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**MIDTERM EVALUATION OF THE  
NIGER RURAL ORGANIZATIONS DEVELOPMENT PROJECT**

**Contract No. PDC1406-I-00-0033-00**

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**Prepared for:**

**USAID/Niger**

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**March 1993**

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This report is a midterm evaluation, and consequently the team tried to involve all ROD staff members in its production, including discussions in the field regarding results of visits to coops. It also involved two meetings with ROD staff to discuss preliminary findings and recommendations and receive feedback on the accuracy and value of observations and recommendations.

Although the team tried to represent all views expressed to us as accurately as possible, we take responsibility for the document and acknowledge that this report ultimately reflects the opinions of the team as independent consultants, and not necessarily those of USAID, NCBA/CLUSA, or ROD staff.

It is the team's hope that this report will help all involved in ROD improve project performance in areas needing greater attention. This evaluation was performed so that the remaining life of the project will bring greater success. ROD has tried to address some key problems of rural development activities in Niger and we hope this report will in some way help all parties involved meet the needs of rural Nigeriens and improve the quality of their lives.

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## ACRONYMS AND ABBREVIATIONS

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AFVP	Association Francaise des Volontaires de Progres
APS	Agricultural Production Support project, USAID/Niger
BIAO	Banque Internationale d'Afrique Occidentale
CLUSA	Cooperative League of the U.S.A.
CNCA	Caisse Nationale de Credit Agricole
Coop	Cooperative
DPOR/GER	Direction de le Promotion des Organizations Rurales et de la Gestion de L'Espace Rural, Ministry of Agriculture
GM/GMU	Groupement Mutualiste Villageois
GIE	Groupements d'Interet Economique
GON	Government of Niger
ILO	International Labor Organization
NCBA	National Cooperative Business Association
NGO/ONG	Nongovernmental organization/Organisation Nongouvernementale
PACD	Project assistance completion date
PPODR	Projet Petites Operations de Developpement Rural
ROD/DOR	Niger Rural Organizations Development project/Developpement d'Organisations Rurale, USAID/Niger
SDID	Societe de Developpement International Desjardins
SOW	Statement of work
UNC	Union Nationale des Cooperatives
UNCC	Union Nigerienne de Credit et de Cooperation
WOCCU	World Council of Credit Unions

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## **EXECUTIVE SUMMARY**

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This evaluation was initiated by the USAID/Niger office. Field work was conducted from January 15, 1993 through February 15, 1993 and the final report was prepared and submitted in March 1993. The report is entitled "Midterm Evaluation of the Niger Rural Organizations Development (ROD) project, No. 683-0260."

### **A. Purpose of the Activities Evaluated**

The ROD project purpose is to expand the private sector's role in rural areas of Niger through the development of viable cooperatives engaged in productive economic activities. The project's activities comprise mostly training of rural cooperatives and a related credit program. The implementing organization is composed of Nigerien staff supplemented by long- and short-term expatriate advisors. Central office staff are located in Niamey and are responsible for project administration and management, design and review of training activities, and coordination and supervision of the credit program. Field staff are located throughout Niger's rural villages and are responsible for training local villagers to identify viable economic activities and manage cooperatives and their activities.

### **B. Purpose of the Evaluation and Methodology Used**

The purpose of this evaluation is to assess progress toward project objectives, identify areas requiring attention, and make recommendations on project implementation during its remaining life. The ROD project was authorized on August 24, 1989, and the project assistance completion date is September 1, 1994. US\$9 million have been obligated for the project through a cooperative agreement with NCBA/CLUSA.

Since this is a midterm evaluation, the methodology employed involved all parties in the process so that lessons learned during this exercise could be used to improve project performance during the remaining 18 months.

The Chemonics consultants spent two days in Washington, D.C., interviewing staff at NCBA/CLUSA headquarters and reviewing project documents. Upon their arrival in Niamey, preliminary briefings were held with USAID officials and CLUSA/ROD staff, and additional documents were reviewed. Seven workdays were spent in the field visiting 13 cooperatives and other organizations with programs assisting rural producers and enterprises. The third week was spent in Niamey interviewing representatives of various NGOs that have received training from ROD staff as well as other institutions such as the Banque Internationale de l'Afrique Occidentale, which participates in the ROD loan program.

At the end of third week, the consultants held briefing sessions with USAID officials and ROD staff to review a discussion paper providing preliminary observations and

recommendations on project progress. This report was drafted during the fourth and final week in Niger.

### **C. Findings and Conclusions**

1. **The existing cooperative law limits the flexibility of coop organization. Historical cooperative structure was designed to facilitate a government program for agricultural inputs and marketing of agricultural produce. A new law is currently under consideration. Subdivisions of coops appear to be a more appropriate group size to work with, and ROD staff have been focusing on this level of group organization.**
2. **ROD project decision making responsibility is not clear. The project coordinator is responsible for supervising the entire staff of 72 employees, including 50 field-based staff. There is no effective system in place to evaluate employee performance.**
3. **The project has proved somewhat successful in ensuring active member participation. However the training being performed in the field often has limited relevance to economic activity development. The lack of a good monitoring system for project training hindered the evaluation team from adequately assessing this component. Training provided to other partenaires has been very successful, however.**
4. **The credit program is effectively providing credit access to coop farmers through the use of the guarantee fund. However, monitoring and collection of loans still encounter problems and it is doubtful that existing banks will provide loans to coops in the absence of the guarantee fund or administrative support from ROD staff. Questions regarding the long-term disposition of the loan guarantee fund (until now funded and fully expensed by USAID) have been raised. The performance of training and credit activities by the same staff limits the effectiveness of both elements.**
5. **Most cooperatives served by ROD staff seem to be engaging in only a few types of economic activities with limited potential for growth. Moreover, it is difficult to discern concrete economic benefits to coop members from these activities. Coops visited that have local traders as members and managers appear to be operating better financially.**
6. **The number of women participating in coop activities is very limited and it appears that either the sociocultural biases against such participation was underestimated or insufficient attention has been paid to achieving the objective of increasing women's participation.**
7. **Some efforts have been made toward the formation of an indigenous institution to carry on ROD's functions at the end of the project. However, unless**

substantial progress is made soon, this objective will not be achieved by September 1994.

**D. Recommendations for this Activity and its Offspring**

1. More effort must be put into identifying alternative economic activities for coops and groupes mutualistes (GMs) that offer them better comparative advantages. This is not to say that support for the purchase and sale of millet or peanuts should be discontinued; rather, the project should emphasize the development of activities that offer greater profits. A further reduction in the number of coops/GMs assisted should be made to focus on those with higher potential for development of alternative economic activities. More linkages with other non-coop private sector enterprises should also be established.
2. The key entities for measuring delivery of services and promoting economic activity should be the GMs or specialized groups.
3. Management of ROD staff should be restructured to delegate supervision and decision making and reduce the number of field staff. A system should be put in place to help let ineffective employees go, and incentives should be designed to encourage field staff to transfer coop management skills to coop leaders faster and increase member participation, including women.
4. A system to monitor the effectiveness of training should be designed and implemented.
5. Training and credit functions of ROD should be separated, programmatically and physically, and a radical revision of the project (such as that recently proposed by the credit consultant) implemented on a pilot scale. This separation is needed to reinforce the difference between the two services and the related functions of officers providing each. USAID should help ROD project staff obtain agreement from the GON to ensure that the loan guarantee fund will be available for project activities over the long term, as per the proposal. A more effective and accurate loan monitoring system should be implemented.
6. The ROD project should hire a Nigerienne with experience in community organization to work on the central staff as a trainer to push for a more active women's promotion program and help female staff improve their approach and techniques. Greater efforts should be made to coordinate with other NGOs with programs that address women in development issues.
7. ROD/CLUSA should move immediately toward a decision on the appropriate indigenous institutional structure for project activities at the close of USAID funding.

## **E. Lessons Learned**

- 1. The difficulties in developing more profitable cooperative activities within the current Nigerien economy are considerable. Although efforts have been made in this direction, greater energy is needed. Most rural economic activities in the foreseeable future will continue to be agriculturally based. The challenge is to find those activities that can provide greater added value for cooperatives and farmers in general. It goes without saying that this will not be an easy task, but it must be the overall objective of the ROD project.**
- 2. Credit programs tend to require a greater degree of discipline in project design than do training programs. Time will greatly magnify the problems caused by mistakes made in the early stages of credit programs, whereas training programs can often correct their courses without the same consequences. This situation is a function of money and control: project and donor staff have less control over monies lent than those for day-to-day project expenses. The ROD project has had considerable problems in this regard. The proposed revision of the credit program has considerable merit; however, potential pitfalls still remain in its design. Care must be taken to ensure that these design problems are addressed prior to implementation or that a system is in place to closely monitor progress prior to the implementation of the proposed revision.**
- 3. The potential of this project to address the problems of women in development remains limited since activities occur primarily in rural areas where resistance to change tends to be highest. However, there are some areas that offer hope, particularly those that group women together to conduct activities in which they have comparative advantages over men (e.g. the salt cooperative visited by the evaluation team). Programs that have employed local women at all levels usually produce better results since the women tend to understand Niger's gender-related problems better than men. It may be possible to develop some linkages with the Peace Corps and to have women Peace Corps volunteers work with local women's groups.**
- 4. It is very difficult to measure the impact of training activities, and consequently, the ROD project often measures inputs and outputs in lieu of impacts. A well-designed monitoring system that looks for proxy indicators of project success can help resolve this common problem.**

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## SECTION I INTRODUCTION

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### A. Background

The Niger Rural Organizations Development (ROD) project was established in March 1989 as a follow-on to a project conducted by the National Cooperative Business Association (NCBA), also known as the Cooperative League of the U.S.A. (CLUSA). The Agricultural Production Support (APS) project provided a Cooperative Training Component and concentrated on training farmers in the formation and management of cooperatives during 1985-1989. The ROD project was authorized on August 24, 1989, and will run through September 1, 1994, its current project assistance completion date (PACD). The project was financed by a cooperative agreement with NCBA/CLUSA totalling \$8.5 million (later increased to \$9 million).

The project proposal stated that ROD "responds to a major problem of rural Niger identified as the small scale of economic activities by the rural population, and the lack of diversity of revenue producing activities." The proposal went on to explain that the cooperative movement in Niger has suffered from considerable government control since its inception in 1962, and that like many other African countries, coops were mandated by the government and constrained by regulations that limited their ability to earn profits. Marketing controls often limited the prices coops and their members received for agricultural products, and sound coop financial management (including responsible loan repayment policies and practices) was uncommon.

A change in government policies to restore support for private sector activities and a less interventionist approach to cooperative development were cited as reasons for providing additional support to improve the institutional strength of coops. The proposal asserted that further assistance to establish a cadre of trainers to train cooperative leaders and members would help develop more sustainable economic activities and institutions.

### B. Project Purpose and Objectives

The proposal submitted by NCBA/CLUSA and accepted by USAID as a project paper equivalent said the project purpose was: "to expand the private sector role in rural areas through the development of viable cooperatives engaged in productive economic activities." Project objectives were as follows:

- Reinforce cooperative enterprise development and make available information on potential new economic activities and investments through training.
- Strengthen coop marketing activities through information exchanges.

- Continue assistance to coops supported under APS.
- Concentrate new efforts in one arrondissement per department.
- Provide training opportunities and technical assistance to the Ministry of Agriculture's DVPC and SPC.
- Assure institutional sustainability of project activities.
- Develop coops to the point where they are able to assume at least a portion of the project's training and consulting services.
- Increase support for the formation of women's groups and coops.

### **C. Evaluation Concerns and Methodology**

#### **C1. Team Members and Issues Addressed by the Evaluation**

This evaluation was performed by Chemonics International for USAID/Niger. The evaluation team consisted of Quan Cao, team leader and cooperative formation and training specialist, and Stephen Silcox, cooperative business analyst. It is important to note that Mr. Cao had extensive experience in Niger, having worked as a cooperative advisor to the Union Nigerienne de Credit et de Cooperation (UNCC) under the Niger Cereals project from 1976 to 1980 and as training advisor to the Institute of Rural Development in Kolo from 1980 to 1985. As a result, he has considerable knowledge of the historical roles and successes of cooperatives in Niger. Mr. Silcox has extensive experience in cooperatives and rural business development throughout Africa and the Middle East. Members of the team from USAID included John Mitchell, ROD project officer for the past four years, and Felicia Lightfoot from the Design and Evaluation Office. Most of the ROD staff also participated in the evaluation through discussions and field visits.

In the statement of work for this evaluation, the "Objectives" section mentions the following key management issues to be dealt with in this report:

- Total training provided to date and efficacy.
- Use of the loan guarantee fund and recommendations regarding its future.
- Overall sustainability of the coops established.
- The future of the NGO to be established and functioning by the end of the project.

The statement of work also presents 19 questions to be answered, which we have grouped into the following categories:

- Projected versus actual outputs
- Expansion of the private sector role in rural areas
- Sustainability of project activities and creation of an NGO

- Effectiveness of training provided
- Effects of loan guarantee fund
- Management relationships and effectiveness (USAID/CLUSA)
- Linkages with other organizations, e.g. partenaires
- Participation by women in project activities

In addition, the Chemonics consultants received a paper from USAID's Design and Evaluation Office upon arrival in Niamey that expressed various concerns related to those mentioned in the 19 questions of the SOW. The team has attempted to address all of these questions and concerns. The questions from the SOW are briefly addressed in Section II of this report, and these questions and other expressed concerns are addressed in detail in Section IV.

## **C2. Evaluation Methodology**

Since this is a midterm evaluation, the methodology employed involved all parties as much as possible so that lessons learned could be used to improve project performance during its remaining 18 months.

The two Chemonics consultants spent two days in Washington, D.C., prior to their trip to Niger, interviewing staff at NCBA/CLUSA headquarters and reviewing project documents. Upon their arrival in Niamey, preliminary briefings were held with USAID and CLUSA/ROD staff, and additional documents were reviewed. The last two days of the first week and five days in the second week were spent in the field visiting cooperatives and other organizations in Madoua and Maradi with programs assisting rural producers and enterprises.

The ROD/CLUSA staff arranged for trips to visit 13 cooperatives representing a cross-section in terms of geographic dispersion and varying degrees of success. Visits to these cooperatives and interviews with cooperative leaders, assistants, and animators helped the evaluators assess the project's success in training coop leaders to identify and manage economic activities, helping coop leaders manage money received from these activities, repaying loans, and encouraging member participation—including women—in coop ventures.

The third week was spent in Niamey interviewing representatives of NGOs that have received training from ROD staff. The team also visited other institutions such as the Banque Internationale de l'Afrique Occidentale, which participates in the ROD loan program, and La Direction l'Alphabétisation et de la Formation des Adultes, which helps ROD staff design and implement literacy training programs. At the end of third week, the Chemonics consultants held briefing sessions with USAID officials and ROD staff to review a discussion paper providing preliminary observations and recommendations on project progress.

The fourth and final week of the mission was spent preparing a draft report of the evaluation. This draft was submitted to USAID and ROD/CLUSA on Thursday and a debriefing was held to discuss it on Friday. The final version of the report in both English and French was completed in Washington, D.C., in March, incorporating comments on the draft report from the various parties.

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## SECTION II ANALYSIS OF PROJECT PROGRESS

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This section looks at the history of the ROD project and progress made in a number of areas. Relevant issues have been grouped into seven broad categories, and each is treated in detail below. These categories are also used to present the findings and lessons learned in Section IV and the recommendations in Section V.

### A. Role and History of Cooperatives and Cooperative Law

After nearly three decades, cooperative development in Niger has fallen short of expectations. Cooperatives should be self-reliant organizations based on democratic principles; a cooperative should be controlled by members who join voluntarily, contribute to the share capital, and actively participate in management. Two objectives can be used to encourage the organization of coops: increasing member benefits from business transactions and increasing member control of economic activities. Sharing of profits among coop members is another well-recognized management principle.

The evaluation team has reviewed an International Labor Organization (ILO) report on cooperatives in Niger published this past October. Much of the detail presented below on the legal history of cooperative was taken from this report.

Cooperatives in Niger were formed during the colonial period under the names "Societe de Prevoyance" and "Societes Mutualistes de Developpement Rural." These societies leaned more towards the provision of social services than expansion of economic activities or businesses.

Law 62-37, proclaimed on September 20, 1962, created the Union Nigerienne de Credit et de Cooperation (UNCC). The law provided for membership to anyone upon payment of a membership fee. In 1966, a modification of the law allowed a village to join the cooperative as a collective. It specified that the village could be organized as a groupement mutualiste villageois (GMV). In 1967, law 67-32 replaced the previous law and created two separate public institutions: UNCC was to be in charge of cooperative development, and Caisse Nationale de Credit Agricole (CNCA) was to operate as a rural development bank and finance cooperative and other projects.

In 1978, a cooperative was considered to be the base of the "Societe de Developpement," and Law 78-19 established a pyramidal organization with a government administrative structure operating at all levels.

In 1982, the UNCC was dissolved following the collapse of the CNCA and the government-dominated cooperative system. In its place the Union Nationale des Cooperatives (UNC) was created and legislation was passed to permit the formation of

economic interest groups called groupements d'interet economique (GIE) as specialized sections of cooperatives.

In 1989, new legislation was passed to redesign the operations of the UNC. This new law increased cooperative autonomy, decreasing government control of the movement. However, the 1989 legislation carried over many of the 1984 provisions, including the limitation that cooperatives be formed on a geographic basis. The new law does, however, allow groupements mutualiste (GM) share capital to be retained at the canton level and used locally, and it permits funds to be deposited in any bank. (The former law required that capital share funds be deposited only in the CNCA by large cooperatives at the arrondissement or department levels.) The new law also gives cooperatives tax exempt status on income tax, value added, property taxes, and business licensing.

The Ministry of Agriculture—specifically the Direction de la Promotion des Organisations Rurales et de la Gestion de l'Espace Rural (DPOR/GER)—is currently in charge of the administration of cooperative legislation and the formulation of policies and regulations for cooperative development.

The evaluation team notes that there is still dissatisfaction with the new law on the part of many individuals and organizations, including CLUSA and ROD staff. The CLUSA Regional Office has stated that although the current law is better than previously mandated structures, it still has problems:

"It is important to note that from the beginning of the program in 1984 there has been steady, although perhaps decreasing resistance on the part of the government bureaucracy to the development of autonomous cooperatives. The Reduction in Force of the number of cooperative encadreurs and the demise of the UNCC have reduced the external control of the government over the cooperatives and given room for the cooperatives to develop on their own. Unfortunately, the cooperative law is very restrictive and does not provide a legal environment that allows the development of innovative structures to meet the needs of changing economy. It vests all the power in the artificially constructed cooperatives—a cooperative structure that was a political and administrative creation, not a structure that was created voluntarily by groups to meet common economic needs." (See Annex F.)

The ILO was called in to review the current law and cooperative structure in the fall of 1992. Based on its review, it has proposed a process to reformulate a new law involving the establishment of a two-year project with a secretariat that would work with a legislative committee. The UNC is to be a key participant of the committee.

Concern was expressed by Lyle Brenneman, a CLUSA consultant who performed a preliminary in-house evaluation of the ROD project in September 1992, that this organization still aids the existing government-supported cooperative unions that have been serious impediments to cooperative development in the past. He was also concerned that the ILO mission appeared to support the organization of government-organized, geographically-defined cooperatives.

ROD staff believe that though the law is still restrictive, they have begun to overcome many of the problems associated with previous government domination of coops/GMs. As evidence, they point to the CLUSA requirement that coops/GMs receiving assistance have paid adherence fees that demonstrate their commitment to membership. In addition, ROD staff have been concentrating on development at the GM level for the past two years even though the superstructure of coops still exists. Loans have been given directly to GMs in some cases without going through cooperatives. In other words, ROD staff believe that progress has been made toward the development of more autonomous coops and GMs.

The evaluation tends to agree with project staff on this issue and feels that although there are still problems with the current law, it appears that ROD has been modifying the practical operations of the groups with which it works toward making them into more independent and participatory organizations.

## **B. Management Issues**

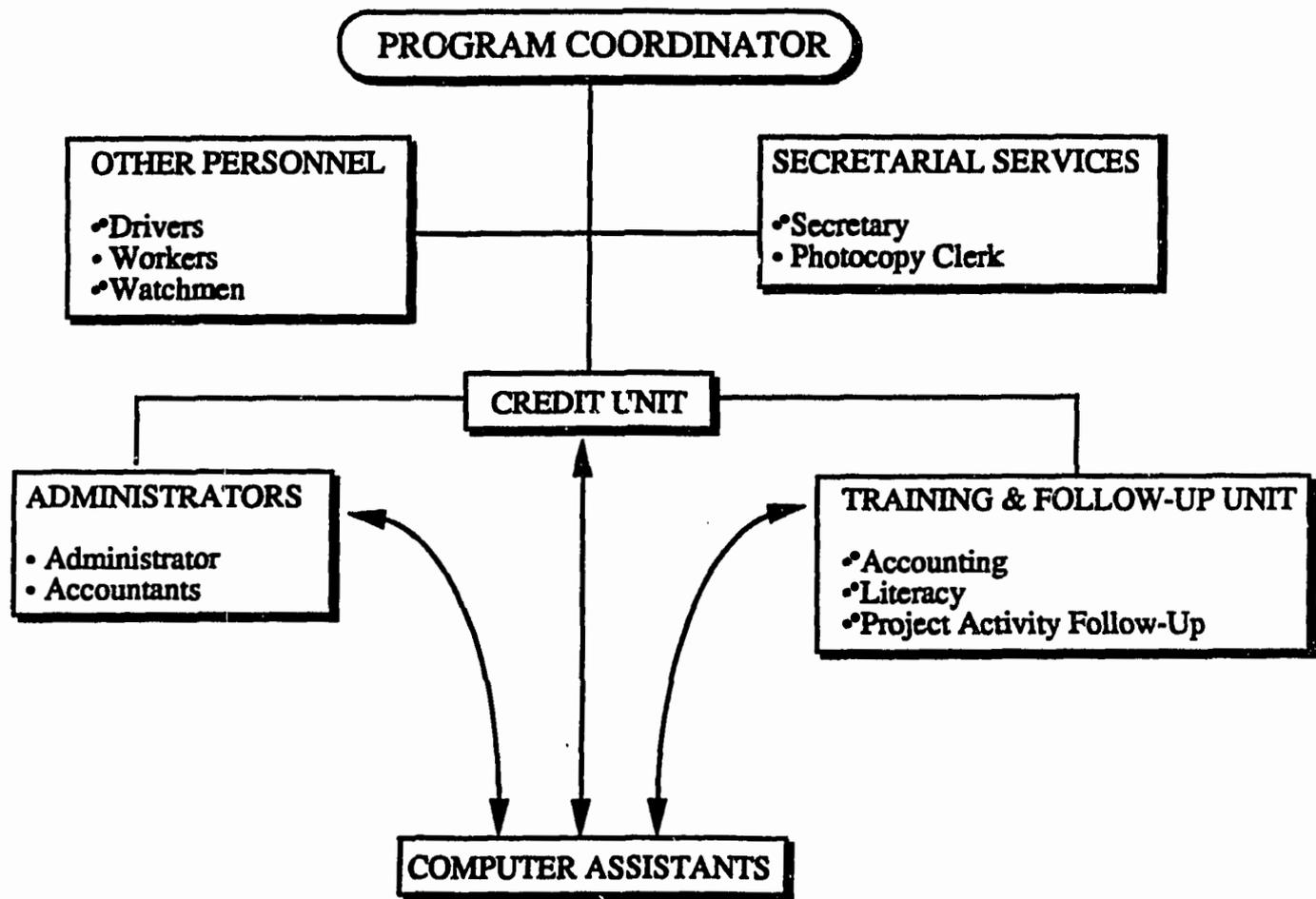
Management of the project occurs on four basic levels: ROD staff, CLUSA Africa Regional Office, NCBA/CLUSA headquarters in Washington, and USAID/Niger oversight. Each of these levels is discussed below.

### **B1. ROD Staff and Management**

The ROD staff consists of both a central office and field personnel. (An organizational chart is presented on the following page.) The staff are managed and supervised by a project coordinator, originally an expatriate but now a Nigerian. There are basically three departments located in the central office in Niamey: training, credit, and administration. The training department consists of two ROD employees and two government employees seconded to ROD from the Ministry of Agriculture and Elevage. The credit department is composed of one credit counselor responsible for overall supervision of the program. The administrative department is composed of an accountant, accountant/translator, administrative assistant, secretary, and office assistant. The secretary is the only woman on the central staff. This central staff is supplemented by one expatriate advisor responsible for business development. The central staff train and advise the field staff and develop programs implemented in the field.

The field staff comprises 50 assistants, of which three are women. Field personnel are dispersed throughout the country and live in villages in the areas for which they are responsible. (A map showing the areas in which the ROD project is operating and the concentrations of cooperatives is presented as Figure 3, on the page following the organizational chart.)

**Figure 1: Informed Organizational Chart Of ROD Program**





Each assistant is currently responsible for approximately two and one-half cooperatives, which include anywhere from 10 to 90 groupements mutualistes. One coop visited had 42 GMs, although the average seems to be in the neighborhood of 5-10. Each assistant is responsible for:

- Promotion of the ROD project within his/her area
- All coop/GM training activities
- All coop/GM credit activities
- Reports to the central office

Project promotion includes qualifying coops/GMs for participation and engendering interest in ROD. Coop/GM training topics include management, production and marketing related to group economic activities, general membership, literacy, and bookkeeping. Each assistant is responsible for recruiting and training animators who are members of the coop/GM and are to carry out the same functions as the assistants when the coop/GM graduates from the ROD project. Animators are not paid by ROD; any remuneration they receive depends on the profitability of the economic activity in which their coop/GM is engaged. The assistant is also responsible for qualifying the coop/GM for the credit program, helping the coop complete credit forms, monitoring loan repayments, advising coops/GMs on their economic activities, and collecting loan repayments or enforcing sanctions when loans are not repaid. Finally, assistants must complete a series of reports on their activities to be sent to the central office for review.

Evaluation team interviews with central office and field staff, as well as reviews of various internal ROD/CLUSA documents, revealed the following problem areas:

- Central office staff appear to be uncertain of how management decisions are made. While some staff members said the project coordinator makes the final decision on management issues, others (including the project coordinator himself) said decisions are made by consensus. A committee composed of the project coordinator, one training officer, and one administrator regularly confers on management issues. However, the evaluation team experienced difficulty understanding how management decisions were made.
- The project coordinator is responsible for the supervision of all central office and field staff—a total of 72 persons. This responsibility is clearly beyond the capability of one individual, especially regarding the field staff who are dispersed throughout the country. There is a definite need for supervisory delegation and a more decentralized structure. Although central office staff review the work of the field staff, they do not seem to exercise any supervisory line authority over them. The project coordinator is a man with extensive experience in cooperative development in Niger, a considerable array of communications skills, and an excellent understanding of the problems in developing rural organizations. He cannot, however, perform the impossible.

- There is no monitoring and evaluation system for the ROD project. No one beside the project coordinator is officially responsible for tracking the performance of assistants. Although many have performed well, some have been irresponsible and dishonest in preparing credit appraisals and marketing reports. Central staff stated that to obtain loans, some assistants have made false reports on the amounts of money held by cooperatives. Attempts to fire these assistants were initiated, but no decision could be made due to the lack of written evidence of wrongdoing. (Government labor inspectors require that employers present written proof of employee failings. Further, the employer must give the employee at least three written warnings before release.) The evaluation team strongly recommends that an evaluation system be put in place to allow management to take corrective action for poor employee performance.
- There is a need to reduce the number of assistants working in the field. Compared to credit programs elsewhere, the number of loans per assistant for ROD is very low. If the proposed revision of the credit program is to succeed, a greater ratio must be achieved. ROD management must look closely at how many assistants are needed to provide training and credit services to coops or GMs and restructure its staffing accordingly. It would be wise to use this opportunity to reduce staff and fire inefficient employees during this restructuring.
- Although central staff members are very well qualified for their positions and the evaluation team found them intelligent and perceptive, it seemed that there was no conscious, shared, overriding vision of where the project was going, other than to continue to try to improve coop/GM training and credit programs. Individual staff members appear to have their own ideas of the project's overall purpose and goals, but lacked a focused, coordinated approach on how rural organizations could resolve many of their inherent and historical problems. This statement is not a criticism of individual staff, but rather an indication that an important leadership role is not being filled.

## **B2. CLUSA Regional Africa Office Management**

This office, located in Ouagadougou in neighboring Burkina Faso, is manned by two individuals who have impressive qualifications and experience. The regional director is an American who has been working with cooperatives and other organizations engaged in African development for more than 20 years. The regional advisor is a Senegalese who cannot help but impress one with his extensive knowledge and experience in rural organization and development in West Africa. His communications and leadership skills are also well-honed. Almost all persons interviewed expressed satisfaction with the technical advice and assistance coming from the regional office as well as with its willingness to assist the ROD staff and management in whatever way it can. The regional director's regular schedule calls for two monitoring visits per year, and he has made eleven monitoring visits to Niger since the project's inception. The regional advisor has spent six weeks in Niger providing assistance to the project over the past two years. In addition, ROD staff have

visited the office in Ouagadougou on several occasions to consult with regional staff on technical and managerial issues.

One senses a conscious, laissez-faire attitude toward local management decisions by regional staff. Although this approach might be commendable when all is going well, some persons interviewed expressed frustration with the shortage of guidance and direction from Ouagadougou on thorny management issues. USAID officials also expressed some concern regarding a seeming lack of attention to ROD management issues and a perceived lack of contact with the mission. More efforts to improve the performance of the regional office in these areas could reap considerable benefits in project management and USAID relations.

### **B3. NCBA/CLUSA Headquarters Management**

There were no significant complaints or concerns regarding home office support for the project. In fact, the only persons expressing concern over their performance were the home office staff themselves. The home office is mainly responsible for administrative and financial support, vis-à-vis AID reporting and procurement matters as well as recruiting and fielding long- and short-term staff. Home office personnel felt they could improve their performance in helping local ROD staff to understand AID regulations and procedures. Whether or not it is possible to explain the vicissitudes of AID decisions and the logic of AID regulations to Americans, much less to non-Americans, is an issue that elicits considerable and constant debate in the halls of Washington and field offices everywhere.

### **B4. USAID Oversight and Project Management**

No substantive complaints or concerns were expressed by anyone regarding this issue. Some individuals believed that USAID officials might have concerns about the lack of expatriates on the ROD staff, but that concern was not expressed to the evaluation team by mission staff. There was concern by some at USAID regarding the transience of resident expatriates during the life of the project. However, it is hard to attribute any particular failing of the project to that occurrence. ROD and CLUSA staff felt that USAID—and particularly the project officer over the past few years—has been very supportive and helpful in resolving problems. On the other hand, some individuals said communications between project staff and USAID have diminished somewhat over the past few months and that this may have led to some misperceptions about project progress. The evaluation team suggests that a regular meeting schedule between USAID officials and ROD and regional CLUSA staff be established to eliminate this potential problem area.

## **C. Training**

ROD staff contend that they have accomplished a great deal in the training of coop boards of directors, managers, and GM leaders. Field assistants and village animators have extended village-based training to the cooperative and GM level. Effective marketing, preparation of feasibility studies, credit application, accounting systems, management skills, and literacy/numeracy are among the subjects taught.

According to the "Statistiques DOR" provided by ROD staff and shown in Figure 2 on the following page, 3,500 village animators have been trained since the start of the project. ROD has also trained more than 2,000 managers to develop economic activities for coops and GMs. Project staff have emphasized functional literacy and numeracy training as a prerequisite for other training, and the project has trained 954 literacy instructors, created 939 literacy training centers, and reached more than 18,000 villagers.

12'

**Figure 2  
ROD STATISTICS**

ELEMENTS	1989	1990	1991	1992
1 - No. of Participating Cooperatives	153	208	144	118
2 - No. of Loans Granted	47	55	48	41
3 - Total Amount of Loans Granted	98.802.225	97.180.000	127.550.000	89.592.638
4 - Amount of Repayments	63.050.488	86.403.328	113.541.049	85.550.853
	percent			
	64 %	89 %	89 %	95 %
5 - No. of Cooperatives Contributing to Loan Financing	-	-	-	55
6 - No. of Administrators Trained	459	624	171	633
- Men	-	-	-	33
- Women	-	-	-	-
7 - No. of Extension Agents Trained	153	208	1, 291	1 830
- Men	-	-	-	8
- Women	-	-	-	-
8 - No. of Managing Agents Trained	765	975	343	52
- Men	-	-	-	3
- Women	-	-	-	-
9 - No. of Instructors Trained	315	325	237	77
10 - No. of Grass-roots Cooperative Agents Trained (literacy)	4.928	5.552	6.834	855
- Men	0	23	44	44
- Women	-	-	-	-
11 - No. of Village-level Literacy Centers	315	325	237	62
12 - No. of Cooperatives Contributing to Literacy Costs	-	-	-	57

In 1992, ROD staff began orienting the groups they worked with toward self-financing the literacy and numeracy program by requiring the coops/GMs to conduct their own training of members with little or no help from ROD assistants and no finance from the project. Coops and GMs have contributed the equivalent of more than CFA300,000 for such training, and the evaluation team noted that this transfer of responsibility has slowed the creation of literacy training centers, causing a corresponding decrease in participants.

ROD staff assert that village training is a slow process of changing of the mentality of rural people and that it takes both time and money to achieve this objective. Project trainers and CLUSA regional staff contend that there are at least three actions that have been taken by coops/GMs that show their commitment to the process of becoming true cooperative enterprises: contribution of their own capital to finance at least part of their economic activities; contributions to the financing of training sessions, especially in literacy and numeracy; and hiring of village animators to help operate coop/GM activities (see Annex F).

However, during our visits to cooperatives, we encountered little evidence that coop/GM leaders have actually learned how to manage economic activities well. Some leaders do not seem to have even learned proper bookkeeping. At one cooperative visited, the manager had a dozen notebooks in his hands. When asked for the balance of the cooperative account, he could not find the figure and claimed he had forgotten the notebook with this figure at home. The evaluation team discussed this matter with the ROD team and everyone agreed that more efforts are needed in some instances to teach a simple bookkeeping system that can be comprehended by villagers.

During a number of the field visits, the team asked the board of directors about the types of training received. Many could not identify the subjects in which they were trained. The team noted that the project has proved somewhat successful in ensuring active member participation; however the training being performed in the field often has limited relevance to economic development. It seems to focus more on traditional coop organization than promotion of effective and profitable coop activities. The key element to effective management is the implementation of more profitable ventures. Most of the activities undertaken thus far resulted in limited concrete benefits to members.

The lack of a good system to monitor the effectiveness of ROD training hindered the evaluation team from adequately assessing the transfer of coop management skills to coop leaders and members and the training of villagers in functional literacy. The information provided to the team was in the form of statistics of how many persons were trained, course contents, time spent training, etc. The project paper/proposal called for a full-time staff person to track these types of impacts; it is not clear why this position was not filled or these issues addressed. A questionnaire has recently been used by ROD staff that is intended to meet this need, however much more is needed.

The training provided to other partenaires in coop development, animation, group dynamics, and practical field work has been very much appreciated. All of the groups interviewed cited the professionalism of ROD staff and were interested in receiving further assistance and collaboration.

The role of assistants and animators should be reconsidered in terms of their relationship with coop boards of directors and decision making re: business activities. It appears that coop/GM leaders have become dependent upon these personnel, and incentives must therefore be designed into the system to motivate project staff to try to graduate coops/GMs out of the program.

## **D. Credit**

### **D1. Credit as a Project Afterthought**

Upon reading the project paper/proposal and other early project documents, one receives the impression that ROD is primarily a training project and that the establishment of a credit program was subsidiary to the establishment of cooperatives as vehicles to organize villagers for rural development. In fact, the delivery of credit is not even mentioned in either the project purpose or objectives. Furthermore, of the four major measures of project success, eleven major project outputs, and six indicators to be achieved, only one deals with credit delivery.

The previous APS project set up a guarantee fund to entice banks to provide loans to cooperatives for agriculture production. The ROD Project continued this activity and expanded the program. It therefore seems that early problems with the credit program were due somewhat to the lack of emphasis on the development of this component.

It appears that the credit program was included more because of the collapse of the government-supported agricultural credit program than out of a desire to set up an alternative system that would function better. The provision credit access seems to have been viewed as just another input in the development of economic activities for coops.

It is the view of the evaluation team that this rather lackadaisical approach to the credit program was responsible for its early (and some of its existing) problems. In fact, it seems that until Olaf Kula was hired as a resident consultant to manage the credit program in 1990, it was operating on automatic pilot.

AID and other donor experience elsewhere has demonstrated the dangers of this approach to the development of credit programs, which require a rigorous and disciplined methodology all their own. They must start with sound management and financial policies and have firm credit policies and procedures that recognize the dangers of wavering in the face of loan nonrepayments—no matter what their cause. They must also have a warning system to sense when problems are occurring before they become too large to control.

### **D2. Brief Description and History of the Credit Program**

The existing ROD credit program operates with one credit supervisor at the national level, based in the central office in Niamey. The current supervisor was recently hired to fill the role previously filled by an expatriate, Mr. Kula. He has experience working with credit programs from his previous job with CNCA. The assistants serve as field staff for the

promotion of the credit program and provide project analysis, assistance in loan application completion, repayment monitoring, and loan collection.

USAID provided CFA356.7 million (US\$1 million) to Niger in 1987 to serve as a guarantee fund for defaulted loans to cooperatives under the predecessor of ROD project. The Banque Internationale de l'Afrique Occidentale (BIAO) was selected as the implementer of the credit program and two accounts were established—one comprised the guarantee fund itself and the other was established as a deposit reserve account for interest earned on the guarantee fund account. This reserve account was also to serve as a fund to cover losses due to natural disasters such as drought, allowing the BIAO to place most of the guarantee fund in long-term obligations that would provide a better return.

The ROD project has earned interest on the guarantee fund since its inception, and this income has allowed the fund to remain fully capitalized despite claims made due to defaulted loans. There is currently CFA235 million in the guarantee fund account and CFA125 million in the reserve account. In addition, a third account was established this past year with a deposit of CFA20 million to serve as a transaction account to reimburse the bank for loans in default and to be replenished on an as-needed basis. Thus, the total in all three accounts is now CFA380 million (\$1.4 million).

According to statistics provided by ROD staff, the credit program has provided between 41 to 55 loans per year, with average total annual amounts varying between CFA90 and CFA128 million. Most of these loans went for cereals purchases and sales or boutique operations. Although repayment rates are given as 64 percent for 1989, 89 percent for 1990, 89 percent for 1991, and 95 percent for 1992, these figures are suspect since rescheduling of loans has been common and policies for determining loans to be in default have been somewhat haphazard. Furthermore, the repayment rates were based upon total sums of money collected versus total loan amounts outstanding. A more accurate method would measure the repayment of individual loans versus individual loan amounts due.

A recent draft report by Olaf Kula cites various problems in early project years regarding the procedures for loan approvals and collections. He asserts that assistants in the field had no incentive to improve the quality of ROD's loan portfolio; in fact, he says, they had greater incentives to fool the loan officer in Niamey so that they would look good in the eyes of the cooperative leaders. Thus, in 1990, 41 loan applications were submitted by assistants for coops that had defaulted on earlier loans. Kula estimated that more than one-third of all loans made between 1985 and 1990 were not completely repaid, constituting 28 percent of principal loaned. Loans in default were indefinitely rescheduled while new loans were approved. In sum, the loan program was breaking most of the rules of good lending practices.

The figures above don't reveal these problems since the amounts lent were considerably smaller than the loan guarantee fund, and the BIAO did not start to draw down on the fund until 1990/1991 because the loans were not considered to be in default. In fact, the loan guarantee fund has earned interest over the years totalling CFA125 million. This amount represents 53 percent of the current balance of the loan guarantee fund itself.

Since 1990, ROD has tried to correct many of the problems that existed during its early years, but significant problems remain. Although the program has recognized defaults and the BIAO has drawn down amounts in default from the guarantee fund, rescheduling of loans still seems to be occurring, albeit on a lesser scale. The accounting system currently in use by ROD to track loan repayments needs further refinement to accurately reflect repayment rates, and although a computerized loan accounting system was recently put in place, ROD staff experienced some difficulty obtaining accurate figures for the evaluation team. To their credit, ROD staff have collected significant amounts of money from coops with loans in default and that were drawn down by BIAO. This success has helped offset some of the amounts due on current loans and thus causes problems with the accuracy of repayment rate reporting.

### **D3. Proposed Revision of the Credit Program**

It was fortunate for the evaluation team that Olaf Kula was in Niger performing a short-term consultancy for CLUSA and participated in the evaluation process. His knowledge of the history of the project and his frankness in admitting its problems have helped make this a better evaluation. The team found that his draft report on the credit program and his proposed revision contain some solid analysis and merit. We agree with him on many points, most notably:

- The program must understand how to motivate coops/GMs to repay their loans, whether through fear of sanctions for nonpayment or concerns over future access to credit.
- Motivation of banks to participate in the program must be based on a sound analysis of the program's profitability.
- The credit program must charge interest rates and fees that will meet and exceed program costs to be sustainable without recurrent infusions of money from donors or other sources.
- The program must fully understand (and be realistic about) the external risks of loan recovery and build in reserves and fees to cover them.
- The program must be managed well from the beginning, and credit policies and procedures, regular financial audits, and employee incentives for good loan volume and recovery should be in place from the start.
- A good credit program lessens risk by using a diversified portfolio. As a result, loans to non-coops/GMs (even individuals) should be considered.

We do have some reservations about Kula's proposed revision. We believe, however, that they can be overcome with a realistic appraisal of how to go about executing the program. In this regard, we make the following points:

- The credit program must be driven by a realistic appraisal of staff strengths and weaknesses and the potential for obtaining the human resources needed to make it work. These considerations militate against making the program too large and unmanageable during early implementation.
- Unless the quality of the loan portfolio improves through the funding of economic activities that are more profitable, the revised program will continue to experience many of the same problems as the existing one. Banks involved with the program must be convinced that the loans under the program are profitable without a loan guarantee fund and/or subsidized administration costs.
- The potential for obtaining crop insurance should be viewed realistically (i.e., pessimistically) in light of past experience, climatic conditions, and crops planted in rural areas.
- An efficient and accurate accounting and loan monitoring system must be in place to control costs and repayments.
- The system should be, above all, simple and easy to explain. As credit programs try to devise more complex methods to cover all eventualities and include too many risks, they begin to sag under their own weight. Financial institutions are conservative based on experience and perceived risk. A good question to ask oneself regarding any proposed credit activity is, "Would I invest the money saved for my child's education in this venture?" If the answer is no, it will be hard to convince a financial institution that it should invest its investors' money in the same venture.

An important issue currently under consideration by ROD, CLUSA, and USAID is the disposition of the guarantee fund at the end of the project. ROD and CLUSA staff, as outlined in the papers presented by Olaf Kula, have proposed that the guarantee and transaction funds be transferred by the government to ROD and left in the accounts at the BIAO. The argument put forth by ROD and CLUSA is that these are project funds and their continued and long-term existence will allow the project to develop the financial base it requires to become self-sustainable over the next few years. Furthermore, since USAID has already expensed the funds, it would be in the mission's interest to ensure that these funds go toward achieving project objectives rather than merely becoming additional general funds in Niger's treasury.

## **E. Economic Activities and Private Sector Development**

### **E1. Importance of Developing Profitable Coop/GM Economic Activities**

The first paragraph on the first page of a paper prepared by Papa Sene and Ronald Phillips of CLUSA entitled "Final Report, The CLUSA Mission—Redesign of the Cooperative Training System of the Agricultural Production Support Project" (written prior to the start of the ROD project) states:

**"In order for the Nigerien Cooperative movement to become viable, each level (Groupement Mutualist, Cooperative, and Union Local Cooperative) must become economically profitable. This profitability must supersede all other considerations, e.g., cooperatives serving as providers of social welfare, as distributors of inputs and credit, as marketing collection points and as entry structures for other organizations to reach the village level. For it is just this profitability that will allow them to perform these other functions."**

**The evaluation team could not have said it better. The viability of coop/GM economic activities is the sine qua non for the success of the ROD project.**

**The project paper/proposal likewise recognized the importance of developing more profitable economic activities. It noted that economic activities undertaken during the APS project showed modest profit margins. A series of interventions was discussed to help to identify alternatives with better potential for revenue production, including:**

- Assistance in setting up informal market information systems.**
- Use of data gathered by other organizations.**
- Exchange of information between cooperatives.**
- Collaboration in market research by cooperatives.**
- Study tours to neighboring countries for coop leaders.**
- Exploration of possibilities of value added activities through joint ventures with private operators.**

**The purpose of the ROD project is "to expand the private sector role in rural areas through the development of viable cooperatives engaged in productive economic activities." With the collapse of the state-run agricultural input and marketing system, project designers seem to have anticipated a greater private sector role in rural agricultural production, and coops/GMs were viewed as a potentially effective vehicle for the development of this role.**

## **E2. Project Progress on these Issues**

**Clearly, one must take into account that the deteriorating economy in Niger has limited the potential for the development of alternative economic activities. Nevertheless, progress toward achieving this project purpose has been very limited.**

**The activities coops engaged in prior to the start of ROD were mostly cereal purchases from members and market sales, and establishment of village boutiques and pharmacies selling necessary household items and medicines. Little has changed to date. ROD staff have tried to implement a number of the interventions described above to broaden coop activities, but with limited success. NCBA/CLUSA fielded a long-term expatriate consultant on business development who served during the first two years of the project. A new expatriate, John Guzowski, took his place this past fall, and he has spent the past few months assessing the potential for more viable economic ventures. He anticipates that this evaluation will help focus more ROD attention on the development of these activities, which**

should help in establishing a more targeted approach to business development during the remaining life of the project.

Of the 13 coops/GMs visited by the evaluation team, the most successful was located in Tamasle and was engaged in onion production and fertilizer provision, as well as cereal purchase and sales. Another coop near Gaya was engaged in salt production (with prior technical assistance and credit from the ILO), but was having marketing problems. A third group—a women's GM in Boubon—had taken out a loan to buy okra to process and sell as dried gumbo, but experienced doubts after receiving the loan and was considering abandoning the gumbo project altogether and reverting to cereals. The rest of the coops/GMs visited were either buying and selling cereals or operating boutiques or pharmacies. Most of these activities were earning very modest profits or losing money.

The private sector role in rural agriculture production has been increased somewhat by default as a result of the collapse of the previous government-run system. It is doubtful, however, that the resulting activities have significantly improved the agricultural economy of Niger, at least in terms of coop/GM activities.

One area that the evaluation team believes deserves further attention is the development of linkages between rural organizations, including coops and GMs, and local traders and businessmen. The most successful coops/GMs visited by the team had local businessmen as members or economic managers. Traders and businessmen generally have better knowledge of product markets (especially cereals) and better access to credit (as noted in the study on rural finance in Niger by Ohio State University in 1986-1987). Obviously, care must be taken to ensure that these businessmen don't control the groups for their own economic enrichment. But a recognition of the self-interests and skills of both parties and a means of working to their mutual advantage can often be found.

Another approach with good potential would be to try to match products of local coops/GMs with marketing outlets elsewhere in the country or in neighboring Nigeria, for example. The salt production coop in Gaya is an appropriate candidate for this type of program. The Agricultural Marketing project currently under design by USAID could assist ROD staff in identifying potential linkages.

Some cooperatives are active in projects that enhance the environment, such as planting and conservation of forests and other resources. Although the team did not have sufficient time to investigate the experience of these coop activities in depth, this area warrants further exploration. It is important to note, however, that these activities must also be viewed as providing economic benefits to coop members if they are to be sustainable in the long term. Members do not necessarily have to receive direct monetary payment for their efforts, however. If they believe their efforts to improve the environment are necessary to support other financially beneficial activities, they will have a vested interest in them.

## **F. Gender Issues**

The eighth objective of the ROD project as found in the project paper/proposal is to "increase support to the formation of women's groups and cooperatives."

There appeared to be general consensus that little success has been achieved toward this objective. The report by Lyle Brenneman stated:

"The project has made little progress toward the attainment of the projected level of outputs for the involvement of women. A number of efforts have been made, but for the most part have been unsuccessful....The female assistants hired by the ROD project to focus on women's projects have proven to be very disappointing in both their level of motivation and their ability to perform."

A fax from the CLUSA African Regional Office regarding issues raised in the evaluation (See Annex F) has the following to say about progress toward this objective:

"Restrictive social codes in Niger have made it difficult for our program, along with most if not all other programs in the country, to effectively promote women's activities. Our approach which has shown some success, has been to constantly raise the issue of women's participation in the affairs of the cooperative or GM."

ROD staff and management generally accepted their limited effectiveness in this area. One possible reason cited was that ROD worked primarily with existing coops/GMs that have traditionally had limited participation from women.

The experience of the evaluation team in observing women's participation in coop/GM affairs was extremely disappointing. Only two coops/GMs visited had any female participation. One was a GM composed only of women and another was composed of mostly women with some leadership involvement by men. When we asked the men of the other coops/GMs if women participated in coop/GM decisions, they were often perplexed by the question. In one case, they asked why we would think that women would be involved? In another case, they said that women's participation was "not necessary."

The evaluation team is concerned that there are only three woman assistants on the field staff and the only woman working in the central office is the secretary. Discussions with central staff evidenced a reluctance to push coop/GM leaders too hard to promote women's participation. When we met with a woman at Societe de Developpement International Desjardins (SDID) to discuss the training performed by ROD staff in the field for SDID project staff, she expressed concerns regarding the acceptance of the male assistants of the status quo and questioned their commitment toward understanding the female point of view.

Although ROD hired three woman assistants to expand female participation in coops, project performance to date has not been significantly better. The assistants have been concentrating on forming women-run GMs, with limited success.

We recommended that the project hire a Nigerienne with experience in community organization to work on the central staff as a trainer to push for an active women's promotion program and help women field staff improve their approach and techniques. This appointment would also permit the expression of a female point of view on project decisions and activities. We also suggested that ROD staff coordinate their efforts with other NGOs having programs or experience in developing programs for women, or that take gender considerations into account, e.g. SDID.

#### **G. Institutional Development**

The development of an indigenous NGO to carry on project activities at the end of the ROD Project is viewed as a critical determinant of project sustainability. No other practical alternative to this institutional option is apparent other than a continuation of the cooperative agreement with NCBA/CLUSA.

The project paper/proposal saw the establishment of an indigenous NGO as one of the eight project objectives, designed to "ensure the sustainability of project activities after the end of the project through assistance to a private Nigerien organization whose major objectives are to provide training, consulting, and technical assistance to cooperatives."

ROD staff and management contend that this objective has been one of their major concerns this past year. They point to a general meeting of ROD-assisted coops and GMS last year where the issue was raised and a plan to establish the NGO was undertaken. Over the past year, ROD staff were polled to solicit their interest in participating in such an organization. The response of the central staff was generally positive although the field staff exhibited mixed feelings: of the 50 assistants, 26 were interested and 24 were not. As a further indication of interest, funds for initial capital of the proposed NGO were solicited from those who were positive about its formation. CFA410,000 (approximately US\$1,500) has been collected to date.

In addition, the evaluation team received two papers from ROD staff concerning progress on this issue. One was a memo dated 25 November 1991 from Jim Alrutz to Papa Sene and the central ROD staff in Niamey, discussing various ideas regarding the process of the development of a local NGO. The other was an undated memo from Boukari Saley to the Regional CLUSA Office that described the progress made to date (sometime after August 15, 1992, as determined from the text of the memo).

The Regional CLUSA Office believes that the development of such an organization will be better if it grew from the interests of the current ROD staff without the imposition of a structure from management above. The memo from Jim Alrutz mentioned above affirms this approach and discussed various alternatives, opportunities, and constraints for the NGO. He also offered the possibility of a trip to Rwanda to see how a local coop training center there, IWACHU, developed into a local NGO over a number of years with assistance from CLUSA. In addition, he offered the services of a number of consultants from CLUSA with experience in NGO development to help Nigerien staff tackle relevant issues and problems.

In fairness to CLUSA and ROD staff, it does appear that some movement has been made on this issue over the past year. Papa Sene and ROD personnel told the evaluation team during different meetings that this item would be on the top of the agenda for the March general meeting of ROD staff and assisted cooperatives. Nevertheless, there is some apprehension among USAID staff that the pace on this issue has been too slow.

The evaluation team agrees with the mission that unless concrete steps are taken very soon to form an NGO to continue project activities, ROD will end before such an organization is in place, and alternatives for carrying on project elements will be scarce. It will take many months to legally form the NGO and reach agreement on functions to be performed and management issues. The time to act is now.

USAID officials informed the team that an effort is currently underway by some donors to create a permanent rural development training center that would have facilities and a permanent administrative staff to organize training activities of various types (patterned somewhat after the activities of ENDA in Senegal). The success of the ROD staff in providing training to other partenaires over the past few years could be capitalized on and participation in such a permanent training institution could help finance NGO operations. We suggested to ROD staff that they make their interest known to the parties involved in the establishment of the training center. Furthermore, USAID could assist ROD staff by recommending their participation in the development of this idea to the donors and organizations involved in this idea.

In addition, although the evaluation team appreciates the value of an approach in which the formation of the local NGO is led by the Nigeriens themselves, some gentle and timely pressure from the regional office could be helpful. The scheduling of a short- or long-term consultant to help with this process might provide some focus and needed additional manpower to deal with constraints to proper NGO formation.

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**SECTION III**  
**ANSWERS TO QUESTIONS IN THE STATEMENT OF WORK**

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This section of the report provides brief answers to the questions asked in the statement of work for this evaluation. Further details are provided in Section II of the report above.

1. *By comparing expected project outputs with actual results, has the project been successful in achieving its anticipated outputs up to this time?*

Based on the performance indicators in the project paper, the project has not met all expected outputs. The project proposal estimated that the project should reach at least 245 cooperatives, however ROD staff are working with only 135 coops. Nevertheless, the evaluation team believes ROD is working with approximately 750 groupement mutualistes (subdivisions of coops), and that GMs are a more appropriate unit for measuring coverage goals. Furthermore, the team believes the project should seek to reduce the number of coops/GMs with which it is working and concentrate on improving the quality of its assistance with fewer coops/GMs, particularly in developing more profitable alternative economic activities.

2. *Has the project expanded the private sector role in rural areas through the development of viable cooperatives engaged in productive economic activity? Cite examples in numbers, types of activities, financing used, and quality of cooperative activity.*

No notable increase in private sector activity in rural areas due to coop development could be perceived. Among the cooperatives visited by the team, very few demonstrated viability either in their activities or their management and member support.

3. *Has the project addressed, conceived and put into action any methods in which to ensure the sustainability of project initiated activities? Has the project tested any alternatives concerning the formation of a Nigerien private organization?*

Very little concrete movement toward the establishment of an indigenous private organization to continue project activities has been taken to date. CLUSA and ROD staff stated that this issue will be discussed and decided upon during a reunion of Nigerien cooperatives to be held in March 1993.

4. *Has the triage of cooperatives strengthened the existing cooperatives by increasing the planning of economic activity, by increasing the training received by both cooperatives and its membership, and by increasing the training received by the village assistants?*

Yes, it appears that the triage has helped focus training efforts, but the evaluation team believes the triage did not go far enough.

5. *Has the village-based training increased the number of cooperatives and emphasized skills for effective marketing, preparation of feasibility studies, credit applications, accounting systems, management skills, and literacy?*

Yes, to a certain extent. Quite a large number of cooperatives have received training in planning economic activities, marketing cereals, preparation of feasibility studies, accounting systems, management skills, and literacy. The training component has improved the overall capabilities of cooperatives, but the absence of data measuring project impacts limits an assessment of the effectiveness of this training. The coop development model introduced by CLUSA/ROD in this project is to use a regional assistant to train village-based animators who are responsible to train GM leaders and members. The goal of the training is to transfer skills to coop/GM leaders and members to manage their own affairs through a variety of income-generating activities.

From 1989-1992, ROD trained 2,160 managers, 954 village literacy instructors, and 3,500 village animators. Through the establishment of 939 literacy training centers in villages throughout the country, ROD has trained 18,169 men and 110 women in functional literacy and numeracy. (Please refer to Figure 2, Statistiques DOR, in Section II of this report.) It is clear that literacy/numeracy training is the key to development of skills training. In several coops visited, the team found that those who knew how to read and write in their local language could at least perform basic financial bookkeeping (general ledgers). Those people also tended to participate more in discussions of coop activities and problems.

6. *Has the loan guarantee fund assisted the development of economic activity in the cooperatives, and if so, by what measurement? Has the loan guarantee fund established a dependency by cooperatives which rely only on it and not on other sources of credit? Are there other sources of credit developed or being developed?*

If it had not been for the guarantee fund, the coops receiving credit from the ROD project would have had considerably fewer resources for economic activities. The success of those activities, however, is questionable in terms of both size of profits and concrete benefits gained by coop members. It was clear from discussions with the BIAO and from field visits that the coops would have no other alternative to formal credit without the guarantee fund. The business sector in Niger over the past few years has seen a decrease in formal banking activity in general, and this slowdown has included rural cooperatives.

7. *What special considerations have been provided to women cooperators, and what have these accomplished?*

Three female assistants were recruited by ROD staff to work with women to promote economic activities. The team visited two coops where women are primarily responsible for the economic activity; both were experiencing considerable problems turning those activities into profitable ventures. Traditional custom in Niger limits participation by women in coop decision making. Disappointment was expressed by some in regard to the motivation of the

female assistants and their ability to achieve female participation objectives. It is clear that very little progress has been made in this area.

8. *Has the approach of village based, cooperative assistants as trainers been effective in increasing cooperators knowledge and functions of cooperatives?*

Although the assistants in some coops visited have good relationships with the coop leaders and were clearly assisting the coop to move toward independence, there was evidence in others that very limited progress was being made. Of course, this failure is often due to particular circumstances and coop leaders. However, the evaluation team expressed concern that there are no real incentives in place to encourage an assistant to graduate his/her GM or coop out of the ROD project. Likewise, many village animators do not receive any remuneration from their cooperatives. Without such pay, animators will have limited interest in performing their work well.

9. *Has CLUSA/ROD developed linkages to other organizations for both providing and receiving training?*

The answer to this is an unqualified yes. ROD staff have been very successful working with other NGOs and programs to assist rural development. All of the NGOs contacted who had received training from ROD staff were extremely pleased with the training. Furthermore, the current work of WOCCU to develop credit unions appears to have benefitted from much of the groundwork provided by CLUSA staff over the years.

10. *Has CLUSA provided technical assistance and home office support which aids project implementation?*

There were no complaints expressed regarding support from the Washington, D.C., office of NCBA/CLUSA. Although it was generally felt that technical support from the Africa Regional Office was sound and appreciated, a number of sources expressed disappointment with project management assistance from that office.

11. *Has USAID/Niger provided pertinent project oversight and management to the project?*

Most persons interviewed felt that USAID has provided unobtrusive project oversight and has allowed ROD and CLUSA staff to direct their own activities, while requiring regular reporting and visiting field sites to view progress from time to time. A more regularized schedule of meetings between ROD management and CLUSA regional staff could eliminate some misunderstandings, however.

12. *How were the interests and role of women compared to men taken into account in each of the design, appraisal and implementation stages of the project/ program implemented?*

There was very little evidence that much attention has been paid to the interests of women and their particular roles in the project.

13. *In what ways did women (compared to men) participate in these processes?*

Very minimally.

14. *What were the effects, positive or negative, of the program/project concerning women's (compared to men) access to income, education and training, and with respect to workloads, role in household and community, and health conditions?*

It is clear that project design and project staff either underestimated the limitations on women's access to coop participation and benefits or have been unable to find practical ways to significantly overcome these limitations.

15. *How were the interests and role of women (compared to men) taken into account in the evaluation stages?*

It is not clear that the interests and role of women have been given the attention that is needed to overcome the constraints limiting the participation of women in coop economic activities and decision making.

16. *Were significant factors concerning women (compared to men) overlooked at the appraisal stage?*

Yes.

17. *Were gender-specific data available for each of the program/project stages: design, appraisal/approval, implementation, monitoring, and evaluation?*

Very little data was available that analyzed these issues.

18. *How did women's integration in AID activities affect the sustainability of project/program outcomes? Were outcomes more sustained (or less sustained) when women were taken into account in AID activities?*

Since the number of instances where women have been integrated into the program are small, there is little to suggest that sustainability of project activities was affected when women were considered. The two women's projects visited both appeared to suffer from the same problems of sustainability experienced by projects run by men.

19. *Are the results achieved by the programs/projects equally sustainable between men and women beneficiaries?*

The only coops visited by the team whose economic activities appear to have some potential for sustainability were run by men.

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**SECTION IV  
FINDINGS AND LESSONS LEARNED**

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**A. Role and History of Cooperatives and Cooperative Law**

1. The existing cooperative law is somewhat restrictive and limits the flexibility of coop organization. For example, it limits coops to geographic areas that do not cross canton borders. Various parties, government and nongovernment, are now considering a new coop law that would help make the legal structure of cooperatives in Niger consistent with a voluntary approach to membership.
2. Niger has a modified structure of unions at local, sub-regional, and regional levels and a national cooperative organization. The historical cooperative structure was designed to facilitate a government program for agricultural inputs and marketing of agricultural produce. The collapse of a number of parastatals performing these functions and the withdrawal of government funding and subsidies has led to a *de facto* liberalization of cooperatives. It is important to note that the perception of coops by farmers in Niger suffers from this history of government domination, and this perception must be overcome for cooperatives to achieve the objectives of the project. ROD staff assert that this perception is slowly changing and point to a number of changes in coop organization (e.g. voluntary membership and payment of initial membership fees) as proof.
3. Coops are based on geographic proximity and are much too large to engender the type of trust among members needed to assure repayment of loans. Groupements mutualistes and specialized groups such as associations of entrepreneurs engaged in the same trade appear to be more appropriately-sized groups to work with. ROD staff have been focusing on this level of organization in the past year.

**B. Management Issues**

1. The management approach of NCBA/CLUSA gives day-to-day operational decision making responsibility to country field staff. However, the management structure of ROD staff appears rather vague. For example, the role of the ROD project coordinator in decision making does not appear to be clearly prescribed or understood by all. Furthermore, according to the organizational structure described by ROD staff to the team, all employees (12 central office staff and 50 field staff) are supervised by the coordinator.
2. The remoteness of coops and the lack of delegation in management will continue to pose problems for supervision of field-based assistants. Although

there appears to be good record keeping for daily field activities, there needs to be a better system to ensure attainment of project goals.

3. The technical assistance provided by the CLUSA regional office in Ouagadougou has been sound and appreciated. However, more on-site managerial assistance might have been provided to resolve some of the more thorny management issues such as how to establish personnel records to help dismiss incompetent field workers. Likewise, it appears that local ROD management could have benefitted from more pressure from the regional office and assistance on how to develop an indigenous institution to carry on activities at the end of the project.

### **C. Training**

1. The project has proved somewhat successful in ensuring active member participation. However the training being performed in the field often has limited relevance to economic activity development: It seems to focus more on traditional coop organization instead of promotion of effective and profitable coop economic activities.
2. Only a handful of coops visited appeared to have a good conception of how they should function and become self-managed. Although the triage reduced the number of cooperatives assisted by ROD staff, the team did not find much evidence that cooperative management has improved significantly. The key element to effective management is carrying out more profitable economic activities. Most of the activities engaged in thus far have had limited profitability and concrete benefits to members.
3. The lack of a good system to monitor the training component hindered the evaluation team from adequately assessing the efficacy of ROD staff in transferring coop management skills to coop leaders and members and in training villagers in functional literacy. The information provided to the team was in the form of statistics on how many persons were trained, course contents, time spent training, etc. Consequently, the team had to rely on its impressions during field visits which were limited by the shortness of the evaluation. The project paper/proposal called for a full-time staff person to monitor and evaluate systems to track these types of issues; it is not clear why this position was not filled or these issues addressed. A questionnaire has recently been employed by ROD staff that attempts to meet this need, but much more is needed.
4. The training proved to other partenaires in coop development, animation, group dynamics, and practical field work has been very successful. All of the groups interviewed expressed appreciation to the ROD staff for their work in this area and sought to receive further assistance and collaboration in the future.

#### **D. Credit**

1. The credit program is effectively providing credit access to coop farmers through the use of the guarantee fund. However, monitoring and loan collection still have problem areas, and it is doubtful that banks in the near future will provide loans to coops in the absence of the guarantee fund, or that they could find such loans profitable without program administrative costs being covered by another institution such as CLUSA/ROD.
2. The performance of training and credit activities by the same persons limits the effectiveness of both. Experience in other countries has generally found that the staff and management of these activities should be separated.

#### **E. Economic Activities and Private Sector Development**

1. Most cooperatives served by ROD staff seem to be engaging in economic activities with limited potential for growth, in competition with private vendors or traders, and in which coops often have limited skills, e.g. cereal purchases and sales and boutique and pharmacy operation. The project proposal noted that economic activities of coops often had social purposes and generated rather small profit margins. Although the proposal stated that this issue would be addressed by ROD, little has been accomplished to diversify coop activities and concentrate on more potentially profitable activities. The team would like to note, however, that rural economic activities by coops are obviously limited by the current economic environment in Niger, and this observation takes that factor into consideration.
2. It is difficult to discern concrete economic benefits to coop members from economic activities. Some coops cut their profit margins on boutique or cereal sales to provide benefits to members; however, management understanding of the operation of economic activities as businesses and of how their activities are benefitting members appears limited.
3. Coops visited that have local traders as members or managers appear to be operating better financially. Although traders should not control coop activities (and care should be taken to ensure that they do not), linkages with traders that take advantage of their greater knowledge of the market and recognize mutual interests of all parties would help improve coop marketing and business decisions.

#### **F. Gender Issues**

1. The number of women participating in coop activities is very low, and it appears that either the sociocultural biases against such participation were underestimated or that insufficient attention has been paid to increasing women's participation. One limiting factor may be that ROD staff has tended

to work with existing coops/GMs whose management structures are dominated by men.

2. Although ROD hired three women field staff (assistants) to improve female participation in coops, project performance to date has not been significantly better. The assistants have concentrated on forming women-run GMs with limited success.

#### **G. Institutional Development**

1. Some efforts had been made toward the formation of an indigenous institution to carry on the functions of ROD when the project ends in September 1994. A CLUSA/ROD staff meeting is planned for March 1993 to discuss the formation of an NGO. Although CFA410,000 has been contributed by project personnel for this purpose, there does not appear to be much of a consensus on how to achieve the objective. ROD management contends that this issue has been given considerable attention over the past year. However, evidence of substantial progress remains scarce.

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## **SECTION V RECOMMENDATIONS**

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### **A. Role and History of Cooperatives and Cooperative Law**

1. The main unit for measuring delivery of services and economic activity promotion should be groupements mutualistes or specialized groups, not coops. In keeping with the name of the project and as suggested in the proposed revision of the credit system, ROD staff should work with any organization that can effectively assist rural development, including coops, GMs, specialized groups, associations, or informal groups with the potential to develop profitable and sustainable economic activities to benefit rural villagers.
2. Although steps have already been taken by ROD staff to improve the perception of coops as vehicles for effective group management of economic activities, more effort is required if the existing stratified structure of local coop management is to be improved. Greater participation by all members and inclusion of women would both increase coop management transparency and effectiveness.

### **B. Management Issues**

1. To focus more on the development of alternative economic activities, a substantial reduction in the number of cooperatives/GMs assisted should be considered. This reduction would help cooperatives become self-managed and function independently as enterprises. It would also entail reducing the number of assistants, retaining only those who have proven their effectiveness in the field.
2. A restructuring of ROD staff should be considered. NCBA/CLUSA should help project staff come up with a management structure that has clear lines of authority and that delegates supervision of field staff.
3. NCBA/CLUSA should immediately and directly address the issue of ROD staff monitoring and evaluation to put a system in place to help dismiss ineffective employees.

### **C. Training**

1. The role of assistants and animators should be reconsidered vis-à-vis their relationships with coop boards of directors regarding business decisions. Coop/GM leaders have become dependent upon these staff, and more efforts

should be made to transfer project knowledge to increase coop member participation.

2. Assistants and animators play an important role in training and organization of coops/GMs, however they must be motivated to do a good job. Incentives need to be considered to motivate project trainers them to train coop leaders to the extent that assistants and animators work themselves out of a job, while at the same time finding monetary or other remuneration to reward them for effective performance.
3. A system to monitor the training component that looks at real effects rather than simply measuring outputs (e.g. numbers of persons trained or time spent training them) should be implemented. Such a system could be tied to rewards for effective training by assistants and animators.

#### **D. Credit**

1. Training and credit functions of ROD should be separated programmatically and physically, and a radical revision of the program, such as that proposed by Olaf Kula, implemented on a pilot scale. Thought must be given on how to phase out the existing program at the same time. The two most critical issues regarding the proposed revision are management and the acceptance of program principles by the banks. Unless a sound management plan can be put in place to assure a smooth transition—including sufficient financial controls and staff supervision—the project could suffer from trying to accomplish too much too soon.

Likewise, a written agreement with the banks that shows their concurrence with program objectives and methodology is needed prior to commencing the new credit system. The remarks made by the BIAO officer to the team and experience with credit programs elsewhere suggest that banks are very slow to change their loan evaluation procedures and policies. One often finds that top bank management will express agreement with the goals and suggested procedures of a more liberal lending scheme; however, resistance from line officers implementing the new program frequently limits the accomplishment of these objectives.

2. Project credit staff need to deal with issues such as rescheduling of delinquent loans, fungibility of loan funds, and accurate tracking of repayment rates if a good monitoring system is to be established. Better analysis of how loans are to be used (in conjunction with efforts to improve market research vis-à-vis project activities) should also be implemented and market issues considered in loans decisions.
3. The evaluation team agrees with the CLUSA proposal that USAID take steps to ensure that funds provided by USAID to Niger for the guarantee fund

continue to be used for this purpose during the rest of ROD and for the long-term continuation of project activities after funding ceases.

#### **E. Economic Activities and Private Sector Development**

1. More effort must be made to identify alternative economic activities for cooperatives/GMs that offer them greater comparative advantages. A possible linkage between the USAID agricultural marketing project now being designed and coops with economic potential should be considered. The reduction in the number of coops/GMs assisted would also help focus on those able to develop alternative ventures.
2. There is a need to expand private sector linkages with coops/GMs in rural areas. Since most parastatals and productivity development projects have ceased operations, the project must determine which activities are best done by private entrepreneurs and which by coops/GMs. For example, an analysis of the comparative advantage of having a coop operate a boutique in an area already served by private entrepreneurs should be performed prior to providing a loan to assist that activity. Likewise, a coop/GM should not be engaged in the purchase and selling of cereals if a private commercant who knows the market could perform this function better. These issues must be addressed before helping coops/GMs engage in economic activities.

#### **F. Gender Issues**

1. The ROD project should hire a Nigerienne with experience in community organization to work on the central staff as a trainer to push for a more active women's promotion program and help female field staff improve their approach and techniques.
2. ROD staff should coordinate their efforts with NGOs that have programs or experience developing programs for women or that take gender considerations into account, e.g. SDID.

#### **G. Institutional Development**

1. ROD/CLUSA should move immediately toward a decision on the appropriate indigenous institutional structure for project activities after the cessation of USAID funding. NCBA/CLUSA should take a more proactive stance on this issue, including (perhaps) bringing in long- or short-term expatriates with experience in the formation of indigenous institutions to help ROD staff. The establishment of an indigenous NGO to continue project activities is critical to the sustainability of the project. One avenue where USAID could provide assistance is in recommending to other donors currently considering the formation of a permanent rural training center that ROD staff be used to conduct training at that center.

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## ANNEX A SCOPE OF WORK

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### **Background**

This project is the second phase of USAID/Niger involvement with cooperative training and business and agricultural marketing. The first phase was under the Agricultural Production Support project (APS), 683-0234, which was active from 1982-1989. The Cooperative League of the USA (CLUSA) was the lead institution in the formation of cooperatives. Recognizing the potential importance of cooperatives to the rural farmer, USAID/Niger decided to continue cooperative development under a proposal made by CLUSA. Thus the Rural Organizations Development project (ROD), 683-0260, was authorized. The purpose of the project is to expand the private sector role in rural areas through the development of viable cooperatives engaged in productive economic activities. The life of project funding is \$9,000,000. The project was authorized on August 24, 1989 and its scheduled Project assistance completion date (PACD) is September 1, 1994. There have been no changes in the PACD. The ROD project has been working in some cases with pre-established cooperatives from the predecessor project, as well as establishing new cooperatives itself.

Results to date have been variable in some respects, with training and cooperative formation going well but some cooperatives not doing well in business activities. A triage of cooperatives was conducted in 1990-1991 in which all cooperatives were reviewed in terms of their participation, advancement and business activity. Several of the original cooperatives were dropped from the project as being unable to function and not recoverable, some were considered as recoverable but not functioning well and a third group was continued as they were. Another change within the overall project is the providing of field assistants with much greater authority in working with the cooperatives in their area of work.

In terms of business activities there has been a large mix. Boutiques, pharmacies, agricultural marketing and fertilizer sales are a few areas in which the cooperatives conduct business. The \$1,000,000 Loan Guarantee Fund from the Agriculture Sector Development Grant I (ASDG I) has been used mainly for agricultural marketing, but is now being included in the establishment of fertilizer banks.

### **Evaluation Team Composition**

The team will be composed of the following members:

1. Team leader, Cooperative Formation and Training Specialist
2. Cooperative Business Analyst
3. Representative of USAID

4. Representative of CLUSA
5. Two representatives of the Government of Niger

Positions 1 and 2 will be chosen from the IQC firm, while the remaining positions will be recruited from personnel in Niger. Positions 2 through 5 will serve as resource persons, and will be responsible for providing input to the final report. The Team Leader will ultimately be responsible for completing the report.

**Article I: Title**

Rural Organizations Development project, 683-0260

**Article II: Objective**

To provide a 2-member team which shall evaluate the above project and review the project's performance to date, vis-à-vis its objectives and to make recommendations for change, if necessary, in the implementation of the project over the remaining period of the life of project (October 1994).

This midterm evaluation of the project is called for in the project paper. It has been delayed four months so that the results of a cooperative triage, held in 1991, could become more evident and be evaluated. Key management issues include the training provided to date and its efficacy, the use of the Loan Guarantee Fund provided by ASDG I and recommendations on its future, and the overall sustainability of the cooperatives established and the future of the nongovernmental organization (NGO) to be established and functioning by the end of the project.

Results of the evaluation will be used by USAID/Niger in the upcoming years of the project. Evaluation findings and recommendations will be used by USAID/Niger and CLUSA to strengthen the project. If necessary, changes recommended by the evaluation team will be incorporated in a Project Paper Supplement and the Cooperative Agreement with CLUSA.

**Article III: Statement of Work**

The following questions should be answered based upon empirical evidence rather than subjective interpretation.

The questions are noted by page number and section of the Project Paper Equivalent. The evaluators will conduct their questioning and data gathering using the noted sections as reference. The following questions need to be answered.

1. By comparing expected project outputs with actual results, has the project been successful in achieving its anticipated outputs up to this time? pp.7-8.

2. **Has the project expanded the private sector role in rural areas through the development of viable cooperatives engaged in productive economic activity? Cite examples in numbers, types of activities, financing used and quality of cooperative activity.**
3. **Has the project addressed, conceived and put into action any methods in which to ensure the sustainability of project initiated activities? Has the project tested any alternatives concerning the formation of a Nigerien private organization? pp.11-12, 21.**
4. **Has the triage of cooperatives strengthened the existing cooperatives by increasing the planning of economic activity, by increasing the training received by both cooperatives and its membership, and by increasing the training received by the village assistants? (The triage is not within the project documents, thus no page number.)**
5. **Has the village-based training increased the number of cooperatives and emphasized skills for effective marketing, preparation of feasibility studies, credit applications, accounting systems, management skills and literacy? pp.16-17.**
6. **Has the Loan Guarantee Fund assisted the development of economic activity in the cooperatives, and if so, by what measurement? Has the Loan Guarantee Fund established a dependency by cooperatives which rely only on it and not on other sources of credit? Are there other sources of credit developed or being developed? pp. 18-20.**
7. **What special considerations have been provided to women cooperators, and what have these accomplished? p.21.**
8. **Has the approach of village based, cooperative assistants as trainers been effective in increasing cooperators knowledge and functions of the cooperatives? pp.20-21.**
9. **Has CLUSA/ROD developed linkages to other organizations for both providing and receiving training? pp. 30-31.**
10. **Has CLUSA provided Technical Assistance and Home Office support which aids project implementation?**
11. **Has USAID/Niger provided pertinent project oversight and management to the project?**
12. **How were the interests and role of women(compared to men) taken into account in each of the design, appraisal and implementation stages of the project/program implemented?**
13. **In what ways did women (compared to men) participate in these processes?**

14. What were the effects, positive or negative, of the program/project concerning women's (compared to men's) access to income, education and training, and with respect to workloads, role in household and community, and health conditions?
15. How were the interests and role of women (compared to men) taken into account in the evaluation stage?
16. Were significant factors concerning women (compared to men) overlooked at the appraisal stage?
17. Were gender-specific data available for each of the program/project stages?
  - a. Design
  - b. Appraisal/approval
  - c. Implementation
  - d. Monitoring
  - e. Evaluation
18. How did women's integration in AID activities affect the sustainability of project/program outcomes? Were outcomes more (or less) sustained when women were taken into account in AID activities?
19. Are the results achieved by the programs/projects equally sustainable between men and women beneficiaries?

#### **Article IV: Reports**

Analyses and conclusions to be presented in the report should be based on the findings, and recommendations based on an assessment of the results of the evaluation exercise. The report should include an Executive Summary which includes the major findings and the team's recommendations. The body of the report will provide the in-depth discussion of the team's findings and will specifically include a section on lessons learned that emerge from the team's analysis.

A draft report must be prepared in English and presented to the USAID/Niger Evaluation Officer before the departure of the team. A final report, in both French and English, must be presented to USAID/Niger within one month of the departure of the team. Reports are to be typed, and also provided in Word Perfect on a computer disk. Hard copies of the reports must be submitted in at least ten copies of the draft and thirty copies of the final report. The final report must be presented in both French and English. The Evaluation Officer will be responsible for the approval of the final report.

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**ANNEX B**  
**NIGER ROD EVALUATION WORK SCHEDULE**

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January 14	9:00 11:00 Aft.	Meeting at Chemonics. Initial meeting with NCBA/Washington. Review project documents.
January 15		Meetings at NCBA and preparations for travel.
January 17	18:30	Chemonics team departs Washington.
January 18	19:00	Team arrives in Niamey.
January 19		Briefings at USAID/Niamey with John Mitchell and Felicia Lightfoot. Attended presentation by Olaf Kula at USAID on proposed revision of CLUSA rural credit program.
January 20		All day meetings at CLUSA. Evening meeting with Olaf Kula.
January 21		Visits to cooperatives in Niamey area: Tioudawa and Boubon. Evening meeting with Papa Sene.
January 22		Visits to cooperatives in Niamey area: Birni Kolondia (Hamdallaye postponed due to death of leader in the village). Briefing by John Mitchell on WOCCU and CARE projects.
January 23		Review documents and draft report outline.
January 24		Off.
January 25		Travel to Dosso and visits to coops: Karakara (Kalgo GM) and Kawarandebe.
January 26		Travel to Zinder. Meeting with Tom Shaw of WOCCU in Maradi.
January 27		Travel to Maradi and visits to coops: Daouche, Maramou Bougage, Dadin Kowā, and Dan Keri.
January 28		Meeting with Sunimal Alles of CARE in Maradi.

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Travel to Madoua and visits to coops: Chaddakouri, Kouroungasaw, and Kornaka.

January 29 Meeting with staff of ILO project in Madoua.  
Travel to Niamey and visit to Tamaske coop.

January 30 Review notes from field trips and draft report on initial findings.

January 31 Off.  
Meeting with Tom Shaw, WOCCU.

February 1 8:30 Meeting at CLUSA re: schedule for week.  
15:00 Meeting with Association Francaise des Volontaires de Progres (AFVP).  
16:00 Meeting with Project Petites Operations de Developpement Rural (PPODR).

February 2 9:30 Meeting with CLUSA.  
16:00 Meeting with Banque Internationale d'Afrique Occidentale (BIAO).

February 3 8:00 Meeting with CLUSA.  
9:00 Meeting with Societe de Developpement International Desjardins (SDID).  
10:00 Meeting with CLUSA.  
16:00 Meeting with Campagne pour une Afrique Verte (CAV).  
19:00 Meeting with Agricultural Marketing project paper team.

February 4 10:00 Meeting with La Direction d'Alphabetisation et de la Formation des Adultes.  
16:00 Meeting with USAID on preliminary findings and recommendations.

February 5 10:00 Meeting with CLUSA on preliminary findings and recommendations.

February 6 Prepare draft report.

February 7 Off.

February 8-10 Prepare draft report.

February 9 9:00 Second meeting with CLUSA on preliminary findings and recommendations.

February 11 12:00 Submission of draft evaluation report to USAID and CLUSA.

February 12 15:00      Debriefing at USAID on draft evaluation report.

February 13              Revise draft report based on comments at debriefing.

February 14              Off.

February 15              Revise draft report.  
Team departs Niger at 19:45.

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**ANNEX C**  
**ORGANIZATIONS AND PERSONS CONTACTED**

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**NCBA/CLUSA**

**Headquarters, Washington, D.C.:**

**Karen Schwartz, vice president, International Division**  
**John Paul Simon, administrative officer**

**Africa Regional Office, Ouagadougou, Burkina Faso:**

**James Alrutz, regional director**  
**Papa Sene, regional advisor**

**ROD Staff, Niger:**

**Boukari Saley, project coordinator**  
**John Guzowski, business advisor**  
**Zakou Bomberi, credit program advisor**  
**Sani Mahamadou, literacy training advisor**  
**Moussa Souleymane, accounting trainer**  
**Hama Ibrahim, trainer**  
**Oumarou Bayero, literacy trainer**  
**Ismael Hachimi, bilingual secretary and accountant**  
**Beidari Younoussi, accountant**  
**Maman Issoufou, administrative assistant**  
**Fati Ayouba, secretary**  
**Boubacar Kimba, office assistant**  
**Olaf Kula, credit program consultant**

**USAID**

**John Mitchell, ROD project officer**  
**Richard Macken, chief, Design and Evaluation Office**  
**Felicia Lightfoot, design and evaluation specialist**  
**George Taylor, division chief, ANP**  
**Barry Rands, national resources specialist**

## **Cooperatives**

Tioudawa	Dadin Kowa
Boubon	Dan Keri
Birni Kolondia	Chaddakouri
Karakara (Kalgo GM)	Kornaka
Kawarandebe	Kouroungasaw
Daouche	Tamaske
Maramou Bougage	

## **Other NGOs/Institutions**

**World Council of Credit Unions (WOCCU), Tom Shaw**

**CARE, Sunimal Alles**

**Association Francaise des Volontaires de Progres (AFVP), Franck Dagois**

**Projet Petites Operations de Developpement Rural (PPODR), Kemou Goah**

**Banque International d'Afrique Occidental (BIAO), Amoudo Issoufou**

**Societe de Developpement International Desjardins (SDID), Maimouna Niandou**

**Campagne pour une Afrique Verte, Jean Claude Ramond, Evelyne Basselin, Marc Pointecouteau**

**DAI Agriculture Marketing project paper design team, Max Goldensohn, Frans van Eysinga, Giovanni Caprio, Teri Furstace**

**La Direction l'Aphabetisation et de la Formation des Adultes, Amoudou Hadiza Noma**

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**ANNEX D  
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## **CLUSA/NCBA APPROACH TO THE DEVELOPMENT OF COOPERATIVE ENTERPRISES**

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The technical assistance and training services provided in a CLUSA/NCBA program are intended to assist primary cooperative societies and other groups that have formed to carry out economic activities to become viable business enterprises that are totally self-managed. This process involves:

- A. Creating an in-country cooperative business development capability, using CLUSA/NCBA employees to develop local personnel through training and example and to establish a value-based organization, which subsequently is transferred to local management and ownership for institutionalization purposes.
- B. Developing in the members a sense of ownership, control, and responsibility for their cooperative by having them assume decision making authority, which is then discharged in a democratic, participatory manner.
- C. Initiating the processes leading to viability and sustainability:
  - self-management - transferring literacy/numeracy, operational, organizational, financial, and managerial skills to the cooperative leaders, employees, and general members.
  - economic strengthening - developing a series of profitable business activities that address members' economic and social needs.
  - financing - securing a direct relationship between the cooperatives and reliable sources of credit for financing their business activities.

- networking - accessing the technology and information needed to establish and operate competitive businesses.

#### **METHODOLOGY**

The Methodology employed to implement this Approach for developing viable businesses includes the following:

1. **Supplying a small technical assistance team**

The team collectively possesses training, small enterprise development, financial management, marketing and credit expertise.

2. **Recruiting and training host country trainers**

Candidates are intensively assessed (with the participation of local cooperative leaders) to ensure the selection of field staff with the appropriate attitudinal, intellectual, and experiential potential to operate effectively in the community at the cooperative level; they are then prepared for their work through a series of alternating training sessions and field work practice.

3. **Insisting on Voluntary Participation**

Intensive contact meetings are held with each cooperative or group interested in developing a business or service activity during which the rights and responsibilities of becoming involved with the CLUSA/NCBA program are clearly explained. The only tangible benefit offered is access to unsubsidized credit (if necessary); it is made clear that the co-op can expect to receive no gifts, grants, or subsidies. The cooperative is then told that it is entirely their decision on whether to participate or not and are left

to discuss it among themselves. Should they decide favorably, a formal contract written in the local language clearly delineating the rights and responsibilities of both parties is signed.

4. Establishing an intensive community-based training system  
Experience has shown that localized training is more effective and less costly. All training takes place in the cooperative or group, using the same approach of alternating formal, preparatory sessions followed by on-the-job practice and feedback to ensure mastery of newly acquired skills. Field staff are initially assigned to a cooperative for an intensive period of training and then continue their assistance through periodic contact as requested by the group or cooperative.

5. Launching a variety of business activities

Given the multiplicity of needs that can be addressed collectively, groups within the community are encouraged to undertake a variety of business activities. This process results not only in the creation of specific businesses but also develops the capability of these groups to continually identify and respond to other economic opportunities in the environment. Thus the sustainability of the co-ops or other group businesses is enhanced by their ability to adapt to changing economic conditions.

6. Linking all training to actual business activities

All the training is practical and designed to prepare the cooperative to select, organize, implement, manage, and evaluate a series of economic activities. More theoretical issues (such as cooperative principles) are treated as they arise in the course of developing the business activities.

7. Structuring complex processes into simple, discrete steps

Both the interventions of the field staff with the co-op and the business activities are broken down into discrete steps. Training is incremental and based on manageable units, whose successive mastery prepares the learner for more advanced material and motivates by building on the sense of success and achievement.

8. Making functional literacy/numeracy an integral component of cooperative management training

In many cases, the key to preparing cooperative members to assume management of their own economic activities is functional literacy. Without the ability to read, write, and perform basic mathematical calculations, the co-op will always be dependent on others for information, unable to make informed decisions on their own behalf. While leaders acquiring these skills is necessary for self-management, extending them to the general membership assures that the management will be honest and undertaken in the best interest of all. The approach is to tie the literacy/numeracy training directly to whatever economic activity has been chosen.

9. Obtaining direct access for the cooperatives to reliable sources of credit

Rather than operating a credit program, the project assists the co-ops to become accepted as customers by a dependable financial institution likely to be operational in the future. Through demonstrating the cooperatives' improved managerial capability and (when necessary) guarantee schemes, these lending institutions are persuaded to accept the co-ops as trustworthy customers entitled to be treated

just like any other viable business client. This also means that they are expected to pay the same commercial rates of interest. CLUSA/NCBA feels that subsidized interest rates are a disservice to cooperatives in that they perpetuate the past image of credit as a gift rather than as a business expense that has to be repaid. Internal savings mobilization and profits are encouraged to leverage external funds and for direct reinvestment.

10. Accessing information and technology

Like any business, cooperatives need information and technology to succeed. Traditionally, groups are passive recipients of whatever extension message is brought to them - irregardless of how inappropriate or ill-adapted it may be. CLUSA/NCBA trains the co-ops to assess their own technology and information needs and to identify and then access groups that can satisfy those needs. Their self-confidence encourages their becoming active consumers, seeking out technical assistance and adopting only what they find useful.

11. Institutionalizing the cooperative development capability

The team takes steps to assure that the services provided within the project will continue to be available. Local staff are prepared to replace the team and if the CLUSA/NCBA program is not already being implemented through a local organization, an appropriate local structure is created.

July 1992

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**ANNEX F  
FAX MESSAGE**

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**CLUSA/NCBA** AFRICA REGIONAL OFFICE OUGADAGOUGOU, BURKINA FASO TEL&FAX: (226) 33 32 19

DATE: FEBRUARY 3, 1993

NO OF PAGES INCLUDING THIS PAGE: 4

TO: CLUSA

FROM: PAPA SENE AND JIM ALRUTZ

FOR: QUAN CAO AND STEVE SILCOX

During Papa's recent visit to Niamey, he was asked if the Regional Office could provide comments on the 19 questions noted in your statement of work. The responses to these questions, both quantitative and qualitative, will mostly be provided by the team in Niamey. We felt, however, that we could provide some general observations and information that could be helpful in the evaluation process. We look forward to discussing the comments provided below in more detail on our arrival next week.

Project Accomplishments

The main objective of the CLUSA program is to assist cooperatives to become autonomous, member owned and managed business enterprises. Although this is a new concept for most Nigeriens, we see some cooperatives evolving toward that status. There are a number of indicators - quantitative as well as qualitative that you are examining - that we think demonstrate that that evolution is taking place.

As we have followed the development of the cooperatives over the last several years, we have looked for those actions taken by the cooperatives themselves that demonstrate their own commitment to the process of becoming true cooperative enterprises. There are at least three actions taken by some of the cooperatives that we think are indicative of their commitment: they contribute their own capital to finance their economic activities; they finance the cost of their training sessions; and they engage village animators to assist in the operation of their activities. All three of these actions require the financial participation of the cooperative and its members which we feel is a significant indication of the seriousness of their commitment.

Another element of the evolution of the cooperatives is that the GMs are beginning to be recognized as the real base for cooperative development. For the most part it is at the GM level that real member ownership and management of economic activity occurs. The project has played an important part in developing this understanding among some cooperative leaders. There is, of course, resistance to this change as it limits or erodes the power and

influence of the traditional cooperative leaders. But the change is imperative if the cooperative movement is to achieve high member participation and democratic control.

### Local Organizations

Although our program called for the development of a local organization to carry on the work that the CLUSA program has begun, we were confronted with the problem of how to stimulate the growth of such an organization without it being imposed from the top. Over the past year the first steps have been taken by several Nigeriens in our program to organize on a voluntary basis. Each member is investing some of his personal funds into the group and these funds will serve as a capital base for the organization. The group has begun to identify potential clients.

### Triage

The triage has given us the opportunity to concentrate our efforts on the cooperatives that are truly motivated and willing to invest in their own development. We no longer are expending resources on cooperatives that are not truly interested in developing as autonomous businesses. It is important to note the psychological effect the triage has had on the program: on the one hand the cooperatives that remained in the program know that we are serious about only working with coops that are willing to help themselves and on the other hand, the triage motivated several of the coops that were deselected to recognize that they had problems and they reorganized so they could get back into the program.

### Relations with partner organizations

You will have seen a rather extensive list of development projects and NGOs that have requested and in many cases received assistance from the CLUSA program over the past several years. What we think is important to note is that CLUSA was the first organization to successfully introduce a highly participative approach to the development of rural enterprises. Consequently, a large number of organizations over the past seven years have asked us to provide training and technical assistance to their staffs. It is probably not possible to measure the substantial impact, through replication, that the project has had in this area.

### Women in Development

You will have collected data on the role the program has played in the area of promoting women's economic activities. Restrictive social codes in Niger have made it difficult for our program, along with most if not all other programs in the country to effectively promote women's activities. Our approach, which has shown some success, has been to constantly raise the issue of women's participation in the affairs of the cooperative or GM. Although we cannot force the participation of women in the cooperatives' meetings or their participation in the management of the economic

we can raise the issue of their participation and point out through role playing and other sensitivity raising techniques the potential positive effect the inclusion of women could have on the economic affairs of the cooperative.

### Natural Resource Management

The CLUSA participative approach to rural enterprise development has been extended to the management of natural resources. Some seven years ago, CLUSA assisted with the development of a cooperative to manage the forest resources at Guesseibodi. The underlying approach to the management is that villagers will protect resources if they realize benefits from those resources. Guesseibodi has now become a model in the Sahel for virtually all donors, particularly USAID and the World Bank, involved in resource management.

### Constraints

It is important to note that from the beginning of the program in 1984 there has been a steady, although perhaps decreasing, resistance on the part of the government bureaucracy to the development of autonomous cooperatives. The Reduction in Force of the number of cooperative encadreurs and the demise of the UNCC have reduced the external control of the government over the cooperatives and given room for the cooperatives to develop on their own. Unfortunately, the cooperative law is very restrictive and does not provide a legal environment that allows the development of innovative cooperative structures to meet the needs of a changing economy. It vests all the power in the artificially constructed cooperatives; a cooperative structure that was a political and administrative creation, not a structure that was created voluntarily by groups to meet common economic needs. The law allows for no diversity in local cooperative organizations: they all must meet the same criteria and have essentially the same structure. The flexibility to create a cooperative organization to meet specific local economic and social situations does not exist.

Another constraint which you have undoubtedly explored in some depth is the lack of institutionalized rural financial mechanisms. The project is responsible for making possible the first commercial bank loans to small rural agricultural enterprises. Unfortunately, other banks have not joined the BIAO as had been hoped. As you are aware, we are in the process of creating a cooperative credit service that we hope will eventually serve to stimulate other banks to join in lending to rural enterprises.

The stagnating economy is another important constraint to our efforts. Cooperatives are businesses and if they can't make money, they can't survive. The current economic situation in Niger is not conducive rapid cooperative growth.

The economic situation is complicated by the current political situation. There is instability in some areas of country; we have had to withdraw our Assistants from Agadez for example. Strikes and general unrest have had a negative effect at times on our activities.

#### Technical Assistance and Home Office Support

Up until two years ago, program, technical and administrative support to the project was handled by the Washington office. With the opening of CLUSA's Regional Bureau in Ouagadougou in the fall of 1990, the program and technical support was transferred to that office while the bulk of the administrative support remains in Washington.

One of the main program support activities is the regular monitoring of the project's management, activities and achievements. The program calls for 2 monitoring trips a year on the part of the Regional Director. In fact, Jim has made 11 monitoring visits since the ROD project's inception. One new element in the monitoring process has recently been added: the conduct of spot audits by Jim during his visits. These audits have helped the admin staff identify problem areas in administration and finance.

Papa Sene, who after 4 years with the Niger program and 3 with the Mali program, became CLUSA's Regional Advisor a year ago and has spent six weeks in Niger providing consulting and training assistance to the project. In addition to Papa, other CLUSA staff and consultants have also provided technical assistance, on demand, in such areas as team building, management system development (approximately six weeks of technical assistance from CLUSA/Washington accounting and administrative staff) and internal evaluation (one month) during the life of the project. It is perhaps also important to note that on several occasions members of the Niger team have visited Ouaga to consult with the Regional Office on a variety of technical and managerial issues.