

USAID/RWANDA

INTERNAL MISSION REVIEW

JULY 1988

MANAGEMENT SYSTEMS INTERNATIONAL

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EXECUTIVE SUMMARY

In May 1988, two consultants of Management Systems International (MSI) assisted the USAID/Rwanda Mission in performing an internal program review, aimed at increasing the programmatic integration among the Mission's projects. The main objectives of the review were to (i) examine the Mission portfolio for coherence among the different activities, (ii) sharpen the objectives, performance indicators and assumptions of the program and its component projects, and (iii) identify monitoring & evaluation data requirements and recommend simplification of the reporting system. The consultants were to interact with Mission and project personnel by conducting a workshop and possibly a seminar.

The timing of the consulting mission proved to be very opportune, since in the summer of 1988 all U.S. officers of USAID/Rwanda (except the controller) will be changing, and a large number of key contractor personnel (IWACU, PRIME, Technoserve, FSRP projects) will be leaving. Thus, the present report will hopefully serve as an important element of the institutional memory for the new team.

MSI developed for USAID/Rwanda two new program management tools: the Portfolio Overview Matrix and the Program Evaluation Matrix. Both are based on the observation that the objectives of USAID projects, in whatever field, fall into a limited number of categories:

- o Project goals may be economic (income), welfare (e.g. potable water, health) or population control.
- o Project purposes are changed practices, policies (nominal and enforced), individual skills and awareness, and increased institutional effectiveness, coverage and self-sufficiency.
- o Project outputs consist of different systems (designed and installed), persons trained, studies, policy dialogue, institution-building, infrastructure and commodities.
- o Project inputs are funds and technical advisors.

The Portfolio Overview has one column for each project in the USAID/Rwanda portfolio. In each column, project objectives are arranged according to the above categories. This makes it possible for the program managers (Mission Director and Program Officer) to have an across-the-board view and see at a glance what the whole program aims to accomplish in a given field, e.g. policy reform or institution-building, and what are the total program inputs (e.g. training) and resources (e.g. technical assistance). The Portfolio Overview also facilitates a cross-cutting view which permits program and project managers to detect the relationships and possibilities for synergy among various projects, e.g., the forthcoming Agricultural Productivity and Resource Conservation Project or Natural Resources Management Project could bolster the privatization objectives of the PRIME project by promoting the privatization of

MINAGRI nurseries and fish ponds.

The Program Evaluation Matrix (PEM) is similar to the Portfolio Overview in that each column represents a project and each row represents a type of objective. In the PEM, however, the contents of each cell is the progress achieved by each project on a given date towards each objective. The use of the PEM for reporting (with every project manager filling out one column) would focus the attention of the program and project managers on what is really important-achievements at the level of projects effects and impacts. At the same time, the PEM should considerably reduce the reporting effort, since less time will be spent on detailed reporting of activities and inputs. The PEM makes it possible to print out "horizontal" programmatic reports, which record progress of the entire program in a given topic such as policy change or institution-building.

The Portfolio Overview and the PEM were used to organize the information provided by Mission and project personnel and culled from project documents. This review suggests the following conclusions and recommendations:

- (a) The program goal of USAID/Rwanda should be defined as "increased and sustainable per capita income". This goal subsumes all USAID activities in family planning (reducing population growth), in policy reform, in agriculture and private sector development (stimulating economic growth) and in resource management (assuring sustainability).
- (b) The purported USAID objective of employment generation is not effectively fulfilled by present private-sector projects (PRIME, PED and IWACU), since these have only a minimal direct employment effect. An investigation of the possibilities for a more direct intervention focusing on employment generation concluded that this field is already well occupied by other donors, and that USAID does not have a comparative advantage in it. Consequently, it is proposed to reformulate the USAID private-sector program purpose to read: "Increased investment and economic growth in the rural private sector", with "increased productive off-farm employment" as a byproduct of economic growth.
- (c) The two USAID policy projects (PRIME and ASPAP) have only a limited impact on GOR policy, basically because present policies do not constitute a critical obstacle to development in Rwanda as they do in some other developing countries. Consequently, the policy field should have a low-profile, ongoing "policy maintenance" USAID presence. A future evaluation of PRIME should examine the possibility of merging it with ASPAP into one management unit.

- (d) The IWACU project has been successful in making the IWACU training center nearly entirely Rwandized and partially financially self-sufficient. Its potential client base is huge: 3300 co-ops and 9000 informal groups at present. Future USAID assistance should build on this success by promoting new informal groups, establishing IWACU branch offices, and creating a Marketing and Services Unit to provide marketing and technical services. IWACU should promote groups to serve the future USAID agricultural project, e.g. for marais development.
- (e) The Technoserve project, in contrast, is in the process of exhausting its potential client base of about 100 medium-sized enterprises, and has not invested much effort in catering to smaller producers or in institution-building (except for institutionalizing Technoserve's own presence in Rwanda). The forthcoming evaluation of Technoserve should critically examine whether after PACD its purposes could be more cost-effectively accomplished by the proposed IWACU Marketing and Services Unit.
- (f) The NRM (Natural Resources Management) project, as presented in its PID, has a classical soil conservation orientation, with only long-term effects on agricultural production. This can only lead to generalization of the present situation in Ruhengeri, where the FSRP and the RRAM projects are working without any organic connection. We submit that the future USAID project with MINAGRI and ISAR must include both production and soil conservation aspects, so as to offer the farmers an integrated package. Upon PACD of the FSRP project, it should be terminated and its activities taken over by the NRM. To make this change in orientation concrete, the name of the NRM project should be changed to one which stresses its production aspect. We suggest the name PARCS (Productive Agricultural and Resource Conservation Systems). An alternative that would have more immediate effects would be to amend the FSRP to include NRM research activities.
- (g) The Family Planning II project as designed has an emphasis on expanding FP coverage and increasing involvement of the private sector in delivery. This orientation fits with USAID's other program objectives. The possible links with IWACU for training of private-sector FP delivery agents should be explored.
- (h) The participant training projects (HRDA, SAARFA, Kagera Basin) were not covered by the present report since they are the subject of a forthcoming DAI/MSI mission.
- (i) The future USAID/Rwanda program implied by the above recommendations will be sharply focused on three purposes (population control, sustainable agricultural growth and rural off-farm income generation), have very few management units (FP II, PARCS, IWACU, ASPAP and PRIME - the latter two possibly combined), and show a high degree of cross-project integration.

- (j) Follow-on activities: The Scope of Work asked for a seminar to USAID, GOR and project personnel about monitoring and evaluation. After consultation with the responsible USAID officers, it was deemed more appropriate to hold this seminar by a follow-on mission in February 1989, when the entire new USAID team will be on board. The objectives of this mission will be to (i) promote a synergy among the USAID/Rwanda projects by stimulating an exploration of cross-project connections by the personnel involved, and (ii) put into effect the proposed simplified project reporting system.

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ABBREVIATIONS

ABS	-	Annual Budget Submission
ARD	-	Associates in Rural Development
ASPAP	-	Agricultural Surveys and Policy Analysis Project
BP	-	Banque Populaire
BRD	-	Banque Rwandaise de Développement
CCCD	-	Combating Communicable Childhood Diseases project
CCIR	-	Chamber of Commerce and Industry of Rwanda
CDSS	-	Country Development Strategy Statement
CLUSA	-	Cooperative League of the U.S.A.
CPA	-	Certified Public Accountant
DA	-	Development Assistance
DAI	-	Development Alternatives Inc.
DGEP	-	Directorate General of Economic Policy of MINIFINECO
ESF	-	Economic Support Fund
ETMA	-	Environmental Management and Training in Africa
FAC	-	Fonds d'Assistance et de Coopération (French assistance)
FP	-	Family Planning project
FRW	-	Rwandan Franc
FSIP	-	Farming Systems Improvement Project
FSR/E	-	Farming Systems Research and Extension
FSRP	-	Farming Systems Research Program
GOR	-	Government of Rwanda
GTM	-	Groupe Technique Mixte (review committee of the PRIME project)
HRDA	-	Human Resources Development Assistance (regional program)
IBRD	-	International Bank for Reconstruction and Development
ILO	-	International Labor Office of the U.N.
IRDP	-	Integrated Rural Development Project
ISAR	-	The Rwanda Agricultural Research Institute
IWACU	-	Co-op Training and Research Center (meaning "our house" in Kinyarwanda)
KFW	-	Kreditanstalt für Wiederaufbau (the German foreign development bank)
MINAGRI	-	Ministry of Agriculture
MINIFINECO	-	Ministry of Finance and Economy
MINIMART	-	Ministry of Industry, Mining and Handicrafts
MINIPLAN	-	Ministry of Planning
MINISAPASO	-	Ministry of Public Health and Social Assistance
MINJEUCOOP	-	Ministry of Youth and Cooperatives
MSI	-	Management Systems International
NGO	-	Non-Governmental Organization
NRM	-	Natural Resources Management Project
OCIR-Café	-	Office for Industrial Crops of Rwanda - Coffee
OCIR-Thé	-	Office for Industrial Crops of Rwanda - Tea
ONAPO	-	National Population Office
OPROVIA	-	Authority for Fodder and Animal Products
ORTPN	-	Rwandan Authority for Tourism and National Parks
OVIBAR	-	Rwandan Authority for Banana Vinification and Industrialization
PACD	-	Project Activities Completion Date
PEM	-	Program Evaluation Matrix

- PID - Project Identification Document
- PIR - Project Implementation Review
- PP - Project Paper
- PRIME - Policy Reform Initiatives in Manufacturing and Employment project
- PVO - Private Volunteer Organization
- SECID - South Eastern Consortium for International Development
- SESA - Agricultural Surveys and Statistics Service of MINAGRI
- RRAM - Ruhengery Resource Analysis and Management Project
- SAARFA - Strengthening African Agricultural Research and Faculties of Agriculture (a centrally-funded program)
- SME - Small and Medium Enterprise
- SOW - Scope of Work
- TA - Technical Assistance
- USAID - U.S. Agency of International Development
- UNDP - United Nations Development Program
- WHO - World Health Organization
- WMS II - Water Management Synthesis project, Phase II

I. INTRODUCTION

During May of 1988, Management Systems International (MSI) assisted USAID/Rwanda in carrying out an internal program review. This report presents the results of the review.

1.1 Scope of Work for the USAID/Rwanda Program Review

The Scope of Work for the USAID/Rwanda program review is presented in Annex D. The SOW lists the following objectives:

- Assessment of whether activities are consistent with strategy objectives;
- Identification of constraints to key program objectives - in particular employment generation; and
- Identifying indicators to monitor program activities more systematically.

In order to achieve the above objectives, the Scope of Work suggests completion of the following tasks:

- (a) Help the Mission prepare a Logical Framework which reflects the CDSS and facilitates Mission critique of the strategy, including indicators and key assumptions;
- (b) Conduct a workshop to revise the program LogFrame and identify key indicators for tracking performance;
- (c) Conduct a mid-term review of performance;
- (d) Recommend simplification in contract reporting requirements; and
- (e) If time allows, conduct one seminar for Mission, Project and GOR staff on evaluation and monitoring systems.

1.2 Comments on the Scope of Work

1. There may be an inconsistency between the Scope of Work objectives, and the tasks suggested for achieving the objectives. Whereas the objectives list "assessing whether program activities are consistent with program objectives", tasks list "conduct a mid-term review of performance".

To "assess consistency" is a modest, analytical task. To "review performance" of an entire program (project portfolio) is an ambitious data collection task. MSI has done a thorough job of "assessing consistency", but has "reviewed performance" only to the extent that performance data were available in individual project evaluations and project implementation reports. MSI collected no original data

on project performance.

2. Tasks (b) and (e) suggest that MSI:

"Conduct a workshop to revise the program LogFrame", and

"If time allows, conduct one seminar for Mission Project and GOR staff on evaluation and monitoring systems."

MSI conducted the first workshop but not the second. This was due to lack of sufficient time to carry out the seminar. Also, it makes more sense to postpone the seminar until early next year when virtually the entire Mission staff will have been replaced.

1.3 Context of the Scope of Work

A broad, programmatic approach to analysis is particularly appropriate now for two reasons. First, AID management in Washington, and A.I.D.'s friends in Congress, are very concerned with what they perceive to be the "fragmented nature" of AID efforts overseas. Second, virtually the entire USAID/Rwanda team and the majority of key expatriate contractor personnel is being replaced during the summer of 1988. What better basis for a "new regime" could there be than a recent review of project consistency with program objectives, and of project progress toward those objectives?

As a rule, A.I.D. evaluation efforts are directed almost exclusively at achievement by narrow projects of limited objectives. The review presented here of coherence and progress throughout an entire portfolio of an A.I.D. mission may be unique. It is MSI's view that USAID/Rwanda should be congratulated for undertaking a broad, programmatic review effort at this time.

Below is a quote from a cable (state 103508 of 4/4/88) expressing A.I.D./Washington's concern that USAID Missions carry out integrated, programmatic efforts:

"Are the various kinds of resources (DA/ESF/PL480) being used in an integrated fashion? Do all aspects of the program fit into a unified strategy which focuses on central problems, and which the various elements are mutually supportive?"

1.4 Methodology for the USAID/Rwanda Program Review

The USAID/Rwanda program review presented in this report was carried out by Dr. Itil Asmon, and Dr. Roger Popper of MSI, under the direction of Rose Marie Depp of USAID/Rwanda. Dr. Asmon's primary focus was the coherence of project activities with program objectives, and Dr. Popper's focus was summarizing project progress toward program objectives.

The team members stayed in Rwanda from 4/30/88 to 5/20/88 for that purpose. In addition, Dr. Asmon stayed in Washington, D.C. from 5/24/88 to 5/31/88 for drafting the report.

MSI's review of the coherence and progress of USAID/Rwanda's program took was carried out in three stages:

- (a) Collection of data, information, and points of view;
- (b) Analysis and tool development;
- (c) Presentation and refinement of the analysis.

Details for the three stages are listed below.

Stage I. Collection of data, information and points of view:

- (a) Review of relevant USAID/Rwanda planning documents (CDSS, ABS, selected Project Papers);
- (b) Extraction of relevant performance data from all available project evaluations (Cooperative Training and Research Center, Technoserve, PRIME, Family Planning and Mother and Child Health, Farming Systems Research, Fish Culture, RRAM, CARE Gituza Forestry, etc.);
- (c) Extraction of relevant performance data from all project implementation reports (all projects);
- (d) Interviews with USAID Mission personnel;
- (e) Initial interviews with personnel from all projects;
- (f) Visits to the Cooperatives Training Center (IWACU), the Kigembe Fisheries project, and the Ruhengeri Resource Analysis and Management (RRAM) project; and
- (g) Visits to donors involved in employment generation such as ILO, the Swiss Mission, the Canadian "Micro-Realizations" project, and the ILO/UNDP "Micro-Realizations" project.

Stage II. Analysis and Tool development:

- (a) Construction of a master objective tree of the USAID/Rwanda program including the objectives from CDSS, Action Plans, and individual projects;
- (b) Preparation of a Portfolio Overview matrix, which shows in detail the above objectives with their indicators, in a way which allows an across-the-board comparison and aggregation of similar

objectives for all projects in the Mission portfolio;

- (c) Construction of a Program Logical Framework encompassing all of the above;
- (d) Entering of all available progress data into a "Program Evaluation Matrix" which has the same categories as the "Portfolio Overview Matrix;"
- (e) Production of "Program Progress Reports" which represent horizontal slices of the "Program Evaluation Matrix" and show across-the-board progress toward program objectives such as institution-building, policy change, etc.

Stage III. Presentation and refinement of MSI's analysis:

- (a) A workshop for presenting the Program Objective Tree, the Portfolio Overview Matrix and the Program Evaluation Matrix;
- (b) Final interviews with personnel from all projects to correct the logframes and the progress data; and
- (c) Report writing, in Rwanda and Washington, DC.

II. USAID/RWANDA OBJECTIVES AND STRATEGY

2.1 The USAID/Rwanda Project Portfolio

Table 2.1 shows the portfolio of USAID projects in Rwanda which were in the implementation or planning stage during 1988. The present Internal Program Review examined in some detail eight of these projects:

- (a) Family Planning (FP) Phase I, which terminates in 1988, and FP Phase II which is currently being designed;
- (b) Farming Systems Research Program (FSRP);
- (c) Ruhengeri Resource Analysis and Management (RRAM);
- (d) Natural Resources Management (NRM), which the present report proposes to re-name PARCS (Productive Agriculture and Resource Conservation Systems);
- (e) Agricultural Surveys and Policy Analysis Project (ASPAP);
- (f) Policy Reform Initiatives in Manufacturing and Employment (PRIME);
- (g) Cooperative Training (IWACU);
- (h) Private Enterprise Development (PED; Cooperative Agreement-Technoserve).

Certain other projects which form part of the current USAID/Rwanda portfolio were only summarily reviewed, for the following reasons:

- Projects which are terminating in 1988, such as: CARE Gituza afforestation, AFRICARE refugee aid, Fish culture, CCCD;
- Centrally- or regionally-funded projects, which are also terminating (WMS II, Pond Dynamics);
- Regionally-funded participant training projects, which will be evaluated by a forthcoming DAI/MSI team (HRDA, SAARFA, Kagera Basin).

2.2 USAID/Rwanda Program Objectives

An Objective Tree shows the objectives at different levels and their cause/effect relationships. The Objective Tree of the USAID/Rwanda program is shown in Figure 2.1. The Tree is based on an analysis of the CDSS, the 1989 ABS, and the logframes of the above-mentioned projects.

The 1989 CDSS defined the goal of the USAID/Rwanda program as raising the per capita income of the rural majority. All of the above projects contribute, directly or indirectly, to this goal. In this sense, USAID/Rwanda has a goal-oriented program.

It should be noted, however, that certain country trend indicators which form part of the Congressional Submission are not directly impacted by interventions aimed at raising the rural per capita income. Such indicators include life expectancy, literacy, etc. We believe that the exclusion of direct interventions focused on these indicators is justified, because:

- They are reasonably well covered by other donors, and
- USAID is a relatively minor donor in Rwanda (\$6-8 M per year, out of total donor assistance of about \$180 M per year), so that its funds are more cost-effective if they are focused on 2-3 areas in which USAID has human resources and experience.

At the program purpose level (project goal level), the CDSS and the ABS have defined for USAID/Rwanda a strategy which aims at three objectives:

- Reduced fertility rates;
 - Generation of productive off-farm employment; and
 - Increased agricultural production.
- These objectives invite the following comments:

Family Planning

The objective of reduced fertility rates is deemed entirely appropriate considering the severity of the overpopulation problem in Rwanda, and the established USAID capability in this area. The FP activity, and especially the FP II project with its insistence on more cost-effective, private-sector FP delivery, is well-oriented to this goal.

Employment Generation

The objective of productive off-farm employment generation is a laudable one in view of the acute unemployment and underemployment problem in Rwanda, where about 120,000 persons enter the labor market every year. However, current USAID activities have at best a marginal employment generation effect:

- The PED (Technoserve) project has so far assisted in the creation of 40-50 work places in three years (Sec. 3.7);

The IWACU project organizes and upgrades coops and informal groups, which increases rural incomes but only indirectly increases employment;

Any policy changes effected by the PRIME project are expected to have only a minor impact on employment.

Thus the interventions do not have the required impact on the objective. If the objective is not to remain wishful thinking, either the interventions or the objective should be changed. Accordingly, the MSI team has examined at some depth the possibilities of a more direct USAID intervention for employment generation in the informal non-agricultural sector (which is estimated to employ some 116,000 persons, compared with about 10,000 in the formal private sector). The results of this investigation, detailed in Sec. 4.2, lead to the conclusion that there does not exist a significant potential for a major USAID activity in this sector. The reasons are that the total potential for employment generation in the non-agricultural sector is small in comparison with the needs; USAID does not have a traditional strength in this activity; and the field may be covered by other donors.

Consequently, it is recommended to change the second purpose of USAID activity in Rwanda to read:

"Increased economic growth in the rural private sector, and increased productive off-farm employment."

This redefined objective puts the accent on economic growth, which is in fact the main target of the PRIME, IWACU and PED projects, and treats employment as a product of economic growth. This objective is realistic in view of USAID capabilities and its concern for private-sector-driven growth.

Increased Agricultural Production

The third CDSS and ABS program purpose is to raise agricultural production. We propose an expansion of this objective to read:

"Increased agricultural production on a sustainable natural resource base."

This change will integrate the current and planned USAID activity in resource conservation into its objectives. This is far more than a semantic nicety: if respected in project design, it will mean that future USAID resource conservation activities must also have a short-term productive effect, rather than only a long-term soil protection effect. It will mean the organic integration of farming systems research and soil conservation research into one contract, which is not presently the case. Along this line, one of the important recommendations of the present review is to change the name of the USAID agricultural project currently being designed from NRM (Natural Resources Management) to a name which will highlight the production objective of this project. We suggest the

name "PARCS" (Productive Agriculture and Resource Conservation Systems).

The above three purposes of the USAID/Rwanda program logically lead to the program goal. Per capita rural income is a fraction, the value of which will grow both by increasing the numerator (agricultural and off-farm production) and by decreasing the denominator (population).

AIDS

No discussion of USAID objectives in Rwanda will be complete without addressing the scourge of AIDS. According to our current knowledge, Rwanda is one of the countries most affected with this disease, with 18% of some urban samples testing seropositive. Besides the terrible human suffering it causes, AIDS is likely to have a heavy economic toll and constitute a brake on development, since it affects primarily urban, better-educated adults - the most productive members of society.

USAID presently contributes funds to WHO activities in AIDS research and control. In the future, USAID may be requested to undertake a separate AIDS control project. Such a project will have the effect of (i) avoiding a decrease in the productivity of Rwandan individuals, and (ii) avoiding a drain of disposable income for medical purposes, so that a part of this income may go to productive investments. Thus a possible AIDS project will fit well within the proposed USAID/Rwanda objectives.

2.3 The Portfolio Overview Matrix

The present USAID/Rwanda program review may be the first of its kind. To assist in this endeavor, MSI has devised two new program management tools: the Portfolio Overview Matrix, discussed in the following, and the Program Evaluation Matrix (Sec. 6.3) which is based on it.

The Portfolio Overview relates all Mission interventions to the program strategy as presented in the CDSS, ABS and Action Plan. The purpose of the Portfolio Overview is to compare at a glance the common features of all projects in a Mission portfolio, e.g. the planned institution-building effect of all projects; their geographical coverage; their intended policy effects; their training objectives; their technical assistance inputs; etc. This can give program managers, such as the Mission Director and the Program Officer, a feel for the total effect of the USAID program on a given objective; it may also give project managers a better appreciation of the synergy among different projects in the program, and thus a motivation for continuously coordinating their activities with the managers of other projects.

The Portfolio Overview of the USAID/Rwanda program is presented in Annex A. It is essentially an expansion of the Program Objective Tree (Fig. 2.1). Each column of the Portfolio Overview contains the objectives at different levels of a given project, together with their indicators.

The Portfolio Overview Matrix is based on the observation that all development projects, regardless of their specific objectives or the technologies involved, select from a relatively small set of type of objectives and indicators. Thus:

- Program goals (country trends) may be in the fields of economic growth (e.g. income, foreign exchange), welfare (e.g. health, housing, water supply) or population.
- Program purposes are in the same fields, but focused on the effects on USAID target groups (generally the rural poor).
- Program outputs (project purposes) consist of increased private-sector production, public-sector effectiveness, and changed practices (e.g. family planning, nutrition); nominal policies and enforced policies; increase in individual skills and awareness; and institution-building (increased service effectiveness, increased coverage, and increased financial/ managerial/technical self-sufficiency).
- Program inputs (project outputs) generally consist of dialogue with the host government; studies and publications; technical assistance services (e.g. in promotion and organization); trained nationals; constructed infrastructure and installed equipment.

The Portfolio Review Matrix (Annex A) shows the objectives and indicators of each project in the Mission portfolio, arranged according to the above topics. Inevitably, the matrix contains many blank spaces, since no project attempts to cover all program goals and purposes, and few projects contain all of the possible inputs and outputs. A horizontal view across the matrix shows the total program intervention in a given field, such as policy or institution-building.

Beside the horizontal across-the-board view, the Portfolio Review Matrix can be used to give an "inclined view" which detects the interrelationships among different types of objectives of the various projects. Thus, for instance, the matrix makes it easy to judge whether the PRIME policy objectives, if realized, will provide sufficient support to the IWACU and PED enterprise-building objectives.

FIGURE 2.1: OBJECTIVE TREE OF THE BRAN/BRAMA PROGRAM IN 1988

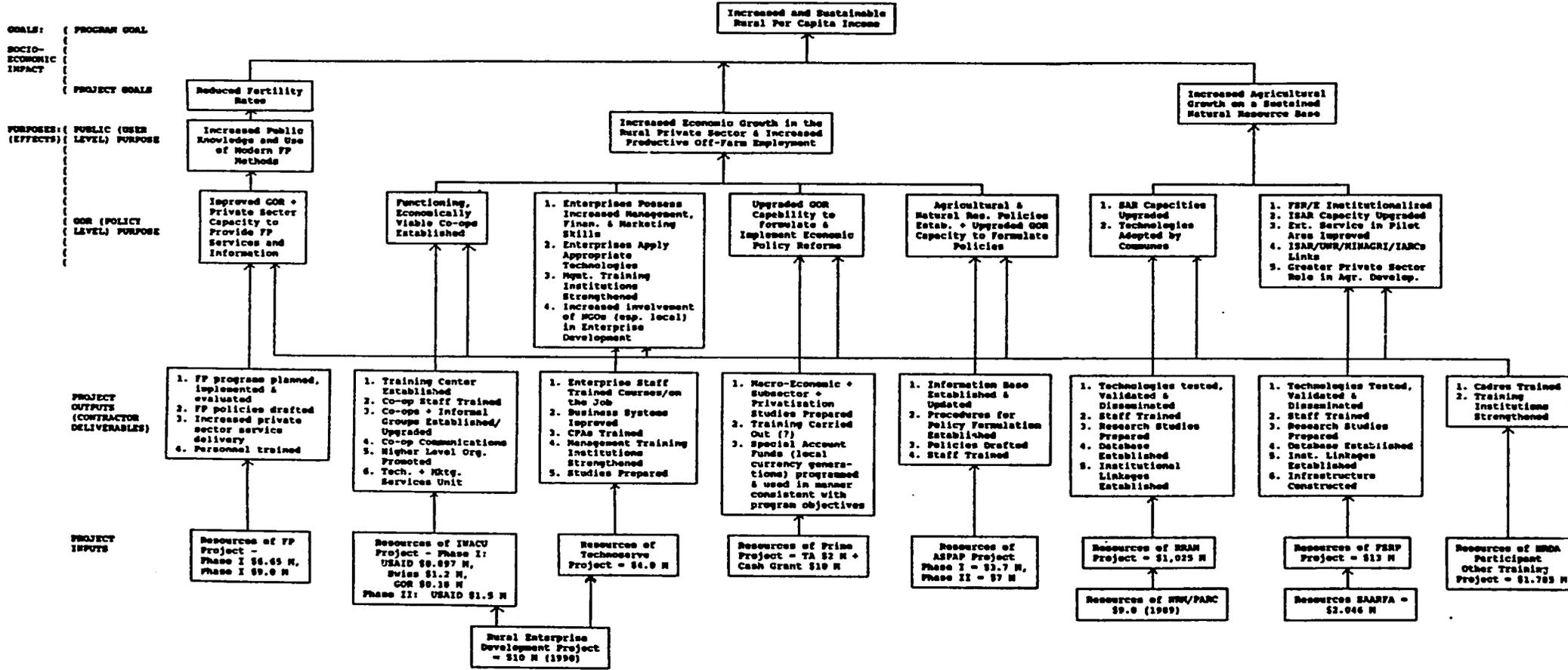


TABLE 2.1: USAID/RWANDA PORTFOLIO OF ACTIVE PROJECTS, 1988

Type	Number	Name	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	Total Budget (US\$)	Disbursed by Dec. 1987 (US\$)
1. Ag + Cons	696-0110	FSRP (Farming Systems Research Program - formerly FSIP)					X	X	X	X	X	X	X	X				13,000,000	3,489,574
	698-04J5	SAARFA								X	X	X	X						
2. Ag + Cons	698-0427	RRAM (Ruhengeri Resource Analysis & Management)						X	X	X	X							1,025,000	700,000 (est.)
3. Ag + Cons	698-0425	Communal Afforest.				X	X	X	X	X	X							536,000	447,965
4. Ag + Cons	698-052-96	Gituza Afforest. (CARE)					X	X	X	X	X	X						2,560,000	1,594,774
5. Ag + Cons	696-0129	PARCS (Productive Ag. & Resource Cons. Systems - alias NRMS)*										X	X	X	X	X	X	7,000,000	
6. Ag + Cons	696-0112	Fish Culture		X	X	X	X	X	X	X	X	X						2,450,000	1,901,994
7. Ag + Cons	936-4023	Pond Dynamics				X	X	X	X	X	X	X	X					1,000,000	750,000 (est.)
	696-0116	Food Storage + Mktg II		X	X	X	X	X	X	X	X								
8. Policy	696-0126	ASAP I (Ag. Survey and Analyses Project)	X	X	X	X	X	X	X	X								3,706,000	3,454,320
9. Policy	696-0126	ASPAP II (Ag. Surveys and Policy Project)						X	X	X	X	X	X					7,000,000	72,135
10. Policy	696-0127	PRIME						X	X	X	X							2,000,000	4,011,310
																		10,000,000	
11. SME	696-0121	Private Enterprise Dev. (Technoserve)					X	X	X	X	X	X	X	X				4,000,000	860,994
12. SME	696-0122	Co-op Training (IWACU) I		X	X	X	X											897,000	897,000
13. SME	n/a	Co-op Training II*						X	X	X	X	X						1,500,000	342,421
14. Pop + H	696-0113	Mother/Child Health & Family Planning		X	X	X	X	X	X	X								6,650,000	5,749,010
15. Pop + H	696-0128	Family Planning II*									X	X	X	X	X	X	X	9,000,000	-
16. Pop + H	698-0421.96	Combating Communicable Child Diseases				X	X	X	X	X								1,072,000	803,590
18. Training Abroad		AMDP Afr. Manpower (Human Resources Dev. Program HRDA)			X	X	X	X	X	X	X	X	X	X	X	X	X	1,785,300	1,066,569
19. Training Abroad	698-0413.10	Kagera Basin Authority				X	X	X	X	X	X	X	X					385,000	331,419

New Project.

III. PROJECT STATUS, INDICATORS AND ISSUES

This section discusses the status of projects currently in the USAID/Rwanda portfolio, reviews the purpose-level objectives and indicators of these projects (which are the output-level objectives of the USAID/Rwanda program), and flags some issues concerning these projects. The brief comments below do not constitute an evaluation of these projects, but they do raise certain critical issues which must be addressed by future evaluations.

The data source for the project objectives and indicators below is the Portfolio Overview Matrix (Annex A), which subsumes the existing project logframes. Project status is based on the Project Implementation Reviews, as organized in the Program Evaluation Matrix (Annex C). The discussion of project issues is based on the Master Logical Framework (Annex B) and on information from USAID/Rwanda and contractor personnel.

3.1 Family Planning

The first phase of the FP project terminates in 1988, and design of FP II is currently (May 1988) under way. The purposes of FP II are:

- (a) Increased knowledge of modern contraceptive methods among men and women;
- (b) Increased prevalence of modern contraceptive methods among fertile women in union;
- (c) Decrease in the desired family size; and
- (d) Increased private sector contribution to contraceptive prevalence.

FP I has had notable achievements: GOR declared FP to be a national priority, removed restrictions and legalized FP practices. ONAPO was legally established and provided with permanent headquarters and staff. GOR contributions to ONAPO's recurrent costs increased from FRW 41 M in 1984 to FRW 76 M in 1987. 130 health centers were established (out of 184 planned). 85% of persons in survey samples were aware of ONAPO's existence, 40% of the women wanted contraceptives, while 20% of the women and 34% of the men interviewed stated they did not want more children.

This high awareness of FP is, however, not sufficiently reflected in actual adoption rates. Only 20,699 persons (1.7% of the target group) used the ONAPO practices. While the number of users increased by 20%/year, dropout rates are apparently high. It is reported that ONAPO has quickly become bureaucratized, and costs per adaptor are very high. Thus the challenge of FP II is to increase coverage and reduce unit costs by (i) improving the effectiveness of ONAPO and (ii) providing private-

sector alternatives (NGOs and commercial outlets) for the distribution of FP information and supplies.

3.2 Farming Systems Research

The Farming Systems Improvement Project (FSIP) had the purposes of:

- (a) Institutionalizing the Farming Systems Research and Extension (FSR/E) approach in Rwanda;
- (b) Upgrading the capacity of ISAR (the Rwanda agricultural research institute);
- (c) Creating ISAR linkages with MINAGRI, the National Faculty of Agriculture, and international agricultural research institutions;
- (d) Improving the extension services in the pilot area (4 communes);

The focus of the project was the Rwewere research station of ISAR in Ruhengeri Prefecture. This choice attempted to combine the objective of strengthening ISAR with that of performing rural development activities in Ruhengeri Prefecture, which had requested an IRDP. Project activities centered on (i) construction of research infrastructure at Rwewere, (ii) training of Rwandan Research personnel, and (iii) farming systems research and extension. Project budget totaled US\$ 13 in USAID and US\$ 4M in GOR funds, and included 37.5 person-years of TA, plus US\$ 2.31M for participant training. The University of Arkansas, the prime contractor, supplied advisors in agronomy, soil science and extension.

Project implementation started in mid-1985. Activities (i) and (ii) were generally successful. Facilities were constructed at Rwewere. Four Ph.D. candidates, 10 M.Sc. candidates and 8 B.Sc. candidates were sent to participant training. The FSR/E component, however, experienced numerous problems:

- (a) The Rwandan authorities were not sufficiently involved in project design, which caused difficulties in implementation.
- (b) The attempt to satisfy with the project both ISAR and Ruhengeri Prefecture was unsatisfactory to both parties. The local authorities wanted rural infrastructure, not agricultural research, and had to be mollified by tacking 12 potable water systems and some rural roads on to the project; ISAR's priority concern was the staffing of its main station at Rubona, and could not furnish counterparts to the advisors (in the upshot, only one counterpart is stationed at Rwewere).

- (c) There was no integration with the Ruhengeri Resource Analysis and Management project (RRAM - Sec. 3.3) which is implemented in the same prefecture.
- (d) The local extension agents were occupied with other duties, and it was finally agreed not to include them in the project; in consequence, the training advisor was repatriated. Consequently, the name of the project was changed to FSRP (Farming Systems Research Program) to emphasize its limited extension and infrastructure objectives.
- (e) The respective authorities of the ISAR Station Manager and the contractor's Chief of Party were not well defined at the start, which caused certain frictions.

As a result, FSR/E was confined mainly to the advisors' activities. Some noteworthy results were achieved: improved varieties of beans and yams were selected, suitable agro-forestry species were identified, cultivation techniques which can double wheat yields with the existing varieties were verified, and 120 farmers were engaged in field trials and seed multiplication. However, FSR/E progress and disbursements are well below targets, the project lacks credibility with certain Rwandan authorities, particularly local officials, and institutionalization of FSR/E is still minimal. Assistance to the ISAR headquarters in Rubona would probably have been more effective. Consequently, it is not recommended to continue the project in its present form past the PACD (Jan. 1990), even if a part of the project funds will not be disbursed. Merging its activities into the proposed Productive Agricultural and Resource Conservation project (Sec. 4.1) would be preferable, with more effort focused at the national level.

3.3 Ruhengeri Resource Analysis and Management (RRAM)

RRAM is a regionally-funded project which started in 1985, with a budget of US\$ 0.75 M, as a spinoff from the ETMA (Environmental Management and Training in Africa) program conducted by SECID (South Eastern Consortium for International Development). RRAM is based on a systems approach to resource management. Its first phase established an environmental profile and a Geographical Information System (a computerized environmental database). Its second phase (since July 1987) started field activities to address problems identified in the first phase.

RRAM established erosion study plots in three regions and achieved important preliminary results (e.g. an indication that the rate of soil loss may be six times larger than previously believed). It also established three main and seven peripheral nurseries. RRAM implemented the recommended soil conservation practices on a 20-ha hillside plot - an

action which has had an important demonstration effect, since several communes have later undertaken similar actions by their own means.

RRAM activities will be continued and expanded under the forthcoming Productive Agricultural and Resource Conservation project (Sec. 4.1). An encouraging indicator of its institutionalization is the fact that, when the SECID funds were exhausted, ISAR indicated willingness to move the advisor to Rebona.

3.4 Agricultural Surveys and Policy Analysis Project (ASPAP)

The purposes of the ASPAP project are to achieve (i) upgraded GOR capacity to generate and analyze relevant and timely information for decision-making in the agricultural sector, and (ii) formulated and applied GOR policies which are based on this information. Its first phase (1981-1986) focused on implementing the first Rwanda agricultural "census" (actually a survey, carried out in 1983 with a sample of 2100 farms). This census is updated annually on a sample of 1100 farms to detect changes in agricultural production. An "early warning system" was installed in 1985 to detect harvest failures. Since 1985 ASPAP is also performing special studies, such as the major current study of land tenure (financed by IBRD), a study of the marais, of soil fertility, and of bean and sorghum marketing. The second phase of ASPAP runs through 1991.

ASPAP has made considerable advances in institutionalization. Almost all of its 78 enumerators are on the MINAGRI payroll. There is a considerable demand by MINAGRI and by local authorities for its results. It earns some 25% of its local costs by performing special studies on contract. Staff quality has been considerably improved, to the point that recurrent surveys can be done by local personnel. However, skills in data analysis and policy formulation must still be developed. Four Rwandans have been sent to M.Sc. training, and several to short-term training.

This success at the institution-building level is not matched, however, at the policy implementation level. Although ASPAP has been communicating its findings (e.g. through seminars to present the results of the bean and sorghum marketing studies), the impact on GOR policy is not evident. A major assumption of the ASPAP project was that policy is a critical constraint to agricultural development in Rwanda; ASPAP management feels that this assumption is only partially true. Nevertheless, ASPAP seminars on policy studies are well attended by the Minister or Secretary General, and lively debate takes place during these seminars.

3.5 PRIME

The Policy Reform Initiatives in Manufacturing and Employment (PRIME) project was designed in mid-1985 and started its activities in early 1986. Its purpose was to study and recommend policies which would encourage private-sector-led growth (especially through SMEs), as well as to upgrade GOR capacity for performing such policy studies and utilizing their

results. Planned project activities were (i) support to MINIPLAN for the Household Budget and Consumption Survey, (ii) support to MINIMART for the privatization of parastatals, (iii) support to BRD for lending to SMEs, and (iv) study and implementation of measures for encouraging investment and employment. The planned PRIME budget was US\$ 2M for TA, plus a US\$ 10M Cash Grant, nominally for defraying costs to GOR which the proposed policy reforms may involve. Following a Project Review in the summer of 1987, objectives (ii) and (iii) were dropped, and except for one advisor with MINIPLAN, all resources were channeled to MINIFINECO for objective (iv).

The Project Review found that the design of the PAAD initially regarded TA to MINIFINECO as its agent for influencing GOR policy, and the Cash Grant as a means to leverage policy changes - an attitude resented by GOR. In practice, the effectiveness of the TA was limited by several factors including:

- the time it took to develop an effective working relationship with the GOR;
- the GOR's desire to use TA for operational work as opposed to studies;
- the quality of some of the TA provided;
- most importantly, the complexity and multiplicity of objectives.

In addition, considering the level of donor assistance to Rwanda, the Cash Grant was not large enough for the above purpose, and USAID did not approve the original GOR proposal for use of local currencies generated from the release of the first tranche of the Cash Grant (e.g. for an industrial promotion center). These factors also impaired the effectiveness of the TA.

As of May 1988, the local currency equivalent of about US\$ 3.2M of the first tranche (US\$ 3.5M) of the Cash Grant was utilized or allocated - mostly to the BRD (US\$ 0.5M for credit to SME and US\$ 0.5M for a Special Guarantee Fund for SME loans) and to MINIMART (US\$ 1.0M for support to artisans), and the rest for training, studies, personnel costs, etc. Disbursement of the second tranche (US\$ 3.5M) should be approved shortly. The present TA contract terminates in Aug. 1988.

The studies carried out by PRIME consist of (i) policy studies and (ii) subsector studies. Policy studies included studies of the financial system, interest rates, investment codes, price controls, tariff structure, tax system and exchange rates. Subsector studies involved the garments, wood products, traditional beverages, and construction subsectors. In addition, a major study of the 34 large manufacturing enterprises and their policy implications is being carried out.

Purpose-level achievements of PRIME include:

- (a) Formation of a Groupe Technique Mixte (GTM), which has been functioning since Jan. 1988. It is a useful vehicle for inserting ideas into the GOR policy process. The GTM

reviews and approves or rejects the conclusions of the policy studies. The accepted policies are incorporated in letters sent by MINIFINECO to the agencies concerned.

- (b) The Investment Code was revised.
- (c) Certain changes were introduced in the price control system.

The PRIME TA feels that: (i) policy, while important, is not the major constraint to development in Rwanda as it is in African countries which have more "statist" economic policies; (ii) the Cash Grant might have more harm and good in effecting policy changes; and (iii) continuation of the present TA setup would not be an effective means of influencing policy. An evaluation of the PRIME projects is necessary for determining the best form for future USAID interventions in the economic policy arena.

3.6 IWACU

The IWACU ("our house" in Kinyarwanda) co-op training center was established in 1981. The Swiss assisted with construction and training scholarships, while USAID supplied commodities, local budget support, and technical assistance through CLUSA. IWACU engages mostly in the training of leaders of co-ops and informal groups in management, accounting and technical (e.g. storage) subjects.

In Rwanda there are about 3300 co-ops and other structured groups, plus some 9000 informal groups. Of these, 360 co-ops and groups with about 80,000 members and 950 employees are paying members of IWACU. IWACU trains about 1800 persons annually. In the last 6 months, it has also helped members to obtain credits totalling \$274,000, as well as to prepare loan applications totalling \$411,000 which are waiting approval.

IWACU presently covers 90% of its operating expenses out of fees from its training courses and rental of its facilities between training sessions. Rwandization of the staff is nearly complete. TA was reduced from three persons to one, who leaves in Aug. 1988. Thus it can confidently be said that IWACU has been institutionalized. Future USAID assistance will not be necessary to support ongoing activities, but only to build upon IWACU's success by expanding its outreach. IWACU foresees the following areas for future expansion:

- (a) Establishment of regional offices (e.g. Kibuye, Cyangugu);
- (b) Promotion and organization of informal groups (e.g. for marais development under the forthcoming agricultural production and resource conservation project);
- (c) Promotion of new types of co-ops (e.g. housing and

artisanat co-ops, which can have a significant employment impact);

- (d) Establishment of sectoral co-op associations, with the focus on agriculture and agricultural marketing (which, in IWACU's view, must precede a national federation - the latter must not be imposed from the top down);
- (e) Establishment of a Marketing and Services Unit, which will assist co-ops and other groups in marketing and the introduction of appropriate production, marketing and storage technologies.

IWACU foresees only a limited need for future TA. Long-term (e.g. 2-year) assistance may be necessary for establishing the marketing unit. All other needs could be handled by short-term assistance.

3.7 Private Enterprise Development (Technoserve)

The objectives of the Technoserve project are to promote small and medium enterprises in Rwanda through (i) direct management services to selected firms, (ii) training activities and strengthening of local business training institutions, and (iii) studies and policy analysis. The Technoserve Cooperative Agreement (a sole-source award for US\$ 4.0 M) was signed in August 1984, but due to delays in GOR approval project operations started only in September 1985. The PACD, originally slated for August 1988, was extended until July 1990.

Technoserve dedicates most of its efforts to (i) management assistance (to 47 enterprises, mostly medium-sized, including about 12 co-ops) and (ii) management/accounting training through seminars to groups of businessmen. Its third objective, policy analysis, was mostly taken over by the PRIME project when the latter started operating in early 1986. Technoserve has sent nine Rwandans to Kenya for Certified Public Accountant training.

The M. Bess evaluation of Technoserve in early 1988 (an internal evaluation paid for by Technoserve and regarded by Project management as favorable) and discussions with Project advisors allow the conclusion that:

- Technoserve is normally oriented to agricultural and agro-industrial enterprises, and assists other activities (e.g. services, tourism) only in unusual circumstances.
- Technoserve feels comfortable in doing management and accounting assistance, particularly on a one-to-one basis; it has shown little interest in market development and, although it has done some technology transfer (e.g. sunflower oil), this is clearly not its forte.

- Technoserve is not oriented to doing vocational training.
- Technoserve focuses mostly on medium enterprises, with limited attention to small ones; it is not oriented to micro-enterprises (craftsmen and informal groups) and does not claim competence in that domain.
- Although traditionally Technoserve focuses on "community-based enterprises" (especially co-ops), in Rwanda it has worked mostly with individually-owned firms, and only when possibilities in this field become scarce did it embark on assistance to co-ops.
- Pursuing its policy of promoting African enterprises, Technoserve does not assist Asian-owned firms.

This set of self-imposed limitations leaves Technoserve a very small universe of potential clients - estimated at no more than 100 firms in all of Rwanda, of which it is already working with about 47 (compare this with the universe of IWACU, which contains nearly 3300 structured and 9000 informal groups). Consequently, the spread effect of its activities must be limited. The employment effect of Technoserve has been marginal (it assisted in the establishment of 10-12 firms with 4-5 employees each, i.e. a total of 40-50 employments; its work with established firms does not create significant employment).

(It should also be noted that USAID Mission officers have been informed by members of an artisanat co-op that the IWACU accounting system is not sufficiently sophisticated or adaptable to non-agricultural enterprises. Therefore it is possible that IWACU also needs to diversify its clients and develop more widely applicable accounting systems.)

Technoserve follows the policy that, since its services are very high-cost to start with, there is no sense in attempting even limited financial self-sufficiency through any cost recovery from its clients. Furthermore, Technoserve has made no attempts to phase itself out: according to its Chief of Party, the nine CPAs are being trained to become Technoserve employees so as to perpetuate the firm's presence in Rwanda - not to open their own management consulting and audit offices. This attitude contrasts sharply with CLUSA's institution-building policy at IWACU.

The above tableau leads to the conclusion that Technoserve may be in the process of exhausting its usefulness (in fact, the Bess evaluation states that "Technoserve faces increasing difficulty in locating new clients and projects"). Continuation of its type of assistance to its potential set of some 100 clients would represent a high-cost, low-payoff intervention. The forthcoming evaluation of Technoserve (expected in late 1988) must squarely pose the question of whether this type of assistance should be continued at all; only then can it address the question of whether Technoserve should remain a sole-source contractor after the present PACD.

3.8 Interrelationships among Current USAID/Rwanda Projects

USAID's concern that the entire program should fit into a unified strategy, and the efficiency requirement of reducing the number of management units (Sec. 1.3), indicates the need to explore the relationships among the various projects. The above brief review of the USAID/Rwanda portfolio shows the following interconnections:

- (a) The PRIME and the ASPAP projects have similar objectives (GOR policies which promote accelerated, private-sector-driven economic growth) - the former in macro-economic policy and in the industrial sector, the latter in the agricultural sector.
- (b) The FSRP and the RRAM projects have the same purpose-upgrading ISAR capacity, and bringing about large-scale adoption of improved practices - in agriculture and soil conservation respectively. Moreover, the two projects have the same type of outputs - databases established; institutional linkages created; research carried out; staff trained; technologies tested, validated and disseminated. Implementing improved agricultural and soil conservation techniques in the same package will have a high degree of synergy. Thus everything indicates that the future USAID Agricultural Production and Resource Conservation project should combine the activities of the FSRP and RRAM projects (Sec. 4.1).
- (c) FSRP/ASPAP/IWACU linkages: The FSRP project contemplates privatization (of nurseries, fish ponds, etc.); this should be realized in coordination with the ASPAP project to create the necessary regulatory framework, and with the IWACU project to train the farmer groups which should take over these activities. Likewise, marais development under the future agricultural/ resource conservation project will need the ASPAP to create the legal provisions and IWACU for farmer organization.
- (d) IWACU and Technoserve have the same purpose of promoting SMEs by improving their management, technology, marketing and accounting skills. Up to now these projects have divided the turf by Technoserve working mostly with non-coop enterprises, and assisting co-ops only by hands-on interventions, while IWACU did group training. The forthcoming Technoserve evaluation should examine, however, whether after PACD any required hands-on assistance to particular firms could be performed by the proposed IWACU Marketing and Services Unit, thus reducing the number of USAID management units.
- (e) IWACU/Technoserve/PRIME linkages: The activities of IWACU and Technoserve need supporting policies which are the

purview of PRIME, such as simplification of the regulations covering the registration of new enterprises and the access to credit.

- (f) Agriculture/PVOs/IWACU linkages: The future agriculture/soil conservation project will integrate, through the communes, the activities of PVOs (e.g. CARE, AFRICARE) which at present work under separate USAID agreements. The PVOs should rely on IWACU for organization and training of the farmer groups which will participate in this project.
- (g) FP/IWACU: The orientation of the FP II project is to work increasingly through the private sector in dissemination of FP information and supplies. IWACU is the most appropriate organization for carrying out the training and organization activities which this objective requires.
- (h) FSRP/Technoserve/HRDA: The forthcoming DAI/MSI mission should examine the possible relations of the extensive participant training carried out by FSRP and the CPA training performed by Technoserve to the HRDA program.

IV. FUTURE DIRECTIONS FOR USAID/RWANDA

4.1 Agricultural Production and Resource Conservation

The PID for the Natural Resources Management Project has been completed in April 1988, and the PP should be completed in early 1989. The project period is from FY 1989 to 1995, and total USAID contributions are planned at US\$ 7M. Project purposes are:

- (a) Improved agricultural and natural resources policies;
- (b) Improved institutional capacity to manage natural resources and conduct research;
- (c) Increased adoption of suitable technologies; and
- (d) Increased numbers of trained Rwandans involved in resource management and conservation.

The project will have (i) a research component, which will be focused on ISAR/Rubona, and (ii) an outreach component, which will work through the communes. The communes may be assisted by PVOs in presenting and implementing project activities.

Our major observation is that the Natural Resources Management Project as conceived in the PID is too narrowly focused on traditional soil conservation, and does not sufficiently stress agricultural production. While the goal statement pays lip service to increasing agricultural productivity, this is to happen in the long term through increasing soil fertility - the PID does not indicate any project outputs aimed at a direct increase of agricultural production. More specifically, the PID does not contemplate integrating into the project the activities presently carried out by the FSRP so as to offer the farmers integrated packages of yield-boosting and soil-conserving technologies. Moreover, the Director General of Rural Engineering and Soil Conservation will presumably be the chairman of the Technical Group which will direct the project. All of the above factors lead to suppose that, unless this direction is reversed in the PP, the project will institutionalize throughout Rwanda the absurd situation which presently occurs in Ruhengeri Prefecture, where an agricultural research project and a soil conservation research project work in the same area without any integration.

We submit that in the conditions of Rwanda, where the areas cultivated consist of hillsides subject to erosion, agricultural improvements and soil conservation technologies must be implemented together for either to be successful. Careful attention must be given to action plans for ISAR and MINAGRI that will improve the complementarity of soil conservation and research activities. ISAR activities could then be incorporated into the FSRP through a PP

amendment.

A (costless) start toward integrating agricultural and soil conservation activities in the USAID portfolio would be to give the new project a name which will bring out its production aspect. The present name, NRM (Natural Resources Management), besides being unpronounceable, gives the project the image of being primarily involved in soil conservation. We propose the name PARCS (French for "Parks"), which stands for Productive Agricultural and Resource Conservation Systems. (Incidentally, this name will also draw attention to the proposed activity of the project in the Volcano National Park).

Such a reorientation of the future natural resources project to integrate agricultural production, if it comes to pass, may well be the single most important result of the present mission.

4.2 Employment Generation

The burgeoning population of Rwanda creates an enormous employment problem (it is estimated that 120,000 persons join the labor force annually). The potential for creation of non-agricultural employment is likely to be greatest in the informal, non-structured micro-enterprise sector, which according to the recent PRIME study occupies 116,621 persons, as against 10,214 persons in the formal manufacturing sector. Conscious of the limited contribution made by present USAID interventions (IWACU and Technoserve) to employment creation, the MSI team spared no effort in trying to identify activities which would have a more direct effect on employment generation. To this end, most major donors in this field were interviewed. The findings may be resumed as follows:

- (a) The ILO Project of Support to the Non-Structured Sector, financed by the Swiss assistance, has been active since 1981 and will soon enter its fourth phase. This project focused on the Kigali area. The first phase concentrated on establishing contacts and identifying the artisans' priorities. Project activities were not pre-planned but formulated in accordance with these priorities, e.g., the project intervened for providing the artisans with permits for residence in Kigali. The KORA artisans' association was formed, and obtains credit from the Banque Populaire (BP). Training was provided. At present the project is establishing branch associations in Gisenyi, Ruhengeri and Butare. While the project certainly improves the position of existing artisans, its effect on new employment creation is probably not large.
- (b) The ILO "Micro-Realisations" Project, financed by UNDP, concentrates on direct employment creation for rural youth. The project has a budget of US\$ 1.0M for two years. It has been active since 1987 in Kibuye and Kibungo Prefectures, and

plans to expand to others. The project works through MINJEUCOOP encadreurs at the commune level. These are backstopped by four volunteers (in woodworking, leather, agricultural processing and artistic crafts) and a financial analyst for formulating projects. The encadreurs are trained in project identification and market studies. National consultants are contracted for project preparation. Promising projects are presented to the BP for financing, which averages about US\$ 5000 each.

- (c) The Woodworking Sector Project, financed by the Swiss assistance, is currently in its second phase. The project helps all aspects of the sector: fuelwood, better-quality planks, furniture production, etc. The Swiss also support handicrafts and other activities in Kibuye, as well as several SMEs.
- (d) The Canadian "Micro-Realisations" Project, which started its activities in 1988, works through the communes. Up to half the financing is oriented to rural infrastructure projects (roads, bridges, etc.), and at least one-half must be invested in productive activities. The project intends to complement with its funds the entrepreneurs' own investments and BP credits. It remains to be seen whether the communes can be an effective in channeling credit for productive purposes.
- (e) The French Assistance (FAC) has been working for several years in school furniture, and at present inclines increasingly towards general support to craftsmen. The Caisse Centrale has a project of centralized procurement for craftsmen, and several French PVOs are active in this field.
- (f) The German Assistance (GTZ) has attempted to create chambers of craftsmen on the German model of the guilds; these proved culturally inappropriate and were abandoned. At present the GTZ and German volunteer organizations are oriented towards technical support to handicrafts, e.g., in Gisenyi.
- (g) Euroaction Accord, an NGO with considerable experience in Rwanda, has been assisting artisans along product lines (e.g., wool products). Presently it adopts a more location-specific approach, helping the creation of local market centers.
- (h) Other PVOs such as the Protestant Council of Rwanda (CRP), CARE, Catholic Relief Service, etc., engage in assistance to artisans.
- (i) DUTERIMBERE is an association of Rwandan women (generally professional) dedicated to improving women's situation. It was established in 1987 and is presently active only in urban areas. However, it plans to expand its activities to rural areas. It is assisted by Women's World Banking, a U.S. PVO. The

experience of similar organizations in other countries indicates that it may hold considerable promise.

This short review of employment generation activities in Rwanda leads to the following conclusions:

- (a) There is a multiplicity of donors in this field, and the limiting factor to its growth is not donor funds - rather, it is the low absorption capacity of what is intrinsically a sector with little organization.
- (b) The current donors cover the different approaches to the informal sector - that of creating organizations as well as that of working with individuals. Thus another player in this field is likely to have only a marginal effect.
- (c) The priority need of the artisan sector is for a clear GOR policy and strategy which could produce some coherence among the activities of different donors. For example, as long as one donor provides artisans with machinery on a grant or subsidy basis, this sabotages the activities of other donors which try to teach the artisans credit discipline.
- (d) The most direct way of encouraging micro-industry is to expand the market for its products. GOR could do much through appropriate policies, e.g., using only local building materials and furniture for public buildings.
- (e) Promotion of artisans is a long-term commitment involving intensive human inputs, which must be low-cost (preferably volunteer) to be cost-effective. Thus USAID, with its relatively shorter-term horizon and higher-cost structure, does not have a comparative advantage in micro-enterprise. The only way USAID could be effective in this sector is by working through a capable PVO. The experience of women's groups similar to DUTERIMBERE in other countries suggests that this route may be worth pursuing.
- (f) Although time did not allow a study of the comparative costs of employment creation in different fields, our impression is that there is still considerable scope in Rwanda for agricultural intensification, and that marginal improvements in this sense will create, when aggregated over the population of Rwanda which is over 90% agricultural, more employment for a lower cost than micro-industry.

4.3 Privatization of State-Owned Enterprises

Like most other developing countries, Rwanda has created numerous state-owned industrial enterprises with the objective of stimulating development and Rwandizing the economy. Like most other developing countries, Rwanda has been disappointed by the

performance of parastatal enterprises. These are typically oversized and inefficient, produce goods and services of inferior quality at high cost, and constitute a tax on the consumers and a drain on the public treasury.

Under the stimulus of a budgetary crisis, Rwanda made some gestures in the direction of privatizing its parastatals. Such privatization was one of the original goals of the PRIME project. PRIME supported consultant missions for (i) drawing terms of reference for a privatization policy study, and (ii) making a prefeasibility study for the privatization of OVIBAR, the unprofitable state-owned producer of banana wine. However, these tentatives were not followed through: MINIMART produced without the assistance of consultants its own privatization policy study, which has not yet been made public; and no progress has been made on the privatization of OVIBAR.

We submit that the lack of progress on privatization is due to the inherent political unattractiveness of privatization as it has been traditionally proposed - namely, purchase of controlling stock in parastatals by a small financially powerful local group, by members of an ethnic minority, or by foreign investors. The long-term benefit of economic efficiency to the nation is not sufficient to offset the short-term threat of loss of accustomed privileges, various unofficial benefits, and even jobs by the existing plant management and employees. Thus privatization initiatives normally meet their determined resistance.

This resistance can, however, be transformed into support for privatization, and the efficiency of the plants greatly enhanced, by introduction of a Rwandan adaptation of the financial technique known in the U.S. as ESOP (Employee Stock Ownership Plan). Through ESOPs, employees essentially receive credit in an organized way for a leveraged buyout of the firm they work for. The credit is collateralized by the assets of the plant - not by the employees' own possessions. The employees receive dividends from the first year if profitability is sufficient, and their share of the stock upon retirement.

Through ESOPs, since 1974 over 9,000,000 U.S. employees became co-owners of the companies they work for, and some 9,000 corporations (including some of the largest in their sectors, such as Chrysler, Avis, PanAm, etc.) became partially or totally employee-owned. Research results indicate that employee ownership has had a spectacular effect on motivation and, in consequence, on profitability: the profitability of largely employee-owned firms is 50% higher in the U.S., and 92% higher in Canada, than that of otherwise comparable firms. Experience with employee ownership in several developing countries which established homegrown versions of the concept (e.g., the Smallholder Agricultural Corporations in Mexico, the Malaysian "bumiputera" program for denationalizing plantations to their employees) has been very successful.

A suggested model for the privatization of Rwandan parastatals to a coalition of their employees and private-sector investors was prepared by the study team in collaboration with Rwandan authorities and their advisors, and is attached as Annex E. This Rwandan version of the ESOP was tentatively called PACTE (Participation aux Actions et au Capital par les Travailleurs de l'Entreprise). The proposal has unofficially received expressions of interest at the director-general level of the Ministries of Economy and Finance, Industry, Planning and Justice. The officials in the Ministry of Planning and Justice suggested that it may be possible for an employee ownership plan to be implemented within existing legislation, probably as a non-profit association established by a decree. Staff of the Centrale de Comptabilite et Organisation of the Presidency, which gives technical assistance for improving the performance of parastatals, expressed its interest in participating in plan implementation.

On prima facia evidence, the most promising enterprises for privatization to their employees are:

- PPCT (Project Pozzolane-Chaux-Tourbe at Ruhengeri)
- OVIBAR
- STIR (Rwanda International Transport Co.)
- OPIRWA (Rwanda Pyrethrum Authority)
- The national printing company
- Papeterie du Rwanda
- Maiserie de Ruhengeri
- The sugar mill
- BUNEP (National Bureau for Studies and Planning)
- The hotel operations of ORTPN
- The livestock and butchery operations of OPROPVIA.
- Developpment de Petit Elevage (DPE)

The easiest to privatize would be industrial projects which are not yet integrated into the Rwandan administration, and in which the donors have more jurisdiction. The coffee and tea parastatals (OCIR-Café and OCIR-Thé) would come much later, because of their size and special problems.

Privatization of parastatals to their employees fits in well with USAID objectives of privatization, economic growth, and a broad-based distribution of the benefits of development. Thus a request from GOR for short-term technical assistance in transferring parastatals to ownership by employees and private investors ought to receive a favorable treatment.

4.4 A Programmatic Outline for USAID/Rwanda

The USAID/Rwanda program is presently at a near-total changing point. Not only are all American USAID officers and the majority of

key contract personnel leaving in the summer of 1988, but most projects are either terminating (Fish Culture, WMS II, CARE-Gituza, AFRICARE, CCCD, other PVOs) or entering a new phase (RRAM, Family Planning, PRIME). Only the ASPAP, FSRP, IWACU and Technoserve projects are continuing in their present form (the latter two for only two more years). This presents both a challenge to assure continuity of momentum, and an opportunity to make the program more integrated by increasing the cross-connections among the projects, and more cost-effective by reducing the number of management units.

The future USAID/Rwanda program as outlined in the present report will have three purposes: (i) reduced population growth rate, (ii) increased agricultural growth on a sustainable natural resource base, and (iii) increased economic growth in the rural private sector with increased productive off-farm employment. While employment generation is a serious and immediate need in Rwanda, present USAID/Rwanda projects have only a limited employment effect, and USAID/Rwanda perspectives for engaging in directly employment-oriented activities are constrained. Consequently, it might be most appropriate to *** private-sector activities in terms of economic growth (income generation), with employment generation as an outcome.

Such a program could perhaps function with a reduced number of management units: (i) the FP II project, (ii) the proposed PARCS project, which will include both resource conservation activities contemplated by the NRMS project and farming systems research presently carried out by the FSRP project, (iii) the IWACU II and Rural Enterprise Development projects, re-oriented more to promotion of informal groups, and reinforced with a Marketing and Technical Services Unit), and (iv) the policy projects ASPAP and PRIME (which might conceivably be combined) to carry on a low-profile "policy maintenance" role, perhaps including the provision of consultant services for the privatization of state-owned enterprises to their employees or to other private investors.

Such a program would have a high degree of integration: The IWACU / Rural Enterprise Development projects could organize and train users' groups for the PARCS project (e.g., for marais development or large-scale tree planting) as well as for private-sector delivery of FP materials and information. The PARCS project could support the privatization objectives of PRIME by promoting the privatization of GOR fish ponds, nurseries, etc. The policy projects could provide a supporting policy framework for PARCS and IWACU Rural Enterprise Development projects.

It is interesting to note that, conceptually, the degree of integration of a program could be expressed as the ratio of the total number of project assumptions to the number of program assumptions. This is because in an integrated program the number of assumptions diminishes since (i) several projects share the same assumptions, and (ii) each project appears in the assumption column of the other projects.

V. PROGRAMMATIC (CROSS-PROJECT) ISSUES

A strength of program reviews is that problems and issues which cut across projects are uncovered. This chapter discusses key programmatic (cross-project) constraints which inhibit the accomplishment of USAID/Rwanda development objectives. Sometimes tentative solutions are discussed. The topics in this chapter should be addressed in future evaluation efforts undertaken by USAID/Rwanda, both at the project and program level. The topics in this chapter are:

- (a) Distribution of central funds to local users;
- (b) Technology diffusion;
- (c) Policy dialogue;
- (d) Creation of new institutions; and
- (e) USAID/contractor roles.

An additional cross-project issue, Human Resources Development, will be the subject of a DAI/MSI consultancy in June 1988.

5.1 Distribution of Central Funds to Local Users

A.I.D.'s participation in the Special Guarantee Fund involves distribution of a central fund of money to small groups of qualifying local users. The same can be said of two large new projects being embarked on by USAID/Rwanda in the areas of Family Planning and Natural Resources Management.

Family Planning activities, especially service delivery by the private sector, will require generation, selection, and funding of small, local subprojects. The selection and funding of Natural Resource Management subprojects has not yet been specified, but it will certainly require that a Rwandan organization carry out the same "money distribution" tasks.

Experience in Rwanda with distributing a central fund of money to small groups of local users has been acquired through the small business credit programs of the "Banque Populaire" and the "Banque Rwandaise de Développement." The central funder in the Family Planning and Natural Resource projects will probably not be a bank, and the funds will not necessarily take the form of credit. Nevertheless, we feel the experience of the credit programs is relevant. A quote from an A.I.D.-funded study of the small business credit program follows:

"Most knowledgeable observers maintain that the major constraint to developing the SME sector is not the lack of credit or of good ideas for private sector activities. Rather, the "dossiers banquables". Officials at the BRD and the Banques Populaires stated that they were

unable to screen all applications for SME loans. Consequently, numerous projects never get financed. This is amazing when one considers that perhaps \$ (US) 10 million in credit have been made available to the SME sector to those two banks by the IBRD, the Caisse Centrale (France), the FMO (Netherlands), KfW (West Germany) and USAID."

(Bess, p. 8)

Natural resource projects in the developing world are notorious for getting stuck in the research phase and never moving on to implementation. Dr. Popper of the MSI team evaluated a Natural Resource Management project of this type in Ecuador. The reasons for the for the impasse included:

- Inability of potential user groups to fill out applications, and carry out the simple feasibility studies asked of them;
- Lack of a standard form for the applications and the studies, so they were not comparable even when well carried out;
- The officials charged with evaluating the proposals and making investment decisions did not have the training to make sound comparisons and judgments;
- The officials charged with making the investment decisions were reluctant to authorize expenditure, because it would be their fault if it was poorly spent;
- The officials were reluctant to authorize expenditures because they knew it would add to their work load.

Recommendation

USAID/Rwanda's Private Sector, Family Planning, and Natural Resources Management projects will require distribution of central funds to qualifying local groups. Careful attention must be paid to the mechanisms by which uses of a central fund by local groups are generated, approved, funded, and monitored. The attention must be given both during Project Paper preparation, and during project implementation. The contractors chosen must be expert not only in technical matters, but also in the design and management of funding mechanisms.

An evaluation of the Small Business credit situation in Rwanda recommends the following mechanism, which may have value outside the purely business and financial worlds. This mechanism might be applied in a "programmatic" fashion, across a wide variety of subproject types.

"One suggestion be would be to have an itinerant team travel around the country to hold a seminar for pre-selected entrepreneurs on the preparation of business and financial plans, and then stay to assist individual entrepreneurs in the making of their plan. The team could assist in negotiations with sources of venture capital and with banks."

The Science and Technology Bureau has a Decentralized Financial Management program meant to solve problems such as those faced by NRM. The contractors for this program are the University of Indiana and Associates in Rural Development (ARD). An ARD associate, Dr. Jamie Thomson, specializes in decentralized implementation and finance of natural resource management projects. Dr. Thomson speaks fluent French, and has worked extensively throughout Francophone Africa. Also, ARD is a Natural Resources IQC contractor for A.I.D.. The resources listed in this paragraph might be useful during Project Paper preparation and/or project implementation.

5.2 Technology Diffusion

USAID/Rwanda, and perhaps A.I.D. everywhere, is largely in the business of finding and spreading "diffusible technologies". USAID projects obviously in the "diffusible technology" business are: Farming Systems Research, Natural Resources Management, Family Planning and Private Enterprise projects. The Agricultural Surveys and Analysis project is also in the "diffusible technology" business in a less obvious way.

All of USAID/Rwanda's "diffusible technology" efforts are in some kind of a bottleneck:

- The Farming Systems Research Program (FSRM) has developed high-yielding bean, sweet potato, and agro-forestry varieties and practices which are not yet being widely spread;
- The RRAM project has developed hillside soil maintenance technologies which are not yet being widely spread;
- Family Planning efforts have produced an impressive level of "awareness", but practices remain largely unchanged;
- The Agriculture Survey and Policy Analysis project has developed a high-quality data base which is not used for day-to-day decision making.

The reasons for the "technology diffusion bottlenecks" vary widely. They include: technologies not ready for diffusion, researcher unwillingness to put farmers at risk, weak extension systems, weak service delivery systems, Rwandan organizations' and individuals' attachment to past practices and traditions, etc.

Recommendation

FSRM and NRM technologies should be diffused as a package whenever they are compatible or complementary.

Maybe there is an arrangement whereby A.I.D. shares the risk of pioneers and innovators in using new varieties and techniques in agriculture, or attempting to sell Family Planning goods and services.

Maybe the "technology bottlenecks" are amenable to a general strategy. For example, maybe there is an analysis which can help researchers calculate when risk is reduced to an acceptable level for diffusion. Perhaps a cross-project consultancy in "technology diffusion" is in order.

"Technology diffusion" might be the subject of one of the Mission's "round tables". At worst, the protagonists could at least give each other moral support.

5.3 Policy Dialogue

In recent years A.I.D. worldwide has: (1) focused on economic policy change as a major constraint to economic progress in the developing world; and (2) adopted a strategy of rewarding governments which enact economic policy change with funds or other blandishments.

In addition, A.I.D./Rwanda has been actively encouraging policy change in the areas of family planning, privatization of parastatal industries, and natural resources. Some of USAID/Rwanda's policy efforts (family planning) have met with notable success, and some (economic policy) have not.

Some believe a bright spot in the "policy dialogue" picture to be the evolution of the "Groupe Technique Mixte" (GTM). The GTM is a group of mid-to-high level government officials who have no decision-making stature within GOR, but who are able to debate, accept and reject USAID's policy study recommendations. The GTM tells USAID/Rwanda how GOR views sensitive, important topics without attracting the attention and heat that deliberations at a higher level do. The GTM also often passes recommendations on to higher levels of the GOR.

Recommendation

Now might be a good time to redesign USAID/Rwanda's policy dialogue strategy based on recent experience. Perhaps the redesign should take place on the basis of frank discussion with the Groupe Technique Mixte.

In each instance, before engaging in policy dialogue, a careful analysis should be carried out of how limiting a factor policy is.

The pros and cons of using pure persuasion, or accompanying the persuasion with cash grants should be debated. One view is that Rwanda is so inundated with donor funds that additional money offers little incentive to change policy.

In economic areas the policy dialogue approach to development may have run its course. Further pressure on GOR for change may do more harm than good by prejudicing other A.I.D. efforts.

In family planning areas, sufficient policy definition may have been achieved, and perhaps attention should now be focused on implementation problems rather than changing policy. This may be an effective means of dealing with current policies that are not being enforced.

Natural resources seems still a profitable area for a policy dialogue. For example, the lack of tenure definition for farmers who cultivate the marais (which is state-owned) poses a major constraint to wetlands development.

5.4 USAID/Contractor Roles

Throughout the development industry, a common problem is that contractor teams, especially the Chief of Party, are hired on criteria of technical expertise and paid commensurately. Then they spend much of their time carrying out mundane administrative tasks in which they have neither expertise nor interest.

We have no evidence that this phenomenon exists in Rwanda. The Family Planning Project Paper, however, proposes the hiring of a contractor explicitly for the purpose of bearing the administrative burden. We congratulate USAID/Rwanda's frankness in this instance. We recommend that this administrative focus be included in the Chief of Party's job description, and incorporated into the competitive procedure. Otherwise, it is likely that a high-powered family planning team headed by a prominent family planning expert will win the contract, and then carry out administration expensively and perhaps poorly.

One programmatic solution to project administration is to have a written Mission policy on what administrative duties are required of all contractors. These duties should then be included in job descriptions and competitive bidding criteria. A more extreme programmatic solution to the administrative problems which plague many missions would be to let a standing, cross project administrative contract.

Another issue in USAID/contractor roles is the type of relation between USAID and the contractor. This relation can be:

- (a) a contract, in which the USAID project officer can exercise a close control over the contractor's activities;
- (b) a grant, which allows the grantee far more autonomy;
or
- (c) a collaborative agreement, which is an intermediate form.

The type of contractual relationship should be carefully thought out during project design, taking into account factors such as the degree of innovation in the project, its financial volume, and the relative strengths of the mission and the contractor in the subject matter, and the mission manpower resources. Thus there is a feeling in USAID/Rwanda that, due to the collaborative agreement made under which Technoserve is working, the mission was not able to exercise sufficient leadership in its activities.

5.5 Training

The present report does not deal with training, as this is the subject of a forthcoming MSI consultation to USAID/Rwanda. We wish only to flag the fact that apparently the participant training component of several USAID/Rwanda projects has been handicapped because GOR did not grant to the training candidates the necessary exit visas or stated that they could not allow key people to leave for training as this would impede daily operations. The forthcoming consultation should examine the causes for this occurrence and draw the appropriate conclusions.

VI. A PROGRAM-COHERENT MONITORING AND EVALUATION SYSTEM FOR USAID/RWANDA

Language from the Scope of Work addressing design of a monitoring and evaluation system is as follows:

- Identification of indicators (benchmarks) for monitoring program activities more systematically;
- Identification of monitoring and performance data that the Mission needs and recommending sources and ways to obtain them on a regular basis;
- Recommendations for establishing a Mission monitoring and evaluation system; and
- Recommendations for simplifying contractor reporting requirements.

This chapter addresses USAID/Rwanda program-level monitoring and evaluation needs under the following headings:

- (a) What USAID/Rwanda means by program management;
- (b) Current status of evaluation and monitoring within USAID/Rwanda;
- (c) Two tools for converting project-based monitoring and evaluation into a program-based system;
- (d) How to introduce program coherence among evaluations;
- (e) How to introduce program coherence among monitoring systems.

6.1 What USAID/Rwanda Means by Program Management

Design of a program-level monitoring and evaluation system requires an understanding of what is meant by "program-level management". A meeting with USAID/Rwanda and contractor staff produced the following characteristics of program management: (i) communality of objectives among projects; (ii) broader, longer-term interventions; (iii) focus on problems and objectives rather than on operations and procedures; (iv) more GOR responsibility; (v) focus on cumulative progress as well as on progress within short time periods; (vi) collaboration with other donors; and (vii) performance-based resource allocation.

6.2 Current Status of Evaluation, Monitoring, and Reporting within USAID/Rwanda

Project Evaluation within USAID/Rwanda

In general, program level coordination of activities is difficult to achieve, despite some efforts in this direction. Evaluations contracted by USAID/Rwanda are undertaken on a project-by-project basis. Little attention is given to strategic, programmatic concerns, while much attention is given to technical and operational detail. There is no attempt at a common format and approach among evaluations to make them comparable or aggregatable. In a word, USAID/Rwanda has a typical project evaluation (as opposed to a program evaluation) system, with all the strengths and weaknesses which the project approach implies.

Project Monitoring within USAID/Rwanda

Currently, project implementation reports are based on Project Paper Logical Frameworks (a summary of the original project objectives). In theory, this is a good idea. In practice, however, the resulting reporting system is unimpressive. In the Project Implementation Reports (PIRs), projects systematically undersell their accomplishments and give little insight into problems and solutions. Accomplishments are presented in a jumble which does not distinguish the trivial from the important.

One reason the Implementation Reports are not more informative is that the Logical Frameworks on which they are based are often incomplete and of low quality. The Logical Frameworks are incomplete because they are prepared for the Project Paper, before the project starts, and are not elaborated upon or updated. Knowledge of what projects can and should accomplish is very incomplete at the Project Paper stage. MSI believes that the Logical Framework is a very useful design and management tool, but that its full power is exercised only if it is used in continuous, flexible fashion.

USAID/Rwanda's project Logical Frameworks (and Logical Frameworks throughout USAID), are often of low quality because contractors and some USAID personnel have not been taught how to use the system. The Logical Frameworks (and the Objective Trees which should precede them) are parts of a discipline which might be called "idea engineering". Like classical engineering, "idea engineering" is demanding, and cannot be carried perfunctorily or bureaucratically.

Three types of errors commonly occur in USAID/Rwanda's project Logical Frameworks:

- (a) The LogFrame is often used improperly as a tool for anticipating and managing cause/effect relationships in projects. In several instances, the relationships that link Inputs to Outputs to Purpose to Goal were not properly specified in project LogFrames, and in some cases Purpose objectives or indicators are specified as causes of

Outputs. Improper specification of LogFrames for projects can reduce the effectiveness of project management, and lead to failure in anticipating implementation problems.

- (b) The role of project Purpose is not clearly understood. The project Purpose is the intermediate impact left behind by a project after it ends, and represents the project's "success criterion", the primary basis for judging project success.

The case of Technoserve is typical. The Purpose in the TechnoServe Project Paper Logical Framework reads

"To promote private enterprise, especially agri-business initiatives in Rwanda...". This Purpose statement is merely a summary of TechnoServe activities, and not a meaningful intermediate-impact objective, or success criterion.

- (c) People confuse the Logical Framework insistence on quantification with a preference for the inconsequential. For example, the Logical Framework, when used properly, is very interested in quantifying the number and nature of new business practices adopted by clients of TechnoServe (a Purpose level variable), but only marginally interested in the number of visits or interventions undertaken by Technoserve (an Input level variable).

6.3 Two Tools for Converting Project Monitoring and Evaluation into a Program-Based System

MSI has created two tools for monitoring and evaluating the USAID/Rwanda program:

- (a) The Portfolio Overview, which can give at a glance the comparable objectives (e.g. institution-building, policy definition, training) of all projects in the Mission portfolio; and
- (b) The Program Evaluation Matrix which allows rough comparison and aggregation of data from across the entire portfolio of USAID/Rwanda projects.

The first tool, the Portfolio Overview, was discussed in Sec. 2.3. The second tool, the Program Evaluation Matrix, is an adaptation of the Logical Framework to accommodate program evaluation needs. Program management requires aggregation of data across different types of projects, a requirement not imposed by project management.

The Program Evaluation Matrix is based on the observation that all development projects, no matter the specific objectives or technologies involved, select from a relatively small number of types of objectives and indicators. Figure 6.1 presents the types of objectives and indicators which make up the Program Evaluation Matrix, and the major cause-effect

relations among them. Table 6.1 presents the overall structure of the Aggregation Matrix. Annex C presents use of the matrix to summarize USAID/Rwanda program progress to date.

A promising characteristic of the Program Evaluation Matrix is the ability to print horizontal "programmatic" reports on important variables which cut across projects. Sample "programmatic" reports on policy change and on project coverage are presented on Tables 6.2 and 6.3.

6.4 Introducing Program Coherence into Evaluations

The Master Logical Framework and the Program Evaluation Matrix can be used to ensure coherence among all future evaluations be they at the individual project or at the aggregate program level.

Project evaluations should choose indicators in a vertical fashion. Project evaluations study an individual intervention from Inputs at the bottom to the Goal at the top.

Program evaluations should choose indicators in horizontal fashion, using rows which address cross-project issues of interest. Strategic issues are addressed by studying the high rows, and management issues are addressed by studying the low rows. In addition, program evaluations should explore linkages between projects that attempt to change national policies and service delivery and institution building projects. For example, it would be useful to examine the impacts of agricultural policy changes on the Missions' agricultural production projects.

The Program Evaluation Matrix should be used to summarize the data and information from all future evaluations undertaken by USAID/Rwanda. Data from project evaluations will fill up columns of the Program Evaluation Matrix, and data from program evaluations will fill up rows. Annex C gives an example of how the Program Evaluation Matrix summarizes progress information on projects. Obviously, Annex C would be more impressive if evaluations were carried out with the matrix in mind.

Operational Details for Introducing Program Coherence among USAID/Rwanda Evaluations

There are several alternative routes for introducing program coherence among the evaluations undertaken by USAID/Rwanda. These routes are not mutually exclusive. Some routes are:

(a) A Mix of Project and Program Evaluations

- Include the Portfolio Review, Master Logical Framework and the Program Evaluation Matrix in the Scope of Work and work tools of all project evaluations.
- Undertake evaluations which study rows of the Program

Evaluation Matrix rather than columns. These "horizontal" evaluations are Program evaluations, as opposed to project evaluations. The program evaluations can be either strategic (high rows), managerial (middle rows), or logistic and financial (low rows). Chapter IV presents some issues which might be topics for program evaluations.

(b) Evaluation Contracts

- Give a standing evaluation contract to an organization which would use the Portfolio Review, Master LogFrame and Program Evaluation Matrix as basic tools, and be responsible for maintaining, updating and refining the program data base.
- Assign to the Mission economist the task of developing and maintaining a data base covering the upper, Program Goal (Country Trends) rows of the Master LogFrame and Program Evaluation Matrix.
- Contract local social science expertise to carry out data collection at the Program Purpose (impact on USAID beneficiaries) level. SESA is a candidate for this work.

(c) Budgeting of Evaluations

- Combine project evaluations and the program-level information needs of Action Plans.
- Have Missions pool all project evaluation budgets and reallocate them around program decisions.

6.5 Introducing Program Coherence into Monitoring

USAID/Rwanda's portfolio in the near future will consist of both new and ongoing projects. Introduction of program coherence among new projects will be easier than it will be for ongoing projects.

New USAID/Rwanda projects should start off with a monitoring system:

- Whose indicators derive from the Master Logical Framework; and
- Whose results are entered into a Program Evaluation Matrix spread sheet.

The Logical Frameworks for on-going projects were not derived from the Master Logical Framework. MSI has made an attempt to reconcile the Master Logical Framework (Annex B) with the Log Frames of on-going

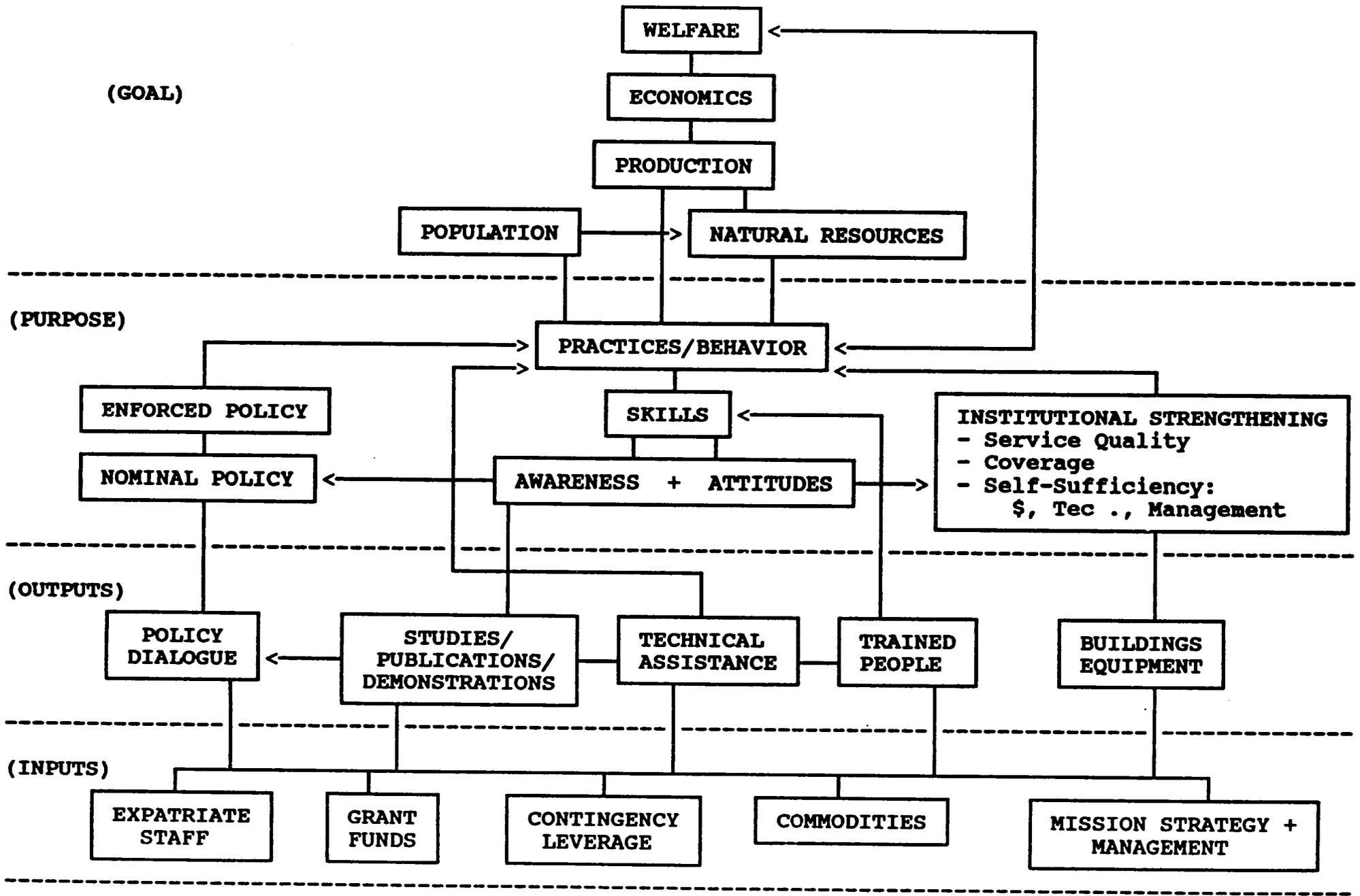
TABLE 6.1: IMPLEMENTATION REPORT FORMAT

Levels	Planned	Actual	Reasons for Discrepancy	Recommended Corrective Action
PROGRAM GOAL (COUNTRY TRENDS):				
Welfare (health, potable water)				
Econ. (Income, foreign exchange)				
Population				
PROGRAM PURPOSE (TARGET GROUPS):				
Econ. (Income)				
Population				
PROGRAM OUTPUTS (PROJECT PURPOSES):				
Behavioral Changes:				
Production (Private)				
Effectiveness (Pub.)				
Practices				
POLICY CHANGES:				
Nominal				
Enforced				
INDIVIDUAL CHANGES:				
Skills				
Awareness				

**TABLE 6.1: IMPLEMENTATION REPORT FORMAT
(Continued)**

Levels	Planned	Actual	Reasons for Discrepancy	Recommended Corrective Action
INSTITUTION-BUILDING:				
Effectiveness (Service delivery, Sales)				
Coverage (Beneficiaries, geographical)				
Self-Sufficiency:				
Financial Managerial, Technical				
MAJOR OUTPUTS:				
Dialogue with GOR				
Studies + Publications + Demonstrations				
System Design Installation				
People Trained				
Infrastructure + Equipment				
INPUTS:				
USAID + GOR Funds				
Expatriate Staff				

FIGURE 6-1: INDICATOR CATEGORIES



projects. This process should continue. Meanwhile, on-going projects should start using the Program Evaluation Matrix to organize and expand on information already being reported. Use of the Program Evaluation Matrix categories to organize the information in Project Implementation Reports will have the following beneficial effects:

- (a) Information currently being collected will be reported in a logical form which gives a clearer picture of project accomplishments, while reducing the data collection efforts.

Table 6.4 shows the Project Implementation Review information as reported currently, and Table 6.5 shows the same information (plus information from all former PIRs) as organized by the Program Evaluation Matrix. Obviously, structure imparts meaning.

- (b) New information, especially at the impact levels, will be reported. Current Logical Frameworks, and therefore the Implementation Reports, do a poor job of spelling out impact. The Program Evaluation Matrix points out the potential areas of impact.
- (c) Since all projects will report progress information using the same categories, the information will be roughly "aggregatable" (Annex C).

6.6 Application of the Program Evaluation

The Program Evaluation Matrix, a tool developed by MSI especially for USAID/Rwanda, is an adaptation of the Logical Framework designed to take into account the needs of program (as opposed to project) management. The following paragraphs give details on how to use the matrix, on the meaning of the different data and information categories which describe the rows of the matrix, and on the form of data collection. Every Project Implementation Report (Table 6.1) constitutes one column of the matrix.

No project will use all categories, and different projects will use different categories. A first step for a project is to pick those categories it will and won't use. Do not be hasty. For example, some projects have policy, practices, or awareness impacts which are not immediately obvious. The following paragraphs contain comments on the rows (indicator types) of the Program Evaluation Matrix, and their use by project managers.

To the right of the data collection area (Table 6.1) is a column for stating why objectives are not being met (if they are not) and what corrective actions should be taken.

Program Goal - Country Trends

The Program Goal, or Country Trends area, includes measures of need, not measures of AID performance. Country trends cover welfare, economics, population, and natural resource variables. The Program Goal is not the data collection concern of project managers. Such data collection is the concern, rather, of the Mission Economist. It does project managers good, however, to be aware of the Country Trends which they are trying to affect, albeit from afar.

Program Purpose - Country Trends within AID's Target Clientele

The Program Purpose (Project Goal) area parallels Country Trends, but within AID's target beneficiary group. This is where AID program performance should be measured. The Program Purpose (Project Goal) area is also generally not the domain of project managers. It is the area least amenable to measurement, and in most cases is the domain of project evaluation by social scientists (such as ASPAP), not of project management. Any available information, even indicative or anecdotal information, should be entered.

Project Purpose - Changes of Practices and Behavior, and Their Immediate Pre-Requisites

The Project Purpose area includes changes in practices and behavior among beneficiaries, and their immediate pre-requisites (policy reform, skills and awareness, and institutional strengthening). The Project Purpose area is where project managers begin to have much information, even if it is of an anecdotal sort. Every project, for its own management purposes, should have some systematic approach to tracking changes in practices, skills and awareness of beneficiaries, and in the policy and institutional capacity of the GOR agencies involved.

Within the policy area, nominal policy is official proclamation and enforced policy is the rewarding of individuals and organizations for compliance and sanctioning for non-compliance.

Within the institutional strengthening area, the components are:

- (a) Service delivery - does the organization do its job efficiently?
- (b) Coverage - does the organization reach enough people to have the desired impact? (Coverage can be stated in terms of number of people or families, geography, and socio-economic class).
- (c) Self-sufficiency, which is managerial and technical as well as financial. How much external support is required for the organization to achieve the above-mentioned service delivery and coverage?

Project Outputs and Inputs

The lower two areas (Project Outputs and Inputs) are where project manager information is strong. From a program vantage point, the problem

of reporting is what to leave out, and how to organize what is left in. Those concerned with project operations, finances and logistics naturally need more information at this level.

TABLE 6.2: SAMPLE PROGRAMMATIC REPORT - POLICY CHANGE

	<u>Nominee Policy</u>	<u>Enforced Policy</u>
PRIME	<ul style="list-style-type: none">- SME Loan Guarantee Fund- Trade tariffs and quotas revised- Some price reporting changes- Procedures for Investment Code	<ul style="list-style-type: none">- SME Loan Guarantee Fund revitalized
SESA	<ul style="list-style-type: none">- Drought warning system	
MARAIS MANAGEMENT	<ul style="list-style-type: none">- Jurisdiction over marais delivered to communes	
COLLINE MANAGEMENT	<ul style="list-style-type: none">- Forest Law being drafted	
FAMILY PLANNING	<ul style="list-style-type: none">- Limiting population growth declared national priority- ONAPO established (1982)- FP restrictiong removed- FP methods legalized	<ul style="list-style-type: none">- ONAPO built, staffed- 130 health centers established (of 184 planned)

TABLE 6.3: SAMPLE PROGRAMMATIC REPORT - PROJECT COVERAGE

PRIME+ Groupe Techniques Mixte	<ul style="list-style-type: none">- Access to decision makers in Ministries
SESA	<ul style="list-style-type: none">- Annual, prefecture based national ag. survey on a sample of 1100 farms
Technoserve	<ul style="list-style-type: none">- Technoserve covers medium-sized, primarily rural businesses: about 80 interventions with 47 firms
CLUSA/IWACU	<ul style="list-style-type: none">- 12% of the economy in co-operatives- 3,238 co-ops and informal groups - 63% agricultural- 251,689 members- Coffee co-op union handles 12% of coffee crop
Farming Systems Research	<ul style="list-style-type: none">- 4 Communes in 2 agro-climatic zones- 120 farmers/families do field trials and seed multiplication
Marais Management	<ul style="list-style-type: none">- 6 fish stations in 5 Prefectures- 1,458 farmers, 525 ponds

TABLE 6.4: SAMPLE OF A CURRENT PROJECT IMPLEMENTATION REVIEW

D. Major accomplishments in last six months contributing to achievement of outputs:

- In-field training: Field training was provided for 8 women's groups dealing with animal production on coop organization and management. 37 other small farmer groups trained at IWACU previously.
- Training of trainers: A new project has been designed and submitted to AID/W's "Innovation Fund" at the request of CLUSA/NCBA's Vice President, International Division, Larry Harrison. The project addresses IWACU's need to provide cooperative organization and management training to field level extension agents employed by other projects, government, and development organizations. Such field trainers will be able to more efficiently assist small farmer groups and pre-cooperatives. IWACU is awaiting approval of this proposal.
- Re-training has been provided for 38 coops in preparation for the 1988 coffee marketing season.
- With IWACU's assistance and guarantee, credit of more than 20 million FRW (about \$274,000) has already been obtained for some coops.
- An additional 30 million Frw (about \$411,000) of loans was prepared with IWACU's help, and is awaiting final approval by the Banque Populaire. These loans will be guaranteed by MIJEUCOOP capital remaining from the CLUSA/USAID LCS project's revolving fund.
- Twenty seven cooperatives have begun marketing beans in 1988 with management and storage training provided by IWACU.
- Ten cooperatives obtained new loans totaling 17 million Frw (about \$233,000) through guarantees provided by IWACU.
- A time series and cross-sectional analysis of bean prices as they relate to marketing risk was completed, and a resulting extension bulletin was sent to 31 cooperatives.
- A database on bean purchasers, sellers, and shippers has been started.
- Accounting documents have been developed for Care International's water project in the Byumba prefecture. Thirty two people were trained in their use. A follow-up evaluation is underway.
- Loan requests are being developed for a coffee marketing coop, a cooperative store, and a honey cooperative in the Gisenyi prefecture.

- Produce marketing arrangements have been set up between cooperative unions in Kibungo and Butare.
- A feasibility study on cooperatives stores has been completed.
- Projects already scheduled for the next 6 months will help a fish cooperative on Lake Kivu, a rice producers coop in Ngenda, a milk coop and a carpenters coop in Kibuye, two grain mill projects for coops in Kibungo, a coffee producers coop in Kibungo, and two women's credit coops in Ruhengeri.
- The final report on the inventory of cooperatives has been printed and is in the process of being distributed and sold.
- An inventory of small farmer groups (including "tontines" or small revolving savings societies) has been completed, and more than 8,700 entries have been registered on the IWACU computer system. The analysis of this inventory will help IWACU better define its long-term strategy toward this very important sector of the rural Rwandan economy.
- A new promotional brochure has been published.
- The 1987 annual report has been prepared and is awaiting publication.
- Two issues of the "IWACU" magazine were published. The mailing list of this publication has been computerized.
- Two courses for high school students on the organization of cooperatives have been prepared, and await final approval of the new cooperative law before being published.
- A reference manual on cooperative materials available at IWACU is awaiting final publication.
- The center was rented for over 4,400 persons/day during the last 6 months.
- The 1987 financial statements were prepared, reviewed by an external auditor and the IWACU finance committee, and approved by the General Assembly.

**TABLE 6.5: SAMPLE OF THE RECOMMENDED PIR FORMAT -
COOP TRAINING PROJECT**

MAJOR DONORS, 1986: Switzerland, PNUD, Canada

LEVELS

**PROGRAM GOALS
(COUNTRY TRENDS):**

Welfare
Economic \$320 GNP per capita
Population
Natural Resources

**PROGRAM PURPOSE
(TARGET GROUPS):**

Welfare
Economic 360 client coops pay IWACU for services
 950 coop employees earn \$40,000/month
 Coop union handles 12% of coffee crop

Population
Natural Resources

**PROGRAM OUTPUTS
(PROJECT PURPOSES):
BEHAVIORAL CHANGES:**

Production Figures will be collected from a sample of coops
 on: brick production, pottery, handicrafts,
 sorghum milling, marketing

Practices
(Beneficiaries) 27 coops market beans according to IWACU storage
 training

POLICIES:

Nominal

Enforced

INDIVIDUAL:

Skills Results of tests?

Awareness

**INSTITUTION-
BUILDING**

IWACU, COOP MOVEMENT

Service Delivery

TA and guarantee from IWACU obtained:
\$274,000 credit for coops obtained
\$233,000 new loans for 10 coops obtained
\$411,000 new loans prepared and waiting approval
Trained by IWACU: 1,800 persons/year (including repeaters)

**Coverage
(Beneficiaries,
Clientele)**

360 coop clients, 80,000 members
8,000 women members
950 coop employees

**Financial
Self-Sufficiency**

IWACU 90% self-sufficient
Facilities rented for 4,400 person-days

**Managerial + Technical
Self-Sufficiency**

Management 100% Rwandan since 1/88
Computer accounting system
25% revenues from contract

**MAJOR
OUTPUTS:**

**Dialogue with GOR,
decision-makers**

New coop law, MINJEUCOOP
Pricing Policy
Many Boards

**Studies,
Publications,
Demonstrations**

Time series of bean prices completed, distributed
Database of bean marketing started
Inventories of coops and informal groups
Coop stores feasibility study
Accounting documents and manuals developed

**System design and
installation**

Computerized accounting system
Mail system, evaluation system

People Trained

38 coops in coffee marketing
8 women's coops
37 small farmer groups
27 bean coops (in storage, marketing)
Accountants of 32 coops

**Infrastructure and
Equipment**

IWACU Cooperative Training Center constructed,
opened in 1984

INPUTS:

EXPATRIATE STAFF

3-person expatriate team, being reduced to 1 and then to 0

**INSTITUTION-
BUILDING**

IWACU, COOP MOVEMENT

Service Delivery

TA and guarantee from IWACU obtained:
\$274,000 credit for coops obtained
\$233,000 new loans for 10 coops obtained
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Clientele)**

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IWACU 90% self-sufficient
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Self-Sufficiency**

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Computer accounting system
25% revenues from contract

**MAJOR
OUTPUTS:**

**Dialogue with GOR,
decision-makers**

New coop law, MINJEUCOOP
Pricing Policy
Many Boards

**Studies,
Publications,
Demonstrations**

Time series of bean prices completed, distributed
Database of bean marketing started
Inventories of coops and informal groups
Coop stores feasibility study
Accounting documents and manuals developed

**System design and
installation**

Computerized accounting system
Mail system, evaluation system

People Trained

38 coops in coffee marketing
8 women's coops
37 small farmer groups
27 bean coops (in storage, marketing)
Accountants of 32 coops

**Infrastructure and
Equipment**

IWACU Cooperative Training Center constructed,
opened in 1984

INPUTS:

EXPATRIATE STAFF

3-person expatriate team, being reduced to 1 and then to 0

5/2

AID INVESTMENT

1989	Planned	
1988	Budgeted/Disbursed)	\$1.5 million - \$1.0 million
1987	"	
1986	"	
1985	"	
1984	"	
1983	"	
1982	"	

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CATEGORY	FAMILY PLANNING	IWACU CO-OPS (Phase I)	IWACU CO-OPS (Phase II)
MAJOR DONORS, 1986:	USAID, FNUAP, ONG	Switzerland, PNUD, Canada	
PROGRAM GOAL:	Increased and sustainable per capita income: Per capita GNP increases from \$320 in 1987 to \$__ in 1992.	Increased and Sustainable per capita income: Per capita GNP increases from \$320 in 1987 to \$__ in 1992.	Increased and Sustainable per capita income: Per capita GNP increases from \$320 in 1987 to \$__ in 1992.
PROGRAM PURPOSE = PROJECT GOALS:			
Economic		Increased investment and economic growth in the rural private sector, and increased productive off-farm employment: 1. Value added increased by ____, esp. in small + medium enterprises. 2. employments created.	Increased investment and economic growth in the rural private sector, and increased productive off-farm employment: 1. Value added increased by ____, especially in small & medium enterprises. 2. employments created.
Population	Reduced fertility rates in Rwanda: 1. Population growth rate decreases from 3.7% in 1987 to 3.2% by 1992. 2. Total fertility rate decreases from 8.6 in 1987 to 8.0 by 1992.		
PROGRAM OUTPUTS = PROJECT PURPOSES:			
Practices	Increased public knowledge and use of modern FP methods. 1. Prevalence of modern contraceptive methods increased for women in union in 15-49 age group from 3% in 1987 to 15% by 1992 (175,800 by 1994). 2. Number of men and women in 15-49 age group with knowledge of all FP methods increased from 10% (10-20 yrs) and 20% (21 to 49 yrs) to 80% by 1992. 3. Desired family size decreased from 6.0 in 1987 to 5.0 by 1992. 4. Private sector contribution to increased contraceptive prevalence rates from 0% to __% by 1992.		

CATEGORY	FAMILY PLANNING	IWACU CO-OPS (Phase I)	IWACU CO-OPS (Phase II)
Policies:	Revised GOR FP policies:		
Nominal	<ol style="list-style-type: none"> 1. Decreased population growth is declared a national priority. 2. Restrictions on FP removed. 3. FP methods legalized. 		
Enforced	<ol style="list-style-type: none"> 1. Increased GOR allocations to FP from \$2.2 M in 1989 to \$2.7 M per year by 1994. 2. Integration of FP in 80% public health centers by PALD. 		
INDIVIDUAL:			
skills			
INSTITUTION-BUILDING:			
Effectiveness	<ol style="list-style-type: none"> 1. Improved GOR research, evaluation and policy analysis capacity (indicators:) 2. Information, education and communication messages targeted to key audiences. 3. Effective GOR financial, evaluation and management systems in place (indicators:) 	Functioning and economically viable production, marketing and consumer co-ops providing goods and services at better prices than other sources.	Strengthened management and commercial activities of member co-ops and existing co-op unions.
Coverage	<ol style="list-style-type: none"> 1. 80% public and 40% private facilities provide FP services and information. 		
Financial + Mgmt. Self-Sufficiency	ONAPO covers 80% of its recurrent costs by 1992.	IWACU covers 100% of operating costs by 1990. Rwandan staff able to carry on current activities without advisors.	

CATEGORY	FAMILY PLANNING	IWACU CO-OPS (Phase I)	IWACU CO-OPS (Phase II)
PROGRAM INPUTS = PROJECT OUTPUTS:			
System design and installation	<ol style="list-style-type: none"> 1. FP programs planned, implemented and evaluated (indicators:) 2. Use of condoms promoted from 2.5% to 10% of contraceptive prevalence (indicators:) 3. IEC messages developed for target audiences. 		Technical Assistance Office established which provides services to 30 co-ops and three co-op unions in finances, feasibility studies, credit applications, supervising IWACU regional agents, assisting co-ops, market information.
Training	867 public and 40% of private sector personnel trained to provide FP services and information by PACD.	<ol style="list-style-type: none"> 1. 120-150 co-ops have better trained management. 2. 80-100 co-op boards changed. 3. 90-100 GOR co-op extension officers given additional training. 4. Co-op organizations use center for own training programs. 5. Regular radio broadcasts of programs about co-ops. 	<ol style="list-style-type: none"> 1. 10,500 student-days of resident training from scholarships and 13,500 from co-op resources. 2. 4,000 student days of field training. 3. Regular radio programs, correspondence program, materials, posters, 1 experimental A/V program.
Policy Formulation Dialogue	FP policies drafted.		
Studies	Research carried out on improving service delivery and social marketing (... studies by 1992)	<ol style="list-style-type: none"> 1. Inventory of co-op training needs completed. 2. Curriculum, materials and training aids completed. 	<ol style="list-style-type: none"> 1. Research on co-op problems. 2. New loan portfolios developed totaling \$20,000.
Institution-Building	Greater service delivery through the private sector.	<ol style="list-style-type: none"> 1. A fully operative co-op training center established. 2. 60-80 pre-cooperative societies evolved into full co-op status. 3. Co-op newsletter and journal published regularly. 4. A co-op extension service in place and functioning. 	
Infrastructure and Equipment			Equipment and supplies for radio, video and newsletter.

CATEGORY	FAMILY PLANNING	IWACU CO-OPS (Phase I)			IWACU CO-OPS (Phase II)
		USAID	Swiss	GOR + Co-ops	USAID
PROJECT INPUTS:					
Budget					
1989	\$1.1 M				
1990	1.8 M				
1991	2.0 M				
1992	1.8 M				
1993	1.7 M				
1994	.6 M				
Total Budget	\$9.0 M	\$897,000	1,250,000	184,000	1,500,000
Technical Assistance	\$2.4 M (public) (2 advisors, 6 person-years)	2 person expatriate team, being reduced to one.			
	1.2 M (private) (50 person-months short-term)				
	1.3 M (private) (2 advisors - 4 person-years)				
Training	\$1.2 M				
Commodities	.8 M (public)				
	.1 M (private)				
Operating Costs	\$1.3 M (public)				
Sub-grants	.5 M (private)				
Evaluation/Audit	.2 M				
Contingency/Inflation	<u>1.2 M</u>				
Total	\$9.0 M				

CATEGORY	TECHNO-SERVE	PRIME	ASPAP
MAJOR DONORS, 1986:	Switzerland, PNUD, Canada	Belgium, PNUD, ONG, Switzerland	USAID, ___?
PROGRAM GOAL:	Increased and sustainable per capita income: Per capita GNP increases from \$320 in 1987 to \$___ in 1992.	Increased and sustainable per capita income: Per capita GNP increases from \$320 in 1987 to \$___ in 1992.	Increased and sustainable per capita income: Per capita GNP increases from \$320 in 1987 to \$___ in 1992.
PROGRAM PURPOSE = PROJECT GOALS:			
Economic	Increased investment and economic growth in the rural private sector, and increased productive off-farm employment: 1. Value added increased by ... in industry as a whole; by ___ in SME sector. 2. _____ jobs created by 1992.	Increased investment and economic growth in the private sector, and increased productive off-farm employment: 1. Value added increased by ___ in industry as a whole; by ___ in SME sector. 2. _____ jobs created by 1992. Policy reform to support investment and employment with particular attention to the needs of SMEs. 1. Increased private-sector economic growth, especially in rural areas. 2. Increased productive off-farm employment.	Increased agricultural growth on a sustained natural resources base. 1. Increased yields of food crops. 2. Increased animal production. 3. Increased per capita food production. 4. Increased rural total per capita consumption. 5. ___ ha under sustained-yield cultivation practices.
Population			
PROGRAM OUTPUTS = PROJECT PURPOSES:			
Practices			
Policies:	Unspecified number of policy studies.	Policy and institutional reforms implemented:	Policies to promote sustainable agricultural growth defined and applied.

CATEGORY	TECHNO-SERVE	PRIME	ASPAP
Nominal		<ol style="list-style-type: none"> 1. Removal of impediments to private-sector investments. 2. Selective promotion of enterprises that are efficient in use of resources. 3. BRD policies to promote SMEs. 4. Privatization policy and strategy established. 5. Special Guarantee Fund (SGF) obtains legal status. 6. Tariffs and quotas revised to facilitate regional agricultural exchange. 7. Application of the revised investment code. 8. Increased GOR allocations to artisans and microenterprises. 9. Groupe Technique Mixte functioning; GTM accepts/rejects policy recommendations. 10. Strengthened policy analysis capacity in the D.G. of Economic Policy (DGEP). 	<ol style="list-style-type: none"> 1. Policies which promote agricultural growth established. 2. Strategy and policies for natural resources management in place.
Enforced		<ol style="list-style-type: none"> 1. Special Guarantee Fund obtains legal status. 2. Bank policies promote SMEs. 	
INDIVIDUAL:			
Skills			
INSTITUTION-BUILDING:	Needs assessment of institutions participating in program.		<p>Strengthened GOR capacity to generate and analyze information for decisions, and to formulate agricultural policy.</p> <ol style="list-style-type: none"> 1. SESA key staff can do surveys and policy analysis. 2. Reliable data base on resource utilization & productivity in place. 3. Established procedures for data analysis, presentation and incorporation in the policy process.
Effectiveness			
Coverage		<ol style="list-style-type: none"> 1. Policy analysis unit established and functioning. 	

CATEGORY	TECHNO-SERVE	PRIME	ASPAP
Financial & Mgmt. Self-Sufficiency	TNS clients cannot pay TA costs, so TNS does not aim for self-sufficiency. But PP + CA calls for partial contribution of enterprises.		
PROGRAM INPUTS = PROJECT OUTPUTS:		Upgraded GOR capacity to formulate and implement reforms of economic policy.	
System design and installation	1. 100 enterprises possess improved management, financial and marketing skills by 1991 (double- entry bookkeeping, organization plan, job descriptions, personnel practices). MAP-4/BAS unspecified. 2. ___ enterprises apply appropriate technologies by 1991.		
Training	1. 12 Rwandans enrolled in CPA training. 2. ___ private-sector persons receive ___ person-days of training by 1991. 3. On-the-job training carried out in 25 firms. 4. TNS staff development.	PRIME-supported training (not quantified)	47 persons/mo short-term international; 8 masters degrees; 8 counterparts on-the-job training.
Policy Formulation Dialogue	3 policy studies prepared.	1. A policy and study agenda is coordinated among the ministries. 2. A process for feeding research results into the policy formulation process is established. 3. Procedures established to implement and monitor policy changes. 4. Rwandans assume control of the policy reform process.	More informed GOR-USAID policy dialogue based on surveys and study results.
Studies	1. Economic and credit studies carried out. 2. Needs assessment of management training institutions performed. 3. Appropriate data bases established.	1. A study program consistent with the policy agenda is carried out (6 subsector studies and 4 macro- economic policy studies in 1989). 2. Privatization studies performed (e.g. OPROVIA, regies, nurseries).	1. 4 annual agricultural surveys completed. 2. 12 special studies prepared. 3. 1 agricultural census underway.

CATEGORY	TECHNO-SERVE	PRIME	ASPAP
Institution-Building	<ol style="list-style-type: none"> 2 Management training institutions strengthened. Increased NGO involvement (especially local NGOs) in enterprise development. 		
Infrastructure and Equipment			
PROJECT INPUTS:			
Budget		\$10 million program grant \$ 2 million project grant GOR contributions	
Technical Assistance	4-person expatriate team Short-term consultants 6 Host-country staff		16 person-years long-term. 40 person-years short-term.
Training			
Commodities			
Operating Costs	Office, vehicles, equipment		
Sub-grants			
Evaluation/Audit			
Contingency/ Inflation			
Total			

CATEGORY	FSRP	RRAM	NRDA (training)
MAJOR DONORS, 1986:	USAID, ___?	USAID	USAID, ___?
PROGRAM GOAL:			
Economic	Increased and sustainable per capita income: Per capita GNP increases from \$320 in 1987 to \$___ in 1992.		Increased and sustainable per capita income: Per capita GNP increases from \$320 in 1987 to \$___ in 1992.
PROGRAM PURPOSE = PROJECT GOALS:			
Economic	Increased agricultural growth on a sustained natural resources base: 1. Increased production of food crops (we don't know how to measure yields in multi-crop system. SESA is working on this). 2. Increased animal production. 3. Increased per capita food production. 4. Increased rural total per capita consumption. 5. ___ ha under sustained-yield cultivation practices.		Increased agricultural growth on a sustained natural resources base. 1. Increased yields of food crops. 2. Increased animal production. 3. Increased per capita food production. 4. Increased rural total per capita consumption. 5. ___ ha under sustained-yield cultivation practices.
Population			
PROGRAM OUTPUTS = PROJECT PURPOSES:			
Practices	___ farmers apply the recommended technologies on ___ ha.		
Policies:			
Nominal	1. FSR has no privatization objectives. 2. FSR/E approach accepted by Rwandan authorities for replication.		
Enforced			
INDIVIDUAL:			
Skills			

CATEGORY	FSRP	RRAM	NRDA (training)
INSTITUTION-BUILDING:			
Effectiveness	<ol style="list-style-type: none"> 1. Increased ISAR capacity to perform adaptive research. 2. Increased ISAR linkages with UNR, SESA, MINAGRI and international res. centers. 	<ol style="list-style-type: none"> 1. Greater ability of Ruhengeri communes to develop and implement soil conservation practices. 	
Coverage			
Financial Self-Sufficiency			
PROGRAM INPUTS = PROJECT OUTPUTS:			
System design and installation	<ol style="list-style-type: none"> 1. Effective extension services in the 4 RRAM target communes. 2. Greater private sector participation in input supply & marketing. 3. At least one technology which will be used by farmers will be developed to deal with each of these constraints: <ol style="list-style-type: none"> a) soil fertility and erosion; b) plant disease, especially for beans; c) insect damage; d) livestock diseases; e) small and fragmented landholdings; and f) non-availability of purchased inputs. <p>Appropriate technologies developed for each of the following constraints:</p>	<ol style="list-style-type: none"> 1. Agric., Economics, Business Administration faculties strengthened. 2. No. of agr. graduates increased from 15 to ___ p.a. 3. Share of women increased from 21% to 35%. 4. Share of private sector training increased to 50%. 	
Training	<ol style="list-style-type: none"> 1. 4 Rwandans trained to Ph.D. level. 2. 10 trained to M.S. level. 3. 8 trained to B.S. level. 4. 50 p/m trained in FSR/E methodology 5. 125 days of FSR/E in-service training. 6. Extensionists and farmers trained in improved technologies. 		<ol style="list-style-type: none"> 1. Training provided to support projects without training component: ___ p/m 2. Start-up and pre-project training (especially in natural res. management): ___ p/m
Policy Formulation Dialogue			

CATEGORY	FSRP	PRAM	HRDA (training)
Studies	At least 20 research studies completed (including 3 Ph.D. and 5 M.S. dissertations).		
Institution-Building	<ol style="list-style-type: none"> 1. A data base to support FSR/E established. 2. Linkages established with 5 international agricultural research centers. 3. Institutional capacity to support adaptive research, especially in S.C., food crops, and livestock. 4. Improved linkages with UNR. 5. Fully functioning farming systems approach being used at Ruvuvu. 		
Building and Equipment	Improved rural roads and 12 piped water systems in the 12 target communes.		
PROJECT INPUTS:			
Budget			
Total Budget	Technical assistance \$6,490,000 Participant training \$2,310,000		
Technical Assistance	Technical assistance 37.5 p/y		
Training			
Commodities			
Operating Costs			
Sub-grants			
Evaluation/Audit			
Contingency/ Inflation			
Total			

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
USAID GOAL			
1. Increased and sus per capita income.	al 1.1 National per capita income increased from \$320 in 1987 to \$___ in 1992 in real terms. 1.2 Value of per capita consumption in rural areas increased from 1,910 FRW/pers/year in 1983 to ___ FRW/pers/year in 1992 in real terms. 1.3 Caloric intake in rural areas increases from 2,444 cal/adult-eq./d in 1983 to ___ cal/adult-eq./day in 1992. 1.4 Protein intake increases from 80 gr/adult-eq./Day in 1983 to ___ gr/adult-eq./day in 1992.	1.1 National income statistics - MINIFINECO. 1.2 Updates of the 1983 National Household Budget and Consumption Survey, and sporadic regional surveys - MINIPLAN. 1.3 Updates of the 1983 National Household Budget and Consumption Survey, and sporadic regional surveys - MINIPLAN. 1.4 Updates of the 1983 National Household Budget and Consumption Survey, and sporadic regional surveys - MINIPLAN. 1.5 Updates of the 1983 National Household Budget and Consumption Survey, and sporadic regional surveys - MINIPLAN.	1. Political stability. 2. Strong currency. 3. Continued GOR commitment to private-sector development. 4. Institutional environment does not discourage private investment. 5. Development assistance remains at near-constant levels. 6. Improved donor coordination, with greater GDR leadership. 7. International coffee and tea prices remain stable or rise in real terms.

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
PROGRAM PURPOSES (PROJECT GOALS)	END OF (5-YEAR) PROGRAM STATUS		
1. Reduced fertility rates in Rwanda.	1.1 Population growth rate decreases from 3.7% in 1987 to 3.2% by 1994. 1.2 Total fertility rate decreases from 8.6 in 1987 to 8.0 in 1994.	1.1 National census - MINIPLAN. 1.2 ONAPO sample surveys.	<u>General Assumptions</u> 1. GOR formalizes the policy process and applies the stated policies. 2. Educational level will not be a limiting factor for FP II and for the technical transfer components of FSRM and NRMS.
2. Increased agricultural growth on a sustainable natural resource base.	2.1 Increased yields of food crops. 2.2 Increased animal production. 2.3 Increased per capita food production. 2.4 Increased rural total per capita consumption. 2.5 ___ ha nationwide under sustained-yield cultivation practices.	2.1 MINAGRI annual agric. surveys. 2.2 MINAGRI annual agric. surveys. 2.3 MINAGRI annual agric. surveys. 2.4 MINAGRI annual agric. surveys. 2.5 MINAGRI annual agric. surveys.	<u>Specific Assumptions</u> 1.1 Fertility decrease can precede economic progress. 1.2 Fertility decrease can occur in a population with a low education/literacy level. 2.1 Current agricultural policies restrict agricultural growth. 2.2 Improved agricultural policies would increase agricultural growth. 2.3 GOR policymakers remain committed to rural development.
3. Increased investment and economic growth in the rural private sector (including secondary towns), and increased productive off-farm employment.	3.1 Number of new firms established increases from ___ in 1987 to ___ in ___. 3.2 Value added increases by ___ % per year in the industry and service sectors. 3.3 Overall credit to manufacturing increases by ___ % per year in real terms. 3.4 ___ jobs per year created in the industry and service sectors, especially among artisans, micro-enterprises and SME.	3.1 MINIFINECO registrations. 3.2 MINIFINECO annual national statistics. 3.3 BNR annual data for all participating banks. 3.4 Update in 1989 of the 10/1987 MINIFINECO special study of employment + MINIPLAN employment surveys.	3.1 Employment can be generated through management and technology without finding new markets (assumption of TechnoServe and IWACU).

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
PROGRAM OUTPUTS (PROJECT PURPOSES)			
1. Improved GOR and private sector capacity to provide family planning services and information.	1.1 Increased GOR allocations to FP from \$2.2 M in 1989 to \$2.7 M in 1994.	1.1 GOR budgets.	<u>General Assumptions:</u>
	1.2 Guidelines and directives to implement national policies; integration of services increased from 5% of HCs in 1988 to 80% by PACD, including MIS and supervision; policies allowing increased women's literacy; improved systems of service delivery; research reviewed by coordinating committee; research objectives carried out; and 3 seminars on priority topics.	1.2 GOR policy pronouncements, laws, decrees, budgets, plans; GOR and religious leaders' speeches.	1. GOR will pick up the recurrent cost of the projects and turn them into institutions.
	1.3 867 public and 40% of private health facilities staffed and supplied to provide FP; on-going evaluations and research used to improve services.	1.3 Private sector sales, distribution statistics; project evaluations, site visit reports; GOR coordinated MIS/FP statistics; seminar and study tour reports.	<u>Specific Assumptions:</u>
	1.4 80% of public, 40% of private health and community workers trained in FP and counseling and service delivery; IEC materials produced and disseminated; radio air-time increased.	1.4 Project evaluations, site visit and training reports; IEC materials, curricula; print and media advertising.	1.1 Census funded and undertaken. 1.2 DHS undertaken in year 2 of project. 1.3 Integration of service statistics completed in a timely manner. 1.4 IEC activities adequately increase demand for FT services. 1.5 Services available and accessible. 1.6 Rural infrastructure (roads, centers, radio) adequately maintained. 1.7 GOR allows AID support to private sector - no regression in legal framework. 1.8 High-level GOR officials continue to support FP, leaders participate in seminars.
	1.5 Reorganization of inventory control and supply management; annual workplans which relate activities to budgets; reorganization of admin. and financial procedures; 80% of public and XX of private health facilities provided with equipment and contraceptives.	1.5 Management/financial and activities report; annual workplans and budgets.	1.9 Economic situation does not deteriorate. 1.10 Donor support levels remain constant or increase. 1.11 ONAPO and MINISAPASO obtain and retain adequate staff. 1.12 Local organizations apply for sub-grants. 1.13 Coordinating committees named, responsibilities assigned, and meet regularly; mechanism is effective.

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
2. Upgraded GOR capacity to formulate and implement agricultural policy (purpose of ASPAP)	2.1 SESA staff can do surveys and policy analysis. 2.2 Reliable data base on resource use and productivity in place. 2.3 Established procedures for data analysis, presentation and incorporation in the policy-making process. 2.4 Policies which promote agricultural growth established. 2.5 Strategy and policies for natural resources management in place.	2.1 SESA surveys and policy analysis reports. 2.2 Review of SESA and MINAGRI data. 2.3 Review of SESA and MINAGRI policy-making process. 2.4 Review of MINAGRI, and other relevant GOR ministries' policies. 2.5 Review of GOR documents on agricultural planning and policies.	1.14 Suitable training programs can be identified; expatriates are effective in OJT activities. 1.15 ONAPO and MINISAPASO give adequate priority to research, and recommendations are implemented. 2.1 SESA, MINIPLAN, MINIFINECO integrated in the policy process. 2.2 GOR meets recurrent costs. 2.3 Trained staff remains in service. 2.4 GOR willing to use survey data. 2.5 Political environment for policy dialogue remains stable. 2.6 Upgraded capacity leads to selection of free market/private sector oriented policies.
3a. Strengthened capacity of the public sector to develop and transfer agric. and soil conservation technology, and of the private sector to deliver agric. services (purpose of FSRP and RRAM).	3.1 FSR/E approach accepted by Rwandan authorities for replication. 3.2 Increased ISAR capacity to perform adaptive research. 3.3 Increased ISAR linkages with UNR, MINAGRI and international research centers. 3.4 Roles of ISAR, UNR, MINAGRI, communes, NGOs, private sector in ag. development defined. 3.5 Commercial elements of OPROVIA, seed centers, nurseries, regies, IRDPs etc. privatized. 3.6 Greater ability of the communes to develop and implement agric. and soil conservation projects. 3.7 Greater private sector participation in input supply & marketing.	3.1 MINAGRI Documents and Interviews. 3.2 ISAR research agenda and research reports. 3.3 Interviews and ISAR and MINAGRI officers. 3.4 MINAGRI policy statements and interviews with the parties involved. 3.5 OPROVIA, MINAGRI annual reports; interviews with the parties involved. 3.6 Interviews in communes; commune documents which indicate agricultural policies. 3.7 MINAGRI surveys and census. SESA special studies.	3.1 Favorable/improved GOR policies toward agricultural service businesses. 3.2 New agricultural technologies appropriate to Rwanda's constraints can be found. 3.3 Spontaneous farmers' groups are formed to take on agricultural production and soil conservation tasks. 3.4 Farmers are willing to participate in co-ops. 3.5 GOR does not supply goods and services at subsidized prices which make it uneconomical for private businesses to compete.

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
3b. Farmers apply improved technologies and practices (purpose of FSRM, RRAM, fish culture, other ag. projects).	3.8 Technologies and practices recommended by FSR project staff are disseminated. 3.9 Farmers apply recommended technologies and practices on ___ ha.	3.8 Review of MINAGRI field service records or evaluation of dissemination procedures and activities. 3.9 Review of MINAGRI field service records or evaluation of dissemination procedures and activities.	3.6 Recommended technologies and practices are profitable for farmers to adopt. 3.7. Farmers have disposable monetized income to purchase recommended inputs. 3.8 Appropriate extension practices are adopted.
4a. Policy reforms implemented.	4.1 A policy definition agenda and procedures for feeding research results into the policy process & implementing and monitoring policy changes is established.	4.1 MINIFINECO, MINIMART.	4.1 Stable government. 4.2 Continued support for structural adjustment and policy reform by IBRD/IMF. 4.3 Recommendations formulated in research studies and policy dialogue process are accepted by GOR (this assumes that data and discussion/negotiation are able to outweigh the political status quo, tradition, and vested interests in pre-reform policies and conditions).
4b. Upgraded capacity of GOR to formulate and implement economic policy reforms (purposes of PRIME).	4.2 a) Procedures for establishing enterprises streamlined and time required for MINIMART & MINIFINECO shortened. b) Reforms in the commercial code. 4.3 a) Review of fiscal system to make it more neutral re. enterprise size. b) Exchange rate adjustment and associated price changes which favor labor-intensive enterprises. 4.4 a) Credits of over 1 year for rural enterprises. b) Average loan processing period reduced to 90 days. 4.5 GOR promulgates privatization policy. 4.6 Establishment of legal status for SGF.	4.2 MINIMART, MINIFINECO, applying firms. 4.3 MINIMART, MINIFINECO. 4.4 a) BRD statistics. b) Analysis of BRD dossiers of participating banks. 4.5 MINIMART, MINIFINECO. 4.6	

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
4.7 a) Selective promotion and protection of enterprises. b) Decreased overall level of protection. c) Increased reliance on tariffs, reduced reliance on import licenses. d) Increased coord. with neighboring countries to promote regional trade (recommend. of BUNEP/PRIME study).	4.7 BNR & MINIFINECO commerce div.		
4.8 Implementation procedures developed to give SME access to benefits of investment code.	4.8 MINIFINECO D.G. of Economic Policy.		
4.9 a) Share of agriculture in GOR budget increases from 4.4% in ___ to ___ in ___. b) Increased financing of agricultural research. c) Increased budget for employment-oriented education and training. d) Increased allocations for micro-enterprises.	4.9 National statistics.		
4.10 GTM accepts or rejects policy recommendations in a timely manner.	4.10 Comptes rendus of GTM sessions.		
4.11 a) DGEP staff receives appropriate training. b) DGEP staff appointed on a permanent basis.	4.11 MINIFINECO personnel records.		
4.12 a) CCIR becomes more representative of the private sector vis-a-vis GOR. b) Increased member contributions to CCIR. c) Increased networking, training and study activities by CCIR.	4.12 CCIR.		

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
5. Enterprises possess improved management, financial and marketing skills (purpose of IWACU and TechnoServe projects).	5.1 Strengthened management and commercial activities of co-ops and existing co-op unions.	5.1 A sufficient number of SMEs exist in Rwanda.	
	5.2 100 enterprises possess improved management, financial and marketing skills by PACO of TechnoServe project.	5.2 Review of TechnoServe records and evaluation of TechnoServe project.	5.2 Local co-ops will be receptive to the proposed training and extension services.
	5.3 ___ enterprises apply appropriate technologies by ___.	5.3	5.3 The major participating cooperatives and GOR reach agreement on the role of the national federation of cooperatives.
	5.4 Chamber of Industry and Commerce strengthened.	5.4 CCIR records.	5.4 GOR will permit air time for co-op radio broadcasts.

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
A. FAMILY PLANNING			
1. Improved Family Planning Programs.	1.1 FP programs planned, implemented and evaluated. 1.2 Use of condoms promoted. 1.3 Information, education and communication. 1.4 (IEC) messages developed for target audiences.		1. Coordinating committees named, responsibilities assigned and regular meetings held; mechanism is effective.
2. Trained FP staff	2.1 867 public and 40% of private sector personnel trained to provide FP services and information by PACD. 2.2 4 Masters of Public Health. 2.3 On-the-job training (OJT) in financial, management, personnel, inventory, clinical and data collection techniques. 2.4 National Training Plan proposed.	2.1 Supervisor reports. 2.2 Contractor reports. 2.3 Contractor reports. 2.4 Contractor reports.	2. Suitable training programs can be identified; expatriates are effective in OJT activities.
3. Policy dialogue established.	3.1 3 national policy seminars. 3.2 2 study tours.	3.1 minutes of seminars + 3.2 participants' reports to president.	
4. Service delivery research performed.	4. Research carried out on improving service delivery, social marketing targeting, IEC materials, integration of FP and health services, DHS, cost recovery, community-based distribution.	4.1 Study reports.	4. ONAPO and MINISAPASO give adequate priority to research and to implementing recommendations.
5. FP Service Delivery Institutions strengthened.	5.1 Greater service delivery through the private sector (not quantifiable before mid-term evaluation). 5.2 Reorganization of inventory control and supply management. 5.3 Annual work plans that relate activities to budgets. 5.4 Recrorganization of administrative and financial procedures.	5.1 Enterprise and SOMARC annual report/work plans. 5.2 Annual Management Review. 5.3 Work Plans. 5.4 Annual Management Review.	

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NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
6. Buildings constructed and equipment procured.	6.1 80% of health centers provided with FP equipment and contraceptives. 6.2 X% of private centers provided FP equipment and contraceptives.	6.1 Supervisors' Reports.	
B. ASPAP			
1. Trained Rwandan staff.	1.1 8 M.S. degrees. 1.2 47 person/months short-term international training. 1.3 On-the-job training for counterparts.	1.1 ASPAP records.	1. GOR appoints suitable officials for all SESA positions. 2. Qualified candidates for training can be identified and receive travel authorizations. 3. SESA, MINIPLAN and MINIFINECO agencies play a leading role in the GOR policy process (false for SESA and MINIPLAN; true at MINIFINECO, but ASPAP interventions there are limited.)
2. Policy formulation dialogue between GOR and USAID.	2.1 GOR-USAID policy discussions and resulting policies.	2.1 Reports and GOR policies.	
3. Improved policy and management information.	3.1 At least 20 research studies completed (including 3 Ph.D. and 5 M.S. dissertations). 3.2 1 national agricultural survey completed. 3.3 4 annual surveys completed.	3.1 MINIPLAN records. 3.2 SESA reports. 3.3 MINIFINECO Records.	

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
C. FARMING SYSTEMS RESEARCH (FSRP)			
1. Development and dissemination of appropriate technologies which address major agricultural constraints.	1.1 Appropriate technologies developed for each of the following constraints: a) soil fertility and erosion. b) plant disease, especially for beans. c) insect damage. d) livestock diseases. e) small and fragmented landholdings. f) non-availability of purchased inputs.	1.1 Review of ISAR documents and research plans.	1.1 Appropriate technologies can be identified and verified in the time available.
	1.2 Technologies are practiced by ___ farmers on ___ ha by 1990.	1.2 Review/study of extension operations. Agricultural survey data.	1.2 Farmers agree to do trials on their fields and to function as seed multipliers.
2. Trained Rwandan staff.	2.1 3 Rwandans trained to Ph.D. level. 2.2 10 Rwandans trained to M.S. level. 2.3 8 Rwandans trained to B.S. level. 2.4 50 p/m training in FSR/E methodology. 2.5 125 days of FSR/E in-service training. 2.6 Extensionists and farmers trained in improved technologies.	2.1 FSRP records.	2.1 GOR identifies qualified candidates for training and provides them with exit visas opportunely.
3. Studies	3.1 20 research studies completed (including 3 Ph.D. and 5 M.S. dissertations).	3.1 FSRP records.	3.1 ISAR provides the advisors with a sufficient number of qualified counterparts.
4. Improved institutional capacity to support adaptive research, especially on s.c., food crops, and livestock.	4.1 A data base to support FSR/E established. 4.2 Linkages established with 5 international research centers. 4.3 Improved linkages with UNR. 4.4 A fully functioning farming systems approach being used at Rwehere.	4.1 FSRP records.	4.1 ISAR is interested in adopting the FSR/E approach.

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
<u>D. PRIME</u>			
Support for Strengthening GOR Policy Formulation Capacity			
1. Studies completed.	1.1 4 macro-economic studies in 1989. 1.2 6 sub-sector studies in 1989. 1.3 Privatization studies.	1.1 PRIME records.	1.1 Qualified advisors can be recruited. 1.2 Qualified counterparts are opportunely designated by GOR with appropriate remuneration. 1.3 GOR decision-makers welcome PRIME's activities, allow access to data and give feedback to the researchers.
2. Training completed.	2.1 (PRIME budget available for training, but targets not defined.)	2.1 PRIME records.	
3. Policy formulation dialogue.	3.1 A policy and study agenda is coordinated among the ministries. 3.2 A process for feeding research results into the policy formulation process is established. 3.3 Procedures established to implement and monitor policy changes. 3.4 Rwandans assume control of the policy reform process.	3.1 Interviews with PRIME and GTM personnel.	
4. Special Account disbursements of \$10.0 million in local currency to activities which promote program objectives, as recommended by GTM.	4.1 X incremental activities funded and undertaken.	4.1 Reports of executing agencies (MINIMART, BRD, BP, etc.).	

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
<u>E. IWACU PHASE I</u>			
1. Training completed.	1.1 120-150 co-ops have better-trained management. 1.2 80-100 co-op boards trained. 1.3 90-100 GOR co-op extension officers given additional training. 1.4 Co-op organizations use center for own training programs. 1.5 Regular radio broadcasts of programs about co-ops.	1.1 IWACU records.	1.1 Qualified Rwandan trainers can be recruited, and stay with IWACU. 1.2 Sufficient numbers of co-op and informal group leaders are interested in the training.
2. Studies completed.	2.1 Inventory of co-op training needs completed. 2.2 Curriculum, materials and training aids developed.	2.1 Review of inventory. 2.2 Review of materials.	
3. Institutions strengthened.	3.1 A fully operative co-op training center established. 3.2 60-80 pre-cooperative societies evolved into full co-op status. 3.3 Co-op newsletter and journal published regularly. 3.4 A co-op extension service in place and functioning.	3.1 IWACU inspection and records. 3.2 IWACU records. 3.3 IWACU records. 3.4 IWACU records.	

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
<u>F. IWACU PHASE II</u>			
1. Unite Appui Conseil Technical assistance office established.	1. UAC Technical Assistance office provides service to 30 co-ops and 3 co-op unions in finances, feasibility studies, credit applications, supervising IWACU regional agents, coordinating other organizations assisting co-ops.	1. UAC documents.	1. A sufficient number of co-ops and co-op unions capable of absorbing technical assistance are formed.
2. Training completed	2. New loan portfolios developed totaling \$20,000. 1. 10,500 student-days of resident training from scholarships and 13,500 from co-op resources. 2. 4,000 student-days of field training. 3. Regular radio extension programs, a correspondence program, training materials, posters, i experimental A/V program.	1.1 IWACU II records 1.2 " 1.3	
3. Studies completed	1. Research on co-op problems completed.	3.1	
4. Buildings and equipment	1. Equipment and supplies for radio, video, and newsletter.	4.1 IWACU II records	

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
6. TECHNOSERVE			
1. Technical Assistance	1. Delivery of assistance in accounting, management and personnel management to 100 enterprises. 2. Delivery of assistance in selection of appropriate technology to 2 enterprises.	1.1 Review of TechnoServe records & evaluation of TechnoServe project. 1.2 TechnoServe evaluation/ TechnoServe records.	
2. Training completed	1. 12 Rwandans enrolled in CPA training. 2. ___ private-sector persons receive ___ person-days of training by 1991. 3. On-the-job training carried out in 25 firms.	2. TechnoServe records.	
3. Studies completed	1. Economic and credit studies carried out. 2. Needs assessment of management training institutions performed. 3. Appropriate data bases established.	3.3	
4. Institution-building	1. 2 Management training institutions strengthened. 2. Increased NGO involvement (especially local NGOs) in enterprise development.	4.1 Evaluation of TechnoServe project. 4.2 "	

CATEGORY	PRIME	AG SURVEY AND POLICY ANALYSIS	TECHNOSERVE
MAJOR DONORS, 1986:	Belgium, PNUD, ONG, Switzerland	Belg., PNUD, ONG, Switzerland	Switzerland, PNUD, Canada
LEVELS			
PROGRAM GOAL: (COUNTRY TRENDS)			
Welfare			
Economic	\$320 GNP per capita	\$320 GNP per capita	\$320 GNP per capita
Population			
Natural Resources			
PROGRAM PURPOSE (TARGET GROUPS)			
Welfare Econ	Nominal policy change does not result in the intended economic impact		
Population			
Natural Resources			
PROGRAM OUTPUTS = PROJECT PURPOSES: BEHAVIOR			
Production			
Practices (Beneficiaries)			Approx. 20 firms with more complete double entry accounting systems. Approximately 5 firms with org. plans including sector, function, job descriptions. Personnel management changes?
Policies: Enforced	SME Loan Guarantee Fund revitalized.		SGR now more autonomous, meets more often, following Dieter rec.?
Nominal	SME Loan Guarantee Fund. Trade tariffs and quotas revised. Some price reporting changes. Procedures for Investment Code.	Drought warning system.	

CATEGORY	PRIME	AG SURVEY AND POLICY ANALYSIS	TECHNOSERVE																								
BENEFICIARY:																											
Skills		#? in data collection and analysis.																									
Awareness		Reg., seasonal food self-sufficiency. At-risk population groups																									
INSTITUTION-BUILDING:																											
	GRUPE TECHNIQUE MIXTE	SESA	TNS CLIENTS AND TNS																								
Service Delivery Quality	Accepts, rejects policy recommendations. Distributes to GOR policy makers.	Influence on policy limited due to lack of formal GOR status SESA can do routine surveys by itself. Still need help in analysis. Drought warning system. Data harmonization seminars. Internal consulting for GOR on survey methods, data processing, computer use. But still not used as basic data source.																									
Coverage (Beneficiaries, Clientele)	Access to decision makers in Ministries.	Yearly, prefecture-based national ag survey sample of 1,100 farms. Updated every year, 1/2 sample replaced annually.	TNS covers medium-sized, primarily rural businesses. About 50 clients, average 12 employees each = 600 beneficiaries.																								
Financial Self-Sufficiency		MINAGRI pays SESA salaries. ProAg calls for GOR to __% <table border="1"> <thead> <tr> <th>Year</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Minagri</td> <td>0</td> <td>20</td> <td>40</td> <td>60</td> <td>80</td> </tr> <tr> <td>Minfin</td> <td>0</td> <td>86</td> <td>86</td> <td>86</td> <td>86</td> </tr> <tr> <td>Miniplan</td> <td>0</td> <td>20</td> <td>40</td> <td>60</td> <td>80</td> </tr> </tbody> </table> Private contracts pay 25% of local costs. SESA has certain autonomy.	Year	1	2	3	4	5	Minagri	0	20	40	60	80	Minfin	0	86	86	86	86	Miniplan	0	20	40	60	80	Self-sufficiency of Rwandan operation not a TNS objective. Increased access of Rwandan firms to capital Services.
Year	1	2	3	4	5																						
Minagri	0	20	40	60	80																						
Minfin	0	86	86	86	86																						
Miniplan	0	20	40	60	80																						
HR, Tech. Self-sufficiency		SESA accounting unit computerized.	6 Rwandan professionals at TNS 2 Rwandans left TNS to Rwandan private sector																								

CATEGORY	PRIME	AG SURVEY AND POLICY ANALYSIS	TECHNOSERVE
MAJOR OUTPUTS			
Dialogue with GOR, decision makers	Effect on small, medium business of: tax structure, credit policy, tariffs, licenses, business controls, regs.	Pros and cons of SESA and "Incobris" data, rigor vs. coverage. Pricing policy. Present results at GOR meetings.	Recommends clients to BRD Rec: more autonomy, more frequent meetings for SGF. Sunflower oil pricing policy MINIMART, Nat. U., MINAGRI
Studies, Publications, Demonstrations	18 studies Financial community, Garment, construction, wood, traditional beverages, etc. industries.	National agricultural surveys, data base, up-dated yearly since 1985. Crop production, cultivated surface fertilizer used, crops cultivated sorghum trade transactions, house-	Guarantee Fund, demand analysis, institutional survey, agro-industry survey, banana juice extraction, sunflower oil extraction.

CATEGORY	CLUSA	FARMING SYSTEMS RESEARCH	MARAIS MANAGEMENT
MAJOR DONORS, 1986:	Switzerland, PHUD, Canada	USA, FAO	
LEVELS			
PROGRAM GOAL: (COUNTRY TRENDS)			
Welfare			
Economic	\$320 GNP per capita	\$320 GNP per capita	\$320 GNP per capita
Population			
Natural Resources			
PROGRAM PURPOSE (TARGET GROUPS)			
Welfare Econ	360 client coops pay 950 coop employees earn \$40,000/month. Coop union handles 12% coffee crop.		
Population			
Natural Resources			
PROGRAM OUTPUTS = PROJECT PURPOSES: BEHAVIOR			
Production	Figures will be collected from a sample of coops on: brick production, pottery, handicrafts, sorghum milling, marketing.		Base production may have almost doubled in client farmers' ponds. Low fish sales.
Practices (Beneficiaries)	27 coops market beans according to IWACU storage training.	Client Questionnaire?	Fish feeding, fertilizing already practiced? Increasing fish consumption.
Policies:			
Enforced			Building of houses in marais prohibited.
Nominal			Jurisdiction over marais delivered to communes.

CATEGORY	CLUSA	FARMING SYSTEMS RESEARCH	MARAIIS MANAGEMENT
BENEFICIARY			
Skills	Results of tests?		
Awareness			
INSTITUTIONAL-BUILDING	IWACU COOP MOVEMENT		CADRE OF FISHERY EXTENSIONISTS
Service Delivery Quality	TA and guarantee from IWACU obtained: \$227 K credit for coops \$233 K new loans for 10 coops. Trained by IWACU: 1,800/yr, overlaps, turnover.	Biometry unit established at Rubona.	Weekly visits by monitors to each fish farmer. The fish extensionists may be an important resource when broader marais activities occur under NRMS.
Coverage (Beneficiaries, Clientele)	360 coop clients, 80,000 members, 8,000 women members, 950 coop employees	4 communes, 2 agro-climatic zones, 120 farmers/families	6 fish stations, 5 prefectures, 1,458 farmers, 525 ponds.
Financial Self-sufficiency	IWACU 90% self-sufficient. 4,400 person-days rented.		GOR has picked up salaries of fisheries extensionists. Project Director estimates can cover 75% of recurrent (excluding salaries paid by Ministry) costs using receipts from Stations.
HR, Tech. Self-sufficiency	Management 100% Rwandan since 1/88. Computer accounting system 25% revenues from contract.	4 of four promised counterparts provided. Other duties prevented Minagri integration.	2/6 centers operational? National center has fish ponds combined with pigs, chickens, ducks, a restaurant, and a sport fishing pond.
MAJOR OUTPUTS			
Dialogue with GOR, decision makers	New coop law, IMINIJEUCOOP. Pricing policy. Many boards.	Integration FSR/ISAR. Estrangement, reconciliation? (No formal FSR/GOR agreement)	Conference, 60 decision makers: Dangers of marais drainage. Soil fertility in marais not necessarily high. Farmers have sound marais practices. Value of "polyvalent" extensionists with training in marais management.
Studies, Publications, Demonstrations	Time series, data base for bean prices. Coop inventory. Coop stores feasibility study. Coop managers, simple accounting manuals.	Survey of farmer priorities. Soil fertility. Disease resistant, high yield beans. And preparation to increase wheat yields. Sweet potatoes planting procedure.	Studies of marais: socio-economics, agronomy, hydrology, compost and rice as foods for fish culture.

CATEGORY	COLLINE MANAGEMENT	FAMILY PLANNING
MAJOR DONORS, 1986:		USA, FNUAP, ONG
LEVELS		
PROGRAM GOAL: (COUNTRY TRENDS)		
Welfare		
Economic	\$320 GNP per capita	\$320 GNP per capita
Population		6.8 million people
Natural Resources		3.7%/yr increase
PROGRAM PURPOSE (TARGET GROUPS)		
Welfare Econ		
Population Natural Resources		
PROGRAM OUTPUTS = PROJECT PURPOSES: BEHAVIOR		
Production		
Practices (Beneficiaries)	Some demonstration effect of prevention practices.	20,699 users (1.7%) 20% user increase/yr 33%/yr drop out?
Policies:		
Enforced		ONAPO built, staffed 130/184 health centers, integrated.
Nominal		Population growth nat. priority. ONAPO established 1982. FP restrictions removed. FP methods legalized.

CATEGORY	COLLINE MANAGEMENT	FAMILY PLANNING
BENEFICIARY		
Skills		Results of tests, other evidence?
Awareness		85% awareness of ONAPO. 40% women want contraceptives. 20% women, 34% men want to stop having children.
INSTITUTIONAL-BUILDING		
Service Delivery Quality	Little progress at acquiring an institutional home.	ONAPO, MCH/FP CENTERS Information dissemination. Mass media strong. Data collection, analysis partial. Service delivery, partial.
Coverage (Beneficiaries, Clientele)		30% of women exposed by radio. Visitors?
Financial Self-sufficiency	Severe financial restraints cited as explaining the above.	GOR contribuion to covering recurrent costs went from FRW 41 M to FRW 76 M 1984-1987.
HR, Tech. Self-sufficiency		
MAJOR OUTPUTS		
Dialogue with GOR, decision makers	Regional workshop, 400 attendees: water, soil, trees, people Linkages. Value of comprehensive natural resource data bases. The effect of mining wastes.	
Studies, Publications, Demonstrations	Studies of collines: socio-ecology, soil conservation, water, agro-ecology, watershed monitoring. Demonstration of arresting soil erosion.	16 research studies on FP practices, attitudes, demography.

ANNEX D: SCOPE OF WORK

UNCLASSIFIED
Department of State

INCOMING
TELEGRAM

PAGE 01 OF 03 KIGALI 01346 00 OF 04 220946Z 0063 076100 A10039Z
ACTION AID-00

KIGALI 01346 00 OF 04 220946Z 0063 076100 A10039Z
MOST DIRECTLY AFFECT THE INVESTMENT CLIMATE IN RWANDA.

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ACTION OFFICE AIFA-03
INFO ARAF-03 AFOP-06 SEOP-01 FPA-07 AFPO-04 SERP-01 AFTR-05
PPCE-01 PPPD-02 GC-01 GCAF-01 SEOS-02 PPDC-01 GCCM-02
STAG-02 PPR-01 STFM-02 SAST-01 AFPE-01 RELO-01 PRE-06
/055 A4 NL22

ACTIVITIES:

--1,140--; 3:0,9,0: 0910:6 43194./PRIME (696-0127);

--COOPERATIVE TRAINING (696-0123);

--PRIVATE ENTERPRISE DEVELOPMENT (696-0121)

INFO LOG-00 AF-00 CIAE-00 EB-00 OODE-00 /000 V
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C. OBJECTIVE THREE: TO STRENGTHEN THE CAPACITY OF
SELECTED INSTITUTIONS TO DEVELOP AND TRANSFER
TECHNOLOGY, INCLUDING BIOLOGICAL AS WELL AS
NON-BIOLOGICAL INTERVENTIONS, NEEDED FOR A PRODUCTIVE
AND PROFITABLE AGRICULTURE.

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SUBJECT: USAID/RWANDA INTERNAL PROGRAM REVIEW

REF: KIGALI 1079

1. MISSION HAS PREPARED AND AGREED UPON FOLLOWING TERMS
OF REFERENCE FOR CONSULTANT SERVICES TO ASSIST IN
CONDUCTING AN INTERNAL PROGRAM REVIEW.

2. TEXT FOLLOWS.

PROGRAM EVALUATION - USAID/RWANDA

THE PURPOSE OF THE EVALUATION IS TO IMPROVE THE PROGRAM BY
(1) ASSESSING WHETHER ACTIVITIES ARE CONSISTENT WITH
STRATEGY OBJECTIVES; (2) ASSISTING IN IDENTIFYING
CONSTRAINTS TO A KEY PROGRAM OBJECTIVE -- EMPLOYMENT
GENERATION; AND (3) IDENTIFYING INDICATORS (BENCHMARKS) TO
MONITOR MORE SYSTEMATICALLY PROGRAM ACTIVITIES.

I. BACKGROUND.

THE MISSION HAS AN APPROVED COSS (JUNE 1987) AND ACTION
PLAN (JULY 1987) IN THE FY 1989 ANNUAL BUDGET SUBMISSION.
IN SUMMARY, THE MISSION STRATEGY OBJECTIVE IS TO INCREASE
RURAL PER CAPITA INCOME BY REDUCING THE RATE OF POPULATION
GROWTH AND INCREASING RURAL INCOMES. IN THE PAST YEAR THE
MISSION HAS MADE SIGNIFICANT PROGRESS IN PLANNING THE
POPULATION PROGRAM AND NATURAL RESOURCE MANAGEMENT
ACTIVITY. HOWEVER, WE STILL HAVE QUESTIONS ABOUT HOW TO
OPERATIONALIZE OUR EMPLOYMENT GENERATION STRATEGY.
REDUCING UNDEREMPLOYMENT AND UNEMPLOYMENT IS CRUCIAL TO
ACHIEVING USAID'S OVERALL PROGRAM OBJECTIVES, THE MISSION
THUS SEEKS HELP IN FORMULATING ITS ASSISTANCE STRATEGY FOR
THIS PROGRAM ELEMENT.
THERE ARE THREE ELEMENTS (VOLETS) OF THE MISSION PROGRAM
WITH A TOTAL OF SEVEN CORE BILATERAL PROJECTS AND ONE
CROSS CUTTING ACTIVITY.

A. OBJECTIVE ONE: TO PROVIDE INFORMATION, EDUCATION
AND TECHNOLOGY THROUGH A RANGE OF INSTITUTIONS, TO
ASSURE THAT INFORMED DECISIONS ABOUT FAMILY PLANNING CAN
BE MADE AND THAT FAMILY SIZE DECREASES.

ACTIVITY:

--FAMILY PLANNING I) (696-2120)

B. OBJECTIVE TWO: TO UPGRADE THE CAPACITY OF KEY
MINISTRIES, AGENCIES AND INSTITUTIONS WHOSE ACTIVITIES

ACTIVITIES:

--FARMING SYSTEMS RESEARCH PROJECT (696-0110), INCLUDING
SAARFA (696-0435.11);

--NATURAL RESOURCE MANAGEMENT (696-0129), INCLUDING POND
DYNAMICS CRSP, ETMA/RRAM, COMMUNAL AFFORESTATION, CARE
GITUZA FORESTRY, AFRICARE REFUGEE RELIEF, FISH CULTURE,
WHS II ARE ENDING;

--AGRICULTURAL SURVEYS AND POLICY ANALYSIS (696-0126).

D. CROSS-CUTTING ACTIVITY:

THE MISSION PLANS TO OBLIGATE APPROXIMATELY USDOBS
300,000 FOR
THE HUMAN RESOURCES DEVELOPMENT ASSISTANCE PROJECT IN FY
1988. MISSION WILL USE THIS PROJECT: (1) WHEN TRAINING

FUNDS ARE NOT CONTAINED IN AN ACTIVITY; (2) FOR START-UP
OR PRE-PROJECT TRAINING; (3) FOR STUDY TOURS AND
SHORT-TERM TRAINING FOR KEY POLICY ACTORS; AND (4) FOR
STUDY TOURS AND/OR LONG-TERM TRAINING FOR SPECIAL TARGET
AUDIENCES (CLIENTS) SUCH AS WOMEN.

THE MISSION WILL USE PERFORMANCE BASED PROGRAMING TO
ALLOCATE A.I.D. RESOURCES TO THOSE ACTIVITIES AND
SECTORS WHERE THE BEST RECORD OF PERFORMANCE IS
DEMONSTRATED. BECAUSE OF THIS, IT IS EXTREMELY
IMPORTANT THAT THE MISSION HAVE A MONITORING SYSTEM
WHICH ALLOWS PROGRAM PROGRESS TO BE TRACHED.

II. KEY MANAGEMENT QUESTIONS

1. WHAT ARE THE KEY CONSTRAINTS (INSTITUTIONAL AND
POLICY) TO GENERATING RURAL EMPLOYMENT? (IN FY 1988 A
NEW START PROJECT/PROGRAM WILL BE NEGOTIATED WITH THE
GOVERNMENT/PRIVATE SECTOR. PLANNING FOR THE DESIGN OF
THIS ACTIVITY IS BEGINNING NOW.)

2. CAN THE CURRENT PROJECT PORTFOLIO ADEQUATELY ADDRESS
THE PROGRAM TARGET OF INCREASING RURAL INCOME?

3. IS THE MISSION MAKING ADEQUATE PROGRESS IN ACHIEVING
ITS ACTION PLAN TARGETS? WHAT INFORMATION DO WE NEED
AND HOW DO WE OBTAIN IT TO MONITOR PROGRESS?

III. TASKS AND WORK STATEMENT - THE CONSULTANT(S) WILL:

1. HELP THE MISSION PREPARE A LOGICAL FRAMEWORK WHICH
REFLECTS THE COSS AND FACILITATES A MISSION CRITIC OF
THE STRATEGY. SPECIFICALLY:

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CRITIQUE CURRENT PROGRAM INDICATORS (MEANS OF
RIFICATION) AND RECOMMEND NEW ONES PARTICULARLY FOR
INPUTS/OBJECTIVES;

-EXAM THE VALIDITY OF ASSUMPTIONS, ESPECIALLY AT THE
INPUT LEVEL; IDENTIFY UNSTATED OR NEW ASSUMPTIONS; AND

-MAKE RECOMMENDATIONS TO REVISE PROGRAM INDICATORS AS
ARRANGED.

CONDUCT A WORKSHOP TO REVISE PROGRAM LOG-FRAME AND
IDENTIFY KEY INDICATORS FOR TRACKING PERFORMANCE.

CONDUCT A MID-TERM REVIEW OF PERFORMANCE USING THE
1989 ABS ACTION PLAN.

IDENTIFY MONITORING AND PERFORMANCE DATA THAT THE
MISSION NEEDS, AND RECOMMEND SOURCES AND WAYS TO OBTAIN
THEM ON A REGULAR BASIS.

RECOMMEND SIMPLIFICATION IN CONTRACT REPORTING
REQUIREMENTS.

IF TIME ALLOWS, CONDUCT ONE SEMINAR FOR MISSION,
PROJECT AND FOR STAFF ON EVALUATION AND MONITORING
SYSTEMS.

IV. METHODOLOGY

1. REVIEW PERFORMANCE DATA BEING COLLECTED FROM EACH OF
THE ON-GOING PROJECTS.

2. REVIEW MISSION EVALUATION DOCUMENTS OF THE PRIVATE
ENTERPRISE DEVELOPMENT PROJECT (PARTICULARLY THE BESS
REPORT DONE FOR TECHNOSERVE), CLUSA AND IWACU REPORTS,
CARE GITUZA FORESTRY PROJECT EVALUATIONS AND REPORTS.
MEET MEMBERS OF THE PRIME GROUP TECHNIQUE AND REVIEW
COMPTE RENDEU OF THEIR MEETINGS. INTERVIEW CONTRACTORS,
CONSULTANTS, AND RWANDAN COUNTERPARTS PARTICIPATING IN
THESE ACTIVITIES.

3. REVIEW MISSION EVALUATION PLANNING, PROJECT
IMPLEMENTATION REVIEW, AUDIT AND OTHER MONITORING
SYSTEMS. SUMMARIZE INFORMATION BEING PROVIDED.

4. CONDUCT A SERIES OF INTERVIEWS WITH STAFF OF SEVEN
CORE PROJECTS.

THIS EXERCISE IS AN INTERNAL MISSION REVIEW AND
THEREFORE NO HOST COUNTRY REPRESENTATIVE WILL BE A TEAM
MEMBER. HOWEVER THE REVIEW SESSIONS WITH PROJECT STAFF
WILL INCLUDE RWANDAN COUNTERPARTS. THE PROGRAM OFFICER
WILL BE AVAILABLE APPROXIMATELY HALF TIME TO WORK WITH
THE CONSULTANTS AND PERIODIC INTERVIEWS WILL BE NEEDED
WITH EACH MISSION DIVISION CHIEF.
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V. TEAM COMPOSITION

ONE OR TWO PERSONS ARE NEEDED TO WORK WITH THE MISSION
PROGRAM OFFICER FOR A PERIOD OF TWO TO THREE WEEKS.
BECAUSE THE MISSION INTERVENTIONS COVER FAMILY PLANNING,
PROMOTION OF THE PRIVATE SECTOR, NATURAL RESOURCES AND
FARMING SYSTEMS RESEARCH, TECHNICAL SPECIALITIES IN ONE

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OF THE ABOVE SECTORS IS DESIRABLE. HOWEVER, AS THIS
REVIEW WILL FOCUS PRIMARILY ON THE "CREATING RURAL
EMPLOYMENT" ELEMENT OF THE STRATEGY, THE ONLY TECHNICAL
AREA WHERE EXPERTISE IS REQUIRED IS IN RURAL ENTERPRISES
AND PRIVATE SECTOR DEVELOPMENT. CONSULTANTS MUST HAVE
EXTENSIVE EVALUATION EXPERIENCE, INCLUDING SOME AT THE
PROGRAM LEVEL. ALL CONSULTANTS MUST HAVE EXCELLENT
FRENCH SKILLS; A MINIMUM OF AN FST RATING OF 3/3 IS
REQUIRED, BUT HIGHER RANKING IS DESIRABLE, PARTICULARLY
IF ITEM III.6 IS TO BE ACCOMPLISHED.

VI. FUNDING

THE MISSION REQUESTS NEGOTIATION WITH A QUALIFIED IBC
(PREFERABLY NSII). CONTRACTOR SHOULD BE ASKED FOR BUDGET
BASED ON NUMBER OF WORK DAYS PROPOSED.

VII. REPORT

THE FOCUS OF THIS EXERCISE IS IMPROVING MISSION
PROGRAMMING; THEREFORE, THE EMPHASIS OF THIS CONSULTANCY
IS NOT ON A FINAL REPORT PER SE. RATHER SEVERAL
PRODUCTS SHOULD BE LEFT BEHIND BY THE CONSULTANTS, VIZ:

1. A REVISED MISSION PROGRAM LOGICAL FRAMEWORK,
INCLUDING PARTICULARLY THE OBJECTIVELY VERIFIABLE
INDICATORS AND MEANS OF VERIFICATION COLUMNS.

2. RECOMMENDATIONS FOR ESTABLISHING A MISSION
MONITORING AND EVALUATION SYSTEM. THIS WILL INCLUDE BUT
NOT NECESSARILY BE LIMITED TO THE FOLLOWING:
IDENTIFICATION OF INFORMATION ROUTINELY NEEDED FROM
PROJECTS AND OTHER SOURCES; HOW THIS DATA SHOULD BE
COLLECTED; WHO MIGHT BE RESPONSIBLE FOR COLLECTION AND
REVIEW OF THE DATA; GUIDELINES FOR SIMPLIFYING PROJECT
AND CONTRACTOR REPORTING.
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3. OBSERVATIONS/RECOMMENDATIONS REGARDING THE FUTURE
DIRECTIONS OF THE ACTIVITIES WHICH WILL SUPPORT THE
MISSION STRATEGY OBJECTIVE OF CREATING RURAL EMPLOYMENT.

A RELATIVELY SHORT REPORT OF 10 TO 15 PAGES IS REQUIRED
TO COVER ITEM TWO; TABLES SHOULD BE USED TO PRESENT
FUNDINGS AND RECOMMENDATIONS. A FINAL VERSION OF ITEM
ONE AND A DRAFT OF ITEM THREE ARE EXPECTED PRIOR TO THE
CONTRACTORS' DEPARTURE FROM RWANDA. THE FINAL REPORT
FOR ITEMS TWO AND THREE SHOULD BE SUBMITTED TO THE
MISSION NOT LATER THAN TWO WEEKS AFTER THE CONTRACTORS'
DEPARTURE FROM RWANDA.

VIII. SOURCE DOCUMENTS

A. TO REVIEW BEFORE ARRIVAL:

-COSS BEGINNING FY 1988
-ABS FOR FY 1989
-EVALUATION OF AID'S PARTICIPANT TRAINING PROGRAM IN
RWANDA, OCTOBER 1987 (ASK AFR/TR/ENR FOR A COPY OF THE
ELMER REPORT)
-COPY OF DRAFT PROGRAM LOGICAL FRAMEWORK SENT TO AFR/DP
EVALUATION OFFICER.

B. AVAILABLE AT POST:

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FERTILITY SURVEY (OMAPD)
NATIONAL AGRICULTURAL SURVEY (MINAGRI)

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CONSULTANTS AND ADVISE OF AVAILABILITY BY CABLE. MISSION
HAS RECEIVED PDS ALLOWANCE AND IS PREPARE TO PROVIDE FUND
CITATION UPON RECEIPT OF AN ILLUSTRATIVE BUDGET. WE
REALIZE THAT TIME IS SHORT, BUT WOULD APPRECIATE YOUR
SUPPORT IN TEAM RECRUITMENT.

RURAL HOUSEHOLD BUDGET AND CONSUMPTION SURVEY (MINIPLAN)
SERIES OF SUB-SECTOR STUDIES DONE IN CONJUNCTION WITH
(PRP FOR RWANDA (MINIFINECO))
SERIES OF POLICY STUDIES DONE BY AG SURVEY AND
STATISTICS SERVICE (ISEGA/MINAGRI)

IX. LOGISTICS AND PLANNING BUDGET

A. SALARY AND BENEFITS - DEPENDS ON NUMBER OF
CONSULTANTS IDENTIFIED; PLEASE ADVISE PROPOSED NUMBER OF
DAYS, NAMES OF CONSULTANTS WITH BIO-DATA, AND DAILY
RATES FOR EACH. ADVISE OF LOC FACTOR OR OTHER
OVERHEAD/BENEFITS.

B. PER DIEM

KIGALI RATES AS FOLLOWS:

KIGALI USDOLS 127
KIGALI (GOVT QUARTERS) USDOLS 94 (ESTIMATE NOT MORE THAN
FIVE DAYS OUTSIDE KIGALI. MOST PROJECT STAFF WILL COME
TO KIGALI).
OUTSIDE KIGALI USDOLS 14

C. TRAVEL

-AIR FARE TO KIGALI ARRANGED BY CONTRACTOR.
-IN-COUNTRY TRAVEL WILL BE ARRANGED BY THE MISSION AND
REIMBURSED BY THE CONTRACTOR (EXPENSES WILL NOT EXCEED
USD 500.).

D. LOGISTIC AND SECRETARIAL

-BUDGET SHOULD INCLUDE CAR/TAXI RENTAL AT USD 55/DAY.
-SECRETARIAL SUPPORT AND DOCUMENT TRANSLATION TO BE
PROVIDED BY MISSION PROGRAM OFFICE SECRETARY AND
TRANSLATOR.
-MISSION EXTERNAL LIAISON OFFICER WILL ASSIST WITH
SCHEDULING FOR MEETINGS.
-MISSION RECOMMENDS LOCAL HIRE FOR LOGISTIC TYPING
SUPPORT; SHOULD INCLUDE APPROXIMATE USD 12/HOUR IN
CONTRACTOR'S BUDGET.
-PERSONAL CHECK CASHING PRIVILEGES AT EMBASSY.
-VAL-IN HEALTH ROOM PRIVILEGES, A MINIMAL FEE IS CHARGED
FOR ANY MEDICATION AND CONSULTATION.

E. MISCELLANEOUS

-ALL CONSULTANTS SHOULD TRAVEL WITH SOS OR EQUIVALENT
MEDIVAC INSURANCE.
-VISAS, PRE-DEPARTURE MEDICALS AND VACCINATIONS AND OTHER
TRAVEL ARRANGEMENTS ARE THE RESPONSIBILITY OF THE
CONTRACTOR.
-CONTRACTOR IS ASKED TO SUPPLY FLIP CHART PAPER FOR
SEMINARS. COST NTE USDOLS 100

11. TIMING:

TO BE OF MAXIMUM UTILITY TO THE MISSION, THIS CONSULTANCY
SHOULD TAKE PLACE BEFORE PREPARATION OF THE ADS FOR FY
1990, I.E. EARLY APRIL. APPROXIMATELY TWO TO THREE WEEKS
OF WORK IS ESTIMATED, BUT ACTUAL DATES WILL BE
ESTABLISHED BASED ON CONSULTANTS AVAILABILITY AND TEAM
MIX PROPOSED BY THE CONTRACTOR.

3. FOR ACTION: REQUEST AFR/DP RECRUIT QUALIFIED

4. ANY COMMENTS ON TERMS OF REFERENCE ARE WELCOME.

5. FOR AFR/DP: PLEASE CONFIRM REFTEL PLAN. DRAFT
PROGRAM AND INDIVIDUAL PROJECT LOG FRAMES POUCHED 3/22/80
TO EVALUATION OFFICER. PLEASE NOTIFY IF ANY SOURCE
DOCUMENTS IN PARA VIII A. NOT AVAILABLE IN WASHINGTON.
PROGRAM OFFER'S HOME PHONE 82531 AND OFFICE 75746,
73950, 73233. DE WILCOE

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ANNEX E
LE PLAN "PACTE"
(PARTICIPATION AUX ACTIONS ET AU CAPITAL
PAR LES TRAVAILLEURS DE L'ENTREPRISE)

RESUME EXPLICATIF

Dans le souci de promouvoir le développement économique et social, la plupart des pays en développement ont constitué, dans le passé, plusieurs entreprises parastatales. Néanmoins, la performance économique de telles entreprises s'avérait souvent décevante, et beaucoup d'entre elles sont devenues un fardeau pour le Trésor Public.

Par conséquent, plusieurs pays en développement sont en train d'étudier ou d'effectuer la privatisation de certaines sociétés parastatales. Mais les tentatives de privatisation se heurtent souvent aux craintes des Gouvernements relatives à l'influence que pourraient avoir, sur l'économie nationale, de petits groupes économiquement puissants ou des intérêts étrangers. Les employés des entreprises concernées, eux aussi, peuvent se montrer réticents à l'égard de la privatisation.

Ces problèmes peuvent être résolus et la rentabilité des entreprises peut également s'accroître de façon significative grâce à la mise en place du plan PACTE (Participation aux Actions et au Capital par les Travailleurs de l'Entreprise).

Le plan PACTE, connu en anglais sous le terme "ESOP" (Employee Stock Ownership Plan), est une nouvelle technique financière qui connaît une expansion prodigieuse aux Etats-Unis d'Amérique. Depuis 1974, plus de 9 millions d'employés ont acquis des actions dans environ 9000 sociétés, y compris quelques unes des plus importantes aux Etats-Unis, grâce au plan PACTE. L'innovation du plan PACTE vient du fait que les employés acquièrent des actions individuelles au moyen du crédit, sans paiement en espèces ni réduction de salaire de leur part. Le crédit est remboursé sur une période s'étendant sur plusieurs années grâce à l'augmentation des recettes de la société - les employés paient leurs actions grâce à la croissance de leur productivité. Les employés reçoivent leurs actions à leur retraite, mais obtiennent, dès la première année, des dividendes de leurs actions si la société fait des bénéfices. Le Congrès Américain a promulgué une vingtaine de lois visant à la promotion de la participation des employés. Le plan PACTE présente des avantages pour les employés, la direction, les propriétaires actuels et les banques. Aux Etats-Unis d'Amérique, les sociétés qui bénéficient d'une participation importante de leurs employés au capital social ont en moyenne une rentabilité plus élevée de 50% par rapport à celle des sociétés qui n'en ont pas. Au Canada, la rentabilité des sociétés bénéficiant d'une participation importante des employés aux actions est supérieure de 92% par rapport aux autres sociétés. Dans les sociétés où la participation des employés au capital social est importante, l'augmentation annuelle de la productivité a été de trois fois supérieure, tandis que les conflits direction travailleurs et les demandes de salaires inflationnistes se réduisent de façon impressionnante.

Plusieurs pays en développement, le Mexique et la Malaisie notamment, ont appliqué sur une large échelle les plans de participation des employés au capital de l'entreprise, adaptés à leurs conditions particulières, avec des résultats très encourageants, et plusieurs autres pays (l'Égypte, l'Indonésie, par exemple) sont en train d'introduire ou d'étudier activement de tels plans.

Dans les pays en développement qui suivent une politique de privatisation de certaines sociétés parastatales, l'application du plan PACTE devrait être beaucoup plus simple que celle du modèle utilisé aux États-Unis d'Amérique. La vente de tout ou partie des actions d'une entreprise à ses employés au moyen du crédit (alliée à une gestion améliorée et à des investissements destinés à la modernisation) peut accroître la rentabilité, réduire les déficits gouvernementaux, contribuer à une meilleure distribution des avantages économiques et sociaux, et donner l'assurance du soutien des employés quant à la politique de privatisation.

Le seul investissement nécessaire permettant aux employés d'acquérir des actions dans l'entreprise, selon cette méthode, consiste en une assistance technique de courte durée afin d'établir le plan PACTE dans une ou plusieurs sociétés pilotes. Le bureau-conseil "Equity Expansion International" est la seule firme existante qui a pour objectif et savoir-faire l'établissement, dans les pays en développement, de plans de participation des employés au capital de l'entreprise.

La problématique actuelle des entreprises parastatales

Dans le souci de promouvoir leur développement économique et social, la plupart des pays en développement ont cru bon, particulièrement dans les années 1960-1980, de constituer plusieurs entreprises parastatales. Ces entreprises avaient pour but d'exploiter les ressources naturelles en vue du bien-être commun, de mettre en place de nouvelles activités industrielles et de permettre à l'Etat de contrôler certaines activités stratégiques. Parfois, des sociétés parastatales ont été constituées afin de prendre en charge des exploitations qui, auparavant, appartenaient à des intérêts étrangers.

Malheureusement, dans la plupart des cas, les sociétés parastatales n'ont pas été à la hauteur de ce qu'on aurait pu en attendre et les espoirs, fondés sur leur constitution, ont été déçus. La performance économique décevante de la majorité des sociétés parastatales est un phénomène universel. Ces sociétés, très souvent, produisent des biens de qualité médiocre, et rendent des services insatisfaisants au consommateur, à des prix élevés (à moins qu'elles ne soient subventionnées), et sont la cause de déficits substantiels pour le Gouvernement. Beaucoup de pays en développement, qui font face à des difficultés budgétaires, ont amorcé le processus de la privatisation de leurs entreprises parastatales pour réduire les charges qui pèsent sur le Trésor Public.

Cependant, les tentatives de privatisation des entreprises parastatales se heurtent souvent aux craintes des Gouvernements de voir ces entreprises devenir la propriété de petits groupes économiquement puissants, d'une ethnie minoritaire ou d'intérêts étrangers qui risquent de n'avoir pas pour ligne directrice et objectif le bien-être commun. Les employés, eux aussi, ont parfois montré une certaine réticence à l'égard de la privatisation. Ils craignent en effet que le rachat de l'entreprise par des entrepreneurs privés n'aboutisse à une perte de certains bénéfices ou même au licenciement de plusieurs travailleurs. Pourtant, ces soucis qu'ont les Gouvernements peuvent disparaître, et la réticence des employés transformée en appui positif à la privatisation, tandis que la motivation des employés et la rentabilité de l'entreprise peuvent s'accroître d'une façon remarquable grâce à la mise en place du plan PACTE (Participation aux Actions et au Capital par les Travailleurs de l'Entreprise). Le plan PACTE est une adaptation, spécifique à chaque pays en développement, de la technique financière moderne connue aux Etats-Unis d'Amérique sous la dénomination "ESOP" (Employee Stock Ownership Plan, soit "Plan pour l'Acquisition d'Actions par les Employés").

L'expérience concernant la participation des employés au capital de l'entreprise, aux Etats-Unis d'Amérique

Le mouvement ESOP a connu une croissance spectaculaire aux Etats-Unis d'Amérique. Depuis 1974, environ 9000 sociétés sont devenues, en tout ou partie, la propriété de leurs employés, grâce aux plans ESOP, et plus de 9 millions d'employés sont devenus actionnaires. Chaque année, plus de 1000 sociétés employant plus d'un million de travailleurs deviennent la propriété des employés. Les plus connues parmi ces sociétés sont les suivantes:

- AVIS (la seconde plus grande entreprise de location de voitures du monde - plus de 20.000 employés - propriété des employés à 100%);
- Chrysler Corporation (propriété des employés à 12%);
- Pan Am (propriété des employés à 13%);
- Eastern Airlines (37.000 employés - propriété des employés à 25%);
- Western Airlines (10.500 employés - propriété des employés à 32%);
- Parsons Corp. (8.000 employés - l'une des sociétés de construction les plus grandes du monde - propriété des employés à 100%);
- Weirton Steel (8.400 employés - l'aciérie américaine devenue la plus rentable - propriété des employés à 100%);
- U.S. Sugar (2.400 employés - la plus grande entreprise sucrière américaine - propriété des employés à 43%);
- Lowe's Companies (15.000 employés - le plus grand fournisseur de matériaux de construction aux Etats-Unis d'Amérique - propriété des employés à 25%);
- Science Applications International (3.600 employés - propriété des employés à 84%);
- Publix Supermarkets (37.000 employés - propriété des employés à 100%);
- Hewlett-Packard Computers, Texas Instruments, Arthur D. Little, etc...

Bien que des plans de participation aux bénéfices, des systèmes de primes par le biais de dons d'actions, ou de vente à prix réduit d'actions aux employés aient existé aux Etats-Unis depuis longtemps, l'expansion prodigieuse de la détention des actions par les employés se produit grâce à une nouvelle méthode de financement connue sous la dénomination d'ESOP (Employee Stock Ownership Plan). Pour résumer brièvement, on peut dire que, par le biais d'un plan ESOP, tous les employés reçoivent un prêt qui leur permet d'acheter des actions de leur entreprise au moyen du crédit; au bout d'un certain nombre d'années le prêt est remboursé grâce à l'augmentation des recettes, et les employés deviennent propriétaires de leurs actions. Les employés reçoivent leurs actions à leur retraite (se montant, aux Etats-Unis d'Amérique, en moyenne, à 124.000 \$ US chaque). Cependant, sitôt la première année de l'établissement d'un plan ESOP, si l'entreprise est rentable, chaque employé reçoit des dividendes sur les actions qu'il possède.

Le Congrès Américain a déclaré que l'accession à la propriété sur une grande échelle doit être un but majeur de sa politique économique (au même titre que le plein emploi), et a promulgué une vingtaine de lois visant à la promotion de la participation des employés au capital. L'ESOP présente des avantages simultanément pour les employés, la direction, les propriétaires

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actuels et les banques. Actuellement, la façon la moins coûteuse pour les sociétés américaines d'augmenter leur capital est d'émettre de nouvelles actions et les vendre à leurs employés au moyen du crédit, tandis que la méthode la plus avantageuse de vendre leurs sociétés, pour les propriétaires de celles-ci, est de les vendre à leurs propres employés au moyen des plans ESOP.

L'innovation qui a mené au succès du financement ESOP tient au fait que les employés acquièrent des actions au moyen du crédit sans mise de fonds en espèces ni de réduction de salaires. Cependant, les employés ne reçoivent pas les actions en prime - ils paient entièrement les actions grâce à la croissance de leur productivité.

Le plan ESOP partage les mêmes objectifs que le mouvement coopératif. Néanmoins, les ESOPs ont connu une expansion phénoménale, tandis que les résultats économiques des coopératives étaient, en général, bien plus modestes parce que, dans un ESOP, chaque employé détient la propriété individuelle d'un certain nombre d'actions. Par conséquent, chaque employé est conscient que sa performance économique a des répercussions sur la valeur de son capital et il agit en tant que propriétaire.

Les effets de la détention des actions par les employés sur la productivité ont été impressionnants. Les grèves ont totalement disparu lorsque les employés sont devenus des propriétaires d'actions, et les conflits direction-travailleurs se sont transformés en travail d'équipe. Les employés ressentirent la motivation de travailler mieux et de donner l'exemple; d'arrêter les gaspillages et d'accroître la production. Les recherches menées aux Etats-Unis d'Amérique montrent que les sociétés bénéficiant d'une participation importante des employés au capital social ont en moyenne une rentabilité plus élevée de 50% par rapport à celle des sociétés qui ne l'ont pas, et que la rentabilité s'accroît avec le pourcentage de participation des employés au capital social. Dans les sociétés qui sont, pour une part importante, la propriété de leurs employés, l'augmentation de la productivité annuelle par employé a été de trois fois supérieure (4.0% contre 1.3% par an).

Le Canada a également eu une expérience très positive en ce qui concerne la participation des employés au capital de l'entreprise. Sur plus de 1000 sociétés cotées à la Bourse de Toronto (la 7^{ème} du monde), 64% bénéficient de l'actionnariat des employés, partiel ou total. La rentabilité des sociétés qui bénéficient d'un actionnariat significatif de leurs employés a été supérieure de 92% à celle des sociétés autrement comparables. L'application du système de détention des actions par les employés s'étend maintenant en Allemagne (cas de l'usine Volkswagen), en Grande-Bretagne, en Belgique et dans d'autres pays industrialisés.

Expérience dans les pays en développement

Le plan "ESOP" n'est qu'une application américaine particulière d'une philosophie économique générale connue en tant que "Démocratie Economique". Contrairement au capitalisme conventionnel (où les moyens de production sont la propriété d'un petit groupe) et au socialisme (où les moyens de production

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appartiennent à l'Etat), la Démocratie Economique préconise la propriété individuelle du capital productif par un grand nombre de citoyens (et, à terme, par tous). Ainsi la Démocratie Economique combine les meilleurs aspects du capitalisme traditionnel (à savoir l'efficacité de la production) et du socialisme (la distribution des bénéfices parmi les couches les plus défavorisées de la population), tout en évitant les inconvénients présentés par ces deux systèmes économiques. En effet, la Démocratie Economique implique la mise en oeuvre d'un nouveau PACTE SOCIAL entre le Gouvernement et la population, lequel définit précisément le rôle du Gouvernement qui consiste à orienter l'environnement économique (les mécanismes du crédit en particulier) afin de permettre à tous les citoyens de bénéficier de revenus correspondant à la détention du capital productif. Un certain nombre de pays en développement ont adapté les principes de la Démocratie Economique à leurs conditions particulières, notamment:

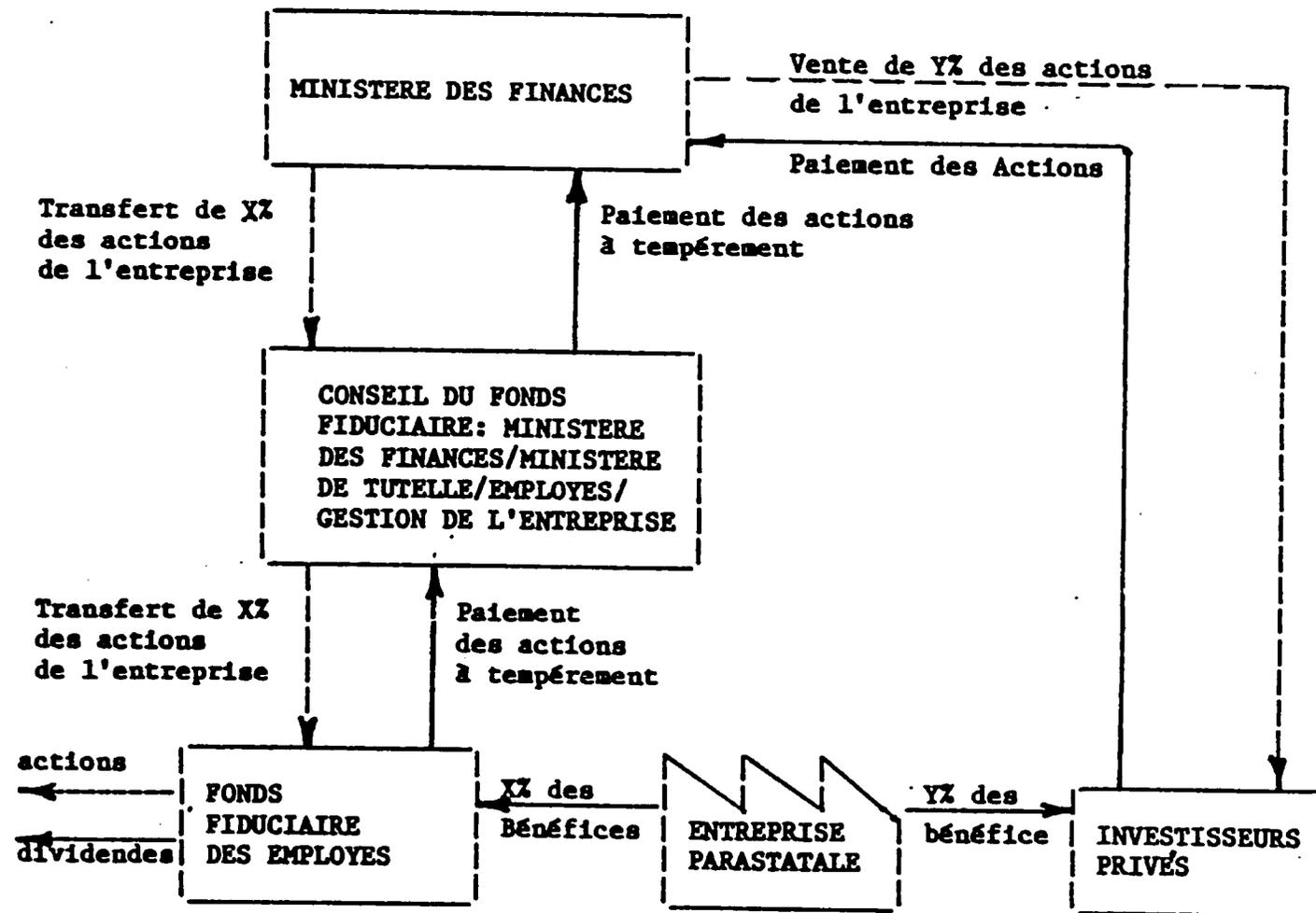
- Le Mexique: Des millions d'hectares, qui ont été découpés en parcelles et distribués aux fermiers par la réforme agraire après la Révolution Mexicaine et ont fait l'objet de cultures de subsistance, sont remembrés depuis 1970 en milliers de "sociétés agricoles paysannes". Chaque "société agricole paysanne" est une exploitation moderne (1000 hectares en moyenne) dans laquelle le capital social appartenant à un agriculteur correspond à la surface de sa terre qui est exploitée par la société; l'exploitation est dirigée par un ingénieur agronome. Les agriculteurs y reçoivent un salaire en tant que travailleurs, et après la récolte, des dividendes en tant qu'actionnaires.

La Malaisie: Le Gouvernement rencontre de grands succès dans l'exécution de sa politique "bumiputera", laquelle a pour objectif de permettre à la majorité malaise (55%), d'ici à l'an 2000, de s'engager pour au moins 30% dans l'économie et éviter ainsi la concentration de capitaux parmi la minorité chinoise. Pour atteindre ce but, le Gouvernement s'est lui-même dépossédé des plantations antérieurement nationalisées (caoutchouc, huile de palme, etc.) en faveur des travailleurs malais par la vente d'actions, au moyen du crédit, qui est remboursée grâce aux dividendes.

Possibilité d'application dans les pays en développement africains

L'application des principes de la Démocratie Economique à la privatisation des entreprises parastatales dans les pays en développement africains serait considérablement plus simple que celle du type ESOP américain, car aucun prêt bancaire ne serait nécessaire - les employés paieraient pour leurs actions à tempérament grâce à l'accroissement de leur productivité. Le plan PACTE fonctionne comme indiqué dans le diagramme ci-joint. Ce schéma général doit être adapté aux caractéristiques et réalités de chaque pays.

SCHEMA POUR L'ACQUISITION DES ACTIONS D'UNE
ENTREPRISE PARASTATALE PAR SES EMPLOYES



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1. Le Gouvernement désigne une certaine entreprise parastatale comme sujet de privatisation.
2. Une étude de faisabilité est réalisée pour déterminer quelle est la rentabilité économique potentielle de l'entreprise, pourvu qu'elle soit dotée d'une direction comparable à celle du secteur privé.
3. Dans les cas où les résultats de l'étude sont positifs, le Ministère des Finances émet des actions qui représentent la valeur nette actuelle de l'entreprise, laquelle est établie lors de l'étude de faisabilité.
4. Une partie des actions (x %), déterminée par le Gouvernement, est destinée aux employés. Une autre partie (y %) des actions peut être vendue au public et aux investisseurs privés sur la base d'un paiement en espèces.
5. Le pourcentage (x %) des actions réservées aux employés est transféré du Ministère des Finance au Fonds Fiduciaire des Employés, constitué pour l'entreprise.
6. Un Conseil du Fonds Fiduciaire est formé de représentants du Ministère des Finances, du Ministère de Tutelle, de la Direction de la société en question, et des employés.
7. Le Fonds Fiduciaire établit une ordonnance pour l'allocation des actions parmi tous les employés, y compris le personnel de direction (proportionnellement au salaire, ou au salaire et à l'ancienneté, etc.). Les actions allouées à chaque employé sont déposées dans un compte individuel au nom de l'employé.
8. Un planning est établi en ce qui concerne le paiement du coût des actions au Ministère des Finances, à tempérament, pendant un certain nombre d'années.
9. x % des bénéfices de la société sont transférés au Fonds Fiduciaire. Le Fonds en remet une partie au Ministère des Finances afin de payer les actions, selon le planning établi, et distribue le reste sous forme de dividendes à chaque employé selon le nombre d'actions qui lui est alloué.
10. Les employés perçoivent des dividendes provenant d'une rentabilité supplémentaire, et accroissent leur productivité.
11. Les actions sont payées pendant un certain nombre d'années, mais les employés reçoivent leurs actions lorsqu'ils partent à la retraite ou quittent la société. A ce moment-là le Fonds Fiduciaire détient un droit prioritaire en ce qui concerne le rachat des actions des employés à leur valeur boursière, pour éviter une nouvelle concentration de capital.

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12. Ainsi, les employés acquièrent une rente qui s'ajoute à leurs salaires. Ceci réduit les augmentations de salaires inflationnistes. Les employés accumulent également un capital pour leur retraite. Le Gouvernement reçoit des recettes supplémentaires provenant des impôts perçus sur l'augmentation des bénéfices de la société.

Le plan PACTE est extrêmement souple et permet des configurations différentes, telles que: la détention de toutes les actions par les employés; la co-propriété par les employés et des investisseurs privés; ou une participation tripartite des employés, des investisseurs privés et de l'Etat (néanmoins, dans ce dernier cas, la participation de l'Etat doit être minoritaire pour permettre au secteur privé d'effectuer la gestion adéquate de l'entreprise). Dans le cas où la restructuration de l'entreprise nécessite le licenciement d'un certain nombre d'employés, ceux-ci peuvent également participer à la détention des actions et obtenir ainsi une distribution des bénéfices réels de la société. Si des investisseurs étrangers achètent des actions, on peut même envisager un accord préalable pour le rachat de leurs actions à terme par les employés, par le biais d'un financement de type PACTE.

On doit cependant souligner que la participation des employés au capital social, à elle seule, ne contribuera pas à la prospérité de la société. En effet, elle doit aller de pair avec l'introduction d'un nouveau capital destiné à la modernisation de l'équipement ainsi qu'avec une gestion efficace.

Mode de mise en place du plan PACTE

Le Gouvernement peut désigner certaines entreprises parastatales en tant que projets pilotes en vue de la mise en place du plan PACTE. Le plan, pour chaque entreprise, sera développé après que des discussions en profondeur aient eu lieu avec les employés et la direction afin que toutes les parties intéressées donnent l'assurance de leur engagements respectifs.

Assistance Technique

Pour s'assurer de la réussite de la mise en place de la participation des employés au capital de l'entreprise, il faut obtenir le concours d'une expertise de haut niveau, principalement dans trois domaines:

- une expertise légale pour adapter les techniques du plan PACTE à la législation économique et fiscale du pays;
- une expertise économique/financière pour la conception du plan, y compris le planning des paiements des actions ainsi que les études de marché et de faisabilité pour l'entreprise ainsi restructurée;
- une expertise en matière de communications avec les employés destinée à leur détailler le plan afin de gagner leur intérêt, y compris la conception de documents éducationnels afin de mettre en place un système de communications entre travailleurs et direction.

Les trois experts expatriés devraient être secondés par trois homologues faisant partie de la même profession, à plein temps.

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Un total de 4 homme/mois pour l'assistance technique est considéré comme le minimum nécessaire pour élaborer les études de faisabilité des plans PACTE dans des projets pilotes (au nombre de 1 à trois) (2 h/m - expert économique et financier; 1.25 h/m - expert juridique; 0.75 h/m - expert en communications). Les termes de référence provisoires en vue de cette assistance technique sont présentés à l'Annexe A.

Equity Expansion International est le seul bureau-conseil existant à l'heure actuelle qui a le savoir-faire pour transférer l'expérience américaine relative à la participation des employés au capital de l'entreprise aux pays en développement. Ce bureau-conseil possède un contrat avec l'USAID pour la conception et la réalisation des plans PACTE dans les pays en développement.

Annexe A

**Termes de Référence pour l'assistance technique
relatifs à la mise en place de plans de participation des employés
au capital de l'entreprise**

1. **Le conseiller juridique** examinera, en coopération avec son homologue, la réglementation et la législation fiscale de la société relatives à la mise en place des plans PACTE, et préparera un document provisoire contenant ces réglementations et législation supplémentaires nécessaires à la promotion de l'accession à la propriété.
2. **Le conseiller juridique** et son homologue rédigeront également les documents du plan PACTE, y compris les règlements et procédures concernant les entreprises spécifiques désignées par le Gouvernement en tant que projets pilotes, en vue de l'élaboration de plans de participation des employés au capital de l'entreprise.
3. **Le conseiller économique/financier** examinera, en coopération avec son homologue, la situation financière et les possibilités de marché des entreprises désignées en tant que projets pilotes pour le plan PACTE. Ils détermineront quelle est la rentabilité potentielle de chaque entreprise et, en conséquence, établiront les conditions dans lesquelles sera fait le paiement des actions détenues par les employés.
4. **Le conseiller économique/financier** et son homologue indiqueront également quelles sont les mesures d'accompagnement (concernant la structure de la gestion, la politique des prix, la politique de l'emploi, etc.) qui doivent être prises, dans le cas des projets pilotes du plan PACTE, afin de s'assurer de la future rentabilité de l'entreprise.
5. **L'expert en matière de communications** et son homologue expliqueront les propositions aux employés de l'entreprise, gagneront leur engagement dès le départ quant à la formulation du plan, incorporeront leurs suggestions dans la conception des propositions finales, et concevront des procédures en matière de communications entre les employés et la direction de l'entreprise.

PLAN D'EXECUTION DE L'ASSISTANCE TECHNIQUE

Semaine	1	2	3	4	5	6	7	8	9
1. Examen de la législation pertinente et consultations avec des officiels, la direction des entreprises pilotes et les représentants des employés	████████████████████								
2. Examen de la situation financière des entreprises pilotes et étude de faisabilité des termes financiers concernant la participation des employés	██								
3. Elaboration des procédures et réglementation du Pacte pour chaque entreprise pilote				████████████████					
4. Elaboration de la législation et réglementations nécessaires à la promotion de la participation des employés au capital				██					
5. Description des plans de participation aux employés de chaque société pilote, obtention de leurs appréciations et établissement des procédures de communications entre la direction et les employés							██		
6. Présentation des propositions aux officiels gouvernementaux, obtention de leurs appréciations et présentation des propositions finales							██████████		██████████

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