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Final Report

**Midterm Evaluation
of
Togo Rural Institutions and Private Sector Project
(TRIPS)**

USAID Project No. 693-0227

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Acronyms

ACCA	Association des Commerçants de Cereales d'Assahoun
A.I.D.	Agency for International Development
AID/W	Washington Office of A.I.D.
ASPROMO	Association de Proprietaires de Motoculteurs
ATI	Appropriate Technology International
BCEAO	Banque Centrale des Etats de l'Afrique de l'Quest
BLGO	Bureau of Advisory Management and Organization
CARE	Cooperative for American Relief Everywhere, International
CFA	Central and West African Franc
(CLUSA)NCBA	National Cooperative Business Alliance
CNCA	Caisse Nationale du Credit Agricole
COGESCO	Committee de Gestion et Commercialization du Riz Blanc
COOPEC or CU	Credit Union
DESA	Direction des Enquetes et Statistiques Agricoles
DGDR	Direction Generale de Development Rural
DIVAE	Division of Agricultural Enterprises
DRDR	Direction Regional de Developpement Rural
FUCEC-Togo	Federation des Unions Cooperatives d'Epargne et du Credit
FX	Foreign Exchange
GIPATO	Professional Groups of Traditional Artisans
GOT	Government of Togo
GPA	Groupements Agricoles
IFAD	International Fund for Agriculture
IRRI	International Rice Research Institute
MDR	Ministry of Rural Development
NGO	Nongovernment organization
OAR/Lome	Office of the AID Representative/in Lome
ORA	Operational Research Activities
PACD	Project Assistance Completion Date
PAE	Promotion de Petites Activites Economiques
PfP	Partnership for Productivity
(P)PAE	Promotion de petites activites economiques
PPS (SPP)	Program and Planning Service (MDR)
PVO	Private and Voluntary Organization
SED	Small Enterprise Development
SME	Small and Medium Enterprises
SOTOPRODER	Societe Togolaise Pour la Promotion de Developpement Rural
SSE	Small-scale Enterprises
TOPS	Togo Private Sector Project
TRIPS	Togo Rural Institutions and Private Sector
USAID	U.S. Agency for International Development
WARDA	West Africa Research Development Association
WOCU	World Council of Credit Unions
ZRDP	Zio River Development Project

1.0 Executive Summary

The goal of the Togo Rural Institutions and Private Sector (TRIPS) project is to increase rural incomes by increasing and diversifying agricultural output. The purpose is to expand the participation of Togolese private-sector institutions in agricultural and rural financial markets. These institutions include producer groups, traders, entrepreneurs, and indigenous nongovernment organizations (NGOs).

The strategy of the project is to introduce appropriate technology and credit to bring about increased farm output. This, in turn, will stimulate formation and growth of off-farm small and micro-enterprises involved in agricultural marketing and product processing, and in supplying inputs and services to farmers. Sustained economic growth will result from this synergy of farm and off-farm enterprises.

Through the TRIPS project, CARE International and the Credit Union National Association of North America (CUNA) were mandated to develop rural producer groups and private enterprises and to help build the credit union in Togo.

TRIPS began in 1988, building upon the CARE-supported Zio River Development Project (ZRDP) and the CUNA/Federation des Unions Cooperatives d'Epargne et du Credit (FUCEC) credit-union development activity. TRIPS is viewed by the Government of Togo (GOT) and Office of AID Representative/Lome (OAR/Lome) as an important pilot effort in private-sector development conforming to the GOT's economic reform program.

Status of the TRIPS Project at Midterm

This section summarizes the evaluation team's conclusions and recommendations for each project component. Discussions of each component are found in **Section 4** and in the appendices.

1. **Promoting and Strengthening Rural Producer Groups.** The number of farmers working with CARE has declined, and it is not probable that end-of-project targets will be achieved. Application of new technologies failed to provide any verifiable measure of growth. The CARE approach is sustained by infusions of credit to induce farmers to adopt innovations. Two credit approaches were attempted. In each case, no locally sustainable savings and credit mechanism developed. Over and above the evaluation team's critique of the CARE model, doubt was expressed about CARE's ability to implement in the field.

The evaluation team recommends that this component of project TRIPS be discontinued. We do not suggest that OAR/Lome discontinue support for rural producers.

2. **Small and Micro-enterprise Development.** This component largely depends on successes in expanding the farm economy. As the producer group component failed, this component suffered. It was also unsuccessful in complementing a savings-driven, rural-credit mechanism promoted by CUNA/FUCEC.

This component had three elements: (1) micro-enterprises, (2) small enterprise development, and (3) rural associations. The micro-enterprises element reached quantitative output goals but was not sustainable. In the small enterprise development element, one of 10 anticipated enterprises was developed -- an urban stove manufacturing and sales operation. Rural associations are largely agglomerated micro-enterprises which have suffered from a stagnant farm economy.

The evaluation team recommends two options:

- The component should be discontinued.
 - CARE should hire an experienced small-enterprise specialist and focus work on high-value crops and marketing.
3. **Training.** CARE's training component trained CARE field staff in support of group activities (25%); and trained personnel and trainers of local NGOs and public-sector agencies (75%). This component has surpassed end-of-project objectives. However, training activities seem overextended. CARE provides training at no cost, and uses additional monies from an operational research fund to pay per diems and to supply materials. CARE's training activities distort the local market.

The evaluation team recommends that CARE's training activities be more concentrated and focused, and that CARE more carefully select clients. Operational funds should be used for clients who match contributions. The training component's chief contribution to TRIPS should be through business-advisory training and services.

4. **CUNA/FUCEC: Credit Union Development.** FUCEC's principal role in TRIPS is establishment of institutions for savings and productive credit. Funds available to FUCEC for productive credit have yet to be used. This component has successfully met or surpassed its targets; however, efforts should be redoubled in the area of productive credit. The evaluation team recommends that OAR/Lome continue to support development of appropriate credit-union legislation in Togo.
5. **Project Management and Coordination.** The project management team, composed of the grantees, the GOT Planning and Programming Service (PPS), and OAR/Lome representatives, has not effectively coordinated TRIPS activities. Personnel shortages, poor data-gathering capacity, and training exigencies have restricted the role of the PPS in coordinating TRIPS. The PPS is progressing with the assistance of an A.I.D.-supported adviser; significant improvements are anticipated by end of project.

The evaluation team recommends that OAR/Lome maintain a stronger supporting role for PPS through its participation in the project management team. The PPS should also use local consultants to assist with its weighty mandate.

2.0 Table of Contents

	Page
1.0 Executive Summary.....	1
2.0 Table of Contents.....	3
3.0 Overview of TRIPS Project and Midterm Evaluation.....	5
3.1 The Project Area.....	5
3.2 Methodology Used to Conduct Midterm Evaluation.....	5
3.3 Overview of TRIPS.....	8
3.4 Status of TRIPS at Midterm.....	9
3.4.1 Promoting and Strengthening Rural Producer Groups.....	9
3.4.2 Small- and Micro-enterprise Development.....	10
3.4.3 Training Component.....	12
3.4.4 CUNA/FUCEC: Credit Union Development.....	12
3.4.5 Project Management and Coordination.....	13
4.0 Evaluation Findings, Conclusions, and Recommendations.....	15
4.1 Group Training Methodology and Development.....	15
4.1.1 Findings	15
4.1.1.1 Group Approach.....	15
4.1.1.2 Achievement of Output Indicators.....	15
4.1.1.3 COOPEC Creation.....	16
4.1.1.4 Methodology.....	16
4.1.1.5 Project Staff.....	16
4.1.1.6 Process.....	16
4.1.1.7 Use of Technical Packages.....	16
4.1.1.8 Focus on Fumigable Warehouses.....	17
4.1.1.9 Farmer Trainers.....	18
4.1.1.10 Group Development Methodology.....	18
4.1.2 Conclusions.....	18
4.1.2.1 Personnel.....	18
4.1.2.2 Elements Needed to Create an Effective Group Model.....	19
4.1.3 Recommendations.....	20
4.2 Small and Micro-enterprise Development.....	20
4.2.1 Findings	21
4.2.1.1 Small and Micro-enterprise Development.....	21
4.2.1.2 The Policy Dialogue Component.....	22
4.2.2 Conclusions.....	22
4.2.2.1 Micro-enterprise Development.....	22
4.2.2.2 Small Enterprise Development.....	23
4.2.2.3 Policy Dialogue and Private-Sector Development.....	24
4.2.3 Recommendations.....	25

	Page
4.3 Training Component.....	25
4.3.1 Findings	26
4.3.2 Conclusions.....	26
4.3.3 Recommendations.....	27
4.4 Credit Union Development and Credit Policy.....	29
4.4.1 Findings	29
4.4.2 Conclusions.....	30
4.4.3 Recommendations.....	31
4.5 CARE's Baseline Data Collection and Socioeconomic Monitoring.....	31
4.5.1 Findings	31
4.5.2 Conclusions.....	34
4.5.3 Recommendations.....	34
4.6 Program and Planning Service (PPS).....	35
4.6.1 Findings	35
4.6.2 Conclusions.....	37
4.6.3 Recommendations.....	37

Appendices

- A-1 Terms of Reference for the TRIPS Midterm Evaluation
- A-2 Workplan of Evaluation Team: TRIPS Midterm Evaluation
- A-3 List of Persons Interviewed by the TRIPS Midterm Evaluation Team, March 11-April 5, 1991
- A-4 List of Works Consulted by the TRIPS Midterm Evaluation Team
- A-5 FUCEC-TOGO -- Notes from H. F. Kaufman's Meeting with Kelly J. Morris, Project Manager, World Council of Credit Unions
- A-6 COOPECs Visited During Midterm Evaluation
- A-7 List of Rural Associations Assisted by TRIPS Project (December 31, 1990)
- A-8 Profiles of TRIPS-assisted Rural Associations
- A-9 Small Enterprise Development -- METALLO
- A-10 Private Togolese Consulting Firms
- A-11 Consultants Individuels
- A-12 Outputs/Targets from TRIPS PID Compared to Current Levels
- A-13 Agricultural Economics and Marketing
- A-14 Economic Analysis of Zio Irrigated Perimeter Rehabilitation

3.0 Overview of TRIPS Project and Midterm Evaluation

This section briefly discusses the TRIPS project area, the methodology that the evaluation team used to conduct the midterm review, and the status of the TRIPS project at midterm.

3.1 The Project Area

The Zio River Valley is located in the Maritime Province of southern Togo. It has excellent agricultural potential -- fertile soils, good rainfall, access to markets in Lome, and an irrigation system designed to water more than 650 ha of land. Its population of about 130,000 is energetic, and has been exposed to agricultural and technical innovation. Corn, cassava, rice, cowpeas, peanuts, yams, and other vegetables are grown along with oil palm, mango, and citrus. There is also a largely subsistence production of sheep, goats, poultry, and swine (see project paper and Zio River project evaluation).

Most land is farmed by owners with about one-third farmed by tenants. Average rural family income is about \$72/year (1984 baseline survey).

The irrigated perimeter is used almost exclusively for rice production. Typically, farmers farm about 1 ha grown in the first rainy season (April to July). Slightly more than half of this area is planted to a second crop of rice during August to November. Rice farmers also produce less than 1 ha of rainfed crops. Farmers growing rainfed crops favor maize (the basic staple) but also produce cowpeas, groundnut, cassava, upland rice, and a variety of vegetables.

A typical family in the Zio Valley consists of three adults and seven children (1984 baseline survey). The work force is made up of about four or five members except when children of working age are in school. Long periods of illness often reduce the number of family members available for working fields.

3.2 Methodology Used to Conduct Midterm Evaluation

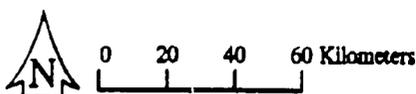
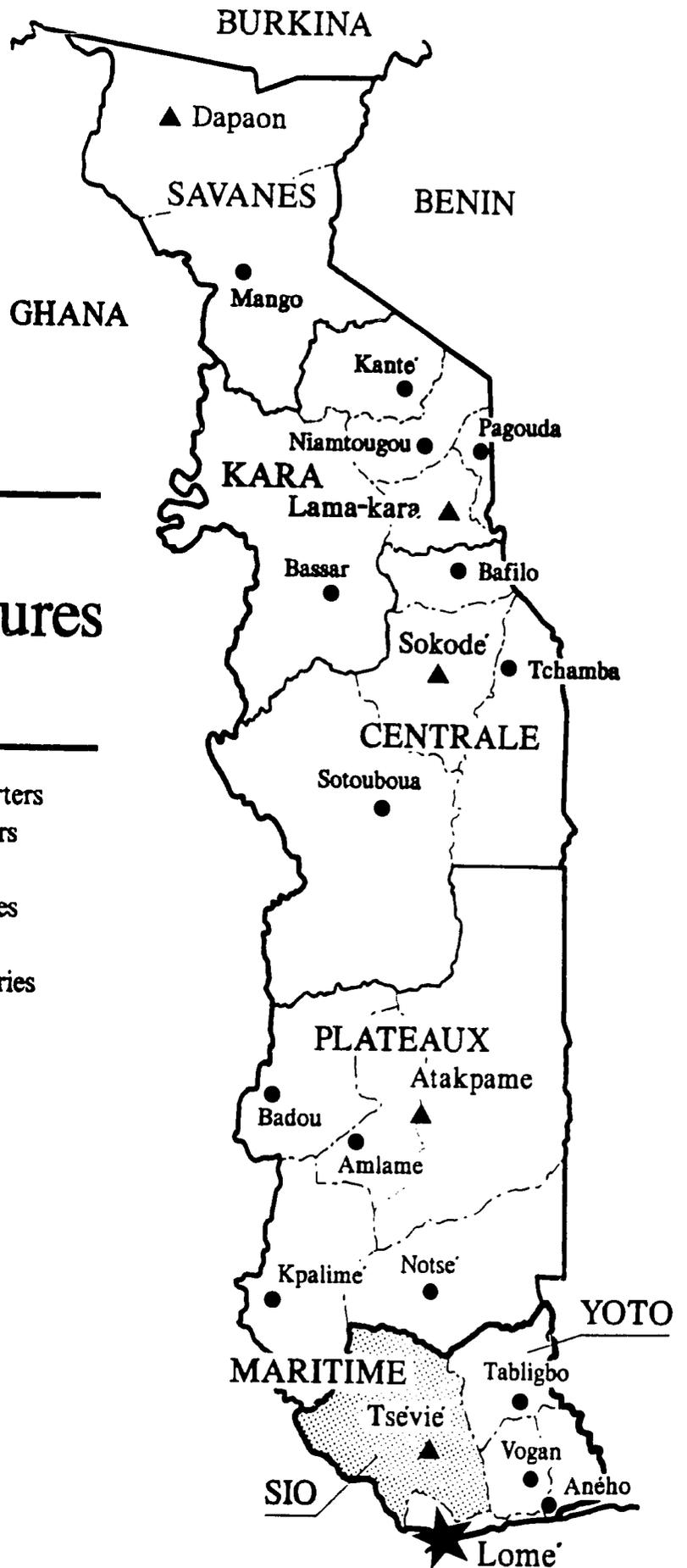
Since the TRIPS project has a wide scope, and the evaluation team had only 3 weeks to conduct the evaluation and develop the rough final draft, it was not feasible to develop lengthy questionnaires for our interviews with rural project beneficiaries. Instead, the team relied on informal, open-ended, information-gathering sessions with small groups of farmers.

The team also held in-depth interviews with key persons in ADO/Lome, CARE, FUCEC, the PPS, and local private voluntary organizations (PVOs), donor agencies, ministries, and local businesses. A list of contacts and their titles is provided in **Appendix 3**.

Map 1:

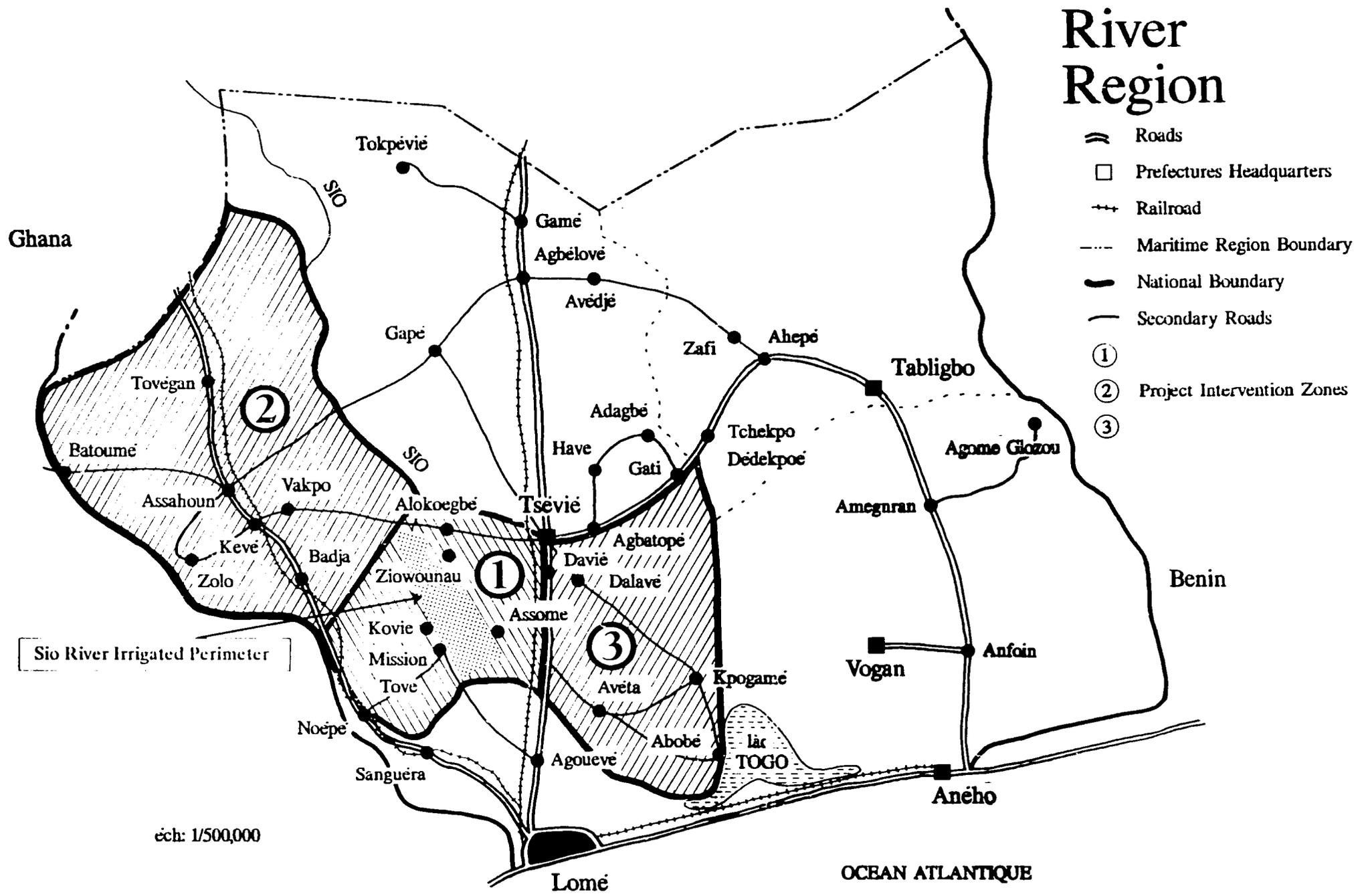
Regions and Prefectures of Togo

- Préfectures Headquarters
- ▲ Régional Headquarters
- ★ National Capital
- Préfectures Boundaries
- Régional Boundaries
- International Boundaries



OCEAN ATLANTIQUE

Map 2: Zio River Region



- Roads
- Prefectures Headquarters
- Railroad
- Maritime Region Boundary
- National Boundary
- Secondary Roads
- ①
- ② Project Intervention Zones
- ③

éch: 1/500,000

Océan Atlantique

Meetings of CARE-assisted *groupements* and training sessions were attended whenever possible to observe CARE operations and ask questions. Field trips were undertaken by all team members to gather information from beneficiaries and field staff. These field trips were made in the company of involved project officials from CARE, FUCEC, and the PPS (see **Appendix 2** for the evaluation team workplan and schedule of meetings).

Various pertinent documents were sought out, including previous evaluations, all relevant project reports and memoranda, socioeconomic studies, and financial data. All were thoroughly reviewed (see **Appendix 4** for a list of works consulted by the evaluation team).

Biweekly meetings of the evaluation team were held so that each member could report on activities and findings to date. This was followed by inputs and questions by all team members. Plans for the days to follow were discussed so that all members would be informed of the activities of other members. At the end of week 3, lengthy briefings followed by discussions were held with USAID, PPS, and CARE staff members.

Upon arrival in Togo, the team learned from the agroeconomist that economic and financial feasibility analyses of the Zio River irrigation scheme had been requested by A.I.D. Computerized models were used to undertake this supplementary item. Data was gathered from Zio Rice Center, interviews with local experts, and published information from various local sources (see **Appendix 14**).

3.3 Overview of TRIPS

The goal of TRIPS is to increase rural incomes by increasing and diversifying outputs from the agricultural sector. The project purpose is to expand participation of Togolese private-sector institutions in agricultural and rural financial markets. These institutions include producer groups, associations, credit unions, private traders, entrepreneurs, and indigenous NGOs.

A multifaceted project beginning in 1988, TRIPS was allocated \$12 million from the Development Fund for Africa. Through TRIPS, A.I.D. entered into cooperative agreements with:

- **CARE International (\$5.26 million).** This U.S. PVO was mandated to develop rural producer groups and private enterprises that support the agricultural sector.
- **Credit Union National Association of North America (CUNA).** Supported with \$5.31 million to assist FUCEC (Credit Union Federation of Togo), CUNA is an affiliate of the World Council of Credit Unions (WOCCU). CUNA/FUCEC is supported by TRIPS to enable the credit-union movement in Togo to become a sustainable source of financing for agricultural and rural development.
- **The Togolese Ministry of Rural Development (MDR) Planning and Programming Service (PPS).** PPS is supported financially for project monitoring and coordination. The sum of \$1.4 million was allocated to technical assistance to the PPS.

TRIPS's strategy is to introduce appropriate technology and credit to increase farm output. Economic growth should stimulate formation and growth of off-farm, small and micro-enterprises involved in marketing, processing, and in providing agricultural inputs and services to farmers.

Each principal component expands upon existing activities. CARE was to build upon the Zio River Economic Development Project. CUNA/FUCEC was to implement its second 5-year plan for development of credit unions in Togo. A project management team composed of MDR/PPS, CUNA/FUCEC, CARE, and OAR/Lome was to coordinate TRIPS activities.

This project is of special importance in that it conforms with the GOT's economic reform program aimed at generating and sustaining growth. Therefore, TRIPS was seen by the GOT and OAR/Lome as an important pilot effort in developing and applying a sustainable approach for private-sector rural development.

CARE was expected to:

- promote and strengthen rural producer groups
- strengthen training methodologies and increase effectiveness of public- and private-sector extension organizations
- assist private entrepreneurs in establishing and expanding businesses that support agricultural production.

CUNA was to:

- improve the legal and policy framework by encouraging the GOT to adopt legislation and policy to improve the environment for credit-union development
- strengthen the credit-union movement by expanding the number of credit unions, increasing membership, and training credit-union employees and volunteers.

3.4 Status of TRIPS at Midterm

This evaluation was conducted to determine progress toward output objectives. The evaluation team reviewed the validity of the original project goal, purpose, and assumptions.

3.4.1 Promoting and Strengthening Rural Producer Groups

The TRIPS project's basic assumption is that rural producers will respond positively to technological adaptations in farming methods if adaptations are accompanied by available credit, reliable input supplies, appropriate technical assistance, thorough management education, and close monitoring.

Projected outputs are 30 strengthened producer groups with 3,400 farmer members. CARE is now working with 710 farmers in 31 groups, a decline from over 900 farmers at the project's beginning. It is unlikely that CARE will achieve outputs anticipated in the project paper (see **Appendix 12**). Given that the production-driven model, as applied by CARE, has not proven effective, the evaluation team concludes that continued high levels of human and other resources in support for this component are not warranted. After 7

years of interventions, clientele has declined and there appears no indication that CARE's model for producer-group development is locally sustainable or merits replication.

The evaluation team believes that CARE applied a credit-driven process model. The project introduced marginally profitable technical packages that required high inputs and capital outlays and increased risk to farmers. An internal evaluation in 1989 concluded that CARE's credit program was experiencing serious problems, and recommended that loans to individuals be discontinued. To sustain the credit-driven process model, CARE disbursed revolving funds to producer groups (GPAs) to maintain their activities. Group members who had not repaid debts from the previous credit approach were excluded from access to the revolving fund. Although CARE reports an increased repayment rate in 1990, the revolving fund continues to decapitalize.

The evaluation team concludes that the CARE process model has not achieved anticipated outputs, and that the prognosis for achieving these outputs is not good. The project region is a well-endowed agricultural resource close to the Lome market. Despite these apparent advantages, no sustained level of economic growth could be discerned. Whatever the merits of the credit-driven model, this questions the effectiveness of project implementation. The evaluation team recommends that this CARE component be shut down.

CARE's inability to effectively implement this component should not serve as a rationale for abandoning support for small farmers. This is especially important since OAR/Lome is designing a new project to promote nontraditional agricultural exports. The following sections of this evaluation suggest alternative investments and strategies for small-farmer agricultural development, business and market development, and development of rural institutions (see **Appendices 13** and **14**).

3.4.2 Small- and Micro-enterprise Development

The small and micro-enterprise development component is linked in the TRIPS project design to an expanding farm economy. This expansion was to be achieved through CARE's interventions at the producer-group level. Increased output would be marketed through enterprises or entities created by this component. Likewise, growth at the farm level would be supported by enterprises thus created. The design also suggested that individual entrepreneurs involved in these enterprises would benefit from membership in credit unions of the FUCEC federation (COOPECs). This last aspect has yet to be realized, and there is no evidence of collaboration between CARE and FUCEC to this end.

Three objectives were identified to promote private-sector development. The first was to assist 250 micro-enterprises. In strictly quantitative terms, this was accomplished by the end of 1989. However, the evaluation team found that the CARE approach was not sustainable. The project assisted 139 micro-entrepreneurs with credit without putting a reimbursement mechanism into place. As a result, the team found that nearly one-half of the loans were still outstanding.

The second objective was to establish 10 small enterprises. The CARE component has assisted only one small enterprise to date. This enterprise, an improved stove production and marketing operation, is located in Lome and has received a high level of research and development assistance from CARE. In an effort to establish 10 small enterprises, CARE

focused its efforts on privatization of project enterprises, such as rototiller services and village grain mills. No privatized activity has developed into a viable business.

The third objective was to form rural associations. The project was, in fact, instrumental in creating 15 associations, including the privatized activities mentioned above. Development of rural associations is still at a very early stage. Project assistance is provided through organizational management training and through assistance in obtaining legal status as business entities. Six of the 15 associations have been registered as official businesses. This has been a learning experience for CARE and project participants with respect to the advantages and disadvantages of moving from the informal to formal sector of the economy.

The poor performance of this component has been, in part, caused by the absence of a small-enterprise adviser. The internal CARE evaluation of 1989 found that the credit fund was not sustainable. CARE, therefore, moved away from providing production and working-capital loans to individual entrepreneurs. The current approach assumes that associations will generate savings for investment and credit through credit unions or other formal institutions.

Since the success of this component was based on increased agricultural production and a rise in productivity generated by CARE's support for producer groups, the small- and micro-enterprise component has clearly had little success. This production-driven approach has not been sustainable.

However, enterprise development can be examined from a demand-driven perspective, a perspective that first identifies potential markets for a diversified production base. The evaluation team recommends that, if CARE is to continue working in enterprise promotion, TRIPS activities should be:

- focused on linking agricultural production to viable local and export markets
- situated clearly within the framework of an overall country development strategy
- complementary to the Togo Private Sector (TOPS) project being designed.

The team has identified the following options for OAR/Lome concerning future CARE activities in small-enterprise development:

- Option 1.** Given that enterprise promotion is directly linked to agricultural production, OAR/Lome should consider discontinuing CARE activities in this component.
- Option 2.** CARE should hire a small-enterprise expert experienced in product development and international marketing. Small-enterprise activities should focus on high-value crops and markets by linking producer groups to nontraditional export firms such as CERKEM, DUCROS, and Atlantic.

3.4.3 Training Component

The objective of this component is to spread project methodology to other private- and public-sector organizations. CARE is currently working with 11 such organizations, providing training-of-trainer services using the experiential training model. In general, the level of capability of the training staff is very good. Some 75% of the training unit's time is devoted to working with public- and private-sector clients. Twenty-five percent of the unit's time is allocated to staff training and training-manual development in support of TRIPS activities. In terms of TRIPS objectives, the unit has already surpassed the end-of-project objective of 10 organizations.

The unit has capable staff and employs solid methodologies; however, this unit is overextended. To achieve sustainable impact on training capacities of client institutions, CARE should focus training activities in a more concentrated way. This involves two recommendations:

- CARE should select institutions having participatory approaches to working with rural institutions.
- CARE should intensify training and intensify impact monitoring and evaluation.

CARE currently provides training to organizations at no cost. Since other institutions, both NGOs and private consultants, provide training and consultant services for a fee, CARE should charge market rates for its services so not to undercut the market.

The training unit is endowed with an operational research fund to use in upgrading an institution's training capacity. This fund is applied to purchases of training materials, per diems for clients, and other measures in support of training activities. This fund enhances CARE's market advantage and potentially distorts client motivation. If OAR/Lome decides to continue using this fund, disbursements should be tied to client commitment demonstrated by in-kind or matching contributions.

CARE has an established capacity to provide business-advisory services to new enterprises. In order to attain overall objectives of energizing the rural economy, CARE should make its business-advisory services available to COOPECs that extend productive credit loans.

3.4.4 CUNA/FUCEC: Credit Union Development

The grant to CUNA to develop the credit-union movement had a productive credit component. TRIPS aimed at increasing savings and credit flowing through private institutions in the rural sector by expanding the number of credit unions in operation. TRIPS was to help FUCEC expand and institutionalize its productive credit program begun under the previous project. This was to include credit for commerce, small businesses, and productive agriculture. By the end of the TRIPS project, the productive credit initiative was to have achieved the following outputs:

- 30 credit unions participating in the program: 11 in year 1, 15 in year 2, and 20 in year 3

- 4,740 individuals having received productive credit loans by end-of-project, with 620 loans made by end of year 2
- CFA 133,775,000 in total loan volume, with CFA 38,872,000 by year 2.

The TRIPS project provided an additional \$494,000 in capitalization for the FUCEC productive credit revolving fund, of which \$250,000 was available at the project's beginning. The project paper states that the midterm evaluation will determine whether the remainder of the fund is to be disbursed. At the midterm evaluation, none of the productive credit fund had been disbursed. FUCEC has not found it necessary to access these funds because the central liquidity facility is highly capitalized. Furthermore, the COOPECs themselves have financed their own productive credit loans. FUCEC has requested that OAR/Lome reallocate anticipated productive credit funds to support an expanded staff.

FUCEC operations are based on the philosophical principle that savings should precede credit. FUCEC has always provided credit to individual COOPEC members. Credit is provided to groups only when the group is a legally constituted business (*personne morale*). This contrasts with the CARE approach that limits its new revolving fund to groups.

The FUCEC productive credit fund was designed to complement CARE's agricultural production activities; conversely, CARE's agricultural production groups were to give birth to COOPECs. To date, little progress has been made with establishing COOPECs in the Zio area. CARE contends that its staff have attempted to promote COOPECs; the 1991 workplan anticipates the formation of 8 new COOPECs. FUCEC asserts that it has assigned its best field agent to the Zio River area.

The TRIPS project has failed to meet many of its larger objectives because of the lack of collaboration between these two organizations. Even if CARE activities are scaled-down over the remainder of the TRIPS project, OAR/Lome should insist, through its role in the project management team, that the activities of the two organizations be made complementary by defining common output objectives.

FUCEC must reinforce its efforts to expand productive credit activities by providing technical assistance to borrowers. CARE has a comparative advantage in this area, having provided business advisory services to rural associations. FUCEC should identify COOPEC members who take out business loans and arrange advisory services for them.

A final observation concerns FUCEC's legal status. FUCEC is working to obtain GOT legislation which gives credit unions separate legal status from banks and cooperatives. OAR/Lome should assist this effort.

3.4.5 Project Management and Coordination

The evaluation team observed three disparate project components working often at odds, rarely in concert. As noted above, CARE and FUCEC are following their own agenda. The project was to be coordinated through the project management team. In addition to project managers from the grant organizations, the management team includes

representatives from MDR/PPS and from OAR/Lome. This section examines the effectiveness of the project management team as a coordinating body, essentially from the perspective of PPS.

PPS has not been able to play an effective role in project coordination and monitoring. This GOT service faces a number of constraints. It is limited by the quality and amount of data provided by the grant organizations. CARE's in-house monitoring system is discussed in **Section 4.5**, and was found insufficient for gauging project impacts and for providing feedback to decision-makers.

Data provided to PPS from the government network (e.g., other data-gathering services and parastatals) is reported to be sketchy. PPS needs a reliable data-gathering network to carry out its functions and to operate in an informed manner within the project management team.

PPS is also hindered by a shortage of personnel. Staff are often seconded to projects or activities within other ministry services. Added to this are administrative leaves for training, which is a very high priority.

It was apparent to the evaluators that neither grant organization took steps to facilitate PPS in its coordinating role. It is also apparent that OAR/Lome has not provided strong guidance to the grant organizations with respect to their reporting requirements through the project management team. This is especially important in light of PPS's current status. The recent arrival of an adviser to PPS under TRIPS is strengthening the service's capacity, but OAR/Lome should maintain a stronger support role for PPS through its participation in the project management team.

The evaluation team agreed that further support for personnel training and professional development is merited. The team also recommends that local consultants be used to support PPS activities.

4.0 Evaluation Findings, Conclusions, and Recommendations

This section presents the evaluation team's findings, conclusions, and recommendations for the following project components or functions:

- group training methodology and development
- small and micro-enterprise development
- training
- credit union development and credit policy
- baseline data collection and socioeconomic monitoring
- Program and Planning Service.

4.1 Group Training Methodology and Development

The agricultural producers groups (GPA) unit at CARE focuses on the following areas: agricultural economic performance, obtaining agricultural inputs, marketing, savings and credit, and viability of the group in managing group activities. The unit's objective is to strengthen producer groups.

4.1.1 Findings

This section summarizes the evaluation team's findings in the areas of group approach, achievement of output indicators, COOPEC creation, methodology, staff, process, use of Technical Packages, focus on fumigable warehouses, farmer trainers, and group development methodology.

4.1.1.1 Group Approach. CARE's approach to developing and strengthening producer or farmer groups is based on an evolutionary progression which starts with individual farmers. Model farmers are identified. A group is encouraged to coalesce around the model farmer through its affinity and(or) respect for this farmer. The model farmer teaches new techniques to members. The group is encouraged to conduct demonstrations of new techniques and seed varieties, and to interact directly with researchers. As the group progresses, the model focuses on the group's capital and management needs, and includes loans to members and surplus marketing. This evolutionary process started in the project area seven years ago with the Zio River Development Project (ZRDP).

4.1.1.2 Achievement of Output Indicators. CARE is currently working intensively with 30 GPAs representing 710 farmers. This is a decrease from 34 GPAs and 934 farmers in 1989. The reason cited for this drop is CARE's requirement for GPA members to have reimbursed at least 95% of their previous project loans. In terms of farmer beneficiaries, CARE meets less than half of its objective indicators for year 3 of 1,700 farmers working in groups. At this time, it is unlikely that the project will achieve end-of-project year 5 target of 3,400 farmers working in GPAs.

4.1.1.3 COOPEC Creation. No COOPECs have been created among farmer groups to date because the COOPEC in Keve encountered difficulties and because of ineffective collaboration between CARE and FUCEC/WOCCU.

4.1.1.4 Methodology. Starting with ZRDP, CARE made a fundamental mistake in its methodology for creating and developing viable farm enterprises. Farmers and entrepreneurs were not involved from the beginning in the creation of farm enterprises. CARE created enterprises for farmers and entrepreneurs. Under the ZRDP, CARE supplied technical packages, inputs, bookkeeping, credit, marketing services, feasibility studies, rototiller services, and rebates to members after the project sold crops. (CARE staff would distribute rebates to group members.)

This fundamental mistake haunts CARE's current efforts to create sustainable GPAs and farm enterprises. CARE has failed to get out of these agricultural service and supply businesses. A project credit mechanism no longer exists, and the current jump-start policy of giving GPAs cash infusions after 7 years of project activities is not a measure nor a method of a sustainable credit mechanism.

4.1.1.5 Project Staff. Project participants view CARE staff as implementors. CARE staff in project zones I and II have had difficulties moving to a process-oriented, training approach to group development. Their backgrounds and project experience are in agricultural production, not in cooperative development. As such, their training and intervention skills are uneven. Some staff members provide authoritative answers to participants or exert too much control over the inter-group dynamics of participants. CARE staff in zones I and II could have benefitted from training by the TRIPS training unit. CARE management should also have focused less on technical production skills in selecting their *chefs d'equipe* and more on training and process skills.

4.1.1.6 Process. CARE staff's encouragement of participants to adopt specific Technical Packages, including warehouse technology, has undermined the group development process. Instead of helping groups invent their own development models, CARE's process has been to bring groups and group members to CARE's model and technologies. CARE's monitoring and evaluation system measures GPA's adoption of CARE Technical Packages rather than measuring and evaluating how individuals within groups progress to solving their own self-defined problems.

4.1.1.7 Use of Technical Packages. The Zio River project developed and provided Technical Packages to project participants. The final project evaluation seriously questioned the profitability and sustainability of CARE's Technical Packages.

The final evaluation team found that 11 packages showed no profitability. Furthermore, the high levels of input and capital required by certain Technical Packages (for example, the Cowpea Technical Package) placed farmers at serious risk during times of poor rainfall. In fact, wide fluctuations in rainfall most often determined yield. Under such circumstances, using high levels of inputs is not appropriate.

In 1987, a group of about 70 non-CARE farmers were given the choice of using CARE Technical Packages and of receiving CARE extension services. Only one farmer chose to use CARE's packages and extension services.

The 1990 Activities Report indicates that for corn -- the main field crop -- farmers followed seed levels but not fertilizer levels recommended by the Technical Package. With the exception of rice, yields of major crops grown by participant farmers were well below those stated in the project paper. Farmers have indicated that they are wary of the high input levels required by the project.

In the TRIPS project, Technical Packages requiring low inputs have been the best received. These packages use techniques, such as planting density and straight-line planting, which show results in a short time and which are easy to use by model farmers and extension workers. CARE, as indicated in the 1990 Activities Report, has moved to identifying traditional means of fertilizing crops and controlling pests. While this leans in the direction of low inputs favored by farmers, it is hard to understand what impact CARE hopes to have in this area.*

4.1.1.8 Focus on Fumigable Warehouses. CARE's focus on storage technology for its marketing program has also experienced difficulties. The project built 18 fumigable warehouses for GPAs. Thirteen were sold to GPAs on credit during 1990 at an average cost of CFA 700,000. The fumigable warehouse, while efficient in protecting crops such as corn by using phostoxin, has been plagued by low storage rates. Table II, in CARE's 1990 Activities Report, lists the 1990 occupancy rate at 46.6%. Occupancy rates from 1988 to 1990 were, respectively, 92.2%, 45.9%, and 46.6%.

As a result of poor markets in 1988-89, project farmers decided to store crops for 2 years before selling them. Project participants and CARE staff decided that GPAs should sell 61% of the corn from the 2-year period to the World Food Program (WFP), a UN donor agency. Including several years of interest payments on both stored crops and the warehouse, it is hard to see how group members really profited from this technology. The 1990 CARE Activities Report states that: "The badly informed reader may conclude that the fumigable warehouse is a failure. For the moment the project staff is confident that these problems are fleeting."

Additional problems in the area of farm planning and cash flow are linked to the improved warehouse technology. For example, Balou Dekpo, a GPA in zone II, is currently undergoing cash-flow problems linked to using the fumigable warehouse. This group of young farmers managed to recuperate all members' loans and were able to fill their warehouse. Currently, while other farmers are purchasing agricultural inputs and preparing land for planting, this GPA's capital is tied up in grain it does not wish to sell since market prices are low. Faced with this dilemma, it has asked local government extension services to provide inputs on credit, with stored corn as collateral. However, the group is not sure it will be successful in convincing the extension service, since the

* One example in the 1990 Activities Report refers to a traditional method for scaring away partridges: "Method: place several bodies of partridges in the field to scare other partridges away". This is a curious output for the \$6 million and the 7 years spent in both the Zio River and TRIPS projects to introduce improved agricultural production and marketing in the project area.

extension services does not provide input credit. The GPA will have to look elsewhere for a solution to its problem.

Not all of CARE's GPAs have fumigable warehouses. GPAs who do not have warehouses in their villages have chosen not to use the new warehouse technology, referring to the added transport cost. Several GPAs found successful alternatives to storing grain in fumigable warehouses by using improved storage techniques and by treating the grain with actellic powder and safograin. CARE's 1990 Activities Report assures us that these farmers will eventually return to the fumigable warehouse technology.

4.1.1.9 Farmer Trainers. Under the TRIPS project, CARE has placed increasing responsibility on model farmer-trainers to undertake agricultural demonstrations and training sessions for agricultural techniques. In 1990, 101 agricultural demonstrations were presented by 46 farmer-trainers. A number of training materials have been developed to help the farmer-trainers including the "Farmers Manual".

4.1.1.10 Group Development Methodology. With the assistance of a consultant, CARE developed a methodology for measuring evolution of GPAs to self-sustainability. This system involves five areas. One problem with the group monitoring and evaluation methodology is it links group progress to adoption and purchasing of CARE Technical Packages. It does not assess the degree to which groups have or have not identified their own solutions to problems of storage or marketing. At Stage Five, the highest level, the indicator noted by CARE in its section on marketing, is that the warehouse belongs to the group. Without purchasing the warehouse, the beneficiaries cannot accede to "CARE's final level."

An underlying assumption made by CARE's project staff is that everything done in a group is automatically better than anything done individually. Empirical data to date does not support this assumption. An interesting example of this approach shows up in CARE's January 1989 evaluation report of the *Fonds de Promotion de Petites Activités Economiques (FPPAE)*. The report states that farmers in the area are used to doing things individually, including storage. The underlying assumption is that it must be better to store and market as a group. No empirical evidence is presented to the reader.

4.1.2 Conclusions

This section discusses the evaluation team's conclusions about the level of human resources within the TRIPS project and about elements for establishing effective groups.

4.1.2.1 Personnel. CARE staff refer to the current project phase as a period of consolidation for its groups. It is unclear if CARE intends to reallocate project staff to work with new GPAs or intends to move staff outside the project area. CARE staff are concerned that there is not enough time before project completion to start work with new groups.

The current ratio of CARE staff directly involved with GPA development is 21 CARE staff for 30 groups. This averages to about 1.5 groups per staff member. The ratio of government extension workers to farmers is about 1:175. CARE's personpower-to-

beneficiary ratio of 1:34 is extremely high. If one includes model farmer-trainers, the ratio becomes even higher at 1:11.

Given the stated goals to attain sustainable group development through increased empowerment of GPAs, current resource levels are hard to justify. The only axiom this proves is that, with extremely high input of project staff, project activities appear viable. In terms of long-term sustainability, Africa is strewn with the carcasses of past projects run on the same principle.

4.1.2.2 Elements Needed to Create an Effective Group Model. Presented below are specific recommendations for changes in CARE's model of group development.

1. Extensive time must be spent in training staff in process skills and in training-of-trainer techniques before staff start working with groups. In the case of CLUSA's successful cooperative program in Niger, this involved 9 months of practical and theoretical training followed by field visits to conduct needs assessment and trimestrial training programs for trainers.
2. Groups should be allowed to identify their own economic activities as opposed to being focused by projects upon a narrow scope of potential activities.
3. Projects involved in group development should avoid hierarchical management structures. Such structures negate the group's democratic principles and cramp field trainers' creativity.
4. Field trainers should be village-based and believe they are employed by groups with whom they work. The evaluation process should enable project participants to review job performance of and give feedback to field trainers.
5. Group trainers should have sufficient business and accounting skills to help participants develop their own accounting and business documents in local languages when appropriate. If project participants create their own business documents in their own languages, they develop a sense of ownership and are more willing to use such documents than they are a system imposed from without. CLUSA's experience with literate and semiliterate project participants in Niger has proven that participants can conceptualize and develop their own accounting documents.
6. Training projects should not be linked, if possible, to credit mechanisms wherein participants view project staff as sources of funds. This clouds people's motivation in working with projects, and places project staff in the uncomfortable position of being collection agents for bad loans. When project agents have to recover loans, their credibility as trainers is destroyed.
7. Participants and field trainers should be encouraged to visit other groups, both within the country and in neighboring countries. Often these horizontal exchanges are the best form of sustainable change and learning for participants.

4.1.3 Recommendations

The midterm evaluation team makes two recommendations for the GPA component of TRIPS.

1. **End the GPA component.** The necessary elements to provide for sustainable economic growth through the CARE model have not occurred. The marginal utility of current levels of person-power and resources, given the current output of 710 farmers involved in CARE GPAs, appears nonjustifiable.
2. **Salvage elements of the training materials and farmer trainer model.** These could be incorporated by the training unit in work outside project zones.

4.2 Small and Micro-enterprise Development

The following sections outline findings, conclusions, and recommendations for project activities concerning small and micro-enterprise development as well as activities concerning policy development and dialogue. Credit unit development and credit policy are discussed in **Section 4.4**, below.

TRIPS includes a component specifically aimed at promoting private agricultural entrepreneurs through direct assistance to micro- and small rural enterprises that support agricultural producers. The component builds upon the Zio River Project which was working with more than 60 small enterprises. TRIPS was to work with 250 new micro-enterprises, and was to continue another activity begun under its predecessor: development of trade associations by assisting in the creation of ten new associations.

Progress indicators under this component include creation of ten financially viable small enterprises, 250 micro-enterprises, and 10 rural trade associations.

TRIPS was also to promote policy dialogue to improve the environment for private-sector development. This activity was to be undertaken by the Ministry of Rural Development and would be measured by the following outputs:

- 5 policy studies on the private sector, accompanied by formal review and workshops
- 4 observation/study tours undertaken by Ministry and other GOT officials to learn about policy and private-sector development
- 2 seminars involving A.I.D., the GOT, other donors, and representatives of the private sector.

The midterm evaluation asked the following questions with respect to enterprise development:

- Has TRIPS met output targets in the promotion of micro-enterprises and rural associations? What benefits have resulted from efforts? Should activities continue to be promoted?
- How valid is the initial hypothesis that TRIPS should promote small enterprises that support agricultural producers? Should the project pursue this objective?

- To what extent have incentive and productive credit programs been successful? Should more funding be provided?

These issues are linked directly to the overall question of rural credit policy:

- What is the impact of the new CARE credit policy on the groups, individuals, FUCEC, COOPECs, and AID and other donor, as well as GOT credit policies?
- At the end of the project, which local (indigenous) institutions will be capable of achieving project objectives?
- Which functions could be carried out by Togolese private entities? How can the project begin now to enhance that process?

4.2.1 Findings

This section presents the evaluation team's findings in the areas of enterprise development and policy development.

4.2.1.1 Small and Micro-enterprise Development. The project has met several output targets in quantitative terms while falling short of others. The target of 250 micro-enterprises assisted was attained by 1989. However, only one small enterprise (METALLO) was assisted compared with 10 projected in the project paper. CARE focused on privatizing existing agro-industrial activities existing under the Zio River project, such as the repair of rototillers and stocking of spare parts. The project paper anticipated that 10 rural associations would be formed through TRIPS. At midterm, 15 had been formed, of which 13 were active.

With the end of the Zio River project and the beginning of TRIPS, CARE formed the *Promotion de Petites Activites Economiques (PAE)* -- Small Economic Activities -- operational unit charged with promoting private-sector activities. All unit activities have been within the Zio Prefecture with the exception of the Asuto charcoal burning stove development now being marketed by METALLO, located in Lome. The privatization of the rototiller operations and rice commercialization by a rural association has been centered in the Zio irrigated perimeter. Other associations formed are also within the Zio prefecture and the sub-prefecture of Ave (Tsevie and Keve).

Under the TRIPS project, CARE was allocated a budget of \$650,632 for credit and grants. Of this, \$107,053 had been disbursed as of February 1991, leaving a balance of \$543,579 in the budget. The documents CARE provided to the evaluation team did not break down how the \$107,053 was spent. Nor is it clear how much was remaining from the Zio River Development Project revolving fund. In March 1990, CARE defined a new credit policy which gave responsibility for collecting 1990 loans to farmer groups and discontinued granting small, individual loans.

The anticipated total of 250 micro-enterprises assisted has been attained. Of these, 139 were assisted with both loans and training, while 111 received only training. Of the 139 who received loans, more than half were in general commerce and the remainder in various types of transformation enterprises. The training provided to individual micro-

entrepreneurs during the initial stage of TRIPS established the context in which to begin organizing rural associations. With the formation of these groups, training and technical assistance to individual entrepreneurs has ceased. CARE has helped groups with organizational development and the drafting of internal regulations and administrative structures and statutes.

CARE staff conducted in February 1991 an internal review of the PAE unit's progress. In spite of progress claimed in forming associations and in business management training, the review states that "legalization" of associations has suffered from the absence of a government administrative structure charged with their official recognition. This is reflected in the small number (six) of associations that have successfully completed the legalization process, that is, have obtained their *agreement* (official registration). This, in turn, inhibits the process of opening bank accounts in financial institutions.

4.2.1.2 The Policy Dialogue Component. The Ministry of Rural Development's Programming and Planning Service (PPS) was charged with conducting studies, workshops, and seminars to improve the environment for private-sector development. Thus far, none of PPS's activities have dealt with issues that relate to the registering of small-scale rural enterprises and the regulatory environment that affects the informal sector.

4.2.2 Conclusions

The evaluation team makes the following conclusions in the areas of micro-enterprise development, small enterprise development, and policy dialogue and private-sector development.

4.2.2.1 Micro-Enterprise Development. The TRIPS project paper proposed more effective and broader assistance to micro-enterprises. CARE had emphasized micro-enterprises that support agricultural producers and that are owned and(or) managed by women. The project paper proposed that CARE continue to assist micro-entrepreneurs with planning, training, and technical assistance services. Furthermore, the TRIPS project was to help micro-enterprises market their products to larger enterprises. TRIPS was also to promote micro-enterprises by assisting in the creation of trade (rural) associations to encourage group asset acquisition and marketing.

The final evaluation of the Zio Valley project in June 1989 concluded that only a small portion of project resources had supported rural enterprises related to agriculture. The financial performance of the 83 enterprises assisted under Zio had been poor, since just over half were operating with a higher net worth than before they received loans. Nearly half of all loans were overdue, most by more than 6 months. But the evaluation concluded that the TRIPS project should continue to train and support rural enterprise groups and associations by providing business management training.

A CARE analysis of the microenterprise and rural association component (February 1991) lists loans given (139), types of business activity, and relative increases in owned capital resources compared to loans (*fonds de roulements*). The report states that 77 loans have been repaid while 62 are outstanding. The report also examines problems encountered by enterprises such as weak markets for services, and sickness and departure of personnel

from Togo. There is no indication when the loans were given, what the terms of interest were, or how borrowers were identified.

CARE records indicate that, as of December 1990, 171 loans to rural enterprises have been made since March 1985, although it is not clear how many of these were given under TRIPS. A total of 28,243,146 CFA (\$112,972 at 250 CFA = dollar) in loans had been collected, while another 21,394,742 CFA (\$85,578) remains to be collected. This indicates that nearly half of the loans are outstanding. The CARE accounting system does not appear to be set up to answer the question: how much of the \$107,053 allocated under the credit/grants category went for what purposes since the beginning of TRIPS?

Under TRIPS, the PAE unit has ceased working with individual micro-enterprises and has focused assistance on rural associations. In the absence of credit, assistance has been limited to group formation: that is, encouraging mobilization of group savings, training in planning and financial management, and drafting of statutes. Several associations are linked to agricultural producer groups, either in the provision of farm equipment or in product commercialization. PAE has attempted to coordinate these efforts with the training and group development units.

Associations have experienced numerous problems. Many members received individual loans and have yet to repay them. It is difficult to inculcate a habit of savings when it has been preceded by negative experience with credit. Associations have been slow to build up group savings and have only modest capital assets. They struggle to operate in an unfriendly, if not hostile, regulatory and policy environment. Obtaining legal personality is a long and often discouraging process. While producer groups receive legal recognition (*agreement*) from the Ministry of Rural Development, associations must be recognized by the sub-prefecture. While some of associations have existed for nearly 2 years, only six have been officially recognized. This step is essential for associations to be able to open a bank or savings accounts.

CARE recently contracted the services of a Togolese management consulting firm (*cabinet d'étude*) to conduct a financial and socio-economic analysis of TRIPS-assisted micro-enterprises and rural associations. Five proposals were received. In January 1991, CARE awarded a contract to the Bureau de Conseil en Gestion et Organisation (BCGO). The evaluation team was briefed by BCGO on the results of this survey and a draft report was made available. BCGO interviewed 35 micro-entrepreneurs to ascertain reasons for difficulties experienced with loan repayment as well as the social gains from project assistance. A survey of the 15 rural associations was also undertaken. While one might have wished for more quantitative description of social impacts on beneficiaries, the BCGO report provides useful socioeconomic information. Furthermore, this type of management consulting consists of real private-sector development.

4.2.2.2 Small Enterprise Development. The project paper anticipated that TRIPS staff would assist at least 10 small rural enterprises during the project. The CARE regional office in Niger provided considerable support during the design phase of TRIPS. CARE identified five growing rural small enterprises as candidates for assistance: a cereal wholesaler, poultry producer, agricultural handtool manufacturer, a rice miller, and rice retailer that could evolve into a farm supply outlet. It appears that none of these enterprises has been assisted under the TRIPS project. CARE was authorized to employ a

small-enterprise advisor who would be responsible for this task. This position was never filled.

The final evaluation of the Zio Valley project proposed that, during the first 12 months of TRIPS, options be developed for privatizing project-supplied repair and maintenance services for rototillers. Most assistance to have gone to small enterprises has gone to rural associations in the form of this type of group enterprise.

In July 1988, COGESCO, the rice commercialization association, had already been formed to serve the interests of farmer groups in the Zio irrigated perimeter. COGESCO has yet to be officially recognized. The difficulties encountered by COGESCO in attempting to market white rice are detailed in the profiles in the appendix.

A year later, ASPROMO was formed to privatize the repair service to project rototillers in the irrigated perimeter. The farmers of the perimeter were made responsible for managing eight individually owned machines, including purchase of gasoline and spare parts. However, the operations of ASPROMO suffered serious problems from the beginning, partly because of the poor 1989 harvest. Its clients (rice farmers) had no project credit to finance labor, and the machines needed spare parts.

At midterm evaluation, only one small enterprise was receiving assistance from CARE, METALLO. The primary product of METALLO is the jiko-type ceramic stove which had proven successful in East Africa and is marketed by METALLO as ASUTO. METALLO is a partnership that produces various types of metalwork for domestic and commercial clients. METALLO is beginning to market the ASUTO stove in the Lome area. It would be difficult to argue that the METALLO enterprise is related to agricultural transformation.

The TRIPS staff have invested substantial sums of money and time in developing the ASUTO stove. The choice of technology and the ceramic component was done by consultants and TRIPS staff before METALLO became the production firm. TRIPS is also heavily involved in marketing ASUTO. It is still too early to determine whether these efforts will bear fruit since the marketing campaign is just getting under way. One small enterprise has received an extraordinary amount of attention from TRIPS staff.

4.2.2.3 Policy Dialogue and Private-Sector Development. The development of the small and micro-enterprise sector depends upon ameliorating the regulatory and policy environment. As part of the informal sector, these enterprises have no legal personality and are operating under many handicaps. Most obvious is lack of access to formal credit facilities. They are also harassed by policemen for not having papers in order and are subject to *taxes sauvages* at various levels.

The Ministry of Rural Development's PPS was to have undertaken five policy studies and formal reviews in the area of policy reform. But at the end of the last 6-month reporting period (September 1990), none had been conducted. In fact, the PPS is oriented toward the agricultural sector rather than toward small enterprises. Project beneficiaries are facing a range of administrative and legal problems that are hampering their transition into the formal sector.

The project paper suggested that certain policy questions be answered that affect small and micro-enterprises: for example, What is the impact of structural adjustment on this sector and how may registration and other bureaucratic procedures be simplified? The analysis gave some attention to the process of "legalization" as it relates to farmer groups.

CARE recently contracted with a Togolese consultant to study problems that small enterprises have in becoming officially registered. He is reviewing the Togolese investment code which regulates the private sector. He is also looking into the role of the Chamber of Commerce and its office of enterprise promotion (DIVAE), financially assisted by the World Bank. The study will determine how CARE staff could more effectively assist small enterprises to become formally recognized.

4.2.3 Recommendations

The evaluation team makes the following recommendations for the TRIPS small and micro-enterprise development component:

1. The balance of \$543,579 in the credit/grants account should be re-allocated for other purposes.
2. CARE should make a concerted effort to seek legal recognition for the associations it has helped to form so they may gain access to banking facilities.
3. CARE should actively seek additional opportunities to engage private Togolese firms in competitive bidding for management consulting, thus stimulating an important local intermediary in private-sector development.
4. CARE should define clearly what it means by small enterprise and state what its objectives are for developing the sector during the remainder the TRIPS project.
5. The policy and regulatory issues currently being confronted by TRIPS beneficiaries should be systematically studied and addressed under the policy dialogue component.

4.3 Training Component

This component has the objective to spread project methodology to other private- and public-sector development organizations. The training unit is currently working with 11 private and public organizations (see **Appendix 7** for a list of rural associations assisted by TRIPS and **Appendix 8** for profiles of several of these associations). Thus, they have already surpassed their end-of-project indicator of 10.

They have also surpassed the number of CARE staff who are training trainers. The training unit has had the highest multiplier effect of the whole CARE component, having conducted training sessions for 600 trainers in 1990, and having an indirect impact on 8,188 individuals.

The training unit has not achieved output objectives with FUCEC which has turned outside TRIPS to the Peace Corps for training of COOPEC committee members and general membership.

4.3.1 Findings

The training unit consists of four Togolese and one expatriate trainers. The four Togolese trainers have strengths in agriculture, business management, animal husbandry, and adult education.

The training unit spends 75% of its time on training work with institutions outside the Mission Tove and Keve areas and 25% in staff training and training-manual development. It identifies training needs of private and public organizations with whom it collaborates through a needs assessment. The needs assessment is discussed and refined with intended participants, and a consensus is reached. A training plan and program are then developed.

The training unit's major focus has been in training-of-trainers, using the experiential training model. This model, developed by Paolo Freire, is based upon active participation of training participants in identifying needs and solutions to problems. The experiential model is well-adapted to adult education and empowerment. It contrasts with the traditional professorial approach, where the trainer or teacher hands out knowledge and solutions.

In concentrating on training-of-trainers, the training unit has not attempted to replicate the "CARE GPA model" with other organizations outside the project implementation site.

4.3.2 Conclusions

The quality and motivation of CARE's training unit staff and its methodology are to be commended. The training unit needs to establish priorities and refocus efforts with private and public institutions in order to make a sustainable impact. The current number of activities is extremely ambitious and is expanding. If the unit wishes to make a sustainable impact upon institutions involved in the project, the unit needs to seriously review priorities and capacity. Setting new priorities should precede staff expansion.

The training unit should also focus on institutions with philosophies and objectives similar to the project's. In cases where such philosophical congruence does not exist, CARE staff should assess whether interventions are justified. PLAN International, an NGO based in Soutouboua, is a good example. The organization claims to base actions on villagers participating in identifying priorities. In fact, PLAN has a limited and defined scope of action which includes building schools, latrines, and libraries. These activities do not seem to match TRIPS' objectives or methodology.

Effecting organizational change requires an in-depth program of repeated training and periodic follow-up over several years. Little lasting change is achieved by one or two 4-day seminars. By focusing on long-term programs with institutions such as the DRDR and INFA (the National School of Agriculture), the project could influence extension methodology and training skills throughout Togo.

The training unit should charge training fees comparable to those charged by NGOs and private, local training consultants. Otherwise, CARE is undercutting the market for these groups who rely on training revenues to sustain themselves.

CARE should review its policy of applying the operational research fund. This fund is available to organizations having received training from CARE to bolster their training units and allow them to implement training they received from CARE. In the first application of this in Lama Kara, CARE funded per diem for participants and trainers and purchased training materials. If organizations cannot or are unwilling to make necessary budget and person-power allocations to implement training, one could question the long-term capacity of these organizations to implement a training program. If CARE continues to use the fund in this manner, disbursements from the fund should be linked to matching funds from participant organizations or demonstrated budget and person-power allocations which show their abilities to institutionalize and conduct training.

4.3.3 Recommendations

This section outlines recommendations for the training unit concerning priority-setting, operations, human resources, and management.

1. The training unit should review its current portfolio according to the following criteria:
 - congruence with overall project objectives to develop private enterprise, and to assist farmer groups and rural associations
 - presence of a participatory approach
 - capacity of training unit to hold multiple training sessions and to follow up training for at least 1 year
 - willingness of organizations to pay market rates for training they receive from CARE
 - willingness of organizations to designate appropriate levels of budget support to their training units.
2. The training unit should immediately establish a fee structure for CARE training with different organizations. This should be comparable to fees being charged in the country by local NGOs and private consultants.
3. CARE should discontinue the operational research fund and reallocate these funds. If organizations are not willing or capable of making the necessary budget commitments to training, they should be excluded from the program.
4. The training unit should incorporate the services of private management consultants in training sessions and in services to private and public clients. This would:
 - develop local institutional capacity to provide training and management assistance

- strengthen the training capacity of private-sector consultants for working with rural beneficiaries
 - create linkages between rural people and training organizations after PACD
 - assist CARE trainers to integrate themselves into the private sector or institutionalize themselves at PACD.
5. Care should develop an ongoing program of evaluation and on-site training of field staff linked to trimestrial training sessions based upon field visits.
 6. The trainers' evaluations of CARE field staff in the area of training and process skills should be linked to a management incentive plan for agents.
 7. CARE should hire training consultant(s), in addition to the new training director, to help consolidate CARE's training materials into documents which could be distributed to other organizations. This would also provide a professional feedback mechanism for review of CARE's pedagogical material.
 8. Training unit staff should visit CLUSA's field trainers in Niger to study their approach to co-op training, process skills, and business training. The CLUSA system of assisting illiterate and semiliterate rural beneficiaries to develop their own business documents in local languages is particularly interesting. The CLUSA co-op trainers are strong in the Socratic methodology in working with groups.
 9. CARE should add a trainer in the area of cooperative training.

4.4 Credit Unit Development and Credit Policy

TRIPS has witnessed the demise of the Partnership for Productivity (PfP) model which coupled business counseling with a credit mechanism for micro- and small entrepreneurs and farmers. This demise was caused by low repayment rate and heavy administrative burden of individual loans.

4.4.1 Findings

In transition between ZRDP and TRIPS, CARE did not conduct a feasibility study to clarify short-term and medium-term credit needs of GPAs, rural associations, and small entrepreneurs. This resulted in a piecemeal approach to current cash needs of project participants. GPAs were given responsibility for collecting members' loans. GPAs were then allowed to keep monies collected (CFA 12,246,670) in revolving funds they managed. Rural associations did not receive a revolving fund. The approach has focused on ways to recover individual loans and ensure the groups' adherence to the CARE program rather than focusing on identifying start-up capital needs of GPAs, rural associations, and small entrepreneurs.

The FUCEC productive credit initiative constitutes a second source of TRIPS project support for small and micro-enterprises. TRIPS provided an additional \$494,000 in capitalization for a Productive Credit Revolving Fund, of which \$250,000 was made available at the beginning of the project. The project paper states that TRIPS will provide the balance of \$244,000 to the fund following a review of the midterm evaluation. According to FUCEC Progress Report No. 3, by December 1990, none of the productive credit fund had been allocated, although a total of 22 COOPECs were participating in the productive credit program. It is not known how many individual members have received what size loans for which activities. In fact, the FUCEC accounting system is not set up to track the number and type of productive credit loans accorded by the COOPECs. FUCEC claims to be building this capability into its accounting system.

Training in the use of credit was to be emphasized through small group workshops. It was expected that applications for this productive credit would be handled like all other types of loans financed through FUCEC's Central Lending Facility (Caisse Centrale). The TRIPS project also specified that FUCEC would have a Productive Credit Advisor responsible for technical assistance in both agricultural and nonagricultural productive credit. FUCEC fixed the size of the loan for productive credit at CFA 50,000 and above, and consumer loans as less than that amount.

A FUCEC review of the productive credit program at the beginning of 1990 revealed that the number of loans grew from 50 to 300 in 3 years. The overwhelming majority of them (60%) went for commercial activities, compared with 30% for agriculture and only 10% for small business, although the latter accounted for nearly 30% of the amount loaned. During the 3-year period, 229 loans were given to women and 292 lent to men. There had been a total of 521 productive credit loans: 152 for agriculture, 317 in commerce, and 52 for small business.

Growth in the program slowed from the beginning of 1990 for several reasons. The Productive Credit Advisor was obliged to act as interim Chief of Party, in addition to his

usual responsibilities, and his Togolese counterpart was posted as a regional delegate. Added to this was the impact of the decrease in agricultural prices and a poor growing season due to drought in project areas. However, FUCEC anticipated orienting its program more toward the financing of the activities of the Village Agricultural Groups with whom relations have developed since the demise of the CNCA (Caisse nationale de credit agricole).

The revolving fund approach has been used in several countries including Togo. Its sustainability has been poor. In general, in a very short time funds are decapitalized and become nonexistent. CARE's 1990 Activities Report already indicates this is a problem. As of February 6, 1991, there is a negative evolution despite the fact that GPAs are using other group economic activities and fees to cover the difference. GPA funds are already strained by having to reallocate resources from one set of profit-generating activities to cover losses in nonprofitable areas.

CARE's model to date has been credit-driven. The abrupt lack of credit has had a negative effect on beneficiaries' activities. GPAs and micro-entrepreneurs have seen their source of capital dry up. The timid beginning of savings at the rural association level will take some time before it becomes a factor in members' capital needs.

CARE's current credit and savings policy encourages rural associations and GPAs to collect dues, engage in profitable group activities, and to use these funds to form their own revolving funds for loans to individual members or to finance group economic activities. Another sudden CARE policy change may well discredit the CARE project in the eyes of participants and cut off any motivation on the part of associations to mobilize savings.

4.4.2 Conclusions

It is unlikely that another credit mechanism can be put into place before end of project. If CARE wishes to work in the project mode, it can reassess monies they have given and make further gifts to project participants. However, available free money is not a major constraint for viable GPAs and associations. Many donor groups look for associations or groups to give money to. Since project participants already tap into these sources, the CARE project does not appear to have a comparative advantage in this area.

This opens up opportunities in the direction of member COOPECs to develop sustainable local institutions in the area which can mobilize their savings and provide members or associations with credit. CARE and FUCEC are making some headway in this direction after some initial problems: lack of collaboration in training on both sides and a lack of collaboration in developing COOPECs in the project zones. FUCEC should be encouraged by OAR/Lome to work closely with CARE's GPAs to assist them to become viable COOPECs.

Project staff are also encouraging beneficiaries to explore private-sector agri-industry or export companies involved in specialized crops -- peppers, fruit, and spices -- as a credit source. This is a promising avenue for farmers. It involves dealing with real businesses -- many are willing to assist in production credit and technology if they believe they are dealing with reliable farmers.

4.4.3 Recommendations

The evaluation team makes the following recommendations for the credit component of TRIPS:

1. CARE should not create another project credit mechanism.
2. Remaining credit funds in the CARE budget should be transferred to another line item or used for start-up studies for TOPS.
3. Given the high rate of bad loans under the CARE credit mechanism, OAR/Lome should conduct a private audit of this component.
4. CARE should encourage project beneficiaries to work closely with FUCEC to develop their own member-based COOPECs.
5. CARE should assist project beneficiaries to develop linkages with private agribusinesses as a potential source of credit and technical advice.

4.5 CARE's Baseline Data Collection and Socioeconomic Monitoring

Socioeconomic baseline studies are fundamental to accurate and comprehensive assessments of project impacts on client population. Normally, a baseline survey of a client population is undertaken before project activities begin. Surveys are repeated at the project's end and(or) at critical points in the project cycle. This permits donors and project personnel to assess and evaluate progress in achieving goals.

Ongoing monitoring of social and economic aspects of project clients further supports such assessments and serves as a feedback for project managers and field personnel. A project monitoring system, which incorporates feedback through ongoing monitoring, is critical to articulating an efficient use of project resources in attaining goals and objectives.

Monitoring gauges potential usefulness of a given intervention within a local society and economy. In low-productivity, agrarian economies, monitoring normally focuses on the family as the production unit where decisions, such as farming strategies, are made. The family is also the reproduction unit, and production on African family farms generally depends on the family labor supply. In the developing world, the family is often the most, if not the only, viable social and economic institution. Thus, attempts to build new institutions or to institutionalize use of new technologies, such as those directed to achieving a sustained rise in agricultural productivity, must take into account the family -- the basic structure around which rural producers are organized socially and economically.

4.5.1 Findings

The precursor Zio Valley Project, initiated by Partnership for Productivity (PFP) in 1984 and later taken over by CARE (1987), undertook a socioeconomic study of the project area (Kenkou and Tinkoua, 1984). This study was used to orient project interventions and covered a number of topics: family revenues, sales of agricultural and livestock pro-

duction, and use of fertilizers, seeds, pesticides, and machinery. The report also compared new practices and techniques with traditional ones, examined *groupement* organization, migrants and remittances, women's status regarding access to land and resources, and the land-tenure system.

This report includes the types of information required for a baseline survey. It could have served as a starting point for monitoring activities which would begin with selecting a sample of rural families (both participant and nonparticipant) to be monitored throughout the project.

It is clear from project documents and discussions with project personnel that CARE did not establish a monitoring system to measure change at the family or farm level. Monitoring activities are focused on collecting agronomic and agro-economic data in project areas and tracking progress in group development according to a predetermined developmental scheme.

In 1989 at the end of the Zio Valley Economic Development Project, one significant finding of the evaluation report was the poor state of the project's monitoring activity. The evaluators concluded that:

Improvements in productivity could not be addressed given the nature of data available to the evaluation team. The only measure utilized by the project throughout is the crop yield per hectare of land cultivated. (pp. 10-11)

The evaluation report went on to observe:

The project probably collects more agricultural data in more different ways than any project of a similar size. There appears to be no clear idea of a larger picture when it comes to a choice of indicators or a methodology which will keep everything in focus... (p. 13)

The sheer volume of the data collected and the number of ways it is being analyzed naturally leads to increased chances of error and even greater risk of compounding those errors. A simpler, more consistent, and more carefully defined system would have been a stronger asset to the project. (p. 13)

In 1989, the evaluators recommended that the project: "utilize the services of consultants to design an agricultural monitoring system for the project." However, such services have not yet been used. A review of relevant project documentation shows that no steps have been taken to correct the lack of focus. This midterm evaluation (which is underway some 2 years after the conclusion of the Zio River phase) is confronted with a similar plethora of agronomic and agro-economic data.

This data is summarized in the April 1989 report: *Enquete Socio-economique dans la Region du Projet de Developpement Economique de la Vallée du Zio*. This report illustrates the lack of focus in CARE's monitoring system as it is now designed and implemented. A central problem concerns the unit of analysis. The project works with groups, and uses the notion of the group (or *groupement*) as the focal point for its interventions. However,

the project is not using the social and economic context within which the group functions to define the group.

Evaluators are confronted with groups of rural people who are brought together with the common goals of improving their production and productivity and organizing themselves to better access markets and to obtain optimal returns on their labor. This endeavor is to be commended, and it was clear from field visits that CARE has a well-staffed complement of capable and motivated local field agents. But fundamental questions remains unanswered: What are the benefits of group membership? How can such benefits be made clear (quantified) and with respect to what social and economic indicators?

In spite of recommendations, the project has continued to use agronomic and agro-economic indicators as proof of achievement rather than social and economic indicators. Producer estimates of crop yields and hectares for cereals and cash crops are reported for both clients and nonclients. The wisdom of using producer estimates, rather than actual measurements to verify estimates, is debatable.

However, this is a secondary concern in light of the absence of any information about the characteristics of clients and nonclients. Given the absence of a basic socioeconomic framework within which to analyze data, it is impossible to discern the real significance of the data presented in the report, whatever its accuracy. Among the questions that immediately arise with respect to the interpretation of data are:

- What is the size and composition (number of producers, number of consumers) of participant and nonparticipant families?
- What is the repertoire of income earning and subsistence activities of participant and nonparticipant farm households?
- What are the land, labor, and capital resources allocated to these activities in both types of households?

Confronted with agronomic and agro-economic field data, without a framework of socioeconomic baseline information, it is impossible to relate agronomic or agricultural production data collected by the project to a set of indicators that show change or progress in attaining project objectives and goals. Project impacts can only be measured in terms of the basic social unit of production, the farm family. In the absence of such information, the degree of progress or the levels of success or failure of project interventions cannot be determined.

Brief visits to project participants in the field can help discern fundamental problems and obtain feedback about progress and constraints. But this information is anecdotal and frequently superficial. Such visits do not allow adequate time to gather sufficient information needed to assess the relative importance of project interventions on income, family labor supply, and the like.

4.5.2 Conclusions

An effective project monitoring system has not been put into place. Baseline reporting also is inadequate. Although the 1989 report is labelled a socioeconomic study, no socioeconomic dimensions are included in this baseline survey. Current methods used by the CARE Monitoring and Evaluation Unit for assessing impacts only measure yields. Such measurements reflect effects of fertilizer applications, use of other inputs, and variances in annual rainfall on agricultural production.

The important question of sustainability of new rural institutions developed by the project will figure in future deliberations. In light of the lack of information about how CARE-supported institutions are integrated socially and economically with existing village institutions, it will be difficult to determine to what extent they are locally relevant and sustainable without infusions of credit and technical assistance from the project.

The TRIPS project has 2 1/2 years remaining before the current phase ends. It is reasonable to assume that future considerations of USAID-financed support for smallholder agriculture in the project area will be strongly influenced by the progress achieved by CARE through TRIPS. Failure to put in place an effective monitoring system well before the end of the project jeopardizes future support. Effective and comprehensive monitoring is basic to guiding the CARE team towards identifying and implementing efficient and effective interventions. It also allows for clear assessment of achievements, such as locally sustainable, agricultural-related institutions, upon which future development can be based.

The evaluation team questions how much can be done in remaining time. Baseline data are generally lacking, although some comparative longitudinal data might be collected using the same samples surveyed in the 1984 baseline study. It is unrealistic to expect that a comprehensive monitoring program could be put into effect at this stage. Nevertheless, if the services of an experienced socioeconomicist could be brought to bear in the immediate future, project monitoring might be put on track.

The evaluation team has recommended discontinuing CARE's activities in the rural producer group component partially based on the lack of output from CARE's monitoring system. If GPA-related work continues, it is critical that a monitoring system, which includes a clear set of indicators for measuring project impacts and for assessing viability and potential for sustainability of CARE-supported rural institutions, be put into place. Such a system will help focus the energies of CARE's generally competent and motivated local field staff.

4.5.3 Recommendations

The evaluation team recommends terminating activities in the rural producer group components. However, if OAR/Lome decides to continue activities, the following recommendations apply.

1. The project should use the services of a long-term consultant to design and implement a socioeconomic monitoring system.

2. This consultancy should begin immediately, and run to the end of the current phase. The chief outputs expected from this consultant will be establishment of clear indicators of project impacts on farm families and identification of successful project components upon which future interventions can build.
3. Since CARE salaries are generally well below professional levels, this individual should be recruited under contract through TRIPS.
4. The long-term consultant should be encouraged to engage students from the University of Benin as field assistants. The consultant would work closely with agents of the Service de Planification et Programmation in the areas of field methods, project monitoring, and evaluation procedures.

4.6 Program and Planning Service (PPS)

As a part of the evaluation, the functions of the PPS were studied along with its role within the TRIPS project. The PPS is assisted by TRIPS with a budget of \$1,440,000 to enable it to monitor and coordinate the project and to meet its greater mandate within the GOT. To date, the principal achievement of this support has been to recruit an adviser who is establishing a computerized database and who has trained personnel in computer applications. Computer hardware has been supplied to the PPS. However, the PPS has not as yet managed to reach its full potential as outlined in the project paper and will not likely achieve this level by the end of project.

The terms of reference and discussions with the AID/Lome project officer set out the following questions this evaluation attempted to answer:

- To what extent has the PPS and the project management team benefitted from the project?
- To what extent have they monitored progress within the project?
- What, if any, external factors have influenced PPS's ability to carry out its activities (e.g., have Government practices caused delays?) and did these factors placed on the staff stifle efforts to move toward TRIPS objectives?

In addition, we were interested in determining what requests had been made for data, and to what extent data have been used. Were project inputs sufficient in terms of project outputs? Did restructuring MDR in October 1990 confuse roles and areas for responsibility of staff members and(or) the management adviser? What was the status of the PPS's long-term training programs? Lastly, what were the dynamics concerning the relationship between PPS, FUCEC, and CARE?

4.6.1 Findings

As a result of the TRIPS project, adequate computer facilities now exist within PPS. Two of four secretaries have been trained in computer use. The ability to use word processors has decreased administrative workload, and the backlog has diminished. Seven of nine staff members have received management and financial training, although it has not

proven adequate. Two staff members are now producing their own documents, and are able to produce spreadsheets and graphics presentations. Work began in late 1990 to develop a project information database. This database is still in its initial stages. The PPS is currently responsible for monitoring some 79 projects which include NGO, GOT, and other donors.

The PPS has met triannually with FUCEC and CARE as a member of the project management committee. These meetings have not been for project planning or coordination, but rather for FUCEC and CARE to explain problems and brief PPS staff about various TRIPS components.

PPS has periodically requested data and information from FUCEC and CARE to brief MDR superiors and to inform their monitoring activities. These requests were not fulfilled. PPS also requests and receives data and information from the Planning Ministry as well as from the Statistical Service (DESA), but claims that these data are often incomplete or inadequate.

At project midpoint, PPS staff feel they have been limited in their participation on the management committee. Both CARE and FUCEC have followed their own agenda. There appears little cooperation or collaboration between the two implementing agencies. PPS, handicapped by being short-staffed and lacking in resources, sees itself as observing from the sidelines.

The project management committee's working procedures have already been established. Habits and mind-sets seem difficult to change. Bringing about constructive change will take more time than the remaining project period because the PPS is still institutionally weak and underdeveloped. This is unfortunate since the PPS would have liked to have played a more important role in TRIPS. The director of PPS believes that this situation will be improved when new directors of FUCEC and CARE have been appointed. This new atmosphere may bring about more open cooperation between FUCEC and CARE and PPS in the form of invitations to PPS to make field-monitoring visits and to attend important planning sessions. This cooperation may also develop as PPS gains institutional strength.

A number of other external and internal factors have influenced PPS activities and its capacity to carry out its mandate. Current staff is inadequate to handle the workload. Of 10 professionals assigned to PPS, only about 5 are actually working in the service at any given time. GOT staff members lack adequate training, and low salaries result in poor motivation. Another organizational problem is a poorly defined division of labor within the service. Related to this is the absence of job descriptions fundamental to defining areas of individual responsibility, evaluating performance, and establishing a basis for promotion. No progress has been made in establishing this essential component of institutional and organizational development. The AID-supported adviser has indicated that the training budget is insufficient to meet professional development training needs for existing staff as well as for badly needed additional staff. Qualified candidates for new staff positions have not been recruited through the GOT's public service.

4.6.2 Conclusions

A number of steps must be taken in developing PPS into an effective institution. Fundamental to PPS's ability to monitor and coordinate project activities in Togo and for informing the national policy development process is the establishment of a national database and the building of analytical capacity. Institution building and professional development are best promoted through an explicit organizational structure in which areas of responsibility (job descriptions) are clearly defined.

4.6.3 Recommendations

The midterm evaluation team makes the following recommendations:

1. OAR/Lome and PPS should assess training needs in policy analysis and development and in statistical analysis of PPS personnel.
2. OAR/Lome should consult with PPS to ascertain if providing a socioeconomist adviser would assist the service with training and developing statistical methods, use of techniques, and socioeconomic analyses. This individual would be employed through a series of short-term assignments.
3. The current goal of five policy studies should be reviewed in OAR/Lome and PPS meetings. A more realistic target would be two or possibly three policy studies which would serve as training exercises. Key areas for analysis are finance, credit, and agricultural marketing.
4. A budget should be provided for short-term specialists to assist in building PPS.
5. Local consultants should be engaged to assist PPS. Short-term training (both in Togo and abroad) for local consultants should be seriously considered. This recommendation is important since it is desirable to establish a local private sector pool of expertise which is located outside the circuit of GOT personnel constraints.
6. Local capacity building should be promoted by employing advanced students of the University of Benin in fieldwork for data collection, monitoring, and related activities. This may be achieved through the provision of research scholarships.
7. The PPS should be strongly encouraged to prepare job descriptions for its personnel. This will enable the PPS to evaluate personnel and assess progress.

List of Appendices

- A-1 Terms of Reference for the TRIPS Midterm Evaluation
- A-2 Workplan of Evaluation Team: TRIPS Midterm Evaluation
- A-3 List of Persons Interviewed by the TRIPS Midterm Evaluation Team, March 11-April 5, 1991
- A-4 List of Works Consulted by the TRIPS Midterm Evaluation Team
- A-5 FUCEC-TOGO -- Notes from H. F. Kaufman's Meeting with Kelly J. Morris, Project Manager, World Council of Credit Unions
- A-6 COOPECs Visited During Midterm Evaluation
- A-7 List of Rural Associations Assisted by TRIPS Project (December 31, 1990)
- A-8 Profiles of TRIPS-assisted Rural Associations
- A-9 Small Enterprise Development -- METALLO
- A-10 Private Togolese Consulting Firms
- A-11 Consultants Individuels
- A-12 Outputs/Targets from TRIPS PID Compared to Current Levels
- A-13 Agricultural Economics and Marketing
- A-14 Economic Analysis of Zio Irrigated Perimeter Rehabilitation

Appendix 1

Terms of Reference for the TRIPS Midterm Evaluation

BACKGROUND

ARTICLE I - TITLE

Togo Rural Institutions and Private Sector (TRIPS) Project
(PROJECT NUMBER: 693-0227)

ARTICLE II - OBJECTIVE

The main objective of this mid-term evaluation is to determine current validity of the following Project Paper elements: purpose, logistical framework, implementation plan, indicators of achievement, and budget as they relate to the USAID/Togo's strategic objectives. The evaluation team in the consultation with CARE, CUNA/FUNEC, GOT and USAID will make recommendations for specific changes to the above. In addition, the team will provide recommendations for other rural development activities for future USAID involvement.

ARTICLE III - STATEMENT OF WORK

KEY QUESTIONS FOR THE EVALUATION

The following key questions have been identified for the mid-term evaluation:

A. General

1. Are the following project design components adequate in the context of AID/Lome and GOT strategies and the Togo environment?

- Logical framework
- Program Goal
- Sector Goal
- Project Purpose
- Outputs
- Objectively Verifiable Indicators
- Means of Verification
- Assumptions

2. To what extent is the project achieving its goals?

3. To what extent are external factors influencing the project?

B. Group Development Activities (CARE Component)

1. To what extent is the baseline data collection activity

- 3 -

being achieved and is relevant?

2. To what extent is the Small Enterprise Development section meeting project design outputs.
3. How relevant are the CARE component monitoring/evaluation activities?
4. To what extent has CARE's training of other organizations under the operational research activity been successful.
5. What is CARE's success in perfecting its technical packages and replicating its approach in other regions?
6. Is the rural credit component being phased out in the most logical manner? What is the impact of the new CARE credit policy on the groups, individuals, FUCEC, COOPEC development, and AID/Donor and GOT credit policies?
7. What is the progress in achieving group targets in and out of the ZIO area?
8. What is the progress in all aspects of group formation and training?
9. To what extent is the group development monitoring methodology relevant/useful.
10. To what extent is association with groups beneficial to individuals and measurable?

C. Savings and Loan Federation Development (CUNA Component)

1. To what extent have the design outputs/indicators been under/cover established.
2. To what extent have external factors influenced the growth of the federation.
3. To what extent have the incentive and Productive Credit programs been successful? Should more funding be provided?
4. To what extent has the grant to the Central Liquidity Fund been used? Should more funds be provided? Could these funds be used elsewhere?

D. Service of Planning and Programming (SPP)

1. To what extent has the SPP benefitted from the project?
2. To what extent has the project management team monitored progress of the project? To what extent have external factors influenced this activity?

TEAM COMPOSITION

The team shall consist of an Evaluation Specialist, a Credit and Cooperative Specialist, an Agricultural Economist, a Rural Sociologist and a Small and Micro Enterprise Development Specialist. They will be assisted by the USAID/Togo Rural Development Office Assistant who will perform certain

- 4 -

coordination functions, including scheduling of meetings and interviews, and other necessary logistical support services. The following are the responsibilities of each specialist:

A. Evaluation Specialist:

1. Prepare the design and data collection methodologies for the evaluation
2. Prepare a schedule for the duration of the evaluation
3. Assign specific key issues (stated in KEY QUESTIONS FOR THE EVALUATION) to individual team members
4. Coordinate the team's work for timely completion of the evaluation
5. Ensure that the key issues related to project design, goal attainment, monitoring and collection system, donor coordination, collaboration between OAR/Togo and government entities, project management have been addressed
6. Draft, edit and present the final report to USAID/Togo

B. Credit and Cooperative Specialist:

1. Review and assess the progress and methodology of Group development activities under the CARE component
2. Review and assess the training methodology and schedule for group development
3. Review and assess the monitoring system for measuring group development progress
4. Review and assess the effectiveness of transferring and training other organizations in the CARE group development methodology
5. Review and assess (with the Agricultural Economist) the extent by which measurement of individual membership in groups is feasible and desirable
6. Review and assess CARE's past and current credit policies

C. Agricultural Economist:

1. Review assess (with the Credit and Cooperative Specialist) the extent by which measurement of individual membership in groups is feasible and desirable
2. Review and assess FUCEC and CARE baseline data collection and methodologies
3. Review and assess progress in meeting expected outputs under the SPP component
4. Provide an economic analysis of the ZIO River irrigated perimeter

D. Small and Micro-Enterprise Development Specialist:

1. Review and assess CARE's small enterprise development (SED) program and make recommendations for activities during the rest of the project
2. Review and assess monitoring activities under the SED and

- 5 -

recommend areas for improvement

3. Review and assess CARE's micro-enterprise development activities and make recommendations for the rest of the project

E. Rural Sociologist:

1. Review and assess CARE's system for measuring group development

2. Determine the advantages for individuals to be members of production groups and make recommendations for continued monitoring in this area.

Appendix 2

Workplan of Evaluation Team: TRIPS Midterm Evaluation

Workplan of Evaluation Team: TRIPS Midterm Evaluation

March 17, 1991

The evaluation team arrived at Lome, Togo at 20:00 hours on Friday, March 8, 1991. The team was provided with project documents; some were reviewed over the weekend.

Team Members:

Howard K. Kaufman, chief of party
F. E. (Eric) Brusberg, socioeconomist
Galen Hull, small and micro-enterprise specialist
Norman Ulsaker, agricultural economist
Graham Owen, training and credit specialist

Week 1: March 11-17

Team Leader: attended meetings (see below), coordinated team-member activities, attended to logistical needs. Developed schedule for team meetings and established rules for team coordination (trips, contacts, internal feedback). Reviewed documents provided by ADO/USAID.

11: Briefing by Evelyn McLeod, Program Officer, USAID office. Meeting with Dennis Panther, ADO, USAID: team orientation, evaluation issues, logistics.

12: Meeting of team with Panther/USAID, Schiller and Foli/CARE Togo, Akemakou/FUCEC, Versel adviser to DGGR, Slocombe/WOCCU. Team presented general division of labor for evaluation. Presentations to team on FUCEC and CARE. PM: meeting with Panther to review specifics of team's division of labor for evaluation.

13: Brusberg and Ulsaker: Visit to CARE Togo offices. Brief meeting with CARE Director. Visit to Mission Tove with Kpeglo, field operations coordinator/CARE. Discussions with field staff on local agricultural situation, impact of technical packages. Informal meetings with farmers.

13: Owen and Hull: visit to CARE offices to meet with personnel working in training and credit activities.

14: Brusberg and Ulsaker: AM: meeting with Foli to review monitoring activities and collect samples of monitoring instruments, reports, and relevant materials. AM: Meeting with Facon/Land and Water Development Division, FAO. Discussion of Togo agricultural policy issues, and irrigation and swamp development schemes for Togo and Benin.

Owen and Hull: Field trip to Keve, examination of small and micro-enterprises, and associations.

14: PM: Brusberg, Ulsaker, Owen, Hull: Meeting at CARE office, presentation of findings from CARE consultant Tagode who reviewed small/micro enterprises and training.

15: Brusberg and Ulsaker: AM: Meeting with Jeanteux, adviser to the Direction Genie Rurale concerning irrigation projects in Zio River area. Discussion included following topics: history of irrigation schemes in Togo, rehabilitation costs for perimeters, cereal markets, agronomic factors in rice production, and question of declining land fertility. PM: brief meeting with Panther, document review.

Owen and Kaufman: AM: Meeting with Ahamad Jazayeri, IFAD adviser. Subject: proposed rural development project for the Savannah region. Possible linkages with TRIPS (and potentially TOPS). PM: Owen, Meeting at CARE to discuss activities and recommendations for future training with CARE personnel and Tagode (CARE consultant).

Hull: AM: Field trip to Assahoun. Attended regular meeting of CARE-supported Association, *Commerçants de cereales*. Arranged logistics for subsequent meetings with Associations.

16: AM: review documents. PM: Team meeting.

17: Rest/review documents. Finalize Team Work Plan.

Week 2: March 18-23

18: Group Meeting with Wentling/USAID Director in AM.

18: PM: Group meeting with Slocombe and Morris of WOCCU.

Kaufman: Review PVO activities with regard to overlap or possible complementarity of activities with TRIPS. Begin interviews with Slocombe, Morris, Akakemakou, Schiller, Versel, and others suggested by the above in order to gather an overview of project expectations and pitfalls. Determine to what extent the PPS has benefitted from the project and gather suggestions for improvements. Look into degree of coordination between CARE, GOT, FUCEC, and CUNA.

With Ulsaker and Brusberg, field trips to Zio River Valley. Continue with team coordination, meetings, and logistics.

Brusberg: Meeting with Foli concerning data-collection methods and instruments, agriculture reporting, agro-economic and financial feasibility assessments of privatization schemes. Assessments of technical packages. Discussion of contents of baseline survey.

Meeting with Tchalla concerning data-collection methods and instruments for in-house assessments of group development.

With Ulsaker, visit DUCROS to discuss contract farming, access to larger markets, agribusiness perspective on Togolese agriculture sector.

Field visits: 2 days, to hold sessions with group members, to gather information on group-participation benefits, socioeconomic context, and relevance of CARE-sponsored group activities. With Kaufman and Ulsaker: visits to nonproject farmers in Keve to discuss agricultural problems (sociological and economic focus).

With Kaufman: Meeting with Versel to discuss national database, opportunities, constraints, and realistic scenarios for institutional development.

Meeting with IBRD representative(s) concerning agriculture sector status, focus/orientation of activities.

Weekly group meeting. Saturday PM.

Owen: interviews with nonproject and project beneficiaries in the Ave Sub-prefecture.

Visits to institutions receiving training from CARE in Palime, Soutebou, and Sokode.

Visit to Association receiving CARE in training Savannah region.

Visits to CARE GPA groups in the Mission Tove area.

Brief team members in Saturday/weekend team meeting.

Hull: Meeting with Association des Boulangers at D'Assahoun and other individuals who have received credit through the Association.

Meeting with COGESCO (Rice Marketing Association) at Mission Tove.

Field Trip (3 days) with Owen (see above).

Ulsaker: Finalize SOW and establish priorities.

Plan/organize field survey (2 days) of Zio River Valley. Visit project and nonproject areas (with Brusberg and Kaufman). Develop questionnaire, mobilize local resources to help gather information (i.e., Zyto, Kpeglo, Foli, and possible PCVs).

With Brusberg, visit to DUCROS, discuss private-sector perspective on markets and agriculture sector, market linkages, contract farming.

Interview informed persons in project, other NGOs, donors, and private sector. (Persons and times to be determined).

Week 3: March 25-31

Kaufman: Meetings with team members to coordinate writing of draft report. Keep USAID ADO abreast of progress; supply ADO with sections of draft as available.

Short field trips (with other team members as needed) to visit beneficiaries.

Report writing, editing, and team management.

Brusberg: analysis and review of socioeconomic tracking and monitoring of project. Begin drafting report. Follow-up visits as needed. Evaluation team meetings.

Ulsaker: Complete field survey of Zio Valley Region. Complete interviews and institutional visits. Carry out economic analyses of irrigated perimeters using Senegal Bakel computer model. Organize findings, develop conclusions and recommendations. Write draft report.

Owen: Complete field interviews with project beneficiaries and staff. Discussions with FUCEC staff, project beneficiaries, and COOPEC-level staff. Meetings with ILO, FAO, IBRD personnel. Meeting with commercial bank officials. Begin drafting report.

Hull: Visit to Mission Tove, rototiller owners. Visit to ASUTO and METALLO, improved wood-stove production and marketing, Lome. Visit Versel at PPS to review progress on small/micro enterprise policy studies, workshops, and seminars on private-sector development. Interview Sub-prefect and national-level authorities about legalization and(or) formal recognition of enterprises and associations essential for opening bank accounts. Review credit policies: UNDP, ILO, IBRD, IFAD. Research development of free zone which aim at agricultural exports. Start drafting report.

Week 4: April 1-5

The team will submit a draft report at 16:00 hours on Monday, April 1, 1991.

After feedback and discussions with the ADO, and on the basis of discussions within the evaluation team, submit complete, revised draft report which includes revisions (with appendices) by 16:00 hours on Friday, April 5.

The evaluation team departs from Togo during the evening of April 5.

The team leader will hand carry both hard copy and diskette to the U.S. for transmission to Winrock for final editing and translation.

Appendix 3

**List of Persons Interviewed by the TRIPS Midterm Evaluation Team,
March 11-April 5, 1991**

**List of Persons Interviewed by the TRIPS Midterm Evaluation Team,
March 11-April 5, 1991**

Office of the AID Representative to Togo

Mark Wentling, AID Representative
Evelyn McLeod, Program Officer
Dennis Panther, Rural Development Officer, TRIPS Project Manager
Mr. Zyto, Economist

Ministry of Rural Development (MDR)

Dr. Gninofou Ayele, Chef de Cellule de Service de
Planification et Programmation (SPP)
Malcolm Versel, Conseiller Technique Projet TRIPS
Lamboni Mindi, Coordinateur Suppleant Projet TRIPS
Mr. Jeanteux, Conseiller au Direction Genie Rurale
Salami Badniron, Agent, Centre Rizicole du Zio (CRZ)
Wottor Yao, Chef de Production, CRZ, Mission Tove
Assengbley Adjra, CRZ, Mission Tove

DRDR

Yovo Kossi, Chef du Secteur, Keve

CARE Togo TRIPS Staff

Marc de Lamotte, CARE Country Representative
John Schiller, TRIPS Project Manager
Tchalla Ankou, Chef cellule Promotion des Activites Economiques (PAE)
Nathey Tete, Assistant, cellule PAE
Komi Kpeglo, Coordinateur des operations dans le Zio
Tinkoua Foly, Chef de Suivi et Evaluation

Training Unit

Nanette Alvey, Chef Cellule Formation
Povi Lawson, Formatrice
Hanu Vossah, Formatrice
Koffi Davi, Formateur

Zone I - Mission Tove

Djemon Lahata, Chef de Zone
Efoe Efoegan, Chef de perimetre irrigue
Yao Nyaku, Agent de terrain (motoculteurs)

Zone II - Keve

Nassirou Ramanou, Chef de Zone, Keve
Akakpo Amevi, Chef d'equipe
Azobli Kodjou, Conseiller pour la formation et promotion
des groupements (GPAs)
Kangni Teko, Chef d'equipe

Atsu Komla, Charge des Associations Rurales et des micro-entreprise
Boama Biogo, Conseiller GPA

Rural Associations

Assn des Commerçantes de Cereales d'Assahoun (ACCA)
Assn des Boulangeres d'Assahoun (ABA)
Assn des Proprietaires de Motoculteurs (ASPROMO)
Comite de Gestion et Commercialisation du Riz Blanc (COGESCO)

Commerçantes

Kale Ablavi, commercante in Assahoun, Member of ACCA

Groupements de Producteurs Agricole (GPA)

GPA d'Assome
Mr. Bleuoussei, Conseiller
Mr. Deyi, Conseiller
GPA de Bolou Dekpo
Godogou Anani, President
Amedzro Elemawusi, Secretary
Amedzro Koami, Counsellor
Akra Kokou, Counsellor
Boko Gado, Treasurer
GPA de Batekpo
Kpoti Etse, President
Assih, counsellor (President Ugaza)
Adzalo, Counsellor
Mme. Adzalo, Treasurer
(plus four members)
GPA de Mission Tove
GPA de Kovie

WOCCU/FUCEC

Pasteur Awume, President of FUCEC Conseil d'Administration
Kodzo Akemakou, Director, FUCEC/Togo
Fedy Kokoumeli, Chef d'exploitation, FUCEC/Togo
Agbedevi Kossioi, Regional delegate Ogou/Amou FUCEC/Togo
Kelly Morris, WOCCU/Madison Office, Project Manager
Gary Slocombe, Productive Credit Advisor

COOPECs

Gaiete COOPEC, Sokode
Kassim Seydou, member
Kavalo Kassim-Mola, member
Kezire Assouma-Gueffe, member
Mme. Barry Longre, member
Ouro-Gnaou Talle, member
Toure Abressim, member

Amou-Oblo COOPEC

Kouami Egah, assistant secretary
Logan Semassu, President C/A
Eluya Koffi, President C/S
Akakpo Goza, President CPeeF
Gotah Kossi, Secretary credit committee
Togbe Komi, Assistant Treasurer
Logan Mawuena, President C/C
Amegayibo Dzigbodi, Manager

Fraternite COOPEC, Kpalime

Djobo Karim, Counsellor
Gankui Komi Kuma, Vice President
Mensa Amewuame, Treasurer
Agbeley Kwamlavi, Secretary C/A
Dougblo Kossi Avake, Secretary Credit Committee
Agbenowosi Edoh, Assistant Treasurer
Prince Agbodjan A. Ninnin, Counsellor
Dzadeh Yaovi, Regional delegate Kloto, FUCEC/Togo

INFA/Tove

Kouagbenou Tidjo, Director of Studies
Mama Tchaniley, Director General
Sangare, Extension professor
Seidou, Extension professor

NGOs/PVOs

Rose Mends-Cole Sherman, Director Plan International, Sotouboua
Bassa Massaquesa, chief community development, Plan Alawoui Badera,
Director, Maison Familiale/Kazaboua
John Carrao, Director, CATHWEL (Catholic Relief Services)
John Deidrick, Deputy Director, CATHWEL
Didier Thys, SED Field Coordinator, CATHWEL
Koffi Ahanogbe, Coordinator of Small Enterprise Development, CATHWEL

Ministry of National Education and Scientific Research

F.D. Obette, Agro-Conseiller

Peace Corps

Ms. Eng, Director
Craig Ostreng, APCD, Small Enterprise Development
Mr. Kodjo Amesefe, APCD
Holly Bourne, PCV, Mission Tove

Mission Francaise de Cooperation

Jacques Langeller, Conseiller aux affaires financieres et economiques

Food and Agriculture Organization (FAO)

Thierry Facon, Land and Water Development Division

International Fund for Agricultural Development (IFAD)

Dr. Ahmad Jazayeri, Project Controller, Africa Division

United Nations Development Program (UNDP)

Bernard Ntegeye, Resident Representative to Togo

Zone Franche (UNIDO)

Sam Morris, Conseiller Technique

Private consultants, business people

Mr. Aziabu, Co-owner of METALLO, Lome

K.H. Tagodoe, Director of Bureau de Conseil en Gestion et Organisation
(BCGO), Lome

Mme. Kokoe Kuevidjen, Manager of Promotion des Affaires pour le
Developpement (PAD), Lome

Sossah Adjakly, Chemical Engineer, PAD

Kodzo Tsogbe, Rural Engineer, Apte Afrique, Lome

Appendix 4

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Appendix 5

**FUCEC-TOGO -- Notes from H. K. Kaufman's
Meeting with Kelly J. Morris, Project Manager,
World Council of Credit Unions**

**FUCEC-TOGO -- Notes from H. K. Kaufman's
Meeting with Kelly J. Morris, Project Manager,
World Council of Credit Unions**

The Credit Union movement in Africa is more than 20 years old. This is a major achievement in its own right. No other cooperative system in Africa can make this claim. A good part of the FUCEC (COOPEC) success can be attributed to a high motivation, coupled with a member-driven, member-managed organization. In addition, productive credit is tailored to farmers' needs.

Most grassroots financial institutions, over the past 20 years, have failed because of mistrust by the rural population, and because these institutions were not available in areas where needed and, where available, services were poor. Delays in getting approved credit of up to 3 months were common by bureaucratic paperwork being processed.

FUCEC operations in Togo reached a critical stage in 1987 with the sudden demise of the CNCA. The African Development Fund and financing from USAID assisted in construction of office buildings in rural areas. These buildings are significant symbols in the minds of rural FUCEC members in that they can point to them with pride and say, "this is ours", thus promoting a sense of security.

A promotional campaign was carried out where various FUCEC organizations competed with one another to determine which could gain the most members and the most savings. The philosophy behind FUCEC is that persistence or sustainability of the federation are by-products of good results for its members. Low salaries for FUCEC and COOPEC staff are offset by the commitment and pride taken in being members of a large worldwide organization.

Available technical assistance is drawn primarily from people within the FUCEC organization (COOPEC) or from the larger world cooperative movement. This further promotes the feeling of community. Other larger financial institutions generally ignore the small farmer.

At this point, FUCEC is roughly 35% self-sufficient. The Federation still requires technical and institutional support which AID is providing. This allows FUCEC to provide much needed services to its COOPECs, which, in turn, permits it to expand operations and benefit a larger percentage of the population. This growth will eventually allow COOPECs to pay for technical services.

FUCEC also loans money to farmers for such needs as school fees and books, and for hiring help at the beginning of the planting and harvest seasons. This serves as an attractive alternative to the ubiquitous money lender/middle man who takes advantage of farmers' lack of cash at these critical times. In Togo, money lenders charge usurious rates of interest, sometimes as high as 300% per annum.

Fortunately, FUCEC members have enjoyed a favorable position *vis-a-vis* the Government in that the latter has practiced a policy of *laissez-faire* concerning the operation of the

credit unions. Unfortunately, no legal framework governs the operation of credit unions in Togo; the Government has shown no desire to support FUCEC by adopting legislation in this respect.

In an endeavor to solve this predicament, FUCEC plans to bring in a consultant whose role will be to draft new legislation in conjunction with the Government. One of FUCEC's chief goals is to have the Credit Unions extricated from regulation by the Ministry of Rural Development (MDR). This new legislation will enable them to act as autonomous entities. Otherwise, credit unions would be forced to operate within the existing restrictive Togolese banking laws with deleterious results.

Environmental constraints on the success of the credit-union movement have been the reductions in the prices of cocoa and coffee by as much as 50%. These products must be sold to the only market available, OPAT who pays the farmer as little as the trade will bear.

The demise of the CNCA in 1988 ironically became a positive factor in the growth of the movement since farmers turned to credit unions for assistance. Accordingly, the growth of the credit union has been impressive since 1988. As of January, 1991 assets had grown to over 1.5 billion F.CFA. and membership rose to over 27,000.

The West African Central Bank (BCEAO) is currently endeavoring to gain a monopoly of all credit savings. The BCEAO asserts that the credit unions have an excess of liquidity which they do not know what to do with or do not know how to manage.

The BCEAO believes there is an unified Pan Africa, and that banking legislation will be uniform throughout member countries. It is FUCEC's view that banking laws should be tailored to each country. This is to FUCEC's advantage since as within its own policy, each country is assumed to be a distinct entity. In this regard, FUCEC's strategy for legislation is not to have a blanket set of credit union legislation for all member states but rather to have union legislation which meets the needs of the populations, country by country. Each will be enacted through local legislative process.

Banks in other Francophone African countries are failing. Governments in these countries are regulators and regulated. However, Togolese banks are relatively solvent. BCEAO desperately needs to take over these funds to support operations throughout the Francophone region. It is unfortunate that BCEAO does not understand the democratic process inherent in all FUCEC/COOPEC activities.

As WOCCU's representative to the region, Mr. Kelly was most appreciative of USAID's continuing support for the credit union movement. Togolese legislation which will improve the climate for credit unions is essential for growth and sustainability of this grassroots democratic movement.

Appendix 6
COOPECs Visited During Midterm Evaluation

COOPECs Visited During Midterm Evaluation

Sokode - Gaiete COOPEC. The seven members of the COOPEC in Sokode who met with us in their recently constructed, brightly painted office were pleased to provide a bit of historical background about how their organization came about. They recounted the efforts of Rev. James Winter, an American who established the Societe d'Epargne et Credit in Togo in 1967, which was the forerunner of FUCEC, the national union of COOPECs. In 1979, the current president of the Sokode COOPEC formed a local affiliate and built the membership to 60 during the first 6 years. In 1983, FUCEC came into being, and the Sokode group became an official member in 1985.

Sokode is a fairly large urban center with a predominantly Muslim population. Membership is drawn from salaried and working people. Of the current total of 343 members of the Gaiete COOPEC, 184 are women and 159 are men. The group set 1,500 CFA as membership dues and 500 CFA for minimum monthly payment. No member is eligible to take out a loan for the first 6 months. Currently, 12 million CFA is out in 62 loans to members with quite a few loans to women for commercial activities, such as the purchase and sale of grain. Only one loan has been accorded to a small business, a tisserand.

Amou-Oblo COOPEC. Amou-Oblo is predominantly coffee-growing in a heavily forested area. We met with eight members of the COOPEC founded in 1986. Their recently built office also provides living space for the COOPEC manager. Formed with 90 members, the Amou-Oblo COOPEC now counts a total of 500: 321 men and 159 women. Of these, 57 are *personnes morales*, or those who form a business entity and take out loans as such. One concern raised during our meeting with COOPEC members was how to assure greater attendance at the upcoming general assembly where executive committee members would be elected. Activities for which loans are accorded include quite a few for productive credit: agriculture, commerce, and small business. Artisans that have merited loans include mechanics, welders, and flour millers. Many commercial loans go to women.

Kpalime - Fraternite COOPEC. Originally formed under the name of Travaux Publiques COOPEC, this COOPEC has had its name changed to Fraternite by its members to reflect that membership has grown beyond public-works employees. Although the office is still housed in the Travaux Publiques compound, plans are under way for the construction of the COOPEC's own facility. The Kpalime COOPEC was begun in 1980 to enable its members to escape from money lenders. For the first 2 years, its 15 members were all public-works employees. Membership has grown to over 1,400, including artisans, government workers, and business women. One-third of the members are women. A large portion of loans have been extended for the construction of houses and purchase of taxis, as well as other commercial affairs. Only a few have gone to artisan activities.

Appendix 7

**List of Rural Associations Assisted by TRIPS Project
(December 31, 1990)**

**List of Rural Associations Assisted by TRIPS Project
(December 31, 1990)**

Name of Association	Members Male/Female	Agreement Date
Assn des Entrepreneurs de Moulins de l'Ave (ASEMA)	19/1	11-6-87
Assn des Commerçantes de Cereales d'Assahoun (ACCCA)	0/20	9-18-90
Assn des Commerçantes de Cereales de Tovegan (ACCT)	1/19	9-18-90
Assn des Commerçantes de Cereales et de Piment d'Agbelouve (ACCPA)	0/32	10-8-90
Assn des Commerçantes de Cereales de Gape (ACCG)	0/10	-----
Assn des Meuniers de Gamegble (AMG)	7/0	10-8-90
Assn des Meuniers de Klokpoe (AMK)	7/0	-----
Assn des Boulangeres d'Assahoun (ABA)	0/20	9-24-90
Assn des Menuisiers de Tsevie (AMT)	11/0	-----
Assn de Producteurs de Savon d'Assahoun (APSA)	0/13	-----
Fraternite Groupement Commercial d'Akepe (FGCA)	4/21	-----
Groupement des Artisans Traditionnels du Zio (GAT-Zio)	14/7	-----
Comite de Gestion et de Commercialisation du Riz Blanc (COGESCO)	63/2	-----
Assn des Proprietaires de Motoculteurs (ASPRIMO)	8/0	-----
Total 14 Associations 279 members	134 male/ 145 female	6 agreements

Appendix 8

Profiles of TRIPS-assisted Rural Associations

Profiles of TRIPS-assisted Rural Associations

TRIPS project staff have been instrumental in forming 15 rural associations in the Zio Prefecture and the sub-prefecture of Ave. According to the Tagodoe study of project beneficiaries commissioned by CARE, 13 associations were in operation at the time of the evaluation in nine localities: Agbelouve, Akepe, Assahoun, Assome, Gape, Gambegble, Klokpoe, Tsevie, and Tovegan. The activities represented by the 13 active associations are as follows:

- 6 cereal distribution and general commerce
- 3 flour milling
- 2 oil and soap production
- 1 rototilling
- 1 handcraft group (consisting of 14 different crafts).

The objective of the PAE unit, which assists the associations, is to help increase revenues of the groups through proper management of goods held in common. TRIPS project services have included training in management and organization, technical advice, mobilization of resources in the form of savings and credit, and elaboration of internal procedures to obtain formal legal statues. Assistance provided by the TRIPS project previously directed to individual micro-enterprises is now being channeled through the associations to its members.

The Tagodoe study found that 11 associations have made efforts to set up a system of savings, and three have managed to open savings accounts. Two have actually made loans to members, one for storing wheat flour and the other for repairing flour mills. The following are profiles of some of the associations.

Comite de Gestion et Commercialisation du Riz Blanc (COGESCO) was among the first associations organized, on July 20, 1988, in the village of Assome. Formed by agricultural producer groups from Assome, Mission Tove, and Kovie, it currently has 65 members. Only two of whom are women. TRIPS project staff assisted in drafting COGESCO's administrative structure and articles of incorporation or statutes. However, at the time of the midterm evaluation, the association had not yet been officially recognized. Each member is obliged to pay dues amounting to 25 kilograms of white rice as well as monthly payments of 100 CFA. There is an executive council of 10 members and committees on marketing, quality control, and warehouse security.

COGESCO works to improve conditions for storage of grain in warehouses, to market in Lome, and to purchase transportation and a rice-husking machine. The objective is to promote commercialization of 100% of the surplus production of rice of COGESCO members. The floods of 1989 devastated a large part of the rice production in the area, causing many farmers to leave the irrigated perimeter. COGESCO operations suffered as a result of the floods as well as from poor management. Project staff have provided training in financial management and marketing.

Recently, CARE staff were approached about the possibility of selling rice to Brasserie du Benin (BB) in Kara. COGESCO subsequently entered into a verbal agreement to provide

418 sacks of white rice to BB. At a meeting of COGESCO in Mission Tove, the problems encountered in that transaction were recounted to CARE staff. There had been no written contract with BB. When COGESCO representatives arrived in Kara with the rice, BB refused to accept the order because the sacks were too old. COGESCO was obliged to buy new sacks to complete the sale. They then took the check they received from BB and attempted to deposit it in UTB, which initially refused to accept it because COGESCO is not officially registered as a business. A telephone call from CARE to BB finally convinced UTB that it had been a legitimate transaction. Then UTB required that COGESCO pay a tax (TGA) on the sale of the merchandise. All of this was new to COGESCO members because they were accustomed to dealing with informal networks within the Lome area where their lack of official status had not been a factor. The COGESCO experience with this rice sale to BB should constitute a case study for CARE staff in helping develop other associations.

Association des Proprietaires de Motoculteurs (ASPRIMO) was formed on June 8, 1989, in Assome and consisted of eight male members. The purpose of the association was to group the individual owners of the rototillers which were being privatized by the TRIPS project. In fact, the question of how to handle the rototillers was the first priority of the PAE unit during the first year of TRIPS. The objective in forming ASPROMO was to secure spare parts and gasoline, as well as to maintain the machines. The association developed internal management procedures and set up an accounting system as well as a system of savings. ASPROMO has yet to obtain its legal status.

ASPRIMO has experienced numerous difficulties. Its clients, the farmers, have not had credit available to pay for ASPROMO services. Used rototillers have had defective parts, and spare-parts prices have increased. Meanwhile, CARE purchased new rototillers but ASPROMO members cannot purchase them. Thus, even though the rototillers are considered a critical factor in increasing production in the irrigated perimeter, ASPROMO has been unable to meet that need.

Association des Commerçantes de Cereales d'Assahoun (ACCA) was formed on May 9, 1988, in the village of Assahoun near Keve with the stated purpose of sharing individual experiences and increasing grain sales. The initial target was to obtain a warehouse for storing grain products before taking to market. The association is made up of 20 women members. Membership dues are fixed at 2,000 CFA, with monthly payments at 500 CFA. Members elected an executive board, including a president and treasurer who handles money. Articles of incorporation were drawn up and officially approved by the sub-prefect in September 1990. Efforts to open a bank account in Lome have been stalled, due to the lack of a identity card of the association members, according to the president.

The crops marketed by ACCA include millet, niebe, rice, groundnuts, and corn. The latter two crops are most important. Members consider that they have made some progress, such as establishing a single price for grains marketed by the association. However, they cite lack of sufficient financing as the reason for being unable to acquire the grain warehouse. Seven ACCA members had received individual loans from TRIPS. Two have been members of a COOPEC, but the association itself has not attempted to form a COOPEC. The association was in the process of applying for a group loan from the project when the new credit policy was established.

GIPATO - Groupement Interprofessionnel des Artisans Traditionnels. In 1985 the Ministry of Industry/Direction de l'Artisanat, with the assistance of the International Labor Organization (ILO), decided to recognize groups of artisans organized according to guilds known as GIPATOs. It was intended that GIPATOs be organized throughout the country. By 1991, GIPATOs were operating in six areas: Tsevie, Atakpame, Anie, Kara, Sokode, and Lome.

CARE began working with a group of artisans in Tsevie (Zio) under the name of Groupement des Artisans Traditionnel du Zio (GAT/Zio) in 1988, which then became a GIPATO in October 1990. Its initial purpose was to acquire an exposition boutique for crafts at Tsevie and Lome, and to provide training for members. GAT/Zio began with 12 members from various guilds who formed an executive committee and started keeping books. With financial assistance from the Ministry of Industry, the group built a compound with an office and two workshops. Since the transformation of GAT/Zio into a GIPATO, membership grew to 14 guilds. However, the Tagodoe study indicated that the Tsevie GIPATO has not been legally recognized.

In Sokode, another GIPATO was started in 1985. With financial assistance from the Ministry of Industry, the GIPATO bought a lot and constructed a bureau and warehouse. Because of misunderstandings between the Ministry and the ILO, support was abruptly stopped the following year. The GIPATO members were obliged to take their own initiative in charting their course, a fact that Dr. Ahanogbe credits with serving as the catalyst for them to stand on their own feet. Its membership now consists of 26 guilds with 159 individuals as paid members. Each guild is represented by a delegate to the general assembly and each has various committees that manage guild affairs. Even though the Sokode GIPATO members were aware of the Gaiete COOPEC in Sokode, they chose to set up their own savings union outside of FUCEC. A total of 190 have joined the savings union. The Sokode GIPATO is officially recognized by the Ministry of Industry.

Under a matching grant from AID, Catholic Relief Services (CRS) -- known locally as CATHWEL -- began a pilot micro-enterprise initiative that includes working with the Sokode GIPATO. Dr. Koffi Ahanogbe, an economist trained in Germany with 15 years of experience in banking and small enterprise development, was hired at the end of 1988 by CRS to coordinate the Sokode GIPATO initiative. From the outset, CRS sought to collaborate with CARE, as a kind of "grand frere" because of its years of experience in small enterprise development. The CARE training unit provided a 1-week seminar for 16 Sokode artisans in Lome in May 1989 which focused on various aspects of management and included field trips to Lome artisans. CRS hoped to involve the TRIPS Project Director from CARE in its midterm evaluation last year, but the CARE Director did not give permission for him to participate.

In its annual report on project activities for 1990, CRS reported a total of 26 guilds that made up the Sokode GIPATO. The report provided descriptions of technical training for members of guilds such as blacksmiths and masons. The savings and credit system was capitalized in part by CRS and by deposits from 190 members, which had reached 3 million CFA. Ninety-five loans were accorded in 1990, totaling 11,491,000 CFA. The loan repayment rate was 100%. Also during 1990, CRS entered into a contract with Mr. Tagodoe of BCGO for consultant services, based on needs expressed by GIPATO members.

Appendix 9

Small Enterprise Development -- METALLO

Small Enterprise Development -- METALLO

One of the missions assigned to the PAE unit for 1990 was developing a system of production and marketing for the ASUTO improved stove. METALLO is a small business partnership in Lome established 11 years ago. One partner, Mr. Aziabu, was interviewed during the midterm evaluation at his metalwork shop. He explained that he and his partner had been employed as metal workers when they lived in France and came back home with the idea of setting up their own business. With their own resources, they bought machines, rented space, and set up shop -- making metal window and door frames and other metal structures. METALLO does not have regular employees but does have about 27 apprentices paid by the job. This is apparently typical of artisan enterprises in Lome.

The partners managed to obtain their *agreement* (registration as a business) within 2 months since they had a friend at the Ministry of Commerce. Their main motive for registering -- and thereby entering the formal sector -- was to respond to requests for proposals which required a registration number. This type of business remains only a small part of METALLO's total operations. Most clients are private individuals. Mr. Aziabu noted that METALLO is obliged to pay the 14% TGA tax on commercial transactions. He also spoke of a new regulation which will allow small businesses to be classified for set-aside contracts, upon payment of a 175,000 CFA fee.

Aziabu said that CARE had first contacted him about a year ago, showing him a sample of an improved ceramic stove to be inserted into a metal frame. The name chosen for the stove -- ASUTO -- is a Mina term which refers to the woman who can quickly prepare a meal. CARE had conducted feasibility studies for the stove and METALLO was approached to design and construct the frame. CARE then ordered 1000 stoves to be built: small ones sell for 2,500 CFA, medium-sized ones for 3,000 CFA, and larger ones for 3,000 CFA. Production is now nearing completion. On March 30, 1991, the ASUTO stove made its debut in the Grand Marche of Lome.

Appendix 10
Private Togolese Consulting Firms

Private Togolese Consulting Firms

There is an association of (mostly) private consulting companies in Togo now being formed. The ***Association des Consultants Togolais*** (ACT) has 19 corporate members and six individual members. Its purpose is to defend and expand the interests of its members in dealing with government ministries and international donor agencies. One factor that prompted the organization was a concern to protect members against some individuals posing as consultants who engaged in questionable business practices. The most prominent member of the association is SOTED, *Societe Togolaise d'Etudes de Developpement*, which is actually a parastatal. Some members are well established and obtain most of their business from Togo government contracts. Others are much smaller and focus on consultancies with international agencies and NGOs.

Promotion des Affaires de Developpement (PAD) was started 4 years ago, and is made up of a core staff of five professionals. The manager is Ms. Kokoe Kuevidjen. PAD capabilities include identification and analysis of projects for investment, market studies, economic and financial feasibility studies, and training. Clients of PAD consist of NGOs and international agencies, including the African Project Development Facility (APDF) in Abidjan. PAD was one of five firms that submitted a bid on the recent CARE request for proposal for the micro-enterprise contract.

Apte Afrique: Etudes et Ingenierie de la Valeur is a 6-year old firm with eight associates and a well-equipped office. The company also has 1000 engineers and technicians available in its database. Apte has partner arrangements with companies in France and Benin. Its focus is on engineering studies and problem solving. Its main client is the Togolese government, the Ministry of Planning in particular. Contracts have also included work for the *Direction General des Affaires Sociales* in family planning and community development, and for UNICEF, UNDP, UNIFEM, and FAO. Apte also bid on the CARE RFP for the micro-enterprise survey.

Bureau de Conseil en Gestion et Organisation (BCGO), founded in 1986 in Lome, is headed by Kouassi Tagodoe, a graduate of the *Ecole Superieure des Techniques Economiques et de Gestion* of the University of Benin. He also received training in small-enterprise management at the Ecole Internationale de Bordeaux in France, as well as attending numerous other seminars in West Africa. Tagodoe's business remains small, operated out of his house. He has considerable field experience, having worked with the *Centre National de Promotion des Petites et Moyennes Entreprises* as *chef de service* in Kara and regional director in Atakpame. His clients have included the Ministry of Industry's Direction of Artisanat, John Snow Incorporated, and an architectural firm in Lome. In addition to working on the completion of the CARE contract which he was awarded for the socioeconomic study of the TRIPS micro-enterprise beneficiaries, he has a 12-month contract with CRS to assist the GIPATO in Sokode.

Appendix 11
Consultants Individuels

Consultants Individuels

Nom	Adresse	Domaine D'Activites
JOHNSON Assiba	Tokoin Ouest Rue Tay B.P. 753 - Lome	Urbânisme, Sociologie
MANKOUBI Bawa	20 Passage OCC Kodjoviakopé B.P. 888 - Lome Tél. 21-07-34	Promotion PME/PMI Restructuration bancaire - Ajustement structurel
AKOUETE Koffi	B.P. 1365 - Lome Tél. 21-89-01	Etudes économiques et financières Commissariat aux comptes Expertise judiciaire
LAWSON Latévi T.	6, Rue Jeanne d'ARC B.P. 1383 - Lome	Conseil en organisation et Gestion Restructuration d'entreprises Gestion Hôtelière et Hospitalière
PRINCE AGBODJAN Tètè Hunkpati	B.P. 7790 - Lome Tél. 21-44-10	Etude de projets et conseils en gestion, études économiques et financières
DOE BRUCE Foli	B.P. 1097 - Lome	Architecture, Aménagement urbain et régional

Appendix 12

Outputs/Targets from TRIPS PID Compared to Current Levels

Outputs/Targets from TRIPS PID Compared to Current Levels

	Objective indicators Year 3	Current levels
No. of farmers working in groups	1,700	710
Evolution of groups		
Stage 1	37	
Stage 2	25	
Stage 3	10	
Total of groups	72	31
No. of warehouses owned by groups	6	0
No. of farmers with savings at CNCA	50	GPAs 30
No. of farmers members of COPECS	100	0
No. of hectares (intensive cultivation)		
Rainfed	729	464.72
Irrigated	250	72
Crop Yields (tons metric/ha)		
Maize	2.5	1.381
Rice	3.5	3.346
Cowpeas	.9	.518
Peanuts	2.5	.829
Pepper	2.5	?
Value of production	\$500,000	**\$215,243
No. of group training sessions	1,440	***224
No. of agricultural demonstrations	90	44
No. of farmers attending training sessions and demos		
Clients	900	
Nonclients	720	

* 13 sold this year to the GPA's on credit they have not yet started reimbursing this loans. 18 warehouse have been built by the project.

** using an exchange rate of 300 to \$1

*** 101 of the agricultural training sessions were conducted by farmer trainers.

Appendix 13
Agricultural Economics and Marketing

Agricultural Economics and Marketing

1.0 Development of Production Technology under TRIPS

TRIPS's central thrust is to increase agricultural production and the incomes of small farmers by developing private-sector institutions supporting the farm sector. The strategy is to introduce appropriate technology and credit to bring about increased farm output. This economic growth will stimulate the formation and growth of off-farm micro- and small enterprises involved in marketing, processing, and supply of inputs and services to farmers: "it is from the synergy of many small producers, processors, suppliers and transporters that sustained economic growth comes about" (Zio River Project Final Evaluation, p. 74).

Basic to bringing about this economic growth is development and transfer of appropriate technology to farmers. The final evaluation of the Zio River Project (ZRP) comprehensively assessed technology development and transfer up to the phaseout of the Zio River Project. This report concluded that the Technical Packages for improved practices only marginally increased farmers' productivity and incomes. Credit was required to induce farmers to adopt the Technical Packages which required significant amounts of purchased inputs. Two years later, the situation remains unchanged, and has possibly worsened because credit is uncertain. New initiatives are underway to reduce costs of purchased inputs and lower production costs. These efforts are commendable; however, the payoff to farmer productivity and sustainability is uncertain.

The project has perhaps reached a point of diminishing returns in relation to the development and transfer of production technology for major crops other than rice. There is a considerable scope for increasing rice yields and for reducing production costs. For example, introduction of the azolla plant in paddies can produce yields equal to applying 120 units of nitrogen (1989 annual report of WARDA, pp. 68-70). Rotational and alternate use of paddies for fish production could also be studied for feasibility or pilot testing.

There is some question about the feasibility and economics of farm mechanization. For example, is the rototiller the most appropriate machine to use in the project area? Would smaller machines be more appropriate and economical?

Soil degradation is increasing in the area with monoculture of maize and manioc. This raises the issue of sustainability. Alley farming merits more research and development, possibly with some technical assistance to farmers in testing the system. This technology has proven appropriate and sustainable as a low-input farming system throughout the world. It is especially suited to small-scale traditional farmers.

The ZRP evaluation recommended that more attention be focused on Farming Systems Research (FSR) or farm management analysis. However, project personnel do not seem interested in these approaches. Rather than focusing on the farm family as the basic economic unit, the project has given *groupements* the key role in transforming farm production and marketing. Crop enterprise budgets also seem overemphasized. This emphasis ignores complementary effects between enterprises; i.e., a more rational mix of

crops to better use farm family labor resources, conserve soil, spread risks, and even out cash flow and subsistence needs.

Recommendations for Production Technology. Recommendations proposed in this section are based on the assumption that project interventions will continue to be made in the farm sector.

Recommendation: A project emphasis should shift to nontraditional crops, rice (if the irrigation area is expanded), and other enterprises including fish production. In the area of fish production, the project should collaborate with Peace Corps and other NGOs working in this sector.

Recommendation: Project management should obtain more resources and skills to work in the area of production innovations and appropriate small-scale equipment for both rainfed and irrigated conditions. The equipment might be fabricated in Togo, and help promote local cottage industries. Contact should be made with IRRI, IITA, WARDA, ATI, and other organizations carrying out research and development.

Recommendation: Project management should contract for a study on appropriate small-farm mechanization for irrigated and rainfed conditions.

Recommendation: Arrangements should be made for key model farmers and project technicians to visit, observe, and learn of alley farming at IITA and other sites where farmers are successfully using it. This should include assessment and testing of other species besides *Leucaena*, e.g., *Glyricidia*.

Recommendation: In efforts to reduce production costs and in relation to alley farming development, the project should re-examine the feasibility of increasing phosphate fertilizer. Economics would favor increased use of phosphates and might justify some element of subsidy. Nitrogen-fixing and soil-building legumes require an abundant supply of phosphate.

Recommendation: The project should orient its technology development more to a farming systems approach linked to marketing with a focus on the farm family unit.

2.0 Extension and "Model Farmers"

The project has successfully introduced the concept of model farmers to replace or reinforce government extension agents -- a practice which has been successful in other small farmer development projects. An advisory panel made up of model farmers could assume much of the project's responsibility for technology transfer. The objective would be to link farmer groups to existing GOT extension and research activities.

Recommendation: Project management should phase out its extension activities giving this responsibility to model farmers. Provision should be made under the project to finance these farmers to visit, observe, and learn about new and successful farm practices at research stations and other project sites. This would also maintain their enthusiasm and efforts on the behalf of their fellow farmers.

3.0 Marketing and Agribusiness

The project continues to strengthen activities of farmer groups in marketing of rice (COGESCO). Thus far, COGESCO has not become a dynamic commercial institution. Apart from group transport and selling of grain, one aspect of marketing which could be a good target of opportunity for the project and COGESCO is to improve rice quality. Low prices have been obtained for rice because of poor handling, storage, and milling.

A possible joint-venture arrangement of the farmer groups with the local millers' association could be arranged. New and more efficient rice mills would not only reduce losses but increase quality -- assuming paddy is in good condition at milling. The next step would be to package the high-quality rice in 10 or 25 kilo plastic bags with a COGESCO label. The impetus for this venture would be financing for purchase of improved rice handling and milling equipment. The specific contractual arrangement would need to be negotiated between COGESCO, project management, a private miller or millers, and a financial institution such as FUCEC.

Market linkages need to be identified and established for alternative higher value crop and(or) livestock enterprises. This is extremely important given the relatively unattractive (to farmers) production technologies for traditional crops.

Development of alternative nontraditional export crops could be greatly facilitated by linkage contracts with one or more agribusiness companies already engaged in export marketing.

There are many variations of contract farming arrangements. The "nuclear-estate and satellite farm" or contract farming arrangement is possibly the most attractive model for private-sector small farmer development.

The following is a summary description of this model: First, an agribusiness company (either domestic, foreign or a joint venture) establishes the market for a given product. The company carries out research and development on the production and processing technology and may carry out limited production. It avoids the sensitive issue of acquiring large tracts of farmland by contracting with farmers for the bulk of its produce. The company will supply planting material, inputs, and production technology to the farmer or farm groups (credit in kind). The contract will generally guarantee some minimal price for a specified quantity. Credit repayment is not a problem since input costs are deducted from crop sales receipts. There is an advantage in grouping of farmers since it provides the farmer with greater bargaining power. The group also makes it easier for the company in their logistics and farmer training. Some processing is needed, usually sorting and packaging. Farmers may be given special preference to work in the processing activities. Ideally, they might also be given options to buy shares in the company.

The question most commonly asked about the above model is, "if this is so good, why does it not come about in a free market environment?" The answer is because of lack of incentives and a lack of enlightened national and(or) regional planning and policies. There must be special inducements for the company to want this type of arrangement rather than direct production or buying of the product on the free market. The inducements may be a reliable and growing supply source as well as financing, tax-free

concessions, investment guarantees, reimbursement for training, and research and development.

The TRIPS project could pioneer the above model leading to the TOPS project. Discussions could follow up initial contacts already made by CARE/Togo with CERKEM and other potential companies. An important base has already been established -- vis., organized and trained farmer groups.

Recommendations for Marketing and Agribusiness

Recommendation: Project should conduct a feasibility study of a joint venture between GPAs and private millers to process and market high-quality rice.

Recommendation: CARE/Togo should redouble its efforts to plan and negotiate contract production of high-value crops for both domestic and export markets.

Recommendation: The SPP/DGDR should consider what role it could play in helping facilitate promotion of private-sector agribusiness/farmer linkages.

4.0 Rice Production

Rice is a major cash crop for Zio River farmers, grown under rainfed and irrigated fields. Until alternative high-value crops or fish culture can be introduced, rice will continue to be an important cash crop in the Zio's farm economy. This is based on the following attractive aspects of rice:

1. **Reliability of production and sustainability.** Rainfed crops are subject to weather and rainfall patterns. The farmer is less certain of getting a good return on purchased inputs or added labor in rainfed crops compared with rice. Paddy rice production also does not have the problem of soil degradation associated with rainfed crop production.
2. **Reliability of markets/prices.** Since Togo is a net importer of rice, the domestic market for rice is strong and not subject to the wide price swings associated with maize and other staple crops. Until market linkages for alternative nontraditional export crops are developed, rice will remain the most reliable cash crop for the farmer.
3. **Employment.** Rice production is fairly labor intensive and will return the farmer compensation slightly higher than the market wage rate.
4. **Potential for increased yields.** Rice yields (even for improved technology) are low in comparison to other regions of Africa and especially so in comparison to Asia. This gives scope for further refinement in production practices to bring about bigger yields at reduced per unit costs.
5. **National policy and economics.** The GOT strongly favors increased rice production to reduce drain on foreign exchange for imported rice. Low imported rice prices may not last.

Rainfed rice under traditional practices appears to have little advantage over maize, cowpeas, and groundnuts in terms of returns per day of labor (see **Tables 1 and 2**). It does, however, require more labor per hectare. Returns for irrigated rice show modest improvement over major rainfed crops. Reliability would also be higher with assured moisture during the growing season. A secondary benefit would be increased labor employment and foreign exchange savings.

Recommendation: Until alternative high value crop/livestock/fish enterprises are developed and especially if more irrigated land is put into production, the project should shift more efforts and resources to rice technology and marketing.

Table 1. Comparative Returns for Major Rainfed Crops: Traditional versus Techpaks (per hectare).

	Maize		Cowpeas		Groundnuts	
	Trad.	T.P.	Trad.	T.P.	Trad.	T.P.
Yield kg.	800	2000	350	1000	600	1000
Price cfa	45	45	120	120	120	120
Gross Rev. 000 cfa	36	90	42	120	72	120
Labor days	78	98	91	118	103	122
Purchased Inputs 000 cfa		39		34		36
Net Returns 000 cfa	36	51	42	86	72	71
Return per day of Labor cfa	461	518	461	727	699	578
Credit cost cfa		8440		12830		12740

Source: CARE/TRIPS

Table 2. Comparative Returns for Rice in the Zio River Valley: Traditional versus Techpak (per hectare).

	Irrigated Rice		Rainfed Rice	
	Traditional	T.P.	Traditional	T.P.
Yield kg.	15000	35000	900	2000
Price cfa	75	75	75	75
Gross Returns 000 cfa	113	263	68	150
Labor days	175	215	120	147
Purchased Inputs 000 cfa		90		33
Net Return 000 cfa	113	173	68	117
Return per day labor cfa	643	802	563	793
Credit cost cfa		17685		12825

Source: CARE/TRIPS

5.0 Irrigation Infrastructure

Less than half of the irrigable land in the Zio perimeter is being used for irrigation. This wastes resources and causes income loss for the region and Togo. The CRZ recently developed a study and proposal for a complete rehabilitation of the Zio river irrigation perimeter. The plans include expropriation of unused land and subsequent rental after rehabilitation. Returns on rentals would yield a 6% rate of interest on investment.

There is some concern and uncertainty about whether there is sufficient water flow from the Zio to enable a major expansion in rice production. There is very little storage capacity behind the dam. The supply constraint might come in drought years during the second or short rainy season. The team was not able to obtain any definitive data on this question.

Another concern in the irrigation perimeter is whether farmer-users would be able to eventually manage the entire perimeter. It might be more feasible to plan for a separation of responsibilities between CRZ and the farmer-users.

Finally, there is the issue of land tenure. Insecurity of land tenure is a strong deterrent to investment in the project region and Togo.

Project management is interested in the feasibility of a limited or partial rehabilitation of the perimeter. The cost would be considerably less if farmer water users supplied labor in digging tertiary and drainage canals. This could be considered a "pilot project" to test the feasibility of farmer-users improving and managing water resources.

An economic analysis of investment costs and benefits for a complete rehabilitation of the perimeter was made by the team. This analysis built upon the CRZ proposal and used conventional methodology. The findings are meant to give only rough indicators of net economic benefits.

Due to time constraints, the team was not able to develop definitive or precise estimates, especially for outputs (benefits). An adjustment to the CRZ study was adding in a cost contingency factor. The financial and economic internal rates of return (IRR) computed provide a gross indication of economic viability and the difference between financial and economic net benefits.

Given the assumptions on additional land brought under irrigation and increased yields, the basic financial IRR was sub-marginal (less than 10%). Increasing the rice price to more closely equal world market prices and shadow pricing of labor gave the basic Economic IRR of 12.4%. Sensitivity analyses was then used to test these returns to changed assumptions.

Recommendation: Project management should arrange for a brief and simple feasibility study to develop planning and procedures for a limited pilot project to improve water management and drainage in the perimeter. This could be locally contracted.

Recommendation: A comprehensive economic analysis should be made prior to any major investment in irrigation infrastructure. If this analysis shows favorable economic returns, follow-up studies should be made of (1) the Zio catchment basin watershed (water capacity for irrigation); (2) a comprehensive water management study of the Zio, including aspects of drainage and establishment of a system of water user fees; (3) a cadastral survey; and (4) an environmental assessment. Finally, project management should consider recruiting a water management control specialist for 6 to 12 months to coordinate this overall activity and provide training. Technical advisory services could be tapped from the Water Management Synthesis Group of AID/S&T Bureau or the Center of Irrigation Management at Ouagadougou.

6.0 Economic Growth in the Project Area

There does not appear to be any data or indicators to show whether and how much real economic growth has taken place in the project area or Zio region. Available baseline data does not provide for impact measurement.

Recommendation: A survey should be carried out in the project area of farmers and rural residents. The objective would be to determine if incomes and welfare have improved over the past five years and whether or not this can be attributed to interventions of TRIPS.

7.0 Summary and Conclusions: Technical and Economic Analyses

Production technology developed and transferred under the project has only been marginally successful in improving incomes and welfare of beneficiaries. Diminishing returns are likely for continued work on rainfed crops. Responsibility for technology transfer should be shifted to model farmers.

Degradation of soils under monoculture of maize and rainfed crops raises the issue of sustainability. Farming systems research oriented to soil conservation, and alley farming merits more effort in the project area.

There is a need to introduce high value crop and other enterprises to boost the farm economy. This must begin with the market and the potential for linking farmers with agribusiness/export firms through possible contract farming arrangements. This will require incentives and inducements for the marketing firms to link up with farmer groups. Initial efforts by project management in this area should be redoubled.

Rice will likely remain the mainstay cash crop for farmers until other high value nontraditional enterprises can be developed. The constraint for most of these nontraditional products is reliable and remunerative markets.

There is considerable scope for increasing rice yields and reducing costs of production. TRIPS should tap into innovative research carried out at WARDA, IITA, IRRI, and research stations in Togo and West Africa. Technology development and transfer should be oriented to farming systems linked to marketing with focus on the farm family.

Quality of rice produced in the region needs improvement. A joint-venture arrangement between COGESCO and the Millers association could be fruitful. The objective would be to process and market a higher quality rice at a premium price with introduction of new and improved rice handling and processing equipment.

There is a major waste of resources and loss of income from the under-used Zio irrigated perimeter. Feasibility studies need to be made on (1) irrigable capacity of the river flow; (2) rehabilitation costs of the infrastructure and economic benefits; and (3) water use management.

A tentative economic analysis was carried out on a proposal by CRZ for a complete renovation of the Zio perimeter. Based on very crude estimates, the basic financial Internal Rate of Return for irrigation effect alone was not favorable (less than 10%). Assuming improved technology along with irrigation raised the rate to 10.9. The basic Economic IRR using a reduced labor price and higher rice price was marginally acceptable (12.4%) for irrigation effects alone. Assuming improved technology together with irrigation raised this to 15.6%.

A tentative conclusion is that a strongly favorable economic rate of return for investments in irrigation will depend on improved levels of rice production and marketing technology. Finally, a comprehensive study and economic analysis should be carried out before any major investment is made.

Appendix 14

Economic Analysis of Zio Irrigated Perimeter Rehabilitation

Economic Analysis of Zio Irrigated Perimeter Rehabilitation

The Zio River Economic Development Project began in 1984 to increase productivity of this vastly under-used agricultural resource. The project purpose was: "to increase the involvement of rural producers in more productive economic activities through regional economic development, credit education, management training, and the introduction of Technical Packages in the Zio River Region."

Construction of the Zio River Irrigated Perimeter was completed in 1965 by the Taiwanese. Management of the perimeter passed to technicians of the Peoples Republic of China in 1973. The Centre Rizicole du Zio (CRZ) took over the perimeter in 1979 under the DGDR. Approximately 667 ha of the total 820 ha in the perimeter are considered irrigable. About 300 ha are presently being planted to rice in the first season with about 160 ha in the second. This under-utilization is due in part to the original design which lacked sufficient flood protection, tertiary canals, and an adequate drainage system. The under-staffed and under-funded CRZ has also found it difficult to maintain the number and level of services necessary to keep the perimeter productive.

The following presents use and management of the 667 hectares:

Individual Farmers	257 ha (approximately 40% farmed)
CRZ	45 ha (12 ha regularly farmed)
CRZ and a private farmer (Mr. Nee)	50 ha (farmed by Mr. Nee)
Togolese State Company for Promotion of coffee and cocoa (SRCC)	12 ha
Agronomic Research	2 ha
ANATO Project	43 ha (just beginning to be used)
Not farmed	258 ha
TOTAL	667 ha

Source: CRZ/DGDR

The CRZ has recently developed a proposal for complete rehabilitation of the Zio irrigated perimeter over 5 years. The plan calls for constructing flood-protection dikes (2800 meters), installing a drainage system (7000 meters of drainage canals), regrouping of land parcels and leveling of fields, and constructing/repairing buildings and roads. The plan also provides for soil and topographic studies and a means of soil improvement. Finally, the plan proposes improvements and additions to CRZ staff, buildings, and machinery.

The total investment over a period of 5 years (not including cost of studies) is estimated at 256,000,000 cfa. By the fifth year, according to the CRZ, returns from rental of land and water-user fees would total about 18,000,000 cfa (6% undiscounted). No contingencies are included in the cost projections by CRZ.

A major issue in this proposal concerns land tenure. Expropriation of land and, subsequently, renting it to farmers has strong sociopolitical ramifications. Security of tenure throughout Togo continues to be a strong disincentive and deterrent to investment.

An alternative assessment of the Zio perimeter was made, building upon the CRZ proposal using more conventional methodology in determining economic feasibility. It was meant to provide only approximate indicators of economic return.

The financial and economic returns from an investment in rehabilitation would come from the net added production of rice. This increase would result from improved utilization of water on land presently used for rice and for additional land brought under irrigation. The financial returns would be based on increased production (rice) priced at market (farm gate). Economic returns would value rice at near world-market prices. Unskilled labor might also be "shadow priced" at a wage less than market to account for its relatively low opportunity cost or marginal value product. Economic analysis would not include transfer payments (i.e., taxes, insurance, subsidies, and interest) since these do not represent real resources and, by themselves, neither add nor subtract from national income/wealth. It is a tedious task to estimate these sometimes disguised transfer payments. Therefore, the only adjustment or option is a reduced price for labor and sensitivity tests for decreased returns or increased costs.

Comparative costs and returns for major crop enterprises as compiled by the TRIPS project are shown in **Tables 1 and 2**. To measure effect of irrigation on rice production, the basic analysis considers increase in output from traditional rainfed to irrigated rice. Further analysis briefly considers investments in improved practices for higher levels of output.

Returns

Financial returns to investments in rehabilitation would be the (1) increased output on additional land brought into irrigation of (600 kg/ha), and (2) increased yields on land presently in rice and on newly irrigable lands from better drainage and water distribution (150 kg/ha).

Without Rehabilitation

Rainfed rice (one crop/year)

350 ha. x 900kg = 315 Metric tons (MT)

Irrigated rice

First season: 300 ha. x 1500kg = 450 MT

2nd season: 160 ha. x 1500kg = 240 MT

Total rice = 315 + 450 + 240 = 1005 MT

Table 1. Costs for Rehabilitation of Irrigated Perimeter.

	Total Cost	Year				
		1	2	3	4	5
Drainage	1050	525				
Canals	13,400	2880	2880	2880	2880	2880
Dikes	182,400	36800	36800	36800	36800	36800
Leveling	67,500	9450	9450	9450	9450	9450
Sediment removal	3000				3000	
Buildings, roads, etc.	7500	300	1500	1500	1500	
TOTAL	256,675					
incl.25% Contingency	320,840 cfa					

Source: CRZ/DGDR

Table 2. Projected Costs and Benefits of Rehabilitating the Zio River Irrigated Perimeter.

Year	Project Costs			Project Benefits	Net Benefits
	Labor	Other	Total		
0					
1	26	47	73	0	-73
2	26	47	73	0	-73
3	26	47	73	9	-64
4	26	47	73	18	-55
5	26	47	73	27	-46
6-30	0	0	0	36	36

With Rehabilitation

Irrigated rice: First season: 650 ha.; second season: 350 ha.; total 1000 ha.; Yield of 1650 MT (1500 base yield + 150kg for improved drainage and water use.

1000 ha. x 1650kg = 1650 MT

Added Production and Value

1650 - 1005 = 645 MT rice at 75000 cfa = 48,375,000 cfa

Costs

Investment costs are taken from the study proposal prepared by CRZ Projet de Rehabilitation du Perimetre irrigue du Zio. The rehabilitation is carried out over a 5-year period. An estimated portion of costs are separately allocated to labor so that further tests could be made on shadow pricing. Assumptions were made about increased yield from conversion to irrigated from that of rainfed; and increased yield on land under irrigation due to better drainage and water distribution.

Results of the Analysis

The financial IRR for best judgement outcome was submarginal (less than 8.3% for a 30 year period). Removing the cost contingency of 25% boosted yield to 11.7%. If costs decreased and benefits increased (improved technology for higher yields), yield became 14.8%. Sensitivity tests on the down side showed IRR down to 3.5% (**Table 3**).

In addition to the increased output of rice, the investment will result in more employment, i.e., irrigated rice calls for approximately 55 more days per hectare (total of 29,000 person days). There would also be the labor involved in carrying out the rehabilitation.

The best judgement economic IRR yielded 12.4% or marginally acceptable. Removing the 25% cost contingency boosted the IRR to 16.6%. Increasing benefits by 25% yielded 15.6% and both of these combined yielded 20.6%. Sensitivity testing for unfavorable conditions brought the economic IRR to a low of 7.2%.

Table 3. Sensitivity Analysis of Economic Return on Rehabilitation of Zio River Irrigated Perimeter.

Variation	Internal Rate of Return (IRR)
Financial - F-1 Best Judgement Outcome (table 3)	8.3
F-2 Costs less 25%	11.7
F-3 Benefits increase by 25%	10.9
F-4 Both of above (F-2 and F-3)	14.8
F-5 Costs increase by 25%	6.0
F-6 Benefits less 25%	5.4
F-7 Both of above (F-5 and F-6)	3.5
Economic - E-1 Rice price 25% higher (world market) and labor price 30% lower (surplus)	12.4
E-2 Costs less 25%	16.6
E-3 Benefits increase by 25%	15.6
E-4 Both	20.5
E-5 Costs increase by 25%	9.6
E-6 Benefits less 25%	9.1
E-7 Both	7.2

Investments in New Irrigation Infrastructure

The costs to build the Zio irrigated perimeter in the 1960s are not known. Therefore, an alternative and very simple procedure may be useful to estimate roughly how much can be invested per hectare of new irrigated perimeters. This is to calculate the present value of a future stream of benefits. Using yield increase of 600 kg above x 75 f gives the annual value of increased production -- 45,000 cfa. Using a 12% rate of interest, the capitalized value would be 375,000 cfa, i.e., an approximate maximum which could be invested per hectare in irrigation (not including reduction for annual maintenance costs or economic pricing). This is assuming that the 600 kg yield increase is realistic and the 12% interest rate represents a fair estimate of the opportunity cost for capital in Togo.

The 375,000 cfa would not buy much of any irrigated facility. For example, in Senegal, costs per hectare for new irrigated perimeters (95 ha) were estimated recently at 536,000 cfa. This is also very low compared with most irrigation perimeter costs in West Africa.

Increasing Rice Production through Improved Technology

Based on input-output relationships of improved rice production technology by the project, one can compare the increased yield of rainfed rice when using the Technical Packages. The Technical Packages yield is 2000 kg/ha compared with 900 kg for traditional

practices. The increased production of 11000 kg requires an additional 27 days of labor and 33,400 cfa in purchased inputs. If credit is not used, the net returns per day of labor increase from 563 to 793 cfa (credit costs bring the latter down to 706 cfa).

The cost side of this analysis requires an estimate of the relative amount of project funding (both Zio River and TRIPS) which could be reasonably attributed to developing and promoting the improved technology in rainfed rice, to separate out the effects of irrigation. Given the difficulty in determining project costs, the simple Present Value method can be used to get a rough idea of how much could be spent on a project to increase rice production. Again using a 12% discount factor, the economic present value of a future stream of benefits (discounted aggregate annual net value of increased rice production) would be 491,167 cfa. Assuming a 1000 hectare target, a project costing roughly 500 million cfa could be economically justified. Note; This would not buy a very big portion of total project funding.

A secondary benefit would be increased employment in the farm sector -- 27,000 man days of labor.

Conclusions

A tentative conclusion of the forgoing analyses is that improved technology will be required in order to make irrigation infrastructure investment economically attractive. The positive returns also depend on only marginal or added costs to the "sunk" costs of the original investment during the 1960s. A replicated investment of the ZIO in another area would likely show very low net economic benefit.