

PS BBA 861

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PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-44

1. PROJECT TITLE Foundation Seed Production	2. PROJECT NUMBER 686-0245	3. MISSION/AID/W OFFICE UPPER VOLTA
	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 checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING		7. PERIOD COVERED BY EVALUATION	
A. First PRO-AG or Equivalent FY <u>81</u>	B. Final Obligation Expected FY <u>81</u>	C. Final Input Delivery FY <u>86</u>	A. Total \$ <u>1,600</u>	B. U.S. \$ _____	From (month/yr.) <u>6/81</u>	To (month/yr.) <u>9/83</u>

8. 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. Extend the P.A.C.D. from May 29, 1984 to June 30, 1986	BLOOM	3/1/84
2. A revised implementation plan with a revised financial plan needs to be submitted to USAID by the GOUV for approval	NSS/BLOOM	4/15/84
3. USAID will require quarterly activity reports from the NSS in addition to quarterly financial reports	NSS	
4. Determine administrative model for future NSS (1986 onward)	BLOOM DSA IVRAZ	6/84
Refer to Addendum to this PES for a project implementation update and discussion of project issues omitted during the conduct of this evaluation.		

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT		
<input type="checkbox"/> Project Paper	<input checked="" type="checkbox"/> Implementation Plan, e.g., CFI Network	<input type="checkbox"/> Other (Specify) _____	A. <input type="checkbox"/> Continue Project Without Change		
<input checked="" type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	_____	B. <input type="checkbox"/> Change Project Design and/or		
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Change Implementation Plan		
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____	C. <input type="checkbox"/> Discontinue Project		

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)		12. Mission/AID/W Office Director Approval:	
Roger Bloom, Project Officer Koumassi Yago, Chief of National Seed Service		Signature <i>J. Melaven</i>	
		Typed Name Emerson J. Melaven	
		Date 7/25/86	

13. SUMMARY: A mid-term evaluation of the subject project was undertaken from August 20 to September 7, 1983 by a team from Mississippi State University. The team found the following:

1. Significant progress has been made:
 - a. In establishing an effective quality control system; in limiting the volume of foundation seed produced and marketed to the levels actually needed; in establishing a more rational seed pricing policy
 - b. In establishing project fund accountability; and
 - c. In using in-country technical assistance for on the job training and in short term training in the US.
2. Moderate progress was made in the following activities:
 - a. Developing policy and coordination of the national program;
 - b. Developing in-country "technical skills development" and long-term training in the U.S..
3. Limited progress was made toward:
 - a. Determining the real demand for seed at the farm level;
 - b. Demonstrational and promotional activities; and
 - c. Sensitization of farmer advisors concerning the role seeds of improved varieties play in improving agriculture.

Nineteen significant recommendations and findings are given. Those having the greatest potential impact upon current and future project success are summarized below:

1. The project has social relevance combined with economic and technical validity.
2. The project should be extended.
3. Greater involvement of the GOUV in preparing a revised implementation plan should accelerate progress and improve management.
4. The GOUV does not yet have the financial capability to maintain essential project activities without donor support.
5. Planning for post-project assistance needs should be initiated in the near future.

In conclusion, the success of this project is important to Upper Volta's continuing development and essential progress has been made however, continued emphasis and effort will be required throughout the foreseeable future.

14. EVALUATION METHODOLOGY

The purpose of this evaluation was to assess the continuing validity and relevance of the project and suggest modifications, as may be required, to increase the likelihood that the Project will achieve its objectives.

The scope of work was (a) to assess the Project setting as planned in the PP and detail significant changes in that setting, and (b) to define the progress to date and compare it with the planned progress or lack thereof. The specific techniques used were: personal interviews with persons representing a broad range of perspectives; examination and evaluation of project documentation and related reference materials; and observation of activities and techniques indicative of the Project's implementation. The evaluation team had three members from Mississippi State University Seed Technology Lab: Dr. W. Couvillion, ag economist, Dr. L. Bluhm, rural sociologist, and Dr. H. Potts, seed technologist.

All data were furnished by USAID and the National Seed Service of the GOUV. Careful attention was given those quantifiable variables listed in two documents specifically related to this project:

"Evaluation Report: Upper Volta Seed Multiplication (686-0245)" May, 1978.

"Project Paper: Foundation Seed Production (686-0245)" May, 1981.

15. EXTERNAL FACTORS; NOT PERTINENT AT THIS TIME

16. INPUTS

All project commodities have been received at the project site. It is anticipated that there will be a need to procure other commodities such as vehicle spare parts, lab supplies, burlap bags, promotional supplies. Long term technical assistance is not required to implement the project as returned long term participants will assure the needed technical capacity. At least one more agent should be provided long term training in seed technology as well as a continuation of participation in the USDA short course on Seed Improvement. Minor modification is required to the cold storage facility. Most of the needs of the project will be met by use of local currency for operational expenditures.

17. OUTPUTS

An evaluation of the progress made during the initial 27 months of

activity follows:

a. Significant progress was made toward its stated objectives of establishing an effective quality control system for seed; of limiting the volume of foundation seed produced and marketed to a level more closely aligned with that needed by regional seed multiplication agencies; of establishing a seed pricing policy; of assuring accountability of project funds; and, of using on-the-job and US short term training.

b. Moderate progress was apparent in the areas of developing policy and coordination of the national seed program and developing an in-country "technical skills" capacity and in nominating candidates for long-term training.

c. Limited progress was made toward determining the real demand for seed at the farmer level; demonstrational and promotional activities; and sensitization of farmer advisors concerning the role seeds of improved varieties play in improving agriculture.

18. PURPOSE:

The purpose of this project was to move toward further development of a national seed program which would: (a) provide improved coordination of national seed research and demonstration activities, (b) restrict NSS seed production-marketing activities to foundation seed, (c) provide an improved quality control system for production of both foundation and certified seed, (d) improve efforts to determine real market demand, promote farmer awareness of new varieties and continue the step-wise revision of the GOUV seed pricing policy and (e) sensitize, through training, government officials and farmers, to the role improved seed can play in agricultural development and to environmentally sound techniques for producing and using seed. See item 13 with respect to progress in meeting the EOPS cited above. The list of EOPS remains valid at the present time and for the near term.

19. GOALS/SUBGOALS

The institutional goals were: (a) to streamline the policy making process by assigning this responsibility to the Director of Agricultural Services (DSA) and forming a "National Variety Release Committee" to assist in making technical decisions concerning acceptable varieties, certification regulations, etc., (b) to rest all responsibility for production-marketing of foundation seed in the NSS, (c) to over-see the processes necessary to assure high seed quality of 80 tons of foundation and 1300 tons of certified seed, (d) to develop more accurate estimates of real demand for seeds of the approved varieties and assure that farmers in the target areas were aware of the seeds' availability and performance, and (e) to alter the GOUV's seed pricing policy to one more closely associated with seed production-marketing costs and their value to the using

farmer. Of these goals only item (d) remains unmet. As time goes by the National Seed Program is maturing such that the objectives are being met with respect to production and quality control systems that allow the project to attain its goals. One example is offered. The SAFGRAD research project based at Kamboinse has selected a short cycle cowpea variety, tested it on the farm, released it to the Seed Service which produced foundation seed. This seed was sold to ORD seed producers who have produced certified cowpea seed. In less than three years from the time the variety was released, the demand for certified seed by farmers is over 20 tons in the Volta Noire ORD alone. Without the liaison between these two projects, one supporting the other, there would be no mechanism by which research can get new varieties and practices to the farmer.

20. BENEFICIARIES

The direct beneficiaries of this project are: The GOUV National Seed Service, ORD certified seed producers, other certified seed producers and ultimately the farmers who purchase improved seed throughout the country. It should be noted that once a farmer buys improved seed, his benefits are not just limited to the year in which he first bought the seed. Since there are no hybrids available in Upper Volta, the farmer, can once he has obtained a small quantity of new seed, grow it out and produce seed himself. Therefore, if he is careful in producing seed (which he usually is) the benefits of that variety remain with the farmer thus having a cumulative benefit. This benefit is unlike fertilizer or herbicide use. In a country where the use of purchased inputs in agricultural production is minimized, the potential impact of improved varieties is great provided the variety is truly superior. With the introduction of STRIGA resistant varieties of sorghum in the next three years, more than half the population of Upper Volta could be affected.

21. UNPLANNED EFFECTS: Not pertinent at this time

22. LESSONS LEARNED

a. Realistic project design is critically important for potential success.

b. Financial management takes daily attention by the project officer if the system is to be firmly entrenched. In the seed business it is imperative that the system works.

c. Expatriates cannot wear two hats, one of technical advisor and one of project manager.

d. In seed programming, it is better to have a small, high quality program than to try to meet national needs.

e. The use of AID/W Cooperative Agreement system for short-term technical assistance in design, evaluation and training has been excellent (Miss. St. Univ.-Seed Improvement).

UNITED STATES
INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
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OUAGADOUGOU BURKINA FAS

July 7, 1986

His Excellency
The Minister of Agriculture
and Livestock
Ouagadougou

Project: Foundation Seed Production
Project No. 686-0245
Project Implementation Letter No. 26

Subject: Project Assistance Completion Date Extension

Dear Mr. Minister:

The purpose of this Project Implementation Letter is to propose for your concurrence that the Project Assistance Completion Date (PACD) for the referenced project be extended by eleven (11) months from June 30, 1986 to May 31, 1987. Project activities to be implemented over the extension period will continue to be those contained in the original Project Agreement as well as mutually agreed upon activities contained in the Fiche Technique submitted to USAID/Burkina by the National Seed Service on June 13, 1986.

The agreement on the part of USAID/Burkina to extend the Foundation Seed Production project is based, in part, on the reforms implemented at the National Seed Service over the past 6 months. USAID/Burkina is satisfied that these management reforms will enable more effective and efficient use of USAID resources for the implementation of project activities. USAID/Burkina requests that vigorous management oversight continue to be exercised by the National Seed Service in order to promote the achievement of the project's output goals.

As conditions to our mutual agreement to this project extension, USAID/Burkina will require that the National Seed Service address three issues which affect both the project and the long-term viability of a successful improved seed production program in Burkina.

1. Seed Production Subsidy: A major problem affecting the long-term financial viability of the National Seed Service's operations is the large subsidy needed for the production of improved foundation and certified seed. USAID/Burkina has supported this subsidy through the annual financing of the National Seed Service's Marketing Fund. The original intent of this fund was to establish a revolving fund which was to become self-financing for seed marketing activities.

The necessity for the continued subsidy is essentially result of two factors: the low official prices for improved seed established by the Government of Burkina and the National Seed Service's high costs of seed production. In order to promote a process by which the seed production subsidy can be reduced, USAID/Burkina will require that the National Seed Service undertake an analysis of its seed production costs in order to determine the true costs of production. This analysis will provide a basis for negotiations between the Ministry of Agriculture and Livestock and the Ministry of Commerce for the establishment of higher official seed prices and, thus, the eventual reduction of the seed production subsidy. USAID/Burkina requests that this analysis be completed no later than September 30, 1986 and be submitted to both USAID/Burkina and the appropriate services within your Ministry.

It is USAID/Burkina's understanding that negotiations are presently being undertaken between the National Seed Service and the principal growers of improved seed in an attempt to reduce the costs of production. USAID/Burkina requires that a second report be prepared by the National Seed Service delineating all contract growers of improved seed and the costs of production negotiated with them. The report should include a comparison of costs of production to official seed prices set by the Government of Burkina.

The purpose of the report will be to further support the National Seed Service's attempts to reduce the subsidy currently being provided by the project. USAID/Burkina requests that this report also be prepared no later than September 30, 1986 and be submitted to both USAID/Burkina and the appropriate services within your Ministry for review.

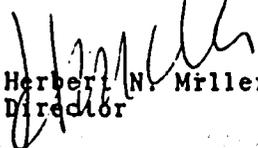
2. Recurrent Costs: Currently, the National Seed Service is almost totally supported by the Foundation Seed Production project. This is an extremely precarious position for the National Seed Service to be in given that only eleven months remain before the project's termination date. The grant agreement signed May 29, 1981 between our respective governments contains a covenant requiring the National Seed Service to prepare a plan detailing how the recurrent costs of the project will be assured after the PACD. The covenant has not been met and the requirement remains in effect (please refer to Section 5.4). This covenant may be fulfilled by preparing a recurrent cost analysis and long-term plan to adequately deal with the recurrent costs after the PACD.

3. Financial Management: As explained in my letter to the Director of Agricultural Inputs, dated April 9, 1986, (copy attached) which set forth the conditions by which Section 121(d) certification could be restored to the project, USAID/Burkina will require that a senior accountant be hired by the project in order to further insure sound financial reporting and accountability of USAID/Burkina funding. Likewise, the National Seed Service will continue to have access and support from the Sahel Regional Financial Management Project (SRFMP) as well as periodic assistance from the USAID/Burkina Office of Financial Management. The SRFMP will also assist the National Seed Service in the recruitment of the senior accountant.

Despite the serious management problems that have plagued the Foundation Seed Production project in the past, I am satisfied that a more responsible management structure now exists and that the eleven month extension to the project as proposed in this letter will further assist the National Seed Service in achieving the goals of the project. This extension, however, is

contingent on satisfactory progress by the National Seed Service in addressing the three issues discussed above. If you are in agreement with the PACD extension and the accompanying terms proposed in this letter, please indicate your concurrence by countersigning below and returning the original to me.

Sincerely yours,



Herbert N. Miller
Director

The Minister of Agriculture
and Livestock

Addendum to the Foundation Seed Production Project

(686-0245) PES

The purpose of this addendum to the PES is to bring the status of the Foundation Seed Production project implementation up to date and to identify important issues which USAID/Burkina feels were not adequately addressed during the conduct of the evaluation. In particular, the issue of the overall GOB management of the project and the issue of the large seed production subsidy provided by the project have surfaced as the two key issues which have negatively influenced effective project implementation and the long-term viability of the National Seed Service. The question of the GOB's inability to effectively manage USAID resources has always been problematical since the inception of the project, and the removal of the seed production subsidy is fundamental to the financial viability of the NSS and its long-term institutional permanence for servicing the Burkina agricultural sector.

Even before the evaluation of August-September 1983, the Foundation Seed Production project has been plagued by management problems at the National Seed Service (NSS) and project implementation had fallen way off schedule. These management problems caused persistent cash flow crises at the NSS and implementation could only be characterized as stop and go. In spite of continual pressure from USAID/Burkina for the NSS to upgrade its accounting and financial reporting abilities for the use of USAID funds, the NSS was unable to put in place an effective accounting system that adequately responded to USAID requirements and the overall needs of the project. The management shortcomings culminated with a 121 (d) decertification of the project in April 1986 and a financial audit of the project later that year. As of this writing, the audit recommendations have not been issued, but it is assumed that misuses of project funds will be identified and a bill for collection issued to the Government of Burkina.

As the project became problematical from a management point of view, USAID/Burkina began to take a hard look at the assumptions underlying the project to determine the potential for the long-term viability of the NSS. In particular, the issue of the continued subsidy provided by the project for improved seed production was brought to the attention of Mission management and GOB authorities. The project was to set up a revolving marketing fund for improved seed to be managed by the NSS. An initial contribution of \$27,000 was included in

the project for this purpose. However, given the high costs of improved seed production vis à vis the official seed prices set by the GOB, the NSS's seed production activities incurred annual losses. These losses were always covered by subsequent contributions by the project to the marketing fund. Thus, instead of promoting the financial viability of the NSS seed production and marketing activities, the project continued to subsidize the production of improved seed on an annual basis. This clearly was not the intent of the assumptions underlying the project and was not properly addressed by the evaluation of 1983.

In late 1985, a new Director was appointed to the NSS and wide ranging management reforms were implemented at the NSS. Additionally, USAID/Burkina has been successful in drawing Burkinabe officials' attention to the subsidy issue. As a result of negotiations with the NSS and the Ministry of Agriculture and Livestock, USAID/Burkina agreed to extend the Foundation Seed production Project by eleven months with a covenant requiring the NSS to review the cost of foundation and certified seed production and, then, use this cost analysis as criteria for the GOB to raise official seed prices. The intent of this exercise, thus, will be to reduce the subsidy substantially in the near-term and to erase it completely in the long-term in order to promote the financial viability of the NSS.

The attached Project Implementation Letter No. 26 explains the preconditions which must be agreed to by the GOB for USAID/Burkina to agree to the eleven month extension.