES in its entirety and insert in lieu thereof the following:

**"B. OBJECTIVES**

**1. General**

The Grain Marketing Development Project provides assistance in improving grain market conditions, increasing food grain production, and improving the prospects of food security in rural area of Upper Volta. The long term goal of the technical assistance component is:

- a. to upgrade the National Cereals Office's ability to allocate storage facilities in a manner which maximizes the efficient use of its resources;
- b. to strengthen OFNACER's ability to analyze market conditions; and
- c. to make rational pricing recommendations and procurement plans which conform with market conditions and intervention capabilities.

The end result is that OFNACER's data gathering and analytical capabilities will be upgraded, enabling the organization to perform day-to-day commercial operations more efficiently.

## 2. Specific

The specific goals of the technical assistance component include:

- a. To demonstrate to the Director General and his staff the value of empirical information, how to identify what information is needed, how to collect and process the selected information, and how to apply the information within the day-to-day operations of OFNACER.
  - b. To help define OFNACER's role in the Voltaic grain economy by identifying the operations, cereal varieties, etc. best suited to OFNACER's capabilities and those operations and areas which should be left to the initiative of the private sector.
  - c. To outline the practical constraints to OFNACER's abilities to predict and enforce fixed prices and possible interactions with market factors."
2. Delete "D. WORK STATEMENT" in its entirety and insert in lieu thereof the following:

### "C. WORK STATEMENT

In attaining the objectives of this contract, the Contractor shall provide OFNACER with a team of long-term technicians including an Agricultural Economist as team leader, and a Financial Accounting Advisor.

These advisors will work closely with OFNACER's senior management to design and implement management system that will identify what empirical data OFNACER needs, collect and process the selected data, and produce the information needed to improve OFNACER's day-to-day operations. In carrying out their activities, the advisors' emphasis will be to help OFNACER define the role it must play in the marketplace to make

grain marketing in Upper Volta more efficient and to implement changes in day-to-day operations so that OFNACER does fill that role.

1. Agricultural Economist (Team Leader) (32.5 months - ~~January 1983 - May 1985~~ <sup>August 1982-80</sup>)\* The Agricultural Economist will serve as technical advisor to the Commercial Director of OFNACER for a period of thirty two and one half months. He/she will be responsible for the establishment and development of a planning unit (the Cellule des Etudes, de la Planification, et des Statistiques) and on the job training of two Voltaic college graduates with degrees in Economics who will ultimately assume the responsibilities of the planning unit.

a. Specific responsibilities from January 1983, thru June 3, 1984 include:

- 1) The establishment and development of a statistical research and management planning unit capable of collecting relevant data analyzing such data to permit OFNACER to become a more efficient and effective market intervention agent.
  - a) provide supervision and on-the-job training for two local economists employed by OFNACER;
  - b) develop market information system (quantities and prices);
  - c) conduct specific studies as required to complement existing data.
- 2) Assistance to the Commercial Director in planning the buying and selling campaigns.

\*Note: Time spent in language training shall be counted towards the total 28 months required. *32.50m*

- a) analyzing available production and stock information;
  - b) recommending localities and timing of intervention to assure maximization of OFNACER's objectives;
  - c) recommending quantities to be purchased/sold by locality to assure maximization of OFNACER's objectives;
  - d) analyzing the relevant cost and price parameters in order that OFNACER may present rational pricing recommendations to the interministerial commission
3. Assist OFNACER in development of an improved warehouse distribution plan.
- a) assess local grain balances over time;
  - b) assess the availability and adequacy of alternate storage facilities;
  - c) assess the economic and financial implications of such a plan.
4. Assist OFNACER in the analysis of transportation, storage, and administrative costs and present recommendations of OFNACER management regarding increased efficiencies.
- b. Specific responsibilities from June 3, 1984, thru May 3, 1985 include:
- 1) To continue the training of two Voltaic economists currently working with him who will be able to manage

themselves the Cellule des Etudes de la Planification, et des Statistiques (CEPS) upon contract completion.

- 2) To play a directing role to CEPS in identifying the marketing problems of OFNACER in coordination with the Commercial Department by conducting surveys for OFNACER.
- 3) To assist the Commercial Department conduct statistical analyses, plan, and improve the staff potential of this department, and better coordinate the management of the regional management offices.
- 4) To readjust the expected geographical sales reports over time according to needs and available cereal stocks.
- 5) To assist the Commercial Department to plan stock movements in order to minimize the frequency and cost of such movements.
- 6) To complete a detailed analysis of market prices using the newly established market information system.
- 7) To analyze the 1983/84 and previous year's commercial activities in order that OFNACER's managerial staff can utilize such information for formulating its marketing policy and taking managerial decisions.
- 8) To assist the Commercial Department to establish a system of analyzing stock movements.
- 9) To work in close collaboration with the other technical offices of OFNACER in order to improve the general management of the office.

- 10) To participate in the planning and installation of a computer system appropriate OFNACER's managerial requirement.
2. The Financial Accounting Advisor (26 months, October 1982 - December 1984). The Financial Accounting Advisor will serve as a technical advisor to the Director of Finance and Accounting for a period of twenty six months. He/she will be responsible for the implementation of a financial management system desinged with USAID support. He/she will be responsible for the on-the-job training of the accounting office to assure that such a system will continue to provide useful information beyond the life of the contract
    - a. Specific responsibilities of the Financial Accounting Advisor from October 1982 thru June 3, 1984 include:
      - 1) To assist and advise the Financial Director and Director General concerning the implementation of OFNACER's revised accounting system, i.e. designed by Deloitte Haskins and Sells, i.e. assuring that:
        - a) transactions are executed in accordance with management's general and specific authorizations and conform to the authorization, and that such authorizations take cognizance of donor requirements, regulations, and restrictions concerning the use of donor assets;
        - b) transactions are recorded as necessary to (1) permit preparation of financial statements in conformity with generally accepted accounting principles, and (2) to maintain accountability of assets;

- c) access to assets is permitted only in accordance with OFNACER management authorization;
  - d) recorded accountability of assets is compared with the existing assets at reasonable interval and appropriate action is taken with respect to any differences;
  - e) record-keeping errors and irregularities can be prevented or will be discovered promptly;
  - f) information can be generated on a timely basis from the financial records to meet the demands of OFNACER management and the reporting requirements of each donor.
- 2) To assist OFNACER develop and implement a system of physical inventory.
  - 3) To establish and advise an internal account inspection unit within the Financial and Accounting Office to verify procedures used and data submitted by the regional offices.
  - 4) To establish and advise the analytical cost unit in order that OFNACER may become more efficient and improve the basis for price recommendations.
  - 5) To assist OFNACER with the revision of its Credit Sales policy and establish a unit within the Financial Office responsible for credit sales.
  - 6) To assist the Financial Director with the management of diverse food aid accounts (including PL 480) to assure that OFNACER meets the responsibilities detailed in the various bilateral agreements.

- 7) To assist OFNACER management review its existing management structure and present recommendations as to how this structure may be modified to encourage efficiency.
  - 8) To provide on-the-job training for the staff of the Financial Office.
- b. Specific responsibilities of the Financial Advisor from June 3, 1984 thru December 3, 1984 include:
- 1) To monitor and assist the application of all procedures included within the financial and accounting manual and continue the training of the accounting and financial personnel who will be responsible for the correct application of the system upon the departure of the advisor.
    - a) to assist the Financial Office improve its internal audit capabilities through on-the-job training;
    - b) to assist the implementation of internal control procedures;
    - c) to assist the application of counterpart fund procedures and train the responsible accountants in their management;
    - d) to update the Financial and Accounting Manual by incorporating necessary modifications.
  - 2) To finalize the Financial and Accounting Manual with the collaboration of a local accounting expert to better adapt the current system to Voltaic accounting regulations.
    - a) to contribute to the implementation of analytical accounting system and to train the agent charged as section chief;

- b) to contribute to the implementation of an accounting system for purchases, and to train the personnel charged with this operation.
- 3) To participate in the definition of needs for the computerization of the Financial Management Office.
- 4) To assist OFNACER to improve the quality of its management.
  - a) To examine and propose all possible measures which permit the reduction of costs and improved efficiency;
  - b) to complete any study, analysis, or assignment for the Financial and Accounting Department, the other technical departments, or Central Management that will permit improved information flows and decision making capabilities.

**D. ARTICLE II - REPORTS**

1. Under C. OFNACER REPORT delete the last sentence and insert in lieu thereof the following:

"This report shall be submitted by June 3, 1984 in French to the Ministry of Rural Development and in English to USAID/Upper Volta."
2. Under D. Final Report delete the first paragraph in its entirety and insert in lieu thereof the following

"Upon completion of the effort described in Article I - Statement of Work and not later than August 3, 1985, the contractor shall submit a final report to USAID/Upper Volta (5 copies in English) and to OFNACER and the Ministry of Rural Development (5 copies in French). A draft report and oral briefing shall be completed prior to departure from post."
3. Delete E. Evaluations in its entirety.

ANNEX 8

OFNACER's Sales and Distribution System

The attached "Note d'Information" describes the organization of OFNACER's sales activities. The unofficial translation which follows it was prepared by the evaluation team.

OFFICE NATIONAL DES CEREALES

B.P. : 53 - OUAGADOUGOU

TEL : 367-38 / 367-39

Ouagadougou, le 10 Octobre 1983

/)/ 001481 /OFNACER/DG

N O T E D' I N F O R M A T I O N

SUR LES CIRCUITS REVOLUTIONNAIRES DE DISTRIBUTION  
DES CEREALES

En exécution de la lettre-circulaire n° 1726/CNR/DR/OFNL du 29 Septembre 1983 du Camarade Ministre du Développement Rural, le Camarade Directeur Général de l'OFNACER informe les camarades collaborateurs de l'Office, les camarades membres des C.D.R., les camarades patriotes commerçants agréés que les dispositions suivantes doivent être strictement observées pour un succès total des opérations d'approvisionnement en céréales aux citoyens consommateurs

TROIS FORMULES DE DISTRIBUTION SONT CONÇUES

1) Vente des céréales dans les points de vente OFNACER

- 1.1 Les centres de vente OFNACER ouverts du lundi au samedi iront régulièrement approvisionnés pour la clientèle.
- 1.2 Les ventes aux consommateurs s'effectueront avec la supervision des C.D.R. qui procéderont au contrôle de la régularité des opérations de vente notamment par
  - . Le Contrôle des cartes de famille ou du dernier bulletin de paie et des pièces d'identité pour la vérification de la conformité.
  - . Le pointage des pièces présentées pour éviter des spéculations.
  - . La quantité à livrer par consommateur est soumise à l'appréciation responsable des C.D.R.

### 2) Livraison des céréales aux consommateurs par les CDR

- 2.1 Les CDR désigneront deux responsables chargés de l'approvisionnement de leur ressort, Les noms et prénoms de ceux-ci doivent être communiqués au Secrétariat Général National des CDR.
- 2.2 Les responsables CDR désignés exprimeront les besoins de leurs militants par liste dûment visée par eux. La quantité des céréales à livrer par consommateur est laissée à l'appréciation responsable des CDR qui connaissent très bien les familles de leurs militants. En même temps qu'ils expriment leurs besoins, les militants règlent la valeur des quantités de céréales demandées.
- 2.3 La liste accompagnée des fonds collectés est déposée auprès des centres de stockage de l'OFNACER qui procéderont à la livraison des produits à un lieu préalablement déterminé par les CDR.
- 2.4 Les militants consommateurs se présenteront au lieu-dit pour prendre livraison de leurs céréales entre les mains de leurs " responsables d'approvisionnement ".
- 2.5 Il est important d'indiquer qu'il est hautement souhaitable que les besoins exprimés atteignent le minimum de chargement d'un camion ( 7 Tonnes ).

### 3) Ventes des céréales par les commerçants agréés

- 3.1 Les commerçants agréés reçoivent livraison des céréales auprès de l'OFNACER après règlement en présence de délégués CDR en vue d'assurer l'approvisionnement de consommateurs d'une aire géographique.
- 3.2 Présents au chargement tout comme au déchargement, les délégués CDR supervisent jusqu'au dernier sac les opérations de vente en assurant notamment :

Le contrôle des cartes de famille ou du dernier bulletin de paie et les pièces d'identité pour la vérification de conformité.

. Le pointage des pièces présentées en vue d'éviter les spéculations.

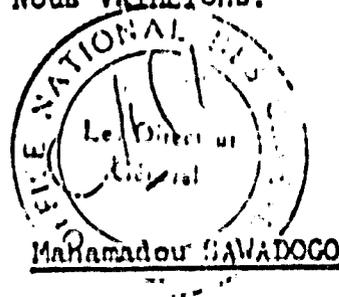
. La quantité à livrer par consommateur est laissée à l'appréciation responsable des CDR.

3.3 Il est important de souligner qu'afin de permettre aux commerçants patriotes d'assurer la distribution des céréales aux consommateurs au prix officiel, une remise de 1,5 F.CFA par kilogramme est concédée à ceux-ci.

A titre d'exemple, le sac de 100 Kg de sorgho blanc qui coûte officiellement 8.315 F.CFA est livré aux commerçants patriotes à 8.165 F, soit une marge de 150 F.CFA par sac de 100 Kg.

Camarades militants du Conseil National de la Révolution, mobilisons-nous pour défendre les acquis de notre révolution démocratique et populaire afin d'accéder à des victoires de plus en plus éclatantes.

La Patrie ou la Mort,  
Nous Vaincrons.



mpliation

- Diffusion Générale.

8.315 - 8.165 = 150 F/100kg  
150 / 100 = 1,5 F/kg  
1,5 F/kg x 100 kg = 150 F (déschargeant)  
8.315 F - 150 F = 8.165 F  
8.165 F / 25 = 326,6 F/TK  
326,6 F/TK - 28 F/TK = 34,2 km

Office National des Cereales  
B.P. 53, Ouagadougou

Information Directive on the Revolutionary  
Circuits of Cereal Distribution

In promulgation of the provisions contained in Circular Letter No. 1726/CNR/DR/OFNACER of September 29, 1983 from Comrade Minister of Rural Development, Comrade General Director informs his comrade colleagues of his office, the comrade members of the Committee for the Defense of the Revolution, and the patriotic comrade authorized merchants that the following regulations must be strictly observed for the total success of the cereal supply operations to the citizen consumers.

Three Distribution Systems have been formulated.

1) Sale of cereals at OFNACER sale centers :

1.1 The OFNACER sale centers will be open from Monday to Saturday inclusive and will receive regular supplies.

1.2. Sales to consumers will take place under the supervision of Committees for the Defense of the Revolution, who will ensure the regularity of sale operations by:

- Checking the family identity cards, or most recent salary slip, or identification documents, for conformity purposes.
- Marking the documents to prevent speculation on the part of consumers.
- Having the quantity delivered to each consumer checked by an appropriate member of the Committee for the Defense of the Revolution.

2) Delivery of Cereals to Consumers by the Committees for the Defense of the Revolution.

2.1 Each Committee for the Defense of the Revolution will designate two members as responsible for the distribution of cereals under their control. The family name and all given names must be notified to the National General Secretariat of the Committee for the Defense of the Revolution.

2.2 Those Committee members thus designated will register the needs of their party members by means of a duly certified list. The quantity of cereals to be delivered to each consumer is left to the responsible judgment of the Committees for the Defense of the Revolution, who know their

party members' families very well. When they establish their requirements the party members will pay the value amount of the cereals requested.

The above mentioned list, together with the funds collected, will be deposited with the appropriate OFNACER distribution center, which will then deliver the cereals to a place already specified by the Committee for the Defense of the Revolution.

- 2.4 The party member consumers will present themselves at the appointed place to take delivery of the cereals from the Committee member already appointed responsible for distribution.
- 2.5 It is highly preferred that the requirements stated amount to at least one truckload (7 tonnes).

### 3) Sales of Cereals by Authorized Merchants

- 3.1 The authorized merchants will take delivery of the cereals from OFNACER after having paid the appropriate cash amount in the presence of delegates of the Committee for the Defense of the Revolution.
- 3.2 The Committee delegates will remain on site until the very last bag has been loaded or unloaded, to supervise and to ensure specifically the following:
  - That the family identity card, or most recent salary slip, or identification document, is checked for conformity;
  - That the documents are duly marked in order to prevent speculation;
  - That the quantity to be delivered to each consumer is determined by the Committee for the Defense of the Revolution.

It is important to emphasize that in order to enable those patriotic traders to distribute cereals at the official price, they will receive a discount of 1.5 CFA francs per kilogram. For example, a bag of 100 kilograms of white sorghum, which costs officially 8,315 CFA francs, will be delivered to patriotic traders at 8,165 CFA francs, that is, a margin of 150 CFA francs per 100 kilogram bag.

Comrade members of the National Revolutionary Council, let us mobilize to protect the achievements of our democratic, popular revolution and go on to yet greater victories.

Fatherland or Death,  
We Shall Overcome

MAHAMADOU SAWADOGO  
Director General  
Office National des Céréales.

ANNEX 9

Minutes of the Price Committee Meeting  
(November 6, 1984)

(C.E.T.S)

 PROCES-VERBAL DE LA REUNION  
DE LA COMMISSION TECHNIQUE CHARGEE DES  
MESURES RELATIVES A LA COMMERCIALISATION  
DES PRODUITS CEREAALIERS.

-----

L'an mille neuf cent quatre vingt quatre et le Vingt neuf Octobre,  
s'est réunie dans la salle de Conférence de l'H.E.R., la Commission Technique  
chargée des mesures relatives à la Commercialisation des produits céréaliers.

Membres de la Commission.

- Le Cde KANBIRE Hean Martin, Ministère de l'Agriculture et de l'Elevage (Président de séance)
- Le Cde SANON M. Jules, Représentant du Directeur Général de l'Agriculture
- Le Cde DYEMKOUMA Dominique, Représentant du Directeur de la Production Végétale
- Les Cdes GO Dokié et OUBA K. Bernard, Direction de la Production Végétale.
- La Cde SOMDA Brigitte, Directrice Générale des Douanes
- Le Cde COULIBALY Ibrahim., Directeur de l'Administration Territoriale et de la Sécurité P.I.
- Le Cde OUEDRAOGO Nongoma Laurent, Directeur Général de l'OFNACER
- Les Cdes M. Moussié, OUEDRAOGO Harouna et OUEDRAOGO Jean-Pierre Direction Générale de l'OFNACER
- Les Cdes TAMBOURA Amelie et SANON Félix, Direction Générale du Commerce et de l'Approvisionnement du Peuple.
- Le Cde ILBOUDO Michel, Directeur Général du Commerce et des Prix P.I.
- Les Cdes OUEDRAOGO Pierre et ZOUNGRANA Ousmane, Syndicat des Commerçants de Céréales
- Le Cde DENGTOUMDA Mizinda, Président des Syndicats des Agriculteurs.

Membres absents :

- Le Président de la Chambre de Commerce
- Le Directeur Général de la Planification
- Le Directeur du Commerce Intérieur.

Office National de	
Enregistré	
Le 6/11/84	

..../...

## OBSERVATEURS

- Le Cde. PALM Eric, Caisse de Stabilisation des Prix des Produits Agricoles
- Le Cde Yadgho Augustin, Caisse Générale de Péréquation des Prix
- Le Cde SOW Louis, Directeur de la Coopérative de la Vallée du Kou.
- Le Cde ZONGO Maurice, FASS YAR (Sisalia)

Le Cde Secrétaire Général du Ministère de l'Agriculture et de l'Elevage (Président de Séance) ayant constaté que le quorum est atteint débute la réunion. Il rappelle que la Commission doit se réunir trois (3) fois par an :

- En Juin pour la proposition des prix d'achat au producteur
- En Octobre pour l'examen du dossier de la Campagne de Commercialisation de l'OFNACER
- En Novembre pour la proposition des prix de vente au consommateur.

Il invite alors les membres de la Commission à apporter les éléments d'appréciation permettant de fixer correctement les prix des produits céréaliers. Les propositions fait-il remarquer, doivent aller dans le sens de la politique du C.N.R. de défendre les intérêts des masses populaires et d'œuvrer vers l'autosuffisance alimentaire. Il informe également la commission, de la décision des Autorités de libérer les prix des Intrants Agricoles qui jusque là étaient subventionnés par l'état. Etant donné que c'est la Direction Générale de l'Agriculture (D.G.A.) qui détient les informations techniques permettant de faire une 1ère approche du problème il propose la procédure suivante qui sera adoptée :

1°/ La Direction Générale de l'Agriculture fait à la Commission l'exposé des coûts de production et en déduit le prix de revient du Kg des cultures céréalières de base (mil, sorgho, maïs)

2°/ La Commission discute sur le prix dégagé par la D.G.A.

3°/ La Commission adopte à partir de la discussion et des différentes propositions des membres de la commission, un prix du Kg de chaque céréale.

Le Président de Séance donne ensuite la parole au Représentant du Directeur Général de l'Agriculture pour qu'il expose la méthode de calcul de prix de revient du Kg de céréale (mil, sorgho, maïs) eu égard aux coûts de productions (Intrants Agricoles, Main d'Oeuvre).

En ce qui concerne le riz, c'est le Représentant de la Vallée du Kou qui en fera l'exposé immédiatement après. De ces deux (2) exposés, accompagnés de leur rapport technique, les prix ci-dessous indiqués seront dégagés (F/KG).

	Sorgho	Mil	Maïs
Traction assine	96,40	165,20	77,00
Traction bovine	89,50	127,70	59,60
Culture traditionnelle	224,70	280,80	160,40

En faisant la moyenne arithmétique des prix avec la marge bénéficiaire de 15% on aboutit aux résultats suivants :

- Sorgho : 137 F/Kg
- Mil : 191 F/Kg
- Maïs : 99 F/Kg
- Riz paddy : 84,40 F/Kg

Le Secrétaire Général fait remarquer que pour les prix moyens on devrait plutôt faire des moyennes pondérées (suivant la pourcentage de production des différentes céréales) et non une moyenne arithmétique, ce qui aurait relevé les prix.

Un Représentant de l'OFNACER voudrait savoir dans quel cadre les chiffres de rendements avancés ont été retenus. La D.G.A. répond en disant qu'elle s'était référée à un document de la campagne précédente.

Le Secrétaire Général du Mère de l'Agri.EL. intervient pour dire qu'un rendement n'est en principe valable que pour une campagne, une région et une culture données. Il fait alors remarquer que comparativement aux chiffres de rendement relevés dans les rapports des O.R.D. au 30/09/1984, les rendements adoptés sont représentatifs de la campagne.

Il fait remarquer, à ce titre que si par exemple le prix d'achat au producteur n'est pas fixé de manière réaliste, l'on se heurte à la réticence des paysans à vendre à l'OFNACER.

Commence alors le débat de fond où les membres de la Commission doivent faire une analyse objective de la situation afin de fixer des prix réalistes qui permettront d'atteindre les objectifs poursuivis.

Le Directeur de l'OFNACER intervient à son tour dit que la Chambre de Commerce avait usage de livrer les prix pratiqués sur les marchés des pays voisins et insiste sur l'importance de cette démarche pour la commercialisation des céréales. Il informe ensuite la commission des deux points suivants :

1°/ L'OFNACER a reçu des instructions des autorités pour pratiquer une régionalisation des prix des céréales.

2°/ L'OFNACER va réformer le système de collecte et de commercialisation des céréales et a pour cela adopté trois (3) formules :

- Redynamiser la collecte des céréales par les groupements villageois en rapport avec les O.R.D., les Hauts Commissaires et les C.D.R.,
- Créer des centres populaires de collecte.
- Instituer au niveau de chaque province des commerçants agréés.

Le Secrétaire Général du ~~Ministère~~ de l'Agriculture et de l'Elevage demande au Directeur de l'OFNACER s'il y a des Instructions précises sous forme écrite sur la régionalisation des prix. Il fait remarquer qu'il y a des zones de productivité céréalière différente.

Prenant la parole le Directeur de l'OFNACER précise qu'il a reçu des instructions verbales de la part du Chef de l'Etat.

Le Directeur de l'OFNACER indique sur une carte du Burkina Faso qu'il fait distribuer à l'assistance quatre (4) zones correspondant à des productivités différentes et à des prix différents pratiqués sur les marchés :

- 1ère zone : excédentaire
- 2ème zone : production plus ou moins équilibrée
- 3ème zone : légèrement déficitaire
- 4ème zone : déficitaire

Le Secrétaire Général/M.A.E récapitule alors à l'attention des membres de la Commission tous les critères qui doivent donc être pris en compte dans les prix à fixer :

- Le facteur régionalisation
- Le prix au consommateur
- Le facteur libération du prix des Intrants Agricoles.

Il invite les membres de la commission à se prononcer tous à tour sur la question de la régionalisation des prix qui vient poser selon lui le problème du prix d'achat au producteur et celui de vente au consommateur lequel de ces deux prix peut répondre au principe de la régionalisation

La parole à ce propos fait le tour de la table :

- Le Représentant des Commerçants pense qu'en ce qui concerne les zones déficitaires comme le Sahel, on ne saurait fixer un prix d'achat au producteur.
- Faso Yar : il faut considérer les avantages de la régionalisation du côté producteur et du côté consommateur. Pour les zones excédentaires, la régionalisation des prix est une incitation à la production.
- Commerce et Approvisionnement du Peuple : régionaliser le prix d'achat au producteur pose beaucoup de problèmes ; il vaut mieux conserver l'uniformité des prix.
- C.S.F.P.A. : il appartient plutôt à l'OFNACER de faire des propositions.
- Direction des Douanes : du même avis que le représentant de la CSPPA.
- Administration Territoriale et Sécurité : opte pour l'uniformité des prix.
- DGA : il vaut mieux régionaliser le prix de vente au consommateur mais uniformiser celui de l'achat au producteur.
- Caisse Générale de Péréquation : il se pose le problème de la durabilité des prix (achat au producteur et vente au consommateur).

La régionalisation résoudrait le problème au niveau de l'OFNACER qui n'aurait qu'à acheter les céréales dans les zones excédentaires afin de les acheminer dans celles déficitaires.

- Représentant du Commerce et Approvisionnement du Peuple : propose l'uniformité pour les <sup>prix</sup> d'achat au producteur et la régionalisation pour le prix de vente au consommateur.
- Syndicat des agriculteurs : propose d'acheter les céréales dans les zones excédentaires et de les vendre à des prix raisonnables dans les zones déficitaires.
- Directeur de l'OFNACER : apporte un rectificatif sur la compréhension du principe de la régionalisation des prix ; il s'agit :
  - de fixer le prix des céréales au niveau de chaque province par les Hauts Commissaires et les CDR.
  - d'inciter les zones productives à accroître leur production
  - de préparer des cartes d'approvisionnement dans les zones déficitaires.

Reprenant la parole, le Secrétaire Général du Ministère de l'Agriculture et de l'Elevage dit qu'en partant du principe de la fixation des 2 prix (prix d'achat au producteur et prix de vente au consommateur) au niveau

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Provincial la commission n'aurait donc plus de raison d'être. Fixer cependant un prix de vente au consommateur à portée de sa bourse et compte tenu des charges en matière d'approvisionnement (transport notamment), suppose une source de subvention, l'Etat en l'occurrence. La libération des prix des intrants agricoles suppose également la régionalisation de leurs prix.

Il ne restait plus qu'à fixer les prix d'achat aux producteurs, ce pourquoi le Président de séance invite les membres à faire de propositions créées. Chaque direction eut droit à la parole pour faire sa proposition quantitative ou qualitative des prix.

Le résumé des propositions est consigné dans le tableau ci-dessous.  
Tableau des propositions des prix (F CFA/KG)

	Mil	Sorgho blanc	Sorgho rouge	Riz paddy	Maïs
Syndicat des Commerçants	95	90	80	85	85
Faso Yar	-	-	-	80,74	-
Direction Formation des Prix :	Il est difficile d'apprécier sans document				
C.S.P.P.A.	: Proposons la révision des prix de revient à la baisse				
Douanes	: Pas de proposition. On devait fournir le document avant la réunion et non séance tenante. Mais tant que douaniers nous sommes favorables à une hausse des prix				
Vallée du Kou	-	-	-	85	-
Adm. Territoriale & Sécurité :	Nous ne possédons pas des critères objectifs d'appréciations.				
Caisse Générale de Péréquation :	Entant qu'observateurs nous n'avons pas de proposition.				
Commerce	: Propose une augmentation des prix de céréales de 30% par rapport à l'an dernier, sauf pour le riz (15 % d'augmentation)				
	80	80	75	85	80
Syndicat Agriculteur	: S'aligne sur la proposition du Représentant du Commerce.				
OFNACER	80	75	65	80,74	70
D.G.A.	: réitère à nouveau les prix de revient proposés dans le document technique.				

Un Représentant de l'OFNACER fait remarquer que la subvention du prix de vente au consommateur aura pour conséquence la monopolisation de la commercialisation par l'OFNACER, les Commerçants ne pouvant pas vendre aux prix officiels.

Le Secrétaire Général/M.A.E. récapitule les différentes propositions et il ressort les propositions de prix suivantes : Mil : 80 F/KG  
Maïs : 85 F/KG, Sorgho Blanc : 80 F/KG, Sorgho rouge : 75 F/KG.

Il fait remarquer la nécessité de faire les propositions d'achat au producteur des céréales en début de campagne afin d'inciter à la production comme pour le coton.

#### CONCLUSION:

La commission a adopté les résolutions suivantes

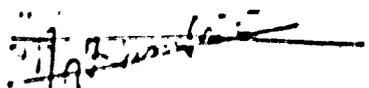
- Uniformiser les prix d'achat au producteur.
- Régionaliser les prix de vente au consommateur.

La régionalisation aura pour avantage :

- D'inciter les zones productives à améliorer leur potentiel de production.
- De permettre aux populations des zones déficitaires d'avoir accès aux produits vivriers dont les prix seront étudiés en fonction de leur pouvoir d'achat. *⇒ Solidarité*

La Patrie ou la mort, nous vaincrons !

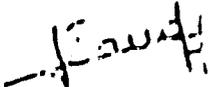
Le PRESIDENT DE SEANCE

  
KAMBIRE Jean Martin

RAPPORTEUR

  
OUOBA Bernard

SECRETARE DE  
SEANCE

  
TAMBOURA Amélie

ANNEX 10

Organization of OFNACER's Buying Campaign

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GUIDE DE L'AGENT  
OF NA CER  
EN CAMPAGNE NATIONALE  
D ACHAT 1984/1985

" La révolutionnarisation de tous les domaine  
de tous les secteurs d'activité, est le mot d'ordre qui corres-  
pond au moment présent".

Camarade Thomas SANKARA

Discours d'Orientation Politique  
du 2 Octobre 1983.

OFFICE NATIONAL DES CÉRÉALES  
BP. 53 - OUAGADOUGOU -  
Tél. 33-67-38 / 33-67-39

Ouagadougou, le 10 août 1984

00N 700 /CNR/CAPRO/OFNACER/DG/DC

Le Camarade Directeur Général de  
l'Office National des Céréales

Objet : Campagne nationale de  
collecte 1984/1985

UX  
Camarades Contrôleurs Départementaux  
de Gestion.

Camarades,

La Campagne Nationale de collecte vient d'être lancée dans les  
Centres Départementaux de Gestion.

Le Gouvernement Révolutionnaire a décidé cette année de relever  
plus de 25% les prix d'achat des céréales afin que nos producteurs soient  
récompensés leur dure labeur et soient incités à produire davantage.

J'attends donc de vous une action intensive et soutenue dans la  
collecte de nos céréales locales. Aucun effort ne devra être épargné pour  
collecter le maximum de céréales ; développez des initiatives et améliorez  
relations avec les autorités administratives, les CDR, les groupements  
villageois, les banques de céréales, les ORD etc...

Cependant, cette action ne doit pas vous dispenser des contrôles  
contrôle de la qualité, de la quantité des céréales et du travail mené par  
agents sur le terrain grâce à des tournées très fréquentes.

La Direction Générale de l'OFNACER, grâce à ses équipes de  
sensibilisation effectuera de nombreuses tournées dans toutes les provinces.

La Patrie ou la Mort, Nous Vaincrons

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Le présent guide s'adresse à tous les agents OFNACER intervenant dans la campagne nationale de collecte, il a pour objet de définir le cadre réglementaire régissant les activités de la campagne. Il permet également aux autorités administratives, aux Camarades CDR et aux organisations paysannes d'avoir une information complète chaque année sur le déroulement de la campagne d'achat de l'OFNACER.

La campagne nationale d'achat dans chaque centre départemental de gestion (CDG) est dirigée, animée et coordonnée par le Contrôleur responsable du CDG, sur la base du guide et des instructions reçues de la Direction Générale, en étroite collaboration avec les groupements villageois, banques de céréales, autorités administratives, CDR et ORD.

Le Contrôleur par ses tournées régulières doit pouvoir informer une fois par semaine par tous moyens la Direction Commerciale de l'évolution de la collecte dans son CDG et des problèmes qui pourrai survenir.

Le guide 1984/1985 comprend 4 grandes parties :

- I - les Objectifs
- II - les Produits
- III - l'Organisation des achats
- IV - l'Enregistrement des mouvements de stock.

#### I - Les Objectifs

L'Office National des Céréales, compte tenu des différentes informations et prévisions plutôt pessimistes sur les récoltes 84/85, a retenu un objectif national de collecte de 15 000 tonnes de céréales : mil, maïs, sorgho blanc et rouge.

Cet objectif ne doit pas être perçu comme une fin en soi mais plutôt une indication. L'OFNACER collectera le maximum de céréales disponibles là où elles se trouvent sans pour autant chercher à vider les greniers des paysans de leurs stocks réservés à la consommation familiale. L'OFNACER est prêt à acheter tout l'excédent commercialisable.

Les Sous-Objectifs par CDG/par produit

Centre Départemental de Gestion	Tonnage à collecter
Ouagadougou	1 300
Dédougou	5 000
Bobo-Dioulassa	4 000
Ouahigouya	500
Fada N'Gourma	1 700
Gaoua	1 000
Koudougou	1 000
Koupéla	500
TOTAL	15 000

II - Les Produits

L'OFNACER collectera cette année les produits suivants : mil, maïs, sorgho blanc, sorgho rouge. Ces produits devront obligatoirement être de qualité irréprochable.

Les agents OFNACER conscients des problèmes occasionnés par le stockage prolongé de céréales humides, infestées ou en début d'infestation, prendront toutes mesures pour vérifier et contrôler la qualité et le poids de tous les sacs.

Le Contrôleur, l'Assistant et le Chef magasinier informeront largement tous les agents collecteurs et procéderont à des contrôles de leurs activités d'achat. Toute céréale humide ou infestée, tout sac ne faisant pas le poids devront être rejetés. Le Contrôleur est responsable de la qualité et de la quantité des produits achetés.

Les magasins destinés à recevoir les produits de la nouvelle campagne devraient être auparavant vidés, nettoyés et désinfectés.

III- L'Organisation des achats

Trois formules de collectes sont adoptées cette année.

1) Les Achats :

L'OFNACER achètera cette année par l'intermédiaire des groupes villageois, des marchés populaires d'achats et des commerçants agréés.

### 1.1. Les Groupements Villageois et autres organisations paysannes

Comme les campagnes précédentes, l'OFNACER dans son désir de soutenir les organisations paysannes privilégiera ses achats auprès des groupements villageois.

Les groupements seront choisis de commun accord avec l'ORD (encadreur desdits groupements) parmi les plus sérieux et ne devraient pas être débiteurs vis-à-vis de l'OFNACER. Il recevront des avances de fonds par tranche inférieure ou égale à 300 000 Francs CFA, des sacs, ficelles etc... pour procéder aux achats pour le compte de l'OFNACER.

Le succès de cette formule d'achat tient compte d'une part du niveau d'organisation, du sérieux des groupements et d'autre part de la bonne collaboration entre ORD, autorités administratives et OFNACER.

### 1.2. Les marchés populaires d'achats

A l'instar de la SOFITEX, l'OFNACER voudrait tendre vers la mise en place de marchés autogérés pour les céréales. Ces marchés tiendront compte de la spécificité des céréales par rapport au coton commercialisé par la SOFITEX.

Ces marchés populaires d'achats (MPA) seront des marchés périodiques sur lesquels l'OFNACER procédera directement aux achats par l'intermédiaire de ses propres agents.

Ces MPA se tiendront selon une périodicité et à un lieu déterminés par les autorités administratives et les CDR. Les CDR se chargeront d'informer les paysans du lieu et de la date. Ils sensibiliseront également les paysans sur l'avantage qu'ils ont à vendre leurs produits à l'OFNACER plutôt qu'aux commerçants.

Les agents OFNACER se présenteront le jour indiqué au lieu fixé avec les fonds, les sacs et le camion pour procéder directement aux achats et à l'enlèvement du produit logé dans des sacs.

L'OFNACER attache beaucoup de prix à la réussite de cette formule populaire d'achat.

Les centres d'achats classiques devront très rapidement laisser la place aux marchés populaires d'achats.

### 1.3. Les Commerçants

L'OFNACER avait prévu acheter cette année aux commerçants agréés mais la publication tardive des prix officiels ne lui permet pas d'attendre la mise en place du système d'agrément.

Aussi, l'OFNACER achètera cette année sans exiger d'agrément.

Les agents seront vigilants sur la qualité et le poids des céréales livrées par les commerçants. Ils pourront procéder à des reconditionnements aux frais du commerçant pour contrôler la qualité.

Sacherie : lorsque le produit livré par le commerçant est logé dans un sac en très bon état, l'agent acceptera la sacherie et règlera au commerçant forfait de 4 FCFA par kg net livré. Dans le cas contraire, l'agent refusera la sacherie et procédera à un reconditionnement aux frais du commerçant pour transférer les produits dans des sacs OFNACER

Transport : Il est prévu un forfait de 4 F CFA par kg livré et logé dans nos magasins de stockage aux frais du commerçant.

Compte tenu du prix "abordable" du maïs, l'OFNACER ne versera pas 4 FCFA pour le transport du maïs livré par les commerçants.

NB : L'OFNACER n'exclut pas l'organisation d'achat test selon la formule d'achat auprès de commerçants agréés dans l'une ou l'autre province où les autorités administratives et les CDR auront déjà mis au point un système d'agrément.

### 2) L'approvisionnement des CDG en fonds

La Direction financière prendra toutes dispositions pour approvisionner les CDG par le système de virement dans les banques au siège du CDG, après vérification de la situation des collectes.

### 3) Les prix d'achat

Unité de mesure	KG	POT	DOUBLE POT	1/2 TINE	TINE
Produit					
Mil	80	64	128	640	1 280
Sorgho blanc	80	64	128	640	1 280
Sorgho rouge	75	60	120	600	1 200
Maïs	85	68	136	680	1 360

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4) La Logistique :

En plus des camions et chauffeurs déjà affectés au niveau des CDG, la Direction de la Logistique répondra dans les plus brefs délais à toute demande de camions formulée par un Contrôleur pour sa campagne.

Tout chauffeur paresseux, indiscipliné ou "affairiste" devra être signalé par le Contrôleur pour qu'il soit sanctionné.

5) Les ristournes :

4.1. Groupements Villageois et autres organisations paysannes  
2 FCFA par kg net collecté, versés en fin de campagne.

4.2. ORD : 0,5 FCFA par kg net collecté, versés en fin de campagne.

4.3. Caisse CDR : Pour le travail de sensibilisation, d'information et d'organisation des marchés populaires d'achat, une ristourne de 0,5 FCFA par kg net collecté dans les MPA effectivement "encadrés" par les CDR sera reversée à la Caisse CDR en fin de campagne.

4.4. Magasinier OFNACER

Les magasiniers collectant dans les MPA recevront une ristourne de 0,05 FCFA par kg net collecté

Les magasiniers collectant exceptionnellement dans les centres d'achat ancienne formule percevront une ristourne de 0,7 F/kg collecté.

4.5. Les Contrôleurs OFNACER.

Ils percevront une ristourne de 0,05 FCFA par kg net collecté par le CDG quelle que soit le système d'achat.

6) Les Frais de Collectes :

Manutention : la manutention reste fixée à 200 FCFA la tonne (ensachages couture, pesée et chargement).

Gardiennage : Les frais de gardiennage restent maintenus à 200 F par jour. L'enlèvement des stocks devrait se faire rapidement, les frais de gardiennage devraient connaître une réduction.

IV) Enregistrement des Mouvements de stocks

L'OFNACER à la demande des Autorités devra tendre à stocker dans des centres situés à proximité des zones de collecte, les produits achetés.

L'action de l'Office, à travers les Contrôleurs, sera donc cette année de prendre contact et d'instaurer des relations suivies avec les différentes banques de céréales agissant sur leur CDG respectif.

Tout mouvement d'entrée ou de sortie du stock collecté devra figurer sur la fiche de contrôle de stock.

1) Les Cessions au Stock National de Sécurité

Toute cession de céréale au stock national de sécurité sera matérialisée par un bordereau de réception établi par l'agent DJS en présence du magasinier de la Direction commerciale, celui-ci devra au paravant remplir un B

2) Les Enregistrements comptables

En plus de la situation hebdomadaire communiquée par tous moyens à la Direction Commerciale, un rapport mensuel sera exigé par CDG. Le rapport devra comprendre :

- la situation des collectes et des charges
- les pièces comptables et pièces justificatives

Ce rapport devra briller par sa clarté et ne souffrir d'aucun retard

Tout agent hésitant sur la façon de remplir un B.A., BE, ICD, PCR, devra s'adresser à son Contrôleur afin d'éviter les erreurs, surcharges et ratur

La Patrie ou la Mort. Nous vaincrons !

Annex 11

Bibliography

Annex 11

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