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STRATEGIES FOR DEVELOPMENT
FOR
THE RURAL ENTERPRISE DEVELOPMENT PROJECT
IN
THE EASTERN REGION OF UPPER VOLTA

PARTNERSHIP FOR PRODUCTIVITY

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PARTNERSHIP FOR PRODUCTIVITY IN UPPER VOLTA

A. OVERVIEW

Partnership for Productivity is a small private voluntary organization whose goal is to contribute to the human and economic development of the Third World. Its mission is to help increase productivity: to create economic value in goods and services. Productivity - as opposed to production - implies the creation of social as well as economic value. PFP's programs are therefore intended not only to increase the production of goods and services but to promote the quality of life. Beginning in 1969, PFP projects have centered on assisting the development of rural enterprises through extension services and credit loans.

The rural development enterprise project in Upper Volta, which began in late 1977, drew upon the experience of other PFP projects, chiefly in Kenya and Liberia. It was designed to be experimental in nature, borrowing ideas from these other PFP projects and adapting them to the conditions peculiar to the Eastern Region of Upper Volta. In one important respect, the Upper Volta project was to differ from previous efforts in that it was from the outset geared toward producers as much as retailers in the agricultural economy. The project actively recruited both farmers and artisans (blacksmiths, carpenters, repairmen) involved in agricultural production. Secondly, emphasis was placed on a credit loan fund which preceded and was directly linked to extension services. The project aimed at responding to community needs as they were reflected in applications for credit, rather than following a blue-print model of development.

The PFP/Upper Volta project was located in a region of the country that represented something of 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

B. PROJECT DESCRIPTION

In 1976, PFP presented an OPG proposal to AID requesting \$506,000 for two years to cover the experimental phase of the project. PFP was awarded the grant and project implementation was planned to begin in July 1977. Due to administrative and procedural delays, however, project activities did not begin until the end of the year. The OPG 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. An additional sum of \$110,000 was requested to carry the project to December 1980.

The OPG proposed that by the end of the pilot phase of the project a total of 80 small enterprises would be serviced, 20 of them new, and that 40 loans would have been accorded. By November 1979, 120 loans had been approved, most of them for \$200.00 or less. Half of the loans went to already established enterprises while the other half assisted in the creation of new ones. Although more money had been earmarked for the demonstration fund than for the revolving fund, most of the funds allocated in the first phase of project activities went to the latter. It was anticipated that the demonstration fund would be needed from the outset to stimulate businesses. However, the response of individual entrepreneurs was such that the project's initial efforts were focused on the revolving fund.

Loans granted under the revolving fund went to three general categories of activities:

a. 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.

b. 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 concerns the production of farm implements. Also included in this group are tailors, dyers, and weavers.

c. Commerce. The second largest category of loans went to small retailers, primarily for general stores or boutiques. These stores usually market a line of basic goods such as toilet articles, canned goods, and clothing. This category of businesses also includes pharmacies, bookstores, photo studios, bicycle spare parts, and butcher shops. Also included in this group are businesses that handle transport of wood and water by donkey cart, an important link in the local economy.

The allocation of experimental funds has gone almost entirely to the Fada N'Gourma area. The largest portion of funds in this category went to the development of a demonstration farm at Tiparga, a village near the town of Fada. In cooperation with a village group, PfP helped clear a bas-fond area (catchment where there is more moisture and richer soils) with a bulldozer, built a small dam to retain water for dry season irrigation, and planted a variety of crops. Beehives were introduced into the demonstration area and a network of vegetable gardens was begun.

PfP loan repayment schedules are arranged with the client according to the nature and extent of the loan. The typical loan is repaid on a monthly basis with the first payment due three months after the loan is approved. The client usually has twelve months in which to repay it. The rate of repayment during the initial period of PfP activities was quite high. On-time payments as of June 1979 were over 90%. This contrasts sharply, both with repayment rates in other PfP projects and with those of the animal traction credit scheme of the AID-financed integrated rural development project administered by the Eastern Regional development agency (ORD).

Appropriate Management Assistance. According to the OPG, one of key elements of the project was to be an appropriate form of assistance to small entrepreneurs to improve their business management skills. The PFP staff, drawing upon the experience of PFP programs in other countries, began to introduce forms of bookkeeping in accordance with the client's level of literacy and the nature of his business. In some respects, this proved to be the strongest element of the project's activities, especially in the Diapaga area.

B. STRATEGY FOR PFP/UPPER VOLTA PROJECT

Having managed in its first two years of existence not only to survive but in some respects to thrive, the project in Upper Volta is now faced with important questions during the third year of the experimental phase. Factors outside the project's control loom nearly as important as those within. PFP must begin now to examine alternative strategies for project development, recognizing the constraints surrounding it. The following categories of project development strategy should be considered.

I. Institutional Arrangements. The overriding concern during the next twelve months should be to secure institutional arrangements that will allow the project to reach fruition. There are various levels of inter-action, with actors of varying degrees of importance. Relevant actors include the following:

a. Eastern Region ORD. The regional organism for development is virtually autonomous vis-a-vis the central authority of the Ministry of Rural Development. It is responsible for administering all government-related development activities in the region. In a development sense, it is the only game in town, despite its bureaucratic inertia. The ORD is headed by a director who has not been favorably disposed to PFP's operating outside its program parameters.

b. USAID/Upper Volta. PFP/Upper Volta is officially obliged to account for its activities to the USAID mission in Ouagadougou. This is done through regular written reports and informal relations between PFP and USAID staff. The newly appointed program officer for rural development, Dr. Samir Zoghby, is very favorably disposed toward the PFP project and is anxious to assist PFP in working out satisfactory institutional arrangements.

c. PFP Staff. Thus far the staff has consisted of only Bengt Thoren and John Schiller. Both have been concerned to maintain the project's autonomy from the ORD while attempting to cooperate with it.

Recently, the PFP staff has been expanded to include Voltaiques who are beginning to share not only managerial responsibilities but also their ideas as to the future of the project.

d. Clients. Most PFP clients are not overly concerned about institutional arrangements, unaccustomed as they are to being consulted on affairs of this nature. They are anxious to see that project services and resources continue to be offered, however that might be managed. Client groups in particular, such as the weavers and the farmers involved in the demonstration project, can be a voice in determining the future of the project.

e. Market Loan Committees. These committees, which have been created from among PFP clients in other projects, have yet to be tried in Upper Volta. They serve to involve local entrepreneurs in the loan approval process and therefore in project decision-making.

f. Governing Council. The project does not yet have its own governing board or council, nor does it have any affiliation with an indigenous Voltaique organization. The only possible affiliation under serious consideration by PFP staff is with the Gourmantché Cultural Association, headed by Minister of Information Edouard Tani who is from the Eastern Region.

These actors provide a variety of alternative strategies for building an institutional basis for continued operation once the project has ended. Such a strategy is needed especially because of the fact that the project was initiated by a foreign organization, designed and implemented by that organization, and therefore risks having only a marginal long-range impact unless it can build a strong indigenous constituency. The following strategies might be considered:

1. Integration into the Eastern ORD. This would be the least palatable strategy in so far as the PFP staff is concerned. However, virtually all other development efforts in Upper Volta are directly linked to a government agency. It would have to be approached through careful discussions with the Minister of Rural Development, the ORD

Director, and USAID's Program Officer for rural development. The latter would have to play a key role in assuring that PFP retained a reasonable degree of freedom in maintaining project standards and selecting project staff.

2. Project-originated governing body. This might be the best long-range strategy. It would entail PFP staff organizing local committees of clients (market loan committees) that would in turn select representatives to a Governing Council. This would assure maximum participation of clients in determining the nature and function of the governing body. Since there has been no attempt thus far to create this type of arrangement, it would certainly take considerable time and energy on the part of the PFP staff. Client groups that already exist could serve as the basis for establishing loan committees. Care would have to be taken to avoid the biased decision-making experienced by loan committees in other PFP projects.

3. Affiliation with Voltaïque organization. This is the most feasible (and desirable) scenario, judging from the attitudes of the relevant actors. The ORD Director appears to be favorably disposed to this type of arrangement, having in fact suggested to Dr. Zoghby recently that PFP staff get in touch with the Gourmantché Association. The main weakness in this strategy lies in the uncertainty as to the structure and function of the Association. It appears to be loosely organized and not to have any clear function. PFP clients are only vaguely aware of the association's existence and view it as another manifestation of the interests of established traders and fonctionnaires. This strategy would entail bringing PFP clients and the association members together to discuss common interests and ideas.

Any of these strategies would still involve charting ways and means of making the project self-sustaining on a long-range basis. Initially, the project will continue to be dependent upon outside sources of funding for recurrent expenses and appropriate technologies. This issue will be taken up in the following sections.

II. Integration of Project functions. The PFP/Upper Volta project has thus far operated in effect as two sub-projects: one in the Fada N'Gourma area and the other in the Diapaga area. This is due in part to the exigencies of survival encountered during the early months of project implementation. It is due also to the slightly different conditions that obtain in the two areas, Fada being a larger town and an administrative/commercial center, whereas Diapaga is even more isolated and less economically differentiated. Perhaps most significant are differences derived from the personal orientations of the two PFP staff technicians. Bengt has shown a decided interest in developing a clientele directly involved in agricultural production and has not shown a strong interest in adapting and refining methods of providing managerial assistance. John, on the other hand, has worked almost exclusively with individual clients, most of whom are involved in retail as opposed to production. He has emphasized the application of appropriate managerial techniques and the close monitoring of client progress.

The project could benefit from a closer integration of project functions, each of the two spheres of operation drawing upon the strengths of the other. The following suggestions could serve as a basis for exploring further integration.

a. Staff training. Both technicians have made wise choices as to their Voltaique staff assistants. To a large extent they mirror the strengths and weaknesses of their supervisors. Thiombiano (in Fada) is strongly oriented toward community development aspects of PFP activities. He is especially well informed as to the cultural and political implications of PFP's future growth in the region; he is weakest with regard to the application of managerial and accounting techniques. Boama (in Diapaga) is also very articulate, but is younger and less experienced. He has proved himself very adept at absorbing John's training in management and in fact has already begun to exercise some decision-making authority in John's absence. Boama's parentage is part Gourmantché and part Mossi, giving him insight into both cultures.

It would be advantageous to all concerned if an exchange of staff assistants were arranged, perhaps even periodically, for a period of 3-4 weeks. This would provide an opportunity for them to become familiar with another area and different methods of project management. The objective would be for the assistants not only to learn from another technician but to teach what he has already learned from experience. In turn, the two principal staff assistants would be more prepared to help in the training of additional assistants that join the project in the future.

b. Transfer of activities. John and Bengt should also plan periodic visits to each other's sites, not just for the purpose of coordinating administrative chores but to study the other's program. This could serve as a mode of conducting internal evaluation as long as their observations could be made constructively. The following are examples of strengths in one area that might be expanded upon in the other.

1. Community development. In working with farmer and artisan groups in and around Fada, Bengt has managed to create a multiplier effect among clients that may impact on an entire village. He has made good use of the demonstration fund. These funds should be more liberally applied to the Diapaga area to work toward a similar spread effect.

2. Agricultural production. The project is located in a heavily agricultural region whose future is linked to agricultural production. The Fada office has emphasized increasingly this aspect of project activities, centered around the demonstration fields but also in the expansion of vegetable gardening. This approach could be amplified in the Diapaga area, especially where the cultivation of rice is feasible.

3. Management assistance. John has been much more assiduous in the application of appropriate management and accounting techniques. He has been especially innovative in the development of techniques for the predominantly illiterate PFP clients, one of the main goals of the

project. The follow-up on a monthly basis to monitor client progress is the great strength of the Diapaga operation and is sorely needed in Fada as well.

4. Appropriate technology. Both technicians have shown an interest in applying technology appropriate to the enterprises in question: e.g. grain mills, Self-Helper tractor, rice decorticators, etc. Depending upon the application of types of enterprises in the other area of operation, these technologies could be introduced.

5. Integration of economic functions. There is some evidence of relating client activities in one area of the project to the other. Problems are partly due to the distance between the two areas. However, PFP might explore possible linkages between such clients as Air Gobnangou in Diapaga (transportation) and the producers in the Fada area. Linkages between Fada, Diapaga, and the Niamey market (even though it is in another country) should be further explored.

III. Directions of the project. The experimental phase of the PFP project in Upper Volta has established its credibility in the eyes of its clients as well as the USAID mission. The key question hanging over its future, as has been noted in the above section, is that of institutional affiliation.

It is clear from most objective indicators that the project has accomplished its initial objectives. It is serving the poor majority in one of the most rural areas of Africa and has surpassed expectations in terms of number of enterprises serviced and loans extended. Equally important, the project has produced an extraordinarily high loan repayment rate which is a tribute to the quality of services rendered to project clients. The project has not as yet given any indication as to whether and how it will manage to become self-sufficient in the future. Because of its focus on developing the profit orientation of small enterprises, it stands a better chance of arriving at self-sufficiency than the average integrated rural development project that must account for providing social services.

The following indicators of project performance should be closely monitored in order to assess its achievements in the next twelve months.

a. Outputs. The project should provide specific indicators as to the nature and extent of outputs by the end of the third year of the experimental phase. Precisely, what will be the ratio of clients engaged in production vis-a-vis retail commerce at the end of the year? How many clients received loans for the second and third time, and what was the nature of expanded activities? What was the exact nature of management assistance accorded the client? Did he/she progress from one level of accounting procedures to another during the period of the loan? How much of the project expenditures were allocated to demonstration activities as opposed to the credit loan fund? Has the client registered a profit in his/her business activities, and if so how has it been accounted for? Measures for determining the extent of impact on the community should be established. Who are the direct and indirect beneficiaries?

b. Geographic expansion. During the experimental phase thus far the project has been limited in its operations to two areas within the Eastern Region. It is advisable that during the third year of operations the project restrict its activities to the areas it already services. However, if the project life is extended beyond the experimental phase, the question of replicability in other ORD regions should be explored. This is particularly relevant in light of the questions surrounding the personality of the Eastern Region ORD Director. If the project's smooth functioning has been hampered by the ORD Director's attitude toward its posture of managerial autonomy, it may be that the project would fare better in another ORD. Ministry of Rural Development officials might decide that the PFP approach would be even more appropriate in another region with different demographic and economic characteristics. It is difficult to assess the real "success" of the PFP experiment on the basis of a sample of one region. National government attitudes toward the project are still quite unclear.

c. Procurement of Resources. It has been noted above that the project has not yet developed any mechanism for achieving self-sustaining growth, other than a rather high rate of loan repayment already being used to maintain the replenishment of the loan fund. In order for the project to assure its long-range perpetuation, it must begin now to generate capital resources. This might be accomplished partially by charging fees for consultant services as PFP has begun to do elsewhere. It might be approached through the establishment of savings and loan associations. This approach has been tried and has not been successful, at least in the Fada area.

For the short-range, PFP should explore the possibility of obtaining funds through its international network of contributors and other foundations that would be willing to help. In any event, PFP/Upper Volta could use much more regular and systematic assistance from the PFP/Washington office, in terms of program support and information. A first effort might be the development of a brochure describing the Upper Volta experiment that could be used to elicit financial support for the project within the United States.

IV. Problems, Weaknesses, Challenges. The PFP project in Upper Volta was begun as an experimental effort intended to assist small enterprise development in the Eastern Region. Its objectives were modest and therefore not especially difficult to attain. It remains for the Doubting Thomases to be convinced that this project is any different from others that have made extravagant claims to achieving development, only to be found wanting when it came time to measure impact. We do not yet know whether the initial achievements were due primarily to the extraordinary efforts of committed technicians, unique social and economic conditions, or to factors yet to be identified.

The challenge now is to begin to develop and apply indicators of project impact - income, "quality of life", etc. - that can be used to determine whether the project has in fact had the effect it appears now to be having.

C. DEVELOPMENT LEARNING

The New Directions mandate for AID has spawned a variety of approaches to assisting the poor majority in the Third World. The notion of devising alternatives to the traditional "blueprint" model for project design has gained currency; it is often referred to as the "process" approach. This model begins with the assumption that projects must be designed according to the strengths and weaknesses of specific localities in a given geographic area. PFP subscribes to this type of approach, especially emphasizing the development of the individual in project design. Before summarizing what have emerged as the basic elements of this approach in the Upper Volta project, let us first examine the main ingredients of the typical AID-funded Area (or Integrated) Rural Development Project.

I. The AID IRD Project Model.

AID views the basic IRD project as a combination of production, income-generating, and social service activities aimed at improving the quality of life in rural areas. The strategy used to achieve these ends may vary depending upon the emphasis given to agricultural production as opposed to providing the range of social services such as education, health, and family planning. It may range from a loose set of group activities to a tightly designed, coherent long range plan. Increasingly AID has attempted to move away from the laundry list approach toward developing strategies in specific areas with a given target population.

The typical target population is the small farmer. The chief vehicle for attempting to involve the farmer in the process is usually the farmer group, or cooperative. Project design grows out of intensive data collection and analysis and subsequent preparation of detailed project specifications. Constraints to the project goal of increasing production are identified and sub-systems are built into the project in order to alleviate them. With the farmer group as the cornerstone of project activities, other sub-systems are devised to support their development. These may include: agricultural extension

services, marketing and credit, intermediate technology, infrastructure, and project data collection/monitoring.

The process approach to project implementation depends upon regular interaction between project staff and farmers to determine whether their needs and aspirations are being met. If the project's information gathering unit is functioning properly, implementation becomes a matter of fine-tuning and adjustment. This is a truly radical idea in the world of development agencies concerned to bring about the participation of beneficiaries in the development process. In fact, it may well run counter to the strict interpretation of regulations calling for adequate planning.

After several years of experimentation with the new process approach in AID-funded IRD projects, it is becoming clear that many of the problems of the blueprint approach still obtain. Most large-scale foreign donor projects are still unlikely to produce tangible benefits for small farmers in a self-sustaining manner. With the concern for replicability of project designs, there is still a tendency to believe that development solutions can be universally applied. External factors are minimized. When project objectives are threatened, - e.g. when production fails to increase - there is a tendency of technical experts to ignore farmer inputs into decision-making and concentrate on those aspects of project implementation which depend least upon farmers. Participatory rhetoric notwithstanding, the new approach still fails to provide the flexibility necessary to respond to articulated demands of farmer groups that are seen by project staff to fall outside the project design.

The new approach has also failed to create a reliable mechanism for assuring that the activities of beneficiary groups become self-sustaining. Impact studies are finding few instances in which development projects designed and implemented by foreign agencies have not collapsed with the discontinuation of external funds and technicians.

Not the least of the problems unresolved by the new approach is the continued necessity of working within the host-government's administrative structure and within the parameters of policies and

programs that are often contradictory to project objectives. The IRD project is obliged to operate within bureaucratic structures (e.g. Ministry of Agriculture or Rural Development) that are often incompetent or corrupt. They may be as much a part of the problem as the solution. Obviously, the host government ^{can} is a given in the development process and/by no means be ignored. Nevertheless, foreign donor agencies have not yet developed the capacity to refuse to undertake development efforts in countries whose own policies and administrative infrastructure are at odds with participatory development.

II. The PFP/Upper Volta Project: An Alternative Approach?

As with many private voluntary organizations working in the field of development, Partnership for Productivity is relatively small. Its focus on rural enterprise development makes PFP comparatively specialized. While PFP has embraced the process approach to development, its scale of operations remains small in scope and limited to business development. The PFP/Upper Volta experiment shares some common characteristics with other PFP projects as well as with other PVO's. Because the project's modest objectives have met with initial success, it merits an examination of those elements that distinguish it from other efforts.

a. 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 see no threat to the country's general tendency to emphasis public sector development. Private sector growth has in fact been sorely neglected in the country's economic development.

b. Participation. PFP projects focus upon the development of the individual and the promotion of self-reliance. In Upper Volta, project resources have gone mainly to individual entrepreneurs, although certainly not to the exclusion of groups. By contrast, the AID-funded IRD project operating in the Eastern Region since 1974 is obliged to channel all of its technical and financial support to officially recognized farmer groups. These groups are essentially the creation of the project itself and are not always the most effective vehicle for increasing production. Conditions for receiving credit from project funds, for example, are tied to the (rather narrow) objectives of the project, namely increasing agricultural production. It is not uncommon for an individual farmer considered deserving of credit to be advised by the IRD staff to join an official group in order to qualify for a loan.

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. Requests for loans usually do reflect the demand for basic social and economic needs, such as for food and potable water, clothing, and transportation. The most common loan request that is denied by PFP staff is for a bar, considered to be of marginal social utility.

Although the PFP project responds primarily to individual entrepreneurs, it has come to work more and more with farmer and artisan groups. Some are officially recognized by the regional development authority (ORD) and some are not.

The project is typical of many development efforts in that it was conceived and designed without the participation of clients and client groups who are now its beneficiaries. This is not surprising since the existing governmental structure does not promote the grass-roots participation of farmers and farmer groups in the formulation of projects.

Evidence available indicates that PFP is more responsive to client interests than is the IRD project, if only because it operates under fewer constraints. Still, PFP/Upper Volta should begin now to explore ways to invite greater participation of clients in decisions relating to project performance and design. The mode of participation thus far, has been that of client/technician. At the least, clients and client groups should be encouraged to assess their progress and determine alternatives for expansion of their business activities.

c. Appropriate management assistance and technology. PFP/Upper Volta has combined the approach to participation with that of assistance for appropriate management techniques and technology. The client is offered assistance in the management of his/her enterprise 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. The criteria for loan selection are determined by PFP staff, based upon social and economic needs of the region. But the individual client is free to adopt whatever level of business management assistance is appropriate to him/her.

Appropriate technology is also an important element of project implementation. This applies particularly in the field of agricultural transformation. Here again, the choice is left to the client to determine what technologies are appropriate to his/her business. Examples of this include grain mills and rice decorticators, beehives, and the recent acquisition of a Self-Helper tractor.

d. Social Criteria of Clients. The selection of clients is one respect in which the PFP/Upper Volta project has been most innovative. Its success is reflected in the exceptionally high loan repayment rate. 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 and to the staff's commitment to understanding the social and cultural environment.

There is a high degree of cultural homogeneity in the project area. In general, clients are not accustomed to obtaining credit outside their immediate family or village network. They tend to abhor the idea of being in debt and are anxious to repay their loans as soon as possible. Cases in which loan repayment has been retarded or simply failed have been carefully followed by the PfP staff and are usually linked to circumstances beyond the client's control. Late payments can often be accounted for by extraordinary expenses incurred, such as weddings and funerals.

Implications for the replicability of this project are readily apparent. The major factor in the initial success has been the close personal attention to each client given by the PfP staff. As the project grows, this will be less and less possible unless a strong training component of indigenous staff can be expanded. It is imperative that this personal level of rapport be maintained.

e. Self-Sustaining Mechanism. Unlike other development projects which must rely upon government financial and administrative support at the end of project life, PfP aims from the outset to achieve self-sustaining status through its emphasis on the profit motive. In order to continue operating, PfP clients must show evidence of being able to make a profit and therefore to generate capital. In its early stages of development, the project will continue to require external financial and technical assistance. Yet the mechanism is there for the project to become self-sufficient.

The long-range objective of PfP programs is to create a corporation with legal status as an indigenous organization within the host country. This strategy has already been pursued in other countries where PfP operates. It assures that the project will not become a drain on the host government. Its continued existence is thus determined by market conditions rather than government programs, and remains in the hands of host country nationals.

f. 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 are not the result of a blueprint model. Rather they have emerged from the pattern of assistance to subsistence farmers who provide demand for goods and services which are provided by artisans and retailers who are also assisted by PfP.

The economy of the Eastern Region is characterized by the predominance of subsistence farming - mainly millet and sorghum - which is serviced by a very small class of quasi-monetized artisans and craftsmen. At the top of the economic pyramid is a small group of cattle traders and merchants, many of foreign origin, joined by a monetized bureaucratic and administrative elite. The PfP project focuses its assistance on farmers, artisans, and small scale retailers. The more well-to-do cattle traders and administrators are excluded from consideration as PfP loan applicants.

The linkages that have emerged are the result of market demand for goods and services as reflected in requests by loan applicants. Several patterns may be distinguished.

1. Vertical: Agricultural Production and Transformation. PfP has begun to assist clients in vegetable gardening and basic crops. Both of these activities involve assistance for digging wells to assure regular water supply during the long dry season. Traditionally, subsistence farmers have engaged in growing millet and sorghum for their own consumption. PfP is experimenting with growing other cultures such as rice and corn which may become cash crops. Rice, in particular, may find a ready market not only locally but in urban areas as well. This effort is still in its experimental stage and marketing of cash crops beyond the project environs has yet to be tested.

Directly related to agricultural production is the assistance PfP is providing to agricultural transformation. Processing of agricultural products has been almost entirely manual. PfP has introduced a number of grain mills into the area and is considering other types of appropriate technologies such as rice decorticators. Assistance

to rural artisans such as blacksmiths and carpenters also facilitate agricultural production by making farm implements available.

2. Horizontal: Basic Needs. Many of the basic needs of the population - water, food, clothing, and transportation - are addressed by PfP through its credit program. Response to these needs often entails a natural linkage of economic and social functions.

a. Water. One of the most elementary needs of the region is for potable water and for irrigation. In the towns, people receive water at their homes transported from reservoirs in barrels, carried in carts drawn by donkeys. PfP has supported several young entrepreneurs in this business. In the villages, wells are dug by hand and are a source of drinking water as well as for watering vegetable gardens. PfP has granted a number of loans for the construction of these wells. At the demonstration sites, a system of dikes was constructed in order to create small ponds for irrigation of crops and eventually fish farming.

b. Food and clothing. A large portion of project assistance involves small scale enterprises such as general stores, in towns as well as remote rural areas. The items which they carry must be obtained in urban areas where they are produced, mostly from Ouagadougou or from Togo, Nigeria, and Ghana. One of the main problems these businesses have is in replenishing their stock regularly. This requires keeping a reliable system of accounting and conducting inventory in order to anticipate when to order supplies. PfP assists them both in acquiring capital to purchase goods and in setting up accounting procedures that allow them to monitor their own progress. Profit and loss analysis helps them to determine which articles have the greatest demand and which have proven unprofitable.

c. Transportation. Procurement of goods for retail in local stores is directly related to the problem of transportation. Small businesses are almost entirely dependent upon large merchants whose trucks make the run between major urban centers. PfP has begun to assist

local entrepreneurs who are attempting to set up or expand their own transportation business. This is the case with the celebrated Air Gbnangou enterprise in Diapaga, which consists of a couple of old trucks that (when roadworthy) distribute goods to the surrounding area. When it is in operation, Air Gbnangou is virtually the only linkage between the Diapaga market and the remote village beyond The Chain, a geological formation that defies even experienced drivers. PFP has assisted the illiterate owner of this enterprise, with the aid of of an old friend who does his accounting for him.

3. Rural-urban-rural. This level of economic linkage is now in its early stage but offers great opportunities for expansion. The rural economy is dependent upon manufactured goods that must be procured in urban areas. In turn, the rural areas produce agricultural goods and crafts that can be marketed in urban areas as well as exported abroad. PFP has begun to assist some of its clients in the wholesale business, allowing them to travel to urban areas to purchase goods and to sell them to small retailers in the project area. This linkage entails support for the transportation network from remote villages, to towns within the project area (Fada N'Gourma and Diapaga), to urban areas.

The potential for transporting agricultural products and crafts to cities such as Ouagadougou and Niamey (Niger) appears very favorable. Pork and rice from the Diapaga area, for example, have begun to find a ready market in Niamey. A young client in Fada is contemplating the Ouagadougou market as an outlet for his rabbits. The weavers group in Fada is anxious to explore the market for its products both within the country and abroad. The PFP staff is exploring possible linkages between the project's clients and those of the PFP/Liberia project.

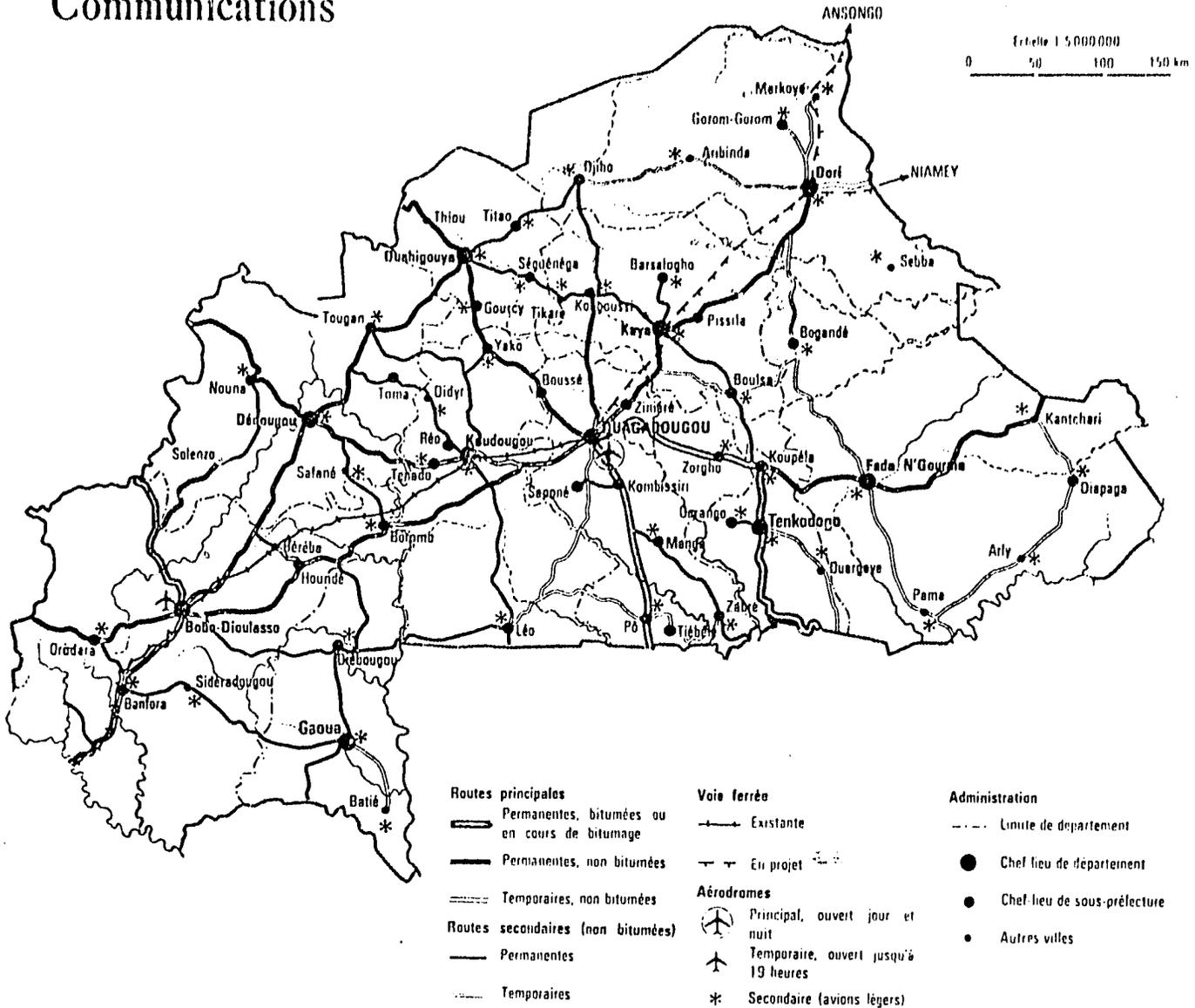
In sum, although the PFP/Upper Volta project did not promise integration of economic functions in its OPG, this aspect of its evolution could carry the seeds of a model for future PFP programs.

D. CONCLUSION

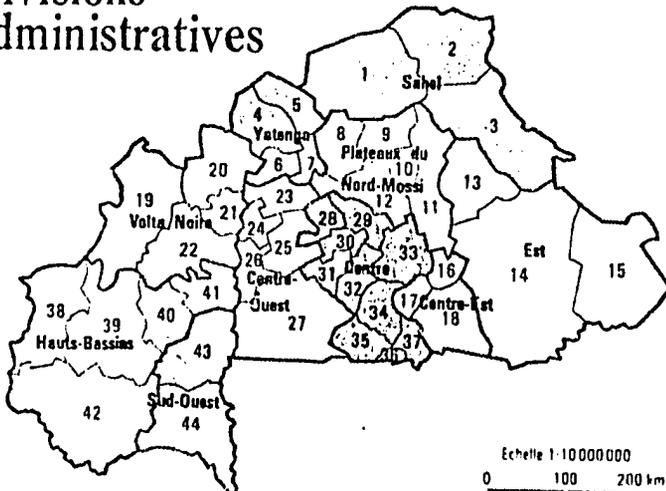
The PFP approach to development attempts to place the individual at the center of project activities. It works toward productivity through the promotion of income-generating enterprises. While enhancing the individual client's self-reliance, this approach also helps improve the quality of life among the rural poor. The approach is action-oriented, relying not so much upon massive baseline studies and capital inputs as on a natural evolution of project activities through response to requests by clients for loan assistance. There is no a priori condition placed on the loan applicant. Nor is there an elaborate system of integrated project components designed to meet presumed needs.

If it is possible that development is the idea of individual self-reliance through collective action, then the PFP approach may prove to be more appropriate than the edifices created by large-scale development operations. It is fair to ask that PFP develop more reliable measures of project productivity. But it may also be that what is occurring in the Eastern Region of Upper Volta is the application of this idea in terms that cannot be captured entirely by an array of tables and charts.

Communications

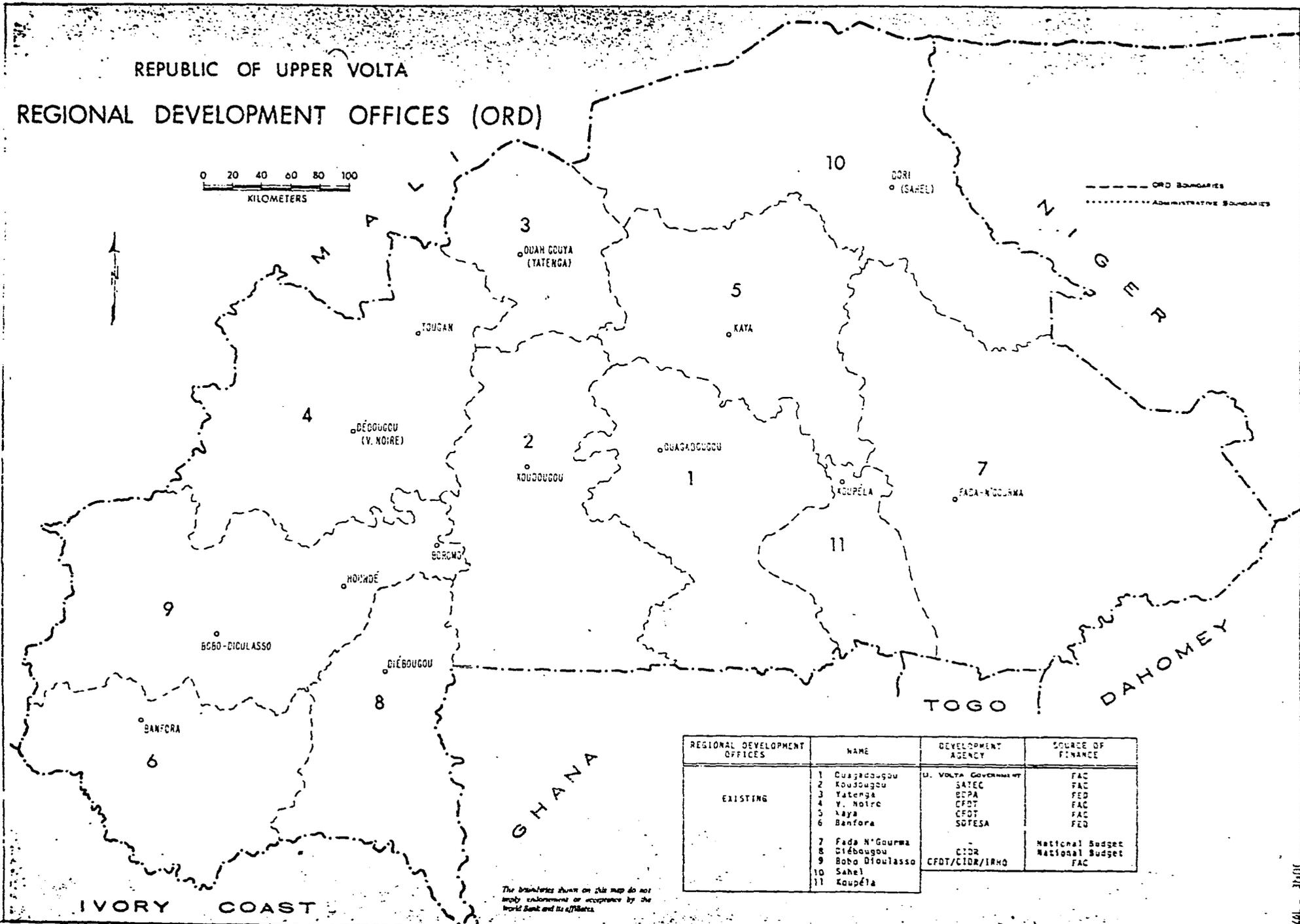


Divisions administratives



- | | | |
|------------------------------|--------------------|---------------------|
| I - Sahel | 14 Fada N'Gourma | 28 - Boussé |
| 1 - Djibo | 15 Diapaga | 29 - Zimarié |
| 2 - Oudalan | V - Centre-Est | 30 - Ouagadougou |
| 3 - Dori | 16 - Koupéla | 31 - Saponé |
| II - Yatenga | 17 - Garango | 32 - Kombissiri |
| 4 - Ouahigouya | 18 - Tenkodogo | 33 - Zorgho |
| 5 - Titao | VI - Volta Noire | 34 - Manga |
| 6 - Gourcy | 19 - Nouna | 35 - Po |
| 7 - Séguénéga | 20 Tougan | 36 - Tiebélé |
| III - Plateaux du Nord-Mossi | 21 Toma | 37 - Zabré |
| 8 - Kongoussi | 22 - Dedougou | IX - Hauts-Bassins |
| 9 - Barsalogo | VII - Centre-Ouest | 38 - Orodara |
| 10 - Pissila | 23 - Yako | 39 - Bobo-Dioulasso |
| 11 - Boulsa | 24 - Réo | 40 - Houndé |
| 12 - Kaya | 25 - Koudougou | 41 - Boromo |
| IV - Est | 26 - Ténado | 42 - Banfora |
| 13 - Bogandé | 27 - Léo | X - Sud-Ouest |
| | VIII - Centre | 43 - Diébougou |
| | | 44 - Gaoua |

REPUBLIC OF UPPER VOLTA
REGIONAL DEVELOPMENT OFFICES (ORD)



REGIONAL DEVELOPMENT OFFICES	NAME	DEVELOPMENT AGENCY	SOURCE OF FINANCE
EXISTING	1 Ouagadougou	U. VOLTA GOVERNMENT	FAC
	2 Koudougou	SATEC	FAC
	3 Yatenga	BCPA	FED
	4 V. Noire	CFDT	FAC
	5 Kaya	CFDT	FAC
	6 Banfora	SOTESA	FED
	7 Fada N'Gourma	-	National Budget
	8 Diéboougou	CIDR	National Budget
	9 Bobo Dioulasso	CFDT/CIDR/IRHO	FAC
	10 Sahel	-	-
	11 Koupele	-	-

The boundaries shown on this map do not imply endorsement or acceptance by the World Bank and its affiliates.