

1. PROJECT TITLE Small Economic Activity Development	2. PROJECT NUMBER 686-0249	3. MISSION/AID/W OFFICE USAID/Burkina
4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY)		
<input type="checkbox"/> REGULAR EVALUATION <input checked="" type="checkbox"/> SPECIAL EVALUATION		

5. KEY PROJECT IMPLEMENTATION DATES A. First PRO-AG or Equivalent: FY <u>81</u> B. Final Obligations Expected: FY <u>85</u> C. Final Input Delivery: FY <u>86</u>	6. ESTIMATED PROJECT FUNDING A. Total \$ <u>2,300,000</u> B. U.S. \$ <u>2,300,000</u>	7. PERIOD COVERED BY EVALUATION From (month/yr.) <u>3/83</u> To (month/yr.) <u>3/85</u> Date of Evaluation Review: <u>3/18/85</u>
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B. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1. Develop multiple tracks for credit distribution providing for different (loan sizes) management for differ loan sizes	APP	6/85
2. Organize formal in-house training (skills development training) workshops for APP staff on specific tasks.	APP	Continou
3. Finalize agricultural assistance strategy for APP until PACD. The Strategy will address financial implications.	APP	5/85
4. Hire a qualified financial controller to take over accounting and financial analysis duties.	APP	6/85
5. Revised PFP/APP protocols with GOB and obtain legal status.	/GOB	1/86
6. a) Perform feasibility studies and business performance analysis on APP's existing and proposed income generating subsidiaries.	APP	
b) Analyze the interest and fee structure for credit; looking at training and technical assistance in order to determine optimal charges for cost recovery to accomplish APP's development goals.	APP/PFP	8/85

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

<input checked="" type="checkbox"/> Project Paper	<input checked="" type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____
<input checked="" type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	_____
<input checked="" type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____
<input checked="" type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A. Continue Project Without Change

B. Change Project Design and/or

Change Implementation Plan

C. Discontinue Project

- 11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)**
- H. Gunther, OAG, Project Officer
 - M. Kaboré, OAG, Project Manager
 - J. Becker, OAG, Agric. Development Officer
 - R. Traoré, OPR, A. Program Economist
 - J. Walton, PFP, General Manager
 - C. Lassen, PFP, Director of Evaluations

12. Mission/AID/W Office Director Approval

Signature: *[Signature]*

Typed Name: Emerson J. Melaven

Date: 7/24/86

PROJECT EVALUATION SUMMARY (PES) - PART I

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| 7. Write a practical strategy for APP financial viability on the basis of # 6, project program related earning. | APP/PFP | 12/85 |
| 8. Identify and explore additional donors to support APP as it becomes self-sustaining. | APP/PFP | 12/85 |
| 9. Prepare a plan for the indigenization of APP management including a staff analysis, a time table, training needs and methods. | APP/PFP | 12/85 |
| 10. Increase the familiarization of senior Burkinabe staff with levels of program decision making beyond the Eastern region. | APP/PFP/ATN | 12/85 |
| 11. Submit cost overrun and PACD extension request, so PACD extension and additional funds can be programed. | APP/PFP/AID | 8/85 |
| 12. Submit unsolicited proposal for new PFP activity starting FY 87. | APP/PFP | 7/86 |

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12. Summary

Since October 1981, a \$2.3 million grant from the US Agency for International Development has been used by Partnership for Productivity (PFP) to implement the Small Economic Activity Development Project (686-0249) in the Eastern Region of Burkina Faso.

The present OPG is a second phase of a pilot project which began in late 1977. The project's objective was to deliver credit, management training and technical assistance to small entrepreneurs; it was also to expand and regularize the delivery of credit services through the Eastern region; to refine a methodology for training small producers in credit use and development of economic activities; to increase APP's assistance to agricultural producers and finally work toward building a self-sustained Burkinabe institution to promote socio-economic development in the Eastern region. The Project Assistance Completion Date is 8/31/86.

13. Evaluation Methodology

This evaluation was seen as PFP's mid-term evaluation before PACD. The evaluation was to reflect what had been done since the last evaluation to date, what needs to be done until PACD and plans for the future of APP in Burkina Faso. The project, in the last 24 months, has made significant progress, and has changed somewhat from what was planned in the original OPG. This evaluation is a key tool to see what objectives have been achieved during this phase II and where the project will stand at PACD.

The data collection method used by this evaluation was a survey (with a questionnaire) of APP clients and non-APP entrepreneurs. This survey was performed by PFP/I and APP staff, with assistance from USAID and REDSO/WCA staff.

14. External Factors

The socio-economic and agro-ecological conditions in which the project is operating have been difficult. The last three years have been drought years. Therefore the conditions under which the project is operating are different from when the proposal was written in 1977. Loan repayment rescheduling has been necessary in some cases. Also there have been major changes within the GOUV or now GOB. The future is uncertain as to private sector activities in Burkina.

15. Inputs (see Table I)

16. Outputs (see Table I)

TABLE I

Originally Planned and Current levels of Input and Output

PLANNED	CURRENT LEVELS
<u>INPUTS</u>	
1. Expatriate Staff 14.5 PY	16.5 PY due to extension of General Manager and Ag. Advisor for one year each.
2. Burkinabe Staff 12 persons	28 persons increase for one region and agricultural and financial counterparts and no planning for guards, clerks and secretaries.
3. Construction 2 houses 1 Office building 3 Field houses	1 House 1 Office building 3 Field houses 1 Garage 1 Ag. warehouse
4. Commodities 1 Bulldozer 1 Dumptruck 2 Tractors 4 Jeeps 9 Motocycles	1 Bulldozer 1 Dumptruck 2 Tractors 3 Jeeps 16 Motocycles
<u>OUTPUTS</u>	
1. Number of loans 250/year	Approx. 350/year
2. Project regional offices 3 planned	Field offices in 3 regions with one sub-region and expansion to fourth region of Pama.
3. Local indigenous APP planned at PACD	Currently on-going; lawyers drawing up plans for local PVO. APP staff being trained on-the-job. 10% of local costs being funded by locally generated income.

17. Purpose

The project purpose during this Phase was to increase the scope of project activities through attracting more clients, giving more loans and follow-up advice to clients. Agricultural activities were to be better coordinated into the APP program. At PACD there is to be a trained indigenous cadre with an income generating capacity to run the APP activities. The ultimate purpose is to create an indigenous self sustaining PVO to carry on program activities.

18. Goals/Subgoals

The project goal is to improve the quality of life and further economic development in the Eastern Region of Burkina Faso by promoting the start-up and development of small enterprises through credit, management training, organization and local economic planning.

19. Beneficiaries

The direct beneficiaries of this project are the rural entrepreneurs of the eastern region who have obtained credit and advice from APP. The indirect beneficiaries are the people of the EORD who have benefited from the socio-economical development of the region, which has generated additional income and increased purchasing power of the people and provided a higher quality of life for some.

20. Unplanned Effect

There have been several unplanned effects during project implementation. The major unplanned effect has been the drought which has affected the region and all of Burkina Faso for the last several years. This has had a detrimental affect on the EORD development process.

There has also been a change in the government of Burkina Faso. This has resulted in a "holding" period in terms of how APP is affected by the new government regulations. There is no clear cut policy as to how the government will view the development of private sector enterprises in the future.

Although it was forseen that APP would work towards a self sufficiency status, there was no clear idea as to how this would be achieved. Now there is an idea that this self sufficiency would come through income-generating APP held enterprises. In order to examine these enterprises, an expatriate consultant was hired to perform the economic analysis of various activities.

There will be a shortfall of \$60,000 in the OPG by PACD. This is due to increase in the level of activities in three categories: personnel, construction, and vehicles.

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21. Lessons Learned

- a. Before embarking on project subsidiaries, APP must tackle the process like any other rational firm by doing feasibility studies on those activities to make sure that they will be income generating.
- b. APP must make sure that their local cadre are of the caliber and quality to take over the indigenous organization once the expatriates are gone.
- c. It is always a good idea to spread the risk of funding by having more than one funding source. PFP/APP should consider other donors besides USAID for future funding.

22. Special Comments

In face of the difficult development conditions within the EORD, APP has far surpassed expectations as to what they have been able to do on a micro level. In the development of the private sector in the African context, the PFP model has a lot to offer to other development organizations.

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