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US AID MEETING THE NEW DIRECTIONS MANDATE?:
A LOOK AT PROJECTS IN ZAIRE AND UPPER VOLTA

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I. INTRODUCTION

This paper has a modest objective: the examination of two rural development projects funded by the Agency for International Development (AID) in the light of the guidelines established in the Congressional legislation of 1973 known as the New Directions Mandate. This legislation, which has been slightly amended in recent years, directs AID to focus its programs on assistance to the world's "poor majority". Heretofore, AID programming had been largely aimed at capital development, the more tangible and measurable projects such as construction of technical institutes and roads. It began to become evident that these types of projects primarily served the interests of the host country's bureaucratic and administrative elite. Often the projects did not fit into any over-all development scheme. For example, the 110 miles of asphalt road leading out of the capital city into the interior did little to help farmers evacuate their produce because they couldn't get crops to the main road. The Third World was soon littered with so-called White Elephants such as these because they were undertaken in a development vacuum.

Members of Congress responsible for oversight of AID programs became increasingly disillusioned by these stories. Some of them who considered themselves friends of foreign assistance decided it was time to re-direct the efforts of AID toward a more relevant target population. The new mandate which they legislated was intended to assist the poorest of the poor: henceforth projects were to be

directed toward increasing agricultural production, water resources, health, and management training. The basic philosophical premise of the mandate was that all projects should aim at the maximum participation of the intended beneficiaries, which usually means small farmers and farmer groups. This notion of participation is truly radical if one considers that the traditional farmer had rarely if ever been touched by development planning, much less involved in decision-making.

AID programmers, aware of the danger of mounting discrete projects in remote areas lacking in basic economic infrastructure, developed an approach known as integrated rural development (IRD). Most often this approach has as its primary objective the increased production of food. Designers identify the major constraints to the attainment of that objective and provide for various project functions that will alleviate the constraints. Hence, a typical IRD project consists of sub-systems for agricultural extension service, farmer group development, infrastructure, intermediate technology, marketing, and data collection and analysis. The latter function is designed to allow the project to monitor its own progress and to "fine-tune" project operations in the course of implementation.

It should be borne in mind that AID development assistance is a government-to-government proposition: it is intended to help host country governments develop their own institutional capabilities. Technical and financial assistance is channeled into existing host

government agencies such as the Ministry of Health or Agriculture, ideally fitting into some overall development plan elaborated by the Ministry of Planning. AID simply plugs into the given framework and does not dictate to the host government what its priorities should be. The very concept of development is subject to varying interpretations by the donor agency (AID) and the host government, however, and this results in a sometimes tenuous relationship.

With the passage of time, the Congress has come to question the effectiveness of AID in carrying out the New Directions Mandate. In recent years it has become increasingly difficult for the administration to obtain approval from the Congress for its foreign aid program. Last year the Congress specifically told AID to begin furnishing hard evidence - the product of formal evaluations - as to the success of its programs under the mandate. Indeed, it may be that we have entered a new age in development history: the age of evaluation.

The observations contained in this paper are derived from the experience of the author as an evaluator of AID-funded projects in two African countries: Upper Volta and Zaire. In each case the project was implemented by a private development organization under contract with the Africa Bureau of AID. Both projects make strong claims to have carried out the basic principles of the New Directions Mandate. The projects themselves are very different in their scope and dimensions and are being implemented in countries that are strikingly different in political, social, and economic terms.

II. THE NORTH SHABA (ZAIRE) MAIZE PRODUCTION PROJECT

The USAID program in Zaire is as much related to strategic and political interests as it is the economic and humanitarian objectives outlined in the New Directions Mandate. The questions surrounding the program were the subject of Congressional hearings in the Africa Subcommittee in February and March of this year.¹ During the early years of Zaire's independence the U.S. aid policy was conditioned almost entirely by considerations of security and stability. The shift from emergency to development-oriented assistance began in the late 1960's with projects in agriculture and education, but primarily in transportation and police training. Even in 1974, when the first major Development Assistance Program (DAP) paper on Zaire was prepared, U.S. interests were stated in strategic and political terms: access to raw materials, fostering of U.S. investment, and sustained political interests in the region.

During the latter half of the 1970's the USAID/Zaire mission began a concerted effort to implement the principles of the poor majority mandate. Several of the projects designed during the period dealt with new appropriate technologies, increased agricultural production, and methods of achieving the participation of target beneficiaries. This was in favorable contrast to the program of the World Bank, the largest single foreign contributor to the disastrous development orientation of the Zairian government. The Bank's projects have scarcely pretended to reach the poor majority.

Nonetheless, despite the intentions of the USAID/Zaire mission to focus on the poorest of the poor, very little real progress has been realized. Even though Zaire is blessed with an abundance of natural and human resources, the Zairian economy went into a tail-spin in 1974 from which it has yet to recover. Due to bad (or rather lack of) planning and poor management, the government of Zaire (GOZ) has not adequately supported self-help efforts: most USAID projects are financed by U.S. government-generated resources rather than GOZ-generated resources. Major difficulties in implementing projects have been derived from the inability of the GOZ to provide institutional coordination or sufficient qualified national technicians. Nearly all USAID-funded projects have been severely delayed in implementation by problems of procurement, inadequate transportation, and fuel shortages. AID began to urge certain administrative and economic reforms as a pre-condition for development assistance.

The North Shaba Maize Production project must be examined in the light of these general constraints to development as well as the inconsistencies in AID's own support for the New Directions approach. The North Shaba project was designed in 1976, the product of extensive research, and was considered a model for the process approach to integrated rural development. The \$20 million, six-year project was awarded to Development Alternatives, Inc. (DAI), of Washington, D.C. after a thorough selection process. The choice of DAI was not altogether surprising in light of the fact that its consultants had been involved in the design process and that the company was gaining a

reputation within AID as a prophet of the process approach to participatory development. The contract was signed in July 1977, but actual project activities did not get under way until the spring of 1978 owing to procurement and housing problems. In June/July 1979, the project was evaluated by a team of four Americans and four Zairians.²

Description of the North Shaba Project. The project paper posited as a basic premise the participation of small farmers in the implementation of project activities. The design team, which included a Zairian functionary from the Department of Agriculture, spent several weeks traveling through the project area located in the Kongolo administrative zone. The area had been a major agricultural producing region during the colonial era but since independence had been beset by political turmoil followed by a long period of neglect by the central government, extending to the mid-1970's. The design team interviewed a large number of farmers and included a substantial amount of contextual material on social and cultural conditions in the project paper. In this sense, the farmers were considered to have been involved in the design process.

The project paper claimed to reject the notion of top-down planning and decision-making. As a first step in that direction, the document provided for the creation of a farmer group development sub-system to assist farmers in organizing "pre-cooperatives" for the production and marketing of maize. It should be noted that the goal of the project was defined as being the increased production

of maize in order to offset the GOZ's current need to import large quantities of it from Zimbabwe. Other crops, such as cotton and groundnuts, were not included in the design. The sub-system was to be headed by a Zairian, assisted by an American technician, and staffed by a team of animateurs and animatrices. The objective of the sub-system was to form farmer councils with elected officers, along the lines of existing village-level social and political structures, and including women to the extent possible.

The farmer group sub-system was to work closely with a second sub-system for agricultural research and extension service. The primary functions of this sub-system were to select sites for farmer centers and to assign extension agents to live and work with farmers at the village level. It was to operate a demonstration station in the project area to experiment with new varieties of maize and technologies. All of these activities were to be conducted in coordination with the farmer groups. The sub-system was to be headed by a Zairian agronomist, assisted by an American technician.

Four other sub-systems, each headed by a Zairian with an American advisor, were established with the ostensible purpose of alleviating constraints to increased maize production. The largest of these in terms of capital and human resources allocated to it, was the infrastructure sub-system. Its main function was the rehabilitation of roads and bridges which were in a lamentable state of disrepair and neglect by the Department of Public Works. The sub-system was also charged with renovating houses for project staff and with

providing basic technical services to the other sub-systems. The intermediate technology sub-system was established to develop appropriate tools and farm implements for local needs. The marketing and credit sub-system was designed to facilitate the evacuation and sale of maize by providing credit to merchants. Only when they reached the cooperative stage would the farmer groups be eligible for credit from the project. Finally, the project was designed to monitor and fine-tune its own activities by means of a communication and information sub-system. The collection and analysis of data on farmer groups, crop yields, and other project functions was intended to assist the project management in decision-making.

The North Shaba Project was to operate within the framework of the Department of Agriculture as an integral part of its program. The project paper provided for a policy board known as the Steering Committee, composed of high level USAID and GOZ officials, and charged with setting guidelines for project management. The day-to-day operations were the responsibility of the project management unit, which was composed of a Zairian Project Director, his American advisor, and an American Director of Finances.

In its stated objective of increasing maize production, the project accorded with the GOZ's long-held aim of making agriculture the "priority of priorities." The Mobutu regime was faced with increasing expenditures of foreign exchange on imported maize and an increasing demand for food among the restive urban masses. The GOZ authorities were clearly less concerned with mass participation of

small farmers in the development process and the increase in their incomes and standard of living. USAID/Zaire was confronted with the reality of working within the established political and economic framework on the one hand, and attempting to carry out the principles of the New Directions Mandate on the other. The results, as of the time of the first formal evaluation, were not encouraging.

The North Shaba Project Assessed. The evaluation of the project, which took place at the end of the first phase of operations in the summer of 1979, was a traumatic experience for the USAID/Zaire staff and for the DAI contract staff. The project had been regarded by some in AID circles as a model of the new participatory approach to development. President Mobutu himself had referred to the project when traveling abroad and hosting foreign visitors as evidence of his government's commitment to agricultural development. The long-anticipated formal evaluation did not provide the hoped for recognition of success of the new approach.

The evaluation report acknowledged the formidable difficulties encountered in reaching a remote rural area and the overwhelming obstacles posed by the severe economic conditions in the country. It recognized a few notable achievements in the first phase of operations: the initial success of the intermediate technology sub-system in meeting its expected output goals and the use of an appropriate approach to the creation of farmer groups that encouraged farmer participation in project activities. However, few of the outputs

expected by the end of the first phase had been met. The report suggested that in order to meet the end of project objectives by 1982, an additional \$4 million in U.S. assistance and a similar amount from the GOZ would be required.

The evaluation report identified a number of obstacles to the achievement of project objectives. Some of them were within the control of project management and others outside of it:

1. Obstacles outside project management control. Some of the most critical factors impinging on project success were treated as assumptions in the project design.

1.1 GOZ price policy. Traditionally, government price policies have not provided sufficient incentive to maize farmers to increase their production. Farmgate prices are fixed at such a low level that they do not keep up with the rising cost of consumer goods. Farmers frequently cite an example of the problem concerning the relative price of a sack of maize compared with the cost of a six-yd. piece of cloth. During relatively good times the two were roughly equivalent. But by mid-1979 a farmer had to seal more than two 100 lb. sacks of maize in order to purchase one 6-yd. piece of cloth. Farmers in the project area were refusing to sell their maize at the prices being offered, saying that they would prefer to barter rather than to accept such prices.

1.2 Rural development policy. The GOZ has had difficulty in defining, much less implementing, a rural development policy. Under the Mobutu Plan, a general strategy for rural development was elaborated,

acknowledging the failure of past efforts in this domain. There remains, however, a tension between the traditionally narrow approach of the Department of Agriculture toward increasing agricultural production and the newly created Office of Rural Development (now integrated within the DOA) whose focus is more on community development. The latter is more inclined toward a truly integrated approach which takes into account the participation of the rural masses. Thus far the DOA has shown little interest in social aspects of development. Its extension agents are generally viewed by the population as tax collectors with little knowledge of or concern for rural development.

1.3 Political/administrative structure. The reality of life in Zaire is that sound administrative policy is often overridden by political considerations. Regardless of how dedicated and competent the career civil servant might be, his efforts are often thwarted by decisions that serve the interests of the bureaucratic elite. Some policy decisions that must be taken at the highest levels will bear directly upon the long-range success of agricultural development. One such decision concerns the allocation of scarce resources for fertilizer to increase agricultural yields.

The Department of Agriculture was demoralized and debilitated last year by a scandal that illustrated an all-too-typical practice in Zaire. The politically appointed Commissioner of State for Agriculture was revealed to have amassed millions of zaires from illicit traffic in the lucrative coffee market. Large sums of cash were found

stashed away in his home. The Commissioner, who was known to be an associate of the President's own son, was quietly relieved of his post. Meanwhile, the North Shaba Project and other DOA projects went for for several months without receiving funds for operating expenses from the central government.

Perhaps most significant is the attitude of political authorities toward participatory development. Mobutu himself has provided the model for agricultural "development" by establishing a Presidential domain at N'Sele, and another in Shaba region, managed by foreign advisors and excluding small farmer participation except as hired hands. Others within the ruling political and bureaucratic establishment have followed Mobutu's example by expanding their own farms along the same lines.

2. Obstacles within project management control. Some of the most serious impediments to the attainment of the New Directions Mandate are within the realm of management control and therefore the proper concern of AID planners:

2.1 Project management. Despite all the elaborate language in the project document allowing for Zairian participation and administrative responsibility of the DOA, the North Shaba Project remains essentially an American project. In the early months of the project, activities were kept at a virtual standstill because of conflict between the Zairian Director and his American "advisors." His notions of what the project was about and his determination to exercise decision-making authority clashed sharply with those of the

Americans. He accused them of racism and of being C.I.A. agents while they taxed him with entertaining undemocratic attitudes and being a bad manager. The situation was so bad that the Director's departure was just a matter of time.

After a brief interim period in which the project was headed by a DOA functionary with management experience and diplomatic skills, another Zairian was appointed permanent project Director. A "collegial" management model emerged which theoretically placed decision-making authority in the hands of all three members of the project amangement unit (PMU). In practice, however, the American advisors continue to make major decisions, occasionally without even consulting the Zairian Director. The Zairian sub-system chiefs, who are not part of the PMU, are responsible for carrying out management decisions but feel that they are not sufficiently consulted in decisions concerning their own sub-system activities.

The Steering Committee provided for in the project paper had yet to be convened at the time of the evaluation, despite the professed enthusiasm of public officials for the project. USAID officials explained this as a function of heavy demands made on the time of the officials who were to have served on the committee. The absence of such a policy body meant that the project management suffered from a lack of guidance.

2.2 Marketing credit. The project paper proposed a system of credit for small merchants and established entrepreneurs in the project area. In this important respect the project was not directed

toward the poorest of the poor since no provision was made for credit to small farmers or farmer groups until they reached a vaguely defined "pre-cooperative" stage. A critical juncture in project life has been reached where the question of credit is likely to determine the long-range impact of its activities on the intended beneficiaries. Thus far the handful of merchants who control the economy of the area have benefited more from project resources (sale of maize sacks, rental of project vehicles and fuel, and logistical support) than have small farmers.

Farmer groups, meanwhile, have anticipated similar support but have been considered uncreditworthy. Farmers have asked that the project itself purchase their grain and thus minimize the domination of the market by the few merchants who control it and also own the stores where the farmers shop. The project has held out the prospect of farmer groups eventually being able to rent vehicles but not the direct purchase of their grain by the project. As long as the project assists established merchants (who include the political elite as well) while withholding credit to small farmers it will be seen as favoring the status quo.

2.3 Rising expectations of rural population. The North Shaba Project has as its goal the increased production of maize. But the immediate concerns of small farmers in the project area are not in the least bit confined to the same goal. The region has been ravaged by political conflict since the early 1960's and largely neglected

in terms of development programs during the past two decades. The population suffers from a lack of basic social services: clean water, dispensaries, schools, transportation, communication, and agricultural extension services. In presenting the objectives of the project, it has proved difficult for the project staff to confine proposed activities to maize production. Farmers invariably list social services among those needs they expect the project to address. A truly integrated development project would have to come to grips with these needs as expectations are raised. Participation of small farmers implies their having an input (to use project design terminology) into the identification of community needs and their resolution within the project.

One particular vignette serves to illustrate the dilemma of participatory development. The farmer group development staff, in an effort to involve women in project activities, began a literacy program in Swahili. The women in the village took enthusiastically to the literacy program initially, but in time felt compelled to raise issues of community concern with their animatrices. Specifically, they wondered, could the project assist them in providing a dam, a clean water source for the village? The project staff were pleased to see that their efforts met with such unexpected response. They submitted a request for cement (to be paid for from the women's own contributions) and some technical assistance to the project management unit. The PMU declined the request, saying that the project was concerned with increasing maize production and could not be spreading its limited

financial and technical resources too thin. The story nearly ended on a most participatory note when the women decided to boycott classes until assistance from the project was forthcoming. The water source was eventually built with participation by the entire village and some project assistance. Unhappily, though, the PMU refused to consider this type of activity as being within the project's mandate. The notion of participation was dealt a body blow in this instance.

Conclusions on the North Shaba Project. The idea of participation - so prominent in the project design and nurtured so tenderly in the initial stages of project life by the zealous staff of the farmer group sub-system - has not fared well in general. It has been bent under the leaden weight of the bureaucratic imperative to increase maize production. Meanwhile, the project has assembled an arsenal of heavy equipment for road and bridge rehabilitation and an army of technicians and workers who are ready to challenge the elements for control of roads and bridges. The project, in attempting to limit its focus to those activities thought to be directly related to the production and marketing of maize, risks at the same time raising expectations among the people that it is either unwilling or incapable of meeting.

The general environment in which the North Shaba Project operates in Zaire is not conducive to the attainment of development goals serving the poor majority. The GOZ is submitting to yet another program

of financial and administrative reforms imposed on it by the World Bank. The history of Zaire under Mobutu has been one of reforms followed by periods of profligacy, more reforms, economic and social bankruptcy, followed by more reforms. The record of reforms does not give very good reason to be sanguine about the results of the current attempts to put Zaire's economic house in order.

The North Shaba Project is seriously in need of re-design at a minimum. Equally important is the question of whether AID will be willing to make additional assistance conditional upon specific reforms in the agricultural sector that are written into each project agreement. Of course, such a step would raise the charge of interference in the internal affairs of Zaire. Otherwise, AID ought to be prepared to concede that there exist certain conditions under which the achievement of the New Directions Mandate is simply not feasible.

III. RURAL ENTERPRISE DEVELOPMENT PROJECT (UPPER VOLTA)

The USAID program in Upper Volta represents a rather striking contrast to that of Zaire in terms of its historical evolution and over-all U.S. interests. Independence was granted to this former French colony in 1960, the same year in which Zaire became independent from Belgium. From the turn of the century, the French colonial administrators variously governed the area as part of a larger provincial region and as a separate colony. In 1947, Upper Volta became a territory in its own right with the borders which it maintains today. The French presence was predominant up until the mid-1970's when several other Western governments and international agencies became involved in development efforts.

Upper Volta is classified as one of the 25 least developed countries in the world. Unlike Zaire, it is not blessed with an abundance of mineral resources. Among the constraints to its economic development are poor soils, unbalanced population distribution, its land-locked geographic location, and periodic rainfall deficits. Although the country is located within the Sahel region of West Africa, Upper Volta was less adversely affected by the great draught of the early 1970's than were neighboring countries. The population is more than 90% rural and engaged in subsistence agriculture, placing Upper Volta among the most rural countries in Africa. With a per capita income of just over \$100, the country qualifies in nearly every respect as an appropriate target of the New Directions program.

The Agency for International Development maintained a modest presence in Upper Volta in the early years after independence, but the country was viewed as basically a French sphere of operation. Then, with the great draught of 1973 and the Congressional mandate to aid the poorest of the poor, AID rediscovered Upper Volta in the mid-1970's. The USAID strategy has been to work within the Club du Sahel/CILSS (grouping donor countries), giving priority to increased agricultural production and improvement of the quality of life in the rural areas.

The first major AID project beyond short-term draught relief was a comprehensive integrated rural development effort in the Eastern Region, designed in 1974 within initial obligation in FY 1975. By 1977, USAID provided nearly half of the total budget of the semi-autonomous Eastern Region Organisme Régional de Développement (ORD), most of it in investment, while the government of Upper Volta (GOUV) provided most of the operating costs. The IRD project was similar to that of the North Shaba Project in that it was aimed essentially at increasing agricultural production. By 1978, when the project was evaluated, it was becoming clear that the original objectives were over-ambitious. The project was beset by a variety of delays in implementation. The credit program, which was intended mainly for animal traction, was found to have a very low rate of loan repayment. Facilities for obtaining small loans were otherwise extremely limited.

It was in this context that the idea for a small business enterprise project gained currency. In October 1976, a five-member team

under the auspices of the USAID project design office was sent to make a feasibility study. The team reported that the Eastern Region was sorely lacking in indigenous entrepreneurs; many of those operating in the area were foreign nationals from neighboring Nigeria, Ghana, and Togo. The report raised questions as to the difficulties that might be encountered in setting up an appropriate credit program, citing the default rate of 60% to 70% on the IRD's animal traction and seasonal crop loans.

The response to this perceived missing element in rural development was contained in an Operational Program Grant (OPG) proposal submitted to AID by Partnership for Productivity (PFP), a small private voluntary organization with headquarters in Washington, D.C. PFP proposed to undertake an experimental project to test a credit vehicle for small entrepreneurs to acquire operating capital and an appropriate technical assistance package to upgrade business practices. The PFP proposal did not aim at the creation of a new credit system; rather it was intended to provide an avenue to small entrepreneurs to enter the existing credit system. The USAID mission saw the proposal as being complementary to its IRD project in the same Eastern Region and therefore endorsed it.

The OPG proposal to AID requesting \$506,000 for two years to cover the experimental phase of the project was awarded to PFP in 1977. Project implementation was scheduled to begin in July 1977 but owing to administrative and procedural delays did not get under way

until the end of the year. In November 1979, the project was evaluated by the author and a representative from the USAID/Upper Volta office.³

Description of the Upper Volta Project. The rural enterprise development project in Upper Volta differed in one very important respect from the North Shaba Project and the Eastern Region IRD as well: it was to operate outside of formal governmental structures. Therefore, the first order of business was to obtain recognition of PfP as a legal entity in Upper Volta and to establish a relationship with the proper authorities. Recognition was granted by the government's Director of International Cooperation. It was specified that the project was to operate in the Eastern Region ORD with its headquarters at Fada N'Gourma. While the accord stated that the project would "support the ORD, government agencies, and private groups" in various activities, the exact relationship with regional ORD authorities was not stipulated.

The project document provided two types of inputs: two technical advisors and two credit funds, a revolving fund of \$32,000 for capital requirements and a \$50,000 demonstration fund. In July 1979, the PfP staff in Upper Volta requested a one-year extension of the pilot phase. The OPG proposed that by the end of the pilot phase a total of 60 small enterprises would be serviced by the project, 20 of them new, and that 40 loans would have been accorded to qualified applicants. Due to the experimental nature of the pilot phase, the exact nature of

the loans and the technical assistance to be offered was not defined.

The long-range objective of the PFP project was linked in the project document to that of the IRD project: to increase production, income, and quality of life for the rural population. The experimental design suggested that the PFP staff would borrow ideas and approaches from other PFP projects in Kenya and Liberia and adapt them to the peculiar conditions of Upper Volta. In one important respect, the Upper-Volta project was to differ from previous efforts in that it was from the beginning geared toward assisting producers (i.e., farmers and artisans) as much as retailers in the agricultural economy. The project would actively recruit loan applicants involved in agricultural production. Secondly, emphasis was placed on a credit loan fund which preceded and was directly linked to extension services. The project was aimed at responding to community needs as they were reflected in applications for credit rather than following a blueprint development model.

The project was located in a region that, like the North Shaba Region of Zaire, represented a development vacuum. It had been largely neglected during the colonial era, ignored by private investors because of its lack of natural resources, and scarcely served by a government with very limited administrative and development capabilities. From a development perspective, this situation carried both advantages and disadvantages. Because of the absence of mineral resources and a monetized economy, there were no striking socio-economic differences among the population. Production was chiefly agrarian and destined for

local consumption rather than export abroad or to the cities. On the other hand, the region suffered from a dearth of skilled human resources. Until 1974, when the regional development agency (ORD) undertook the AID-funded IRD project, there was virtually no organ of development.

The two technical advisors established their bases of operation at different sites within the project area, one in Fada N'Gourma and the other in Diapaga. Having made an initial survey of the local economy and the needs of the population, they focused their efforts on identifying appropriate candidates for the credit program. Loans granted under the revolving fund during the pilot phase went to three general categories of activities:

1. Revolving fund loans

1.1 Agriculture and agricultural transformation. Nearly half of all these loans went to support agricultural production or agricultural transformation. In the Fada N'Gourma area there was a strong concentration on vegetable gardening and well construction, and to a lesser extent on animal husbandry. In Diapaga, the generally smaller loans for agricultural production went mainly for orchards and for guinea fowl/poultry production.

1.2 Artisans and craftsmen. Closely related to agricultural production is the category of rural artisans who service it. Sizeable loans went to blacksmiths, welders, carpenters, well-diggers, and masons. Much of the work in this category concerned the production of farm implements but also included tailors, dyers, and weavers.

1.3 Retail commerce. The second largest category of loans went to small retailers, primarily for general stores (boutiques). These stores usually marketed a line of basic goods such as toilet articles, canned goods, and clothing. The category also included pharmacies, bookstores, photo studios, bicycle repair parts, and butcher shops. It included small businesses that handle transport of wood and water by donkey cart, an important link in the local economy.

2. Experimental fund. This fund was initially conceived as being necessary to stimulate economic activity in an area severely lacking in entrepreneurial tradition. It was also intended to support collective efforts. The largest portion of funds in this category went to the development of a demonstration farm in cooperation with a village group. The project technician helped clear a bas-fond (catchment area containing more moisture and richer soils) with the aid of a bulldozer, build a small dam to retain water for dry season irrigation, and plant a variety of demonstration crops. Beelives were introduced into the demonstration area and a network of vegetable gardens was begun.

PfP loan repayment schedules were arranged with the client according to the nature and extent of the loan (the average loan in the range of \$200 to \$300). The typical loan was repaid on a monthly basis with the first payment due three months after the loan was approved. The client usually had twelve months in which to repay the loan.

The second function of the project in addition to the credit program was that of management and technical assistance. In the second phase of project operations, the PFP advisors began to focus on what they considered to be the core of the program: business management. This involved devising ways of helping the entrepreneur organize his business in terms of the acquisition of merchandise and raw materials and the efficient utilization of capital. Elementary accounting systems were devised for recording sales, expenses, inventory, and calculating costs and profit margins. A large portion of project clients were illiterate and therefore required either assistance from a relative or friend or a specialized accounting procedure relevant to their business operations. An important feature of this effort was the practice of the PFP advisors visiting each client once a month to monitor his progress.

Technical assistance provided by the project consisted of testing various types of technology deemed appropriate to the environment. At the demonstration farm, for example, modern beehives of the East African Long Bar variety were set up. A Self-Helper tractor with an eight-horsepower Yanmar engine was used by farmers to clear land and plant crops. The same tractor engine can be used to facilitate irrigation of crops during the dry season. Several grain mills were tested for quality and productivity. Because of the favorable market for rice in the project area, the PFP advisor was considering providing credit for the purchase of a rice decorticator.

The Upper Volta Project Assessed. The evaluation of the PFP rural enterprise development project, in contrast to that of the North Shaba Project, was generally favorable. Interviews with USAID officials, project staff, and project clients revealed a positive and encouraging set of attitudes toward the first phase of operations. The project far exceeded the (fairly modest) outputs anticipated in the project document. The project had granted a total of 110 loans to clients, most of them for \$200 or less, half of them for already existing enterprises and the other half for new ones. Most of the loans went to individuals, although demonstration loans were used to stimulate group activities. Priority was given to those enterprises which addressed aspects of basic economic needs. The PFP staff refused to consider loans for the establishment of bars or for speculation in the lucrative livestock market. None of the loans went to large cattle traders, many of whom are not indigenous to the project area.

Significantly, the loan repayment rate during the pilot phase was quite high, in contrast to the repayment rates in the ID credit program. The typical loan was repaid on a monthly basis, with the first payment due three months after the loan had been approved. Depending on the size of the loan, the client had from 12 to 24 months to make full repayment. With a repayment rate on all loans of over 90 percent, the project was able to begin using these funds to finance new loans. The reasons for this degree of success must be carefully examined in order to determine the prospects for replicability in other regions and countries. One factor was clearly the close attention clients received

from the PFP staff, including the two Voltaic assistants working with the expatriate advisors. Another factor was the appropriateness of the uses of the loans to the economic conditions in the area. Perhaps equally important, however, was the cultural environment. The Eastern Region is characterized by a high degree of cultural homogeneity and predominance of traditional values. In general, clients were not accustomed to obtaining credit outside their immediate families or village network. They tended to abhor the idea of being in debt and were anxious to repay loans as soon as possible as a matter of personal integrity.

The area of greatest concern raised in the evaluation was the question of the project's relationship with the Eastern Region ORD. At the time of the evaluation that relationship was tenuous. The ORD Director, who was not available for interviewing, reportedly felt that the PFP project should be directly under the control of the ORD and integrated into its development program. The PFP staff, with the support of PFP/Washington, maintained that the project should retain its independence from the ORD while attempting to coordinate its objectives and activities with it. As a result, there had been little communication between the ORD and the project, raising the serious question as to the long-term institutional basis for continued operations. From the PFP perspective, the ORD represented a cumbersome bureaucratic structure lacking in effective mechanisms for participatory development. The ORD Director, on the other hand, resisted the idea of foreign development organizations operating outside the

framework of a duly recognized regional authority.

The evaluation proposed that the issue of an institutional framework for the project be given priority for the immediate future. PFP acknowledged this as a major issue for its continued operations in Upper Volta. The PFP/Upper Volta staff favored affiliation with an indigenous non-governmental Voltaic organization that could serve as a governing council for the project. The best prospect for such an arrangement was a recently formed Gourmantché Cultural Association headed by the Minister of Information, himself a native son of the Eastern Region. The long-range objective would be for PFP/Upper Volta to be incorporated with an indigenous legal personality and national governing board. Such an arrangement would allow PFP to remain in the private sector while attempting to coordinate its activities with local and regional government authorities.

Conclusions on the Upper Volta Project. As with many private voluntary organizations working in the field of development, Partnership for Productivity is relatively small.⁴ Its focus on rural enterprise development makes PFP comparatively specialized. While PFP, like Development Alternatives, Inc., has embraced the process approach to development, its scale of operations remains small in scope and limited to small enterprise development. Because PFP views its Upper Volta project as a possible model for future programs, it merits an examination of those elements that distinguish it from other efforts:

1. Private sector development. PFP projects are generally aimed at increasing productivity within the private sector. This approach

assumes an economic and political environment that is, if not hostile to private sector development, at least amenable to it. It assumes a favorable attitude toward the profit motive and the promotion of a monetized economy. These conditions appear to be met in Upper Volta. Because the project's resources are focused on small entrepreneurs in the rural area, public authorities appear to see no threat to the country's general tendency to emphasize public sector development.

2. Participation. PFP projects focus on the development of the individual and the promotion of self-reliance. In Upper Volta project resources have gone mainly to individual entrepreneurs, although not to the exclusion of groups. By contrast, the AID-funded IRD project operating in the Eastern Region is obliged to channel all of its technical and financial support to officially recognized farmer groups. The PFP project does not set pre-conditions on its loans, other than to insist that the proposed business contribute to the basic needs of the area. It is up to the loan applicant to define his/her own needs. PFP responds to those needs, not according to an established blueprint for achieving certain pre-determined production goals, but according to market demand.

3. Appropriate management and technical assistance. PFP/Upper Volta has combined the approach to participation with that of assistance for appropriate management. The client is offered management assistance in accordance with ability to absorb it. For the illiterate farmer or retail store owner, the PFP staff have devised basic methods of accounting to help monitor business activities. When the

client is ready to advance to a higher level of accounting, another set of procedures and methods is available.

4. Social criteria of clients. The selection of clients is one respect in which the PFP/Upper Volta project has been most innovative. Its initial success is reflected in the exceptionally high loan repayment rates. In contrast to the established lending agencies which require evidence of business success and collateral, PFP has relied primarily upon its close association with loan applicants and personal familiarity with their backgrounds as the basis for loan approval. This is undoubtedly due in large part to the small scale of PFP's operation but also to the staff's commitment to understanding the social and cultural environment.

5. Linkages. Although the PFP/Upper Volta project made no claim from the beginning to be an integrated rural development effort, it has begun to create natural linkages within the rural economy. These linkages were not written into the project design but have emerged from the pattern of assistance to subsistence farmers who provide demand for goods and services which are in turn provided by artisans and retailers who are also assisted by the project. In modest but tangible ways project activities contribute to the natural integration of the economic life of the region.

IV. A CONCLUDING NOTE ON THE DEVELOPMENT MILIEU

In this paper we have observed that thus far the expenditure of rather substantial sums of money and investment of human resources in the North Shaba Project has not brought about anticipated results. By contrast, the allocation of far more modest resources to the Upper Volta project has brought encouraging results. One hypothesis to be drawn from this comparison is that the smaller the scale of project operations, the more likelihood of success. In our discussion of both projects it has been noted that factors outside the project control are important determinants of project success. It is by no means certain that if the two projects were to exchange countries the results would be similar. Let us examine some of the factors present in both cases:

1. Political culture. This is the set of national values that underlie the political system. Genuine development involving the mass of the population is enhanced by the presence of democratic/egalitarian values as opposed to authoritarian values. In Zaire, the political system is characterized by highly authoritarian values and a single political party. Upper Volta has a multi-party system in which the opposition parties have nearly half the seats in the national assembly. Decision-making authority in Zaire is concentrated in the hands of one man whereas in Upper Volta power is considerably more diffuse.

The attitudes which sustain the political culture reveal the

degree of efficacy the individual perceives he has in bringing about change. The political system in Zaire, characterized by corruption and nepotism, is very low on the efficacy scale. Upper Volta, poor in natural resources and industry, is rich in democratic tradition. The Voltaic assistant to one of the EFP advisors, an enthusiastic proponent of community development, captured the essence of that tradition when he remarked: "La Haute Volta, c'est la démocratie; c'est notre seule ressource!" (Upper Volta is democracy; it's our only resource.)

2. Administrative structure. Zaire is a highly centralized bureaucracy, the product of 15 years under Mobutu's rule. The regime has struggled against the centrifugal forces of regional and ethnic separatism and in the process deprived the regions of administrative autonomy. Rural and agricultural development programs have followed the same pattern, with all policy decisions affecting regional programs being taken in Kinshasa. The result is that regional and local initiatives are stifled and participatory development is inhibited.

In Upper Volta a conscious effort has been made by political authorities to decentralize administrative structures and the implementation of development programs. Each of the ORD's enjoys a high degree of decision-making autonomy and is able to deal almost on a bilateral basis with international development agencies. Nor is there any systematic attempt by the central government to assign civil servants to regions other than their own to inhibit the growth of regional identities as is the case in Zaire.

The effect is to bring government a step closer to the population

it is meant to serve. This by no means assures efficiency and responsiveness of government to the people. In terms of development programming, however, it makes the region the main unit of activity. The Eastern Region ORD in particular has received a great deal of attention in recent years by a variety of development agencies.

3. Participation. In Zaire, despite the monolithic nature of the sole political party, there is very little encouragement of grass roots participation in development. The political and bureaucratic elites are usually the major recipients of resources allocated to development programs. With all the rhetoric that attends the government's emphasis on agricultural development, there is no coherent policy of involving small farmers in social and community development.

In the absence of a traditional class of aristocratic or entrepreneurial elites, rural society in Upper Volta has remained without sharp socio-economic distinction. There is emerging, however, a bureaucratic elite that owes its social and economic standing to the relatively high civil service salaries and the prestige attached to their position. The regional administrative authorities are not especially enamored of the participatory approach to development which they tend to see as undermining their authority. Nevertheless, the environment in this regard is much more favorable in Upper Volta than it is in Zaire.

There is a critical need for students of development to examine not only the participatory mechanisms of project design but the social and political milieu in which development takes place.

NOTES

1. Galen Hull, "U.S. Aid to Zaire", testimony before the Subcommittee on Africa of the House Foreign Affairs Committee, February 28, 1980.
2. Dimpex Associates, "Final Report of the North Shaba Maize Production Project in Zaire", submitted to AID/Africa Bureau December 1979.
3. Galen Hull, "Evaluation Report on the Rural Enterprise Development Project in the Eastern Region ORD of Upper Volta", December 1979, (mimeo) Partnership for Productivity, Washington, D.C.
4. Galen Hull, "Strategies for Development: The Rural Enterprise Development Project in the Eastern Region ORD of Upper Volta", January 1980, (mimeo) Partnership for Productivity.