PD-ABJ-821

FINAL EVALUATION

OPPORTUNITIES

INDUSTRIALIZATION CENTER

TOGO

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Executive Summary

OIC/Togo has received USAID support since 1976. The 1988 evaluation of OIC/Togo's Agricultural Extension and Training Project found that OIC Togo "has evolved into a fully mature and viable Togolese institution, providing effective agricultural training to young farmers". OIC/Togo subsequently received continued USAID support through the monetization of PL 480 Title II wheat and the distribution of small amounts of fortified corn flour and cooking oil to recently settled trainees of the center.

This evaluation looks at OICI and OIC/Togo activities from 1989 to date. The evaluation has three primary objectives. First, the evaluation assesses the impact of food aid on the food security of OIC trainees. Second, the evaluation assesses the design, organization, management and impact of the PL 480 Title II program. Third, the evaluation examines OIC Togo's sustainability and looks at those options most likely to contribute to OIC's long-term sustainability.

It is important to understand the context of the project. Togo is currently experiencing uncertain economic and political times. Togo, like much of Francophone West and Central Africa is undergoing a serious economic depression. Togo's economic circumstance further deteriorated when, in November 1992, a nationwide general strike virtually paralyzed the country for close to one year.

This uncertain political and economic situation makes the operation of OIC/Togo an extremely demanding task. Although it is more important than ever to encourage agriculture among the nation's youth, the situation at OIC/Togo is that: civil servant employees are often not paid, enrollment is down due to participants' inability to come up with living expenses and revenue generating activities such as the sales of broilers, eggs and other animals are less profitable due the high cost of imported feeds, and uncertain markets.

The overall objective of the project is the effective employment of young Togolese men and women as emerging commercial farmers. Another objective is the annual completion of four training programs:

- Young Farmers Training: a thorough ten-month course that takes men and women who have not had the opportunity to finish secondary school and recasts them as nascent commercial farmers.

- Special Training in Animal Husbandry: a three-month course based upon the animal husbandry component of the Young Farmers Training Program.

- The Young Women's Training Program: a four-month course that focuses on income generation and combines market gardening with animal husbandry curriculums.

- Refresher courses: designed to keep OIC graduates up-to-date on the latest techniques.

This is the first PL 480/Title II program managed by OICI and OIC/Togo. The program includes monetization of wheat and the distribution of soy fortified corn

and cooking oil to graduates of the OIC training program. The following are some conclusions about the current program and recommendations for future PL 480/Title II programs:

- The OIC-Togo training center and follow-up activities are improving the food security of graduates and their families: they have better yields, have more diversified and environmentally sound agro-pastoral activities than their neighbors and they invest more of their income in productive assets.

- In designing a Title II program, OIC should clarify the **role** or purpose of the food component in the design document, the MYOP. Then, as with other project objectives, indicators of achievement should be identified which will help OIC to monitor regularly whether the food component is achieving its purpose. This is a vital element of the design of a development project such as this one, because the food distribution itself is not the objective. It is one resource in a mix of resources (technical assistance, cash, etc.) aimed at specific development goals and objectives.

- The purpose of monetization in the OIC/Togo program was simply to generate revenue to support its training center at Todome. No impact on national or local food security was sought or expected. OIC's participation in the wheat market in Togo did not affect any part of the market chain as it is a tightly controlled market and the supply of wheat on the international market is ample. However, given the monopolistic market in Togo, another commodity might have been a better choice for monetization.

- It is difficult to evaluate the suitability of rations distributed to trainees and settling graduates of OIC. It is equally difficult to assess whether the ration had the desired impact on the project participant or other factors due to the lack of stated rationale or purpose of Title II food for distribution. However, the evaluators found that the food distribution as a nutritional supplement is compromised since groups of recipients were not treated on an equal basis and the ration could have been better balanced (calories - protein). There is at least anecdotal evidence that the food distribution had an income transfer impact for settled graduates. The food freed up their income, including farming profits, for reinvestment in their agricultural activities or for personal capital improvements.

- Since this food distribution was extremely expensive, less costly alternatives that should be considered in the future are the local purchase of commodities or cash grants to settlers and trainees, thus avoiding handling food altogether.

- PL 480 monetization and commodity management was a difficult task for OIC/Togo. Monetization and commodity management can be improved through:

    - Improved PL 480/Title II proposals, benchmarks and progress indicators.

    - Hiring of qualified personnel specifically for this purpose.

    - Training of OICI and OIC/other country staff in rules and procedures required for PL 480/Title II programs

. Effective monitoring of the program both by USAID and OICI.

OICI's methodology aims to achieve long-term sustainable development of its affiliated NGOs. The 1988 evaluation of OIC/Togo concluded that "OIC Togo has an effective board of directors which provides careful guidance and oversight . . . Local management and leadership of OIC is superb . . . Financial commitments from the Government of Togo and various donors appear to be falling into place in time and at levels that will allow OIC Togo to continue operation uninterrupted . . . From an institutional perspective, this project has attained the end-of-project status anticipated in the Project Agreement".

Since 1988, there has been a decline in OIC/Togo's institutional evolution. Although this is in large part due to the difficult political and economic situation in Togo, it is also due to other factors. To improve OIC/Togo's institutional development the following is recommended:

- The OIC board of directors lacks the dynamism that private sector representation could provide. Although evaluations have repeatedly made the same suggestion, the OIC board should be expanded to include several committed business people.

- The Executive Director needs to renew communications with his staff, implement more participatory management techniques and delegate responsibilities to staff. The Director also needs to find a mechanism to deal with unsolicited staff seconded by the government. OICI should provide management technical assistance to help resolve these issues.

- Given the importance of a continued stream of revenue, a section should be created specifically for income generating activities. The section head should have equal status to the Chief Accountant and the Training Coordinator.

- Improvements need to take place in OIC/Togo's use of management tools. These include workplans, budgets, feasibility analyses and business plans for revenue generating activities, reporting, and data collection to show impact. OICI should provide specialized management assistance in these areas.

OIC/Togo's ability to continue to provide quality agricultural training on a no-fee basis relies largely upon its ability to generate revenues to pay staff salaries, contribute to professional development and provide students with room, board and the material necessary for their training. After the end of USAID funding in September 1994, OIC/Togo will rely on government revenues (20 million FCFA per year) and revenues from the sales of the training center's farming activities until other donors are found. This falls drastically short of the funds needed to cover the recurrent costs of OIC/Togo.

- The Board of Directors should activate the Resource Mobilization committee formed sometime ago and seriously pursue donor funding. OIC/Togo needs assistance to write proposals and improve their capabilities to market the OIC Togo training program to donors.

- OIC Togo should explore donor possibilities, especially the World Food Program. OICI should contact WFP headquarters to help advance this

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possibility.

- OICI should provide assistance to OIC/Togo so that they establish realistic plans and budgets for the immediate future. Feasibility analyses for all revenue generating possibilities should be included in this work.

The overall purpose of the evaluation is to look at how OIC/Togo's activities have affected the lives and careers of the graduates of the program. Empirical and supporting anecdotal information suggests that the training program is achieving its desired purpose. The training programs have resulted in the employment of a significant number of men and women on the farm, living in conditions that are better than that of their neighbors. OIC graduates are more food secure with staple food crop production above that of average traditional farmers by 25%. OIC graduates have farms of greater size than the national norm. This generally means greater accessibility to food and more income. Graduates have a more diversified income base given the integration of livestock in the farming system. This results in improved nutrition through the consumption of animal products. OIC graduate per capita income exceeded national per capita income figures for both 1990 and 1993. Finally, OIC graduates are very often leaders in their communities. OIC training has helped to be more organized, informed and willing to take risks.

I. Introduction to the Project

OIC/Togo has received USAID support since 1976. The 1988 evaluation of OIC/Togo's Agricultural Extension and Training Project (693-1225) found that OIC/Togo had "evolved into a fully mature and viable Togolese institution, providing effective agricultural training to young farmers and capable of surviving without USAID support". OIC/Togo seeking to consolidate the gains made and strengthen their resource base solicited continued USAID support through the monetization of PL 480 Title II wheat and the distribution of small amounts of fortified corn flour and cooking oil to recently settled trainees of the center. In 1988 OICI and OIC/Togo requested a monetization of $298,533 (2,000 MT) for Fiscal Years 1989 through 1991. A new Multi-Year Operational Plan was submitted for Fiscal Years 1991-93 requesting wheat for monetization totaling $829,346 (6660 MT). The commodities received for direct distribution were as follows (in MT):

Fiscal Year	SFCM	VegOil	Total
1989	139.38	5.00	144.38
1990	123.85	3.98	127.83
1991	317.78	15.19	332.97
1992	368.85	12.31	381.16
1993	210.00	8.00	218.00
Total	1,159.86	44.48	1,204.34

The actual value of wheat sold to support project activities was 325 million FCFA. A separate grant (Section 202e) of $31,000 was provided to OIC/Togo in 1991 in order to pay commodity import and distribution costs not originally foreseen. Due to the political crisis in the country and a country-wide general strike called in November 1992, program activities and commodity shipments were suspended until June 1993. Because of this, USAID provided an interim grant (693-0463-G-00-3002-) of $49,700. This was to allow OIC/Togo to continue their program until PL 480 commodities could be imported and monetized. This grant was for the period June 1, 1993 through August 31, 1993. An extension was requested for the 1991-93 MYOP and granted until March 1994 in order to complete the implementation of program objectives. OICI requested and was granted a second extension until September 1994.

In support of OIC/Togo, OIC International received two grants (202 e) totaling $52,002. The purpose of these grants is to provide technical support to OIC/Togo and complete audits of the Title II PL 480 program. Besides USAID funding, the Government of Togo provides 19 senior staff of the training center and approximately $39,000 yearly (20 million FCFA). Other donor organizations include UNIFEM and EZE.

A. OIC International

OICI is a private voluntary organization specializing in the provision of technical, agricultural and entrepreneurial training for disadvantaged youth. First founded in the urban ghettos of the United States in the 1960s to prepare African-American youth for entry level employment, OIC soon spread to Africa in 1970 where there are now about 20 training institutions in 12 African countries, as well as two new training centers in Poland. In each country, OICI helps a local "interest group" form its own non-governmental organization to operate the training center. OICI secures the funding for the start-up process and provides field advisors to help get the new training center established on a sustainable basis. Each of the OIC affiliates gradually develops into more or less independent NGOs, no longer supported by the initial start-up grant secured by OICI, but operating on a diversified portfolio of funding support. OICI prides itself on its record of establishing sustainable institutions in developing countries, especially in Africa.

B. Economic and Political Environment

Togo is currently experiencing uncertain economic and political times. Since the late 1980's, Togo, like much of Francophone West and Central Africa, has experienced an economic depression. Inappropriate government spending, especially on state enterprises, a bloated civil service system, the failure to increase government revenues and an over valued currency all contributed to the region's economic decline. In Togo, the economic circumstance severely deteriorated when, in November 1992, a nation wide general strike was called which virtually paralyzed the country. Private and government services, including the port, closed across the country for close to a year.

In January 1994 the CFA was devalued by 50%. The consequences of this event are still not clear. Ideally this devaluation will make Togo's products more competitive in the export market providing OIC/Togo with more possibilities of revenue generating activities. It should also make local value added activities competitive with imported goods, thus promoting local enterprises. Togo, however, has made slow progress in the market liberalization required for devaluation to have its full effect. At present, devaluation means that imported products are double their old price and some locally produced goods have experienced inflationary price increases Since there are few locally produced goods to replace imports, such as fuel or office supplies, costs for OIC/Togo have increased substantially. While in the long term, devaluation presents important opportunities for Togo, in the short term devaluation makes a difficult situation more complex.

The uncertain political and economic situation makes the operation of OIC/Togo an extremely demanding task. While training to encourage agriculture among Togo's youth is more important than ever, the situation of OIC is that: the civil servant employees of OIC/Togo receive salary payments at times only partially and extremely late, enrollment in short course programs is down due to participants' inability to come up with amounts for living expenses, revenue generating activities such as the sales of broilers, eggs, and other animals are less profitable due to the high cost of imported ingredients in animal feed. In addition, markets for the agricultural goods produced at the OIC training center are uncertain due to the general economic decline, loss of purchasing power and continued expectation of political instability.

C. Closing of the USAID Mission

The USAID representation in Togo has closed as one of 21 programs to be closed over the next three years. This is part of USAID's consolidation effort. Although it is unclear whether USAID would have continued financing OIC through PL 480 monetization, OIC/Togo had prepared a 1994-96 MYOP for funding. OIC has few other potential donor sources to meet this funding level. In addition, the closing of USAID is a psychological blow to OIC. OIC/Togo considers itself an American organization and their major benefactor has been USAID. Nevertheless USAID will indirectly continue the support of OIC/Togo through their central funding to OIC International who will continue technical support.

II. The Evaluation

A. Scope of Work.

This evaluation looks at OICI and OIC/Togo activities from 1989 to date. The evaluation has three primary objectives. First, the evaluation assesses the impact of food aid on the food security of OIC/Togo trainees. Second, the evaluation assesses the design, organization, management and impact of the PL 480 Title II program. Third, the evaluation examines OIC/Togo's sustainability and looks at those options most likely to contribute to OIC's long-term sustainability.

B. Team. The following made up the evaluation team:

Lisa Matt, Institutional Development Specialist and Team Leader.

Ann Claxton, PL 480 Specialist.

Although a USAID team member was foreseen, none was provided since USAID Togo had already closed.

The Government of Togo designated Mr. KADAYI, N'ssougan, Regional Director of SO TO CO (the national cotton company) as their representative.

Although not officially a member of the evaluation team, Henry Taylor-Cline, OICI country representative in Cote d'Ivoire, was in Togo at the request of OIC/Togo and contributed to the evaluation.

C. Schedule and Methodology.

The team conducted the evaluation in August 1994. They attended a briefing meeting at OICI Philadelphia and read pertinent background materials (prior evaluations, MYOPs, etc) prior to departure for Togo. The team spent two weeks in Togo from August 13 to August 25, 1994. During this time the team spoke to OIC/Togo program management staff and training faculty, former trainees and board members. The team also spoke to representatives of the World Food Program, and Catholic Relief Services as well as the manager of SGMT, the mill that purchased the PL 480 wheat.

Before the team's arrival, data had been collected from two sources. First, OIC/Togo contracted a consulting firm to assess the program's impact. The firm administered a questionnaire that captures quantitative and qualitative aspects of impact. The report "Etude de l'Impact socio-economique de l'OIC au Togo", (SOTED, August 1994) analyzes the results. Second, OIC's Service des Stagiares administered a questionnaire again considering impact. Although this data has not been thoroughly exploited, certain analyses were performed during the team's visit to Togo. The team also spoke to former OIC trainees in an attempt to verify results of these questionnaires and gather more anecdotal types of information.

Since the entire Board was unavailable, the team met with two members of the Board of Directors early in their stay and briefed the Executive Director concerning major findings and recommendations just before departure from Togo. The team also stopped in Abidjan and discussed the evaluation with USAID/REDSO's Food for Peace Officer and spoke to the U.S. Embassy Agriculture Attache.

D. The OIC/Togo Training Program

The OIC/Togo training program emphasizes "learning by doing" but also provides a solid theoretical base. The four training programs are:

1. Young Farmers Training
2. Special Training in Animal Husbandry
3. Young Women's Training
4. Refresher Courses for former trainees

The Young Farmers Training Program is the central activity of OIC. It is a thorough course of ten months that takes young men and women who have not had the opportunity to finish secondary school and recasts them as nascent commercial farmers. The curriculum for this course combines the OIC Feeder Program that concentrates on OIC's philosophy and attitudinal issues (such as pride in farming) with technical curriculums for the production and management of food crops and vegetables as well as livestock. Added is a component for rural construction that emphasizes the improved construction of traditional structures and the use of local materials and a component on farm management dealing with the planning of a farm, budgeting, cost of production and determination of sales prices and animal traction. A more recent addition to the curriculum is a component dealing with health and hygiene, which addresses the prevention of sexually transmitted diseases and family planning. The course is essentially free of charge. Trainees are required to have a "sponsor" in the place where they will eventually settle. This sponsor pledges to help the trainee settle. Trainees in the long program must also deposit 30,000 FCFA with a center fund which is distributed back to students (plus 30,000 FCFA of Center funding to equal 60,000 FCFA) over the 10- month period as a living allowance. Trainees also receive allotments of PL 480 corn flour and cooking oil.

The Special Training in Animal Husbandry is a three-month course based upon the animal husbandry component of the Young Farmers Training Program. The course focuses exclusively on animal husbandry, including poultry, rabbits, small ruminants and pigs. The course introduces the trainees to improved breeds of animals, the improved feeding and care of animals for greater output, the building of cost-effective shelters and the marketing of animal products. Although this course is free, trainees are not housed or fed at the Center and trainees must make their own arrangements for accommodations primarily in the town of Notse.

The Young Women's Training Program is a four-month course that is open only to women. OIC/Togo found that many women could not take 10 months for training and that this shorter course attracted many young women. This program focuses on income generation and combines market gardening and animal husbandry curriculums. The program stresses the potential interdependence of gardening and livestock raising and especially emphasizes the management of each activity as a business.

The OIC Training Center generally holds five, one week refresher courses for former trainees. Although the sessions vary from year to year, this year the sessions included topics such as organic fertilizer, cash management, prevention of sexually transmitted diseases, resource mobilization, and animal nutrition. These sessions also provide an opportunity for former trainees to exchange ideas and ask questions about specific problems.

III. Project Objectives and Projected Outputs

The following are the project objectives and progress indicators as outlined in the two MYOPs and updates prepared by OIC/Togo. Both MYOPs indicate almost identical objectives and are the general objectives of the OIC training center in Notse. The objectives and progress indicators of a project of this nature are usually more specific tying the purpose of the project with ways that evaluators will be able to prove that the project objective has been met. For example, the evaluation team is interested in looking at how project activities/OIC training center activities contributed to the improved lives of its trainees. The objectives as stated below are for the most part simply the training of a certain number of young men and women. Training is actually the means to the project purpose. The project purpose is most importantly the effective employment of young Togolese men and women as nascent commercial farmers. The fourth listed objective is therefore the primary objective and can be assessed by looking at several indicators including increased income, increased production, diversity of household enterprises and numbers of trainees actively pursuing farming as their career.

MYOP 1989-91 and 1991-93

Objectives	Progress Indicators
1. Train 70 agro-pastoral students (36% women)	1. recorded regular attendance of at least 90% of trainees 2. Monthly SOP checked to see that training program is proceeding as planned 3. instructors record and analyze individual and group trainee projects 4. evaluation conducted at end of each training unit 5. adoption of A.T. recorded by end of training program.
2. Integration of women in rabbit, poultry and vegetable production through 4-month training course for 80 (2 groups of 40) women.	1. recorded MIS application and registration forms verified for attendance and training activities 2. records kept on adoption of A.T. 3. follow-up to record increased adoption of improved techniques 4. Formation of women's groups for production and marketing
3. Increase efficiency of livestock production through 3-month training program	1. regular attendance 2. analysis of records of training instructors 3. evaluations of training program 4. adoption of new techniques 5. evaluation of resettled producers, three months after training

4. Increase efficiency of settled farmers through retraining and follow-up visits	1. number of farmers participating in program 2. number of farmers adopting alley cropping 3. number of farmers attending seminars 4. increase in yields of food crops 5. decrease in use of chemical fertilizer 6. increase in number using high yield varieties 7. increase in production of small ruminants
Other Outputs	
-10 ton Truck -2 trail bikes -income generating activities to sustain programs after 1993 -feed mixer/grinder -generator	
Additional Indicators added in (1991-93) MYOP	-alley cropping with Leucena increased to 315 hectares -multiplication of 2 maize yam/manioc varieties on OIC experimental farm -280 trainees will increase production -decrease deforestation -decrease foreign assistance in 1992 -210 men/women trained -80 women trained in sm animal and vegetable production -150 youth given livestock training -600 trainees already settled receive training -institutionalization of training and resettlement

IV. Impact of OIC's PL 480/Title II Program on Food Security in Togo

Food self-sufficiency is a principle objective of the government of Togo. The objective is met by a slim margin about 1 in every 2 years. From 1979 to 1989, there were 5 years of food surpluses of from 2 to 10 percent and 5 years of food deficiciencies of 3 to 18 percent. Agricultural production has not kept pace with population growth. According to the World Food Program's standards of measure, the percentage of consumption covered by domestic production fell from 100 percent in 1979 -1981 to only 88 percent in the 1988-1990 period. Not surprisingly, food imports rose from 5 percent to 21 percent of total consumption from 1971 to 1990. Falling per capita income during the same period has made access to adequate food more difficult for salaried workers.

WFP nutritional data reveal that as much as 20 percent of the population is food insecure - that is unable to purchase or produce enough to ensure an adequate diet. During the hungry season, just prior to the harvest, this figure may rise to 30 percent. UNICEF reports that 20 percent of newborns are underweight, indicating possible maternal malnutrition, among other problems. Furthermore, 30 percent of children under 5 are moderately or severely underweight for their age, and 37 percent are moderately or severely short for their age.

In sum, by many measures, a large portion of the rural population of Togo suffers from food insecurity. Therefore, a strong rationale exists for a Title II program aimed at alleviating the causes and symptoms of food insecurity. However, UNICEF data also show that the average per capita calorie-intake in Togo is 99 percent of the recommended intake. Much of the inadequate diet and malnutrition is localized in very specific geographic regions (the arid North) and special groups (pregnant women, weaning children, urban and landless poor), or specifically during the 2-3 months before the harvest.

What, if any impact, has the OIC Title II program had on food security in Togo? This question actually has three parts: 1) the impact of the food monetization, 2) the impact of the food distribution (regular program) and 3) the impact of the training program itself that was supported by the monetization and ration distribution. The first two questions will be addressed in this section. The latter question is arguably the most important, as it addresses the long-term contribution of food aid to improving total food availability and securing access to available food. Unlike an emergency relief project where the goal is to put food in people's stomachs, the role of food aid is more complex in the OIC project. Is the project supporting a process where access to food is improving? And is it stimulating activities that will render access permanent? Is it alleviating the underlying health and environmental factors identified with declines in food security? These questions are addressed in greater depth in Part X (Overall Project Impact) of this evaluation.

It appears that, on balance, the OIC/Togo training center and follow-up activities are improving the food security of graduates and their families: they have better yields, have more diversified and environmentally sound agro-pastoral activities than their neighbors and they invest more of their income in productive assets. Unfortunately, it is difficult to prove this statement with quantitative measures or to evaluate the role of the Title II component itself in overall project impact or on the food security of project participants due to the general lack of statistical information gathered by OIC/Togo. Anecdotal information tends to point to a conclusion that the distribution of a food package contributed to the relative success of Center graduates at their agricultural activities. However, many variables are involved, and the existence of the food package incentive was not isolated or evaluated over time.

In designing a Title II program, it is useful to clarify the **role** or **purpose** of the food component in the design document, the MYOP. Then, as with other project objectives, **indicators** of achievement should be identified which will help OIC to monitor regularly whether the food component is achieving its purpose. This is a vital element of the design of a development project such as this one, because the food distribution itself is not the objective, rather it is one resource in a mix of resources (technical assistance, cash, etc) aimed at specific development goals and objectives. For Title II projects these goals and objectives must generally aim at an overall purpose of food security.

An important question to raise in the design process is why is a food component required at all? Since Title II food is a very costly element of the resource mix - both for the U.S. government and for the PVO - and because it can have unexpected negative effects such as disincentives to production, its purpose in the project context must be clear, the ration basket should be designed to achieve the greatest gains at least cost, and indicators monitored to assess impact. For monetization projects, in which the food aid will only **indirectly** affect food security, the linkages must be especially clear between the activities to be funded by the generated local currencies and long-term food security.

Generally accepted roles for food aid include those that can be **income transfers,** and those that provide a **nutritional supplement**. Income transfers may be designed to: encourage participation in a development activity; provide a wage or partial wage payment; provide a source of working capital for investment in a development activity; abate the risk to participants of deferred or long-term gains from development investments. Nutritional supplements are designed to alleviate specific nutritional deficits in a target population. A more recently recognized role of food aid for monetization may aim at commodity price stabilization or hard currency relief.

The ration package is then assembled to achieve the purpose at the lowest cost. High value foods may be selected for purposes of capital formation or wage payments; a carefully balanced package of highly nutritious foods would be selected for a nutrition impact; and the various possible ration combinations will be ranked according to suitability first, and then by cost. Indicators, a baseline survey and a monitoring plan will then be established to measure the impact of the food component and also the impact of other project components. For example, the purpose of the food distribution for the OIC/Togo project might be as an income transfer to assist graduates to settle and invest in advanced agricultural techniques, by helping them to defray household food expenses and set aside savings for investment. Some baseline information should then be obtained from OIC graduates and others in their community who have not had training. The food security monitoring plan would then assess, on a regular basis, indicators such as:

A. Household income and sources of income
B. Household expenditures on food and daily food basket composition.
C. Percentage of income invested in appropriate agricultural activities or household/village assets.
D. Changes in productivity - livestock and crops
E. Rate of implementation of environmentally sound practices such as alley cropping, fallowing etc.

The data gathered in these assessments has to be compared with some sort of "control", either baseline or time-sequenced data collected by the government or other agency.

Monitoring and evaluation are important components of any development project. Furthermore, AID and Congress have expressed growing interest in understanding the impact that food aid is having on food security in developing countries. Therefore, it is justifiable to budget for these activities. OIC could use a portion of the monetization fund as a grant to a government agency to carry out the monitoring surveillance, if it is not possible to undertake them with existing staff.

V. Impact of Monetization

The purpose for the monetization in the OIC/Togo program was simply to generate revenue to support its Training Center at Todome. No impact on national or local food security was sought or expected from the monetization operation, except for that achieved through the training project itself. It is important, however, to assess whether there were unintended effects of monetization on the wheat market in Togo.

Togo produces almost no wheat and imported 70,000 to 110,000 MT of wheat each year until 1993, the year of the general strike. The United States supplies 50 - 70 percent of that quantity through the Export Enhancement Program (EEP) which helps US exporters to meet subsidized EEC wheat prices. The balance of imports comes from France and Canada. OIC's monetization program imported an average of 2000 MT per year during LOP, or less than 3 percent of total imports.

The Societe Generale des Moulins du Togo (SGMT) has a monopoly on wheat imports and milling. The government of Togo has a 45 percent interest in the mill. The Bakalian family, who also owns and operates flour mills in Ghana and 4 other countries in Africa, holds a 30 percent interest and manages the operations. The mill principally imports Northern Spring from North America and hard red winter from France, which are milled and sold separately in 45 kilo and 50 kilo bags respectively. Local wholesale bakeries buy about 20 percent of the flour. Small wholesalers, principally women, purchase the rest for sale to retailers, micro-bakeries and street-vendors. The Northern Spring is used for cakes and pastries, or blended with the French flour for breadmaking.

Since the January devaluation, the SGMT has been paying about 58,000 FCFA per ton, or 2600 FCFA ($5) per bag. The SGMT sells a 45 kg bag for 10,000 FCFA ($19). Wheat is protected from import duties but SGMT pays a 10 percent sales tax per bag and a 38 percent income tax on profits. Wheat bran is re-exported to the United States and other destinations. The retail price of bread is more or less fixed by the government at 80 FCFA for a 200 gram loaf. Wholesale bakeries make about 500 FCFA ($0.95) profit or 5 percent on each bag. A self-employed retail baker may be able to gross 1,500 FCFA ($2.85) per bag for the bread she makes herself and sells on the street, which after her expenses will probably net her about 5 - 10 percent as well.

OIC's participation in the wheat market in Togo probably did not affect any part of the market chain from the Grand Moulin down to the consumer, as it is a tightly controlled market and the supply of wheat on the international market is ample, including subsidized imports from the U.S. The CFA franc being virtually a convertible currency, SGMT has had no problem paying its suppliers in French Francs and the government gained nothing in terms of hard currency savings from the transaction. The SGMT seems to turn a good profit, at current wheat import and wholesale flour prices.

Given the monopolistic wheat market in Togo, and the fact that the price offered by the SGMT was at or below FAS most years, it could be questionable whether wheat monetization was an effective use of this Title II resource, in terms of overall AID Title II program strategy.

VI. Impact of PL 480 Distribution

A. Target Beneficiaries and Commodity Selection

Each year since 1989, the OIC/Togo project has requested and received 100 - 400 mt of vegetable oil and Soy Fortified Cornmeal for direct distribution to project participants. The food distribution is carried out by two methods:

1. to trainees in each of the Center's training programs while they are at the school, and

2. to graduates of the training who have settled and begun practicing the appropriate agro-pastoral practices taught at the Center.

The following monthly ration was distributed on a more-or-less regular basis since 1991:

Monthly Ration for Distribution		
	SFCM (kg)	Veg Oil (liters)
Trainees in Center	6.6	0.5
Graduates (family)	75	3
Per person (family of 5)	15	0.6

The ration would provide the following nutrients and income transfer per individual:

Daily Nutrient and Cash Value of Ration						
	Calories		Protein		Market Value	
	Student	Settler	Student	Settler	Student	Family[1]
SFCM	787	1,790	30.36	69	$.03	.35
Veg oil[2]	141	177	0	0	.02	.10
Total	928	1,967	30.36	69	.05	.45
RecDaily Allow[3]	3,000	2,350	44	35		
% Supplied	31%	84%	69%	197%		

As the table shows, Center trainees received about 31 percent of their daily energy needs and 69 percent of their protein needs from the ration distribution. The 70 trainees in the 10-month agro-pastoral program also received a supplementary stipend of 60,000 FCFA ($200) with which they could purchase meat, vegetables, condiments and other essential food or personal items. This adds about $0.40 per day to the value of their total package.

Settlers received about 84 percent of their family's daily energy requirements and almost double their protein requirements over a two year period. The market value of their daily family ration is equal to about one half the daily minimum wage of farm labor.

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[1] Notse market August 1994 - Approximate price of local dried maize plus local milling costs. Vegoil price reflects average cost of domestically produced cotton seed oil, available in 5 liter cans in markets and boutiques. Exchange rate $1 = 525 FCFA. Value of Settler ration is for full family.

[2] All vegetable oil calculations are only approximate, based on 1 liter equals 1000 grams of weight.

[3] WHO recommendations from USAID Commodity Reference Guide. For students: average of requirement for very active woman and very active man. For Settlers: weighted average for family of five (2 adults, 3 children).

B. Suitability and Impact of Ration Distribution

Neither the 1989 nor the 1991 OIC/Togo MYOPs state the rationale or purpose of the Title II food for distribution. No baseline information or needs analysis is provided in the MYOP or updates to justify the ration specification, either based on nutritional or income-transfer criteria. This is an important part of a MYOP and serves both to explain why food distribution is the most effective and efficient use of resources, and also provides a baseline to measure progress against during reviews and evaluations.

The 1988 evaluation seemed to suggest that OIC/Togo had a very good formula that was producing outstanding results in terms of graduates' high productivity. During the period covered by that evaluation, OIC did not have a food component except for a very small amount from WFP (less than 10 tons per year - which was given to graduates to help them form cooperatives). The evaluation did not recommend any further increase in external support. Why then was it decided to add food distribution to the program? Was a reduction in the dropout rate desired? Was it perceived that students needed more energy for the required farm labor? Was there a specific income transfer or nutritional supplement that would assist settlers to achieve established goals? Without a clearly articulated problem, purpose and supporting data, it is difficult to evaluate the suitability of the rations distributed or whether the addition of the ration had the desired impact on project participation or other factors. The question was not addressed in the impact assessment undertaken by OIC/Togo.

The commodities selected were culturally appropriate and appreciated by the participants - both trainees and settlers. Most evidence shows that the rations were mostly consumed with perhaps a small portion sold or traded for other essential items. This household consumption, especially for settlers, means that benefits of the food ration are distributed to all members of the family, presumably improving the nutrition of at-risk mothers and children, while freeing other sources of income for investment in profitable agricultural activities.

1. Nutritional Impact

In terms of physiological suitability, or nutritional requirements, the following comments apply:

a. The ration for trainees is only supplemental, providing about one-third of the daily average calorie requirements per individual (much less for the men). For agro-pastoral trainees a generous cash stipend is provided which is adequate to cover the balance of nutritional needs with sufficient funds left over for other personal items. Other trainees, including the women's group and the special animal husbandry group, are seemingly expected to fend for themselves in supplying their full dietary requirements. There is no clear rationale for this seeming discrimination. If the Center does not have adequate funds to provide stipends to all students, then the food ration could be increased for those without cash stipends to achieve greater equity, and ensure adequate diets for all.

b. The ration is not well balanced, especially for settlers. In the trainee ration, 15 percent of calories are derived from the vegetable oil, and for settlers only 9 percent of calories come from the oil. A balanced ration should aim at 20 - 25 percent of calories from oil. There is also an unnecessarily high protein content in the ration, especially for the settlers who are receiving almost double their protein needs, due to the excessive quantity of SFCM in relation to the vegetable oil. The ration basket requires more oil and less SFCM.

c. A review of distribution reports shows that on a number of occasions, distributions were skipped, or the SFCM quantity was reduced, or sometimes eliminated altogether due to inventory problems. Twice, the women's trainee group received no cornmeal but received extra oil, while all others received the normal ration.

The impact of the food distribution as a nutritional supplement is compromised by these deficiencies. Both the trainees and the settlers are doing heavy farm work so adequate nutrition is a valid concern. The trainees are the most disfavored, since not only do they receive a lower percentage of their needs, but they also are not involved in a productive activity that could help them to meet their needs. The settlers, on the other hand, are receiving almost a full daily calorie requirement for their whole family, though they are assumed to be actively farming and producing food and income. This disequilibrium could not be explained by project management. However, since the target beneficiaries are not members of nutritionally at-risk groups (Northerners, mothers & children), the nutritional criteria may be less important than income-transfer criteria.

2. Income Transfer Impact

Considering the food ration as an income transfer implies that the food is used to supplement total family income and will be combined with other resources to meet various family expenditures. In other words, a nutritional deficit will be made up from other resources, and an excess of any commodity over dietary needs will be sold or exchanged for other essentials. Beneficiaries see the ration as a fungible incentive grant, to be used as required to meet food and non-food needs. Here again, the women and special livestock trainees, receiving the equivalent of about 5 cents a day are at a disadvantage not only compared to the agro-pastoral students receiving a $200 stipend, but also with the settlers who receive the equivalent of 45 cents a day, about one half the minimum labor wage. Again, increasing the vegetable oil content of the ration basket would improve the overall value, since oil tends to be a higher-value item. Furthermore, since oil is not produced by project participants but must be purchased, an increased oil ration would reduce their out-of-pocket expenses.

Center statistics show that each session reaches virtually capacity enrollment. (Sometimes a shortfall in agro-pastoral students is compensated by an over-subscription in the women's group or vice versa). But the statistics do not record or describe dropout or attendance rates. So it is difficult to know the impact, if any, of the food ration on attendance at training sessions. It seems reasonable to assume that, as the trainees are coming from poor rural families, the food they receive at the Center is a great help to them, allowing them to concentrate on their studies, while not being a burden to the family or having to generate income for food. If this is a goal of the food ration, then increasing the ration to achieve a greater income transfer would be beneficial. It would have been useful to monitor attendance trends, both to adjust the program as required and to document experiences, especially success.

The food distribution to settlers valued at one-half the minimum daily wage per day seems adequate as a grant to graduates who have already successfully settled. The grant did not really act as an incentive for graduates to achieve the settlement criteria, since they were not guaranteed to receive the food grants, nor even informed of them, though many learned by word of mouth that successful settlers were receiving the distributions. Without monitoring and documenting, is not known whether a more specific guarantee, or even receipt of some food aid during the period before successful installation would have improved the success rate of graduates (averaging about 80 percent). Personal testimony from settlers indicates that the ration they received was a great help to them in their first two years of settlement, as it freed up their income, including farming profits, for reinvestment in their new agricultural activities or in personal capital improvements such as houses, wells, latrines. However, there is no evidence that they could not have made progress without the distribution. Those who succeeded may be the most dynamic, entrepreneurial or financially favored ones and perhaps the food distribution had little to do with their success. Those who were asked (admittedly a statistically insignificant sample) said that without the food distribution, they would have found other resources, albeit with difficulty, and possibly at nutritional risk to their families. In sum, although we suppose that the food incentive helped greatly to put these settlers on the road success it would help to have this proven through thorough data collection and analysis over time.

3. Cost-effectiveness

The cost for these modest nutritional and income-transfer returns is very high: Over the LOP, the SFCM averaged $200 per ton and oil $750 per ton. Shipping costs were as high as $100 per ton (1991). Transit charges and transport to Todome added another $72 to $83 per ton and distribution and management probably cost approximately $44 to $78 per ton. In 1991, for example, a shipment of 340 tons cost:

Commodity FAS	74,894
Sea freight	34,000

Transit, transport and distribution		36,462
Total	$	145,356

4. Alternative Measures

This food was distributed to approximately 210 trainees (not including the 200 in a one-week seminar) and 430 settlers, at a cost of $227 per beneficiary. By comparison, the same amount of cornmeal and vegetable oil could have been purchased in or near Notse for about $75,000 (or less). With much lower local transport costs and much less management burden to OIC, local purchase would have been a cost-effective option. The cost of local purchase could be added to the monetization budget for the same amount that is currently allotted to current transit and inland transport costs (which could then be deleted).

Another alternative would have been simply to budget for cash grants to settlers and trainees, and avoid handling food altogether. The quantity of food and the number of beneficiaries is so small, the distribution area and transport costs so large that food distribution probably is not a cost-effective project component. It is not known whether food grants in this project have any advantage over cash grants. Some Title II food-for-work evaluations have shown that food grants or wage payments tend to benefit the whole family through improved nutrition, while at the same time freeing other family resources for income-generating activity, whereas cash grants or wages might not be channeled to improved family nutrition and could even be squandered on non-profitable purchases. Spotty anecdotal evidence in the OIC/Togo project tends to support this advantage of food aid; however, no comparison with cash can be made in this case. It is possible that the target population of hard-working young farmers who have already proven themselves by successfully completing the OIC training and beginning their farming enterprises would be capable of managing cash grants, especially if they were offered based on a viable investment plan.

OIC/Togo has had previous disappointing experience with investment loans to graduates. A past effort resulted in very low repayment rates. However, it seems likely that adequate credit analysis and risk management guidelines were not followed. This is not an area where OIC/Togo currently has in-house competence, but it could be studied as a possible option for providing sustainable post-graduate financial assistance with minimal recurring cost to the Center. Food aid grants to settlers could be replaced with loans either of cash or food. These loans, like the current food aid grants would only be given to those settlers who have begun productive activity. Additional criteria for a sustainable credit program however should include the ability to provide guarantees or collateral and presentation of a valid investment plan that shows the ability to repay the loan, either in cash or kind. An adequate near-market rate of interest must be charged to cover management costs and risk. Funds or grain repaid to OIC would then be used to make additional grants.

Food aid, normally defined as a grant from a foreign donor, is almost by definition not sustainable. Food aid can, however, be invested like other capital to provide a source of future income. Two or years of food aid could provide the seed capital that would generate the income required for a sustainable revolving credit fund.

VII. PL 480 Monetization and Commodity Management

OIC/Togo has not had much technical assistance or oversight from either AID or OIC International in the management of its Title II program. Some standard Regulation 11 and Handbook 9 procedures have not been rigorously followed. Generation of local currency from monetization has been reduced due to lack of experience. Planning, management and internal controls are weak in the commodity accounting system. Since the commodity distribution program was very small (150 - 400 Mt per annum) the weak management did not result in major losses or improper use of commodities. It seems certain that irregularities were the result of inexperience rather than intent. However, it is not clear why USAID/Togo, the independent auditors, and OIC International all failed to notice the lack of proper controls and reporting or failed to correct them.

Until Regulation 11 was amended in 1992, it required annual internal reviews of every country Title II program. These reviews, if carried out in Togo by knowledgeable OIC International staff or consultants from the program's inception, would have revealed the weaknesses in commodity management and provided for simple corrective actions that would have resulted in a stronger base for program growth. As far as determined by the evaluators, these reviews were not undertaken on a regular basis. REDSO/WCA FFPO, Larry Meserve visited the program three times in the last 12 months, and made several recommendations for program improvement, but there is no evidence of any other USAID commodity management reviews before June 1993.

OIC/Togo feels that they had a good relationship with USAID-Togo and REDSO and received strong support from them. However, this support seems mainly to have been in the form of helping OIC to continue its program, rather than providing guidance and constructive criticism.

A. Management of Monetization

Undertaking monetization, essentially a commercial activity, is often difficult for a PVO that has previously not been involved in business and commerce. OIC/Togo was always at a natural disadvantage in contract negotiations, since it was dealing with a parastatal monopoly, the Societe General des Moulins de Togo (SGMT), whose operator had already begun buying wheat from CRS both in Togo and Ghana. OIC/Togo had little leverage, the SGMT called all the shots, and was a very intimidating business partner. There may be little that OIC/Togo could have done to improve its position, but OICI may learn some lessons from the experience for future monetization.

The monetization operation experienced several difficulties and constraints that together resulted in a reduction of the local currency generation, thus a fall in revenue available to the project.

1. Wheat exports are subsidized by the EEC and the US. Thus, world wheat prices are often lower than US FAS. Togo was receiving American wheat subsidized through the Export Enhancement Program. OIC/Togo had little information about the international wheat market or how access price information or to negotiate a price with the SGMT. Basically they simply had to accept the price offered by the buyer at the time of the sales agreement. This price was usually at or slightly below FAS and on two occasions, the price was substantially lower than OIC had budgeted for. The lengthy Title II approval and procurement process makes it very difficult for all PVOs to plan their monetization sales and budgets. The more knowledgeable the PVO country management is about the world and domestic market for the commodity in question, the closer the budgeted price will be to the actual price, and the closer the actual price will be to the fair price.

2. OIC also sustained losses in sales revenue due to currency conversions. OIC/Togo established its MYOP and Update budgets in dollars, and calculated the amount of wheat needed for monetization by dividing the total budget by the estimated dollar sale price of wheat established in preliminary discussions with the SGMT. However, this sales price was not set in dollars but in CFA francs. Normal currency fluctuations between the time of the April update and the arrival of the commodity 9 months later caused OIC to fall short of their revenue budget in three out of four monetizations. OIC/Togo could have attempted to negotiate the sales contract price in dollars, and converted to CFA at the legal exchange rate on a given day, which is the practice in many negotiations. Or, if SGMT would not agree to that, then the budget should have been calculated in CFA and divided by the CFA price per ton of wheat to come up with the tonnage required to generate the revenue required.

3. Another cause of losses in sales revenue was a problem of Call Forward management. In 1991, the wheat was delivered in bags rather than bulk **and** was not the Northern Spring specified by the Sales Contract, so SGMT paid only 91 percent of the agreed on price (41,000 FCFA instead of 45,000 FCFA per ton). In 1992, the SGMT was dissatisfied with the timing of the arrival and the failure of OIC/Togo to keep them informed of the ETA. Because their storage capacity was full with another recent shipment, they refused to take immediate delivery. OIC/Togo incurred storage costs of nearly 6 million francs ($20,000) or 9 percent of revenue. Also, for FY 1992, although a level of 2648 MT was approved in the AER and in the CCC-183 Commodity Request for Foreign Distribution, only 1750 MT were shipped. That year, OIC/Togo only received 73 percent of their expected revenue, before paying the storage costs. Since the USAID mission has closed, and OIC/Togo does not have complete files, the evaluation team could not

assess what had caused these delivery problems. Either OIC International or AID/W, or CCC failed OIC/Togo in these instances. OIC/Togo is quite in the dark about what happened.

The country program management should have better control over the Call Forward process. The normal process requires the country PVO management to place the Call Forward in a letter, telex or fax that specifies the commodity approved in the AER and the commodity being Called Forward - mentioning quantity, quality of commodity, packaging, markings, delivery period, port of delivery and all other relevant information. The Call Forward is approved by the USAID Country mission and then forwarded to AID/W via the PVO headquarters. The Headquarters will then keep the field informed **especially in cases of monetization** of the progress of procurement and shipping, so that the field may in turn keep the buyer informed.

4. Approximately 7 to 12 percent of sales revenues from monetization were also lost each year to transit costs. For instance in 1991, revenues were 82 million FCFA and 12.57 million FCFA (6,285 FCFA or $ 22.50 per ton) was paid to the transit company, Eglise Evangelique Presbyterienne du Togo. The next year, the transit fees were only 4,657 ($17) per ton. In 1993 the fees were only 3783 FCFA ($13) per ton. The itemized invoices from the transit company included different items each year, including various port charges, taxes and handling fees and transit commissions. OIC/Togo management was not aware of what many of charges were actually for or how the prices were assessed. One item, "Droit de Douane" which appeared on the 1991 and 1992 invoices for 3.37 million and 2.07 million FCFA respectively, literally means a tariff or custom duty. OIC/Togo has a duty free privilege for its food imports and did request and receive exonerations each year. The OIC management could not explain this fee except to say the government required a "partial tax" payment since the food was for sale. If true, this would be a totally unacceptable assessment of customs duty. The SGMT imports all of its wheat duty-free, and the price paid to OIC was a bare-bones world market price without any markup for payment of duties.

5. According to management, OIC/Togo never had a contract with the Eglise Evangelique. They never requested a bid or cost proposal either from that company or any other. It seems the company was selected in 1989 based on "relationship" and the relationship was never reviewed critically by OIC/Togo despite the unacceptably high charges. OIC/Togo management attempted to negotiate these invoices each year, and sometimes did succeed in reducing them. However, there are at least 6 large, reputable transit companies in the Port of Lome, some of

which are branches of international companies. Putting the OIC Title II transit contract out to bid each year would have been the most efficient way to reduce this burden to the Title II monetization budget. Another option would have been to negotiate an agreement with the Government of Togo in which the government would undertake to pay the port charges as part of their contribution to the program. CRS has had such an agreement with the Ministry of Social Affairs, although admittedly, the government has been unable to keep up its end of the agreement in recent years due to the financial crisis.

B. Protection and Financial Management of Monetization Revenues

In terms of financial management, the monetization revenues were deposited in a separate, interest-bearing account as required by AID regulations. However, most years, neither the budget nor the financial reports reflected the interest earned, which totaled between $5000 and $10,000 each year. The interest rate for most of the period was about 5.5 percent, and 15 percent of interest earned was paid back to the bank in fees each month. Interest probably did not keep pace with inflation during the period, especially, when the FY1989 monetization revenue was held for two years. The worst inflationary effects were caused, of course, by the 50 percent devaluation of the CFA in January 1994, just two months after the receipt of almost 93 million FCFA for 2076 MT of wheat.

As its FY 1994 budget included few imported items, disaster was averted. However, the planned purchase of a photocopy machine has been scrapped due to it's doubling in price and many items, salaries not included, have risen by as much as 60 percent in price.

Despite the annual revenue shortfalls -both actual or effective (e.g., caused by inflation) described above, the OIC/Togo annual monetization reports do not describe any compromises or adjustments to the program. The Annual Update budgets and annual financial reports lack adequate detail to determine exactly how monetization revenues were spent, and how that compared to the approved budget. Although quite a bit of this information can be dug out from OIC financial records, the fact that the format of the financial reports changed almost yearly, while the accounting system and Chart of Accounts remained the same, makes analysis very difficult. On the surface it seems that since revenues consistently fell short and no program activities were eliminated or compromised, the planning budgets were not very tight.

OIC/Togo has been audited annually since 1991 under new OMB-133 guidelines. Most deficiencies noted by the auditors have been gradually corrected by OIC/Togo.

C. Management of Distribution

Food commodities are valuable resources. They must be accounted for with the same rigor and by similar methods as cash accounting. Just as credible cash accounting systems use Generally Accepted Accounting Principles (GAAP), so food management should follow standard procedures that will ensure compliance with USAID regulation 11 and clean A-133 audits. These procedures are explained in regulation 11, Handbook 9, the Generally Accepted Commodity Accounting Principles (GACAP) drawn up by Food Aid Management, as well as in-house field manuals and handbooks prepared by other Cooperating Sponsors that are generally available on request. The most basic commodity accounting system requires adequate internal controls, and justifying documentation each time the commodity changes hands from the port down to the recipient.

1. Internal controls

The OIC/Togo commodity accounting system for the SFCM and vegetable oil lacked adequate internal controls. The storekeeper did not have pre-numbered Dispatch Notices. Several times, unsigned dispatch notices were returned to the warehouse after delivery. The storekeeper frequently deducted items from the warehouse ledger for unusual purposes - such as bags of spoiled commodities consigned to livestock or food distributed to laborers in payment for unloading trucks - without an authorization, loss report or other justifying documentation. Although the PL480 monitor issued Commodity Distribution Requests, he never verified whether the requests were accurately processed and inventory balances adjusted. He did not have a monthly or quarterly stock balancing procedure by which to check actual warehouse issues and balances against program issues and balances. Physical inventories were not done regularly to check the accuracy of the book inventory in the warehouse. In one case, when the storekeeper was ill, his replacement took over the keys without a formal handover procedure including an inventory.

2. Loss and Damage Reporting

OIC/Togo did not follow all regulation 11 guidelines regarding losses and damages. In at least 3 cases of losses, no report was filed and no protest or claim was processed. On at least one occasion, leaking bags were reconstituted, losses registered in the warehouse log, but not reported. These losses were either caused by a third party (transporter) or by normal unpreventable circumstances (such as tears during handling) and fell into the acceptable range of 1 - 2 percent of total program. However, OIC should ensure that project staff know and follow the correct procedures for handling and reporting losses and claims.

Correct loss management will enable OIC to monitor the cause and extent of losses and the performance of staff and contractors to reduce losses and improve compliance. Furthermore, good loss management will enable OIC to assign responsibility and to recoup losses through claims. Finally, loss and damage reporting provides the necessary detailed justification for removal of a commodity from inventory in a sound commodity accounting system. Correct loss and damage management will include the following procedures:

a. Every incident of loss or damage, whether maritime, inland transport or in the warehouse, should be reported in detail using the suggested Handbook 9 Loss and Damage Report. The quantity, lot number (CCC number) date, place and circumstances of loss are noted along with assignment of responsibility and plans to file claims or otherwise recoup losses.

b. All the individual loss reports are summarized quarterly in the AID quarterly Loss and Damage Report. All reports, individual and quarterly are submitted to AID along with the regular monthly and/or quarterly commodity status reports and narrative reports.

c. Protest and claim letters are written immediately to third parties responsible for losses, demanding payment for the entire market value (including maritime and inland transport costs) of the losses in local currency. These must be written and followed up in writing twice and then in person, even if satisfaction is unlikely (as often happens with a government-controlled port authority). All claim letters should be copied to USAID

d. All individual claims are recorded on a claim register that allows "at-a glance" tracking of the filing and satisfaction of claims.

e. Reconstitution of leaking or damaged containers should be done immediately upon arrival at the port/warehouse or upon discovery in the warehouse to prevent further loss and to assign responsibility to a third party if possible. Final payment to transporters or other contractors should be withheld until reconstitution is completed and losses can be assigned. A reconstitution report describes the total number of slack or damaged bags before and after reconstitution and the amount and cause of loss and/or damage.

f. Third party contracts must clearly state procedures for assessing losses (e.g., by discharge surveys) and means of assuring payment of claims (e.g., reserves, insurance or withholding of payments).

g. Physical inventories are done quarterly by someone other than the storekeeper. Usually two people count the stock independently and their tallies must be the same. The physical count is then compared to the book balance and then documented on an inventory report form with an explanation of any discrepancy.

h. Each deletion from program inventory is documented, either by a distribution request and dispatch note/waybill, or by a loss and damage report. This, in turn, is supported by the receipt note on the waybill or by a reconstitution report or an inventory report.

3. Disposal of commodities unfit for consumption

At least once each year, cornmeal damaged by insect infestation was delivered to the Todome Center livestock section and deducted from inventory without an independent analysis, losses report or approval from USAID. The amounts were usually small (the exception being during the general strike when inspection and treatment were not possible) and it is possible that staff felt they had a blanket approval from the AID mission to dispose of the commodity in this manner. However, such practices invite abuse and the following procedure, prescribed in Reg. 11 should be followed in such cases:

a. For a commodity thought to be unfit for human consumption, an independent analysis by the local government health or agricultural office should be requested and a certificate received stating the quantity, nature/cause of damage and whether the commodity is fit for any use, such as animal consumption. Costs for the certification may be included in Title II project budgets.
b. A copy of this certificate, with a written request for approval to destroy, donate or sell the commodity must be sent to the USAID mission or diplomatic post. The place, time and date of destruction or the receiving organization should be stated.
c. Upon USAID approval, the commodity should be destroyed in the presence of OIC and appropriate authorities, from the government or USAID, or if donated or sold, a receipt documenting the transaction will be obtained.

4. Distribution planning and reporting

Inadequate distribution planning resulted in frequent inventory shortfalls or disequilibrium between oil and cornmeal that compromised nutritional and income transfer impact. The ration delivered never was the same as the ration planned in the MYOP or the updates. For instance, both MYOPs call for a distribution of 78 kg cornmeal and 2.6 liters oil to settlers, yet for quite justifiable reasons of efficiency, the actual distribution was 75 kg. (3 bags) and 3 liters (3 bottles). The MYOP was never revised to reflect experience and actual distribution practice. Loss, damages and changes in program and attendance also affected the availability of commodities for planned distribution. Yet OIC/Togo did not have a planning procedure by which they could assess inventory, current and future needs and thus plan distributions on a rational basis. Instead they simply distributed until they ran out. On more than one occasion, only oil was available for distribution, and some distributions were canceled altogether for lack of commodities. The recommended procedure would be a quarterly planning process, which would consider previous experience, planned and unplanned distributions, losses, inventory, changes in recipient numbers and so forth. The result would be a well-balanced nutritional packaged delivered regularly and changes to the next year's MYOP update to account for experience.

The project does have complete village-level distribution lists, which were the basis for Distribution Requests sent to the warehouse for commodity dispatch. These lists are compiled into distribution summaries, naming all the zones, number of recipients and total tonnages for each quarterly or biannual distributions.

When done correctly, stock inventory management, loss and damage management and distribution management produce reports that feed directly into Program reports to management and USAID. However, for OIC/Togo, this is not true. Evaluators could not trace figures from the annual reports back to the warehouse inventory reports, loss reports or the distribution reports. The preferred reporting format is the quarterly Commodity Status Report, Recipient Status Report and Loss and Damage Report as suggested in Handbook 9. These can be simplified and adjusted to individual program realities, but the three reports should be filed to ensure adequate compliance. OIC/Togo began well in 1989 using CSRs and RSRs, but then these were dropped after one year until FY 1994 when they were taken up again.

5. Management of PL480

Management of the PL480 program is split between the Executive Director and a PL480 monitor hired and paid by OIC-International. The Executive Director handled all of the Call Forward and shipping responsibilities for both monetization and regular program commodities. He also managed the monetization by himself. Until FY 94, the PL480 monitor was a part-time volunteer, who was paid expenses and per diem for the approximately 10 days per quarter he spent at Todome supervising the food distribution. Thus, the knowledge, duties and responsibility for commodity management were split between two people, with little coordination between them. Neither of them received the training required for PL480 management. This arrangement was not very effective.

One major problem was the filing. Normally, a shipment file should be opened for each shipment, in which will be kept all the documentation related to that shipment from procurement through distribution. This filing system would make it possible to trace the paper trail of a particular shipment and would greatly assist auditors and evaluators, as well as management itself. Instead, documents were spread around between the Director, the PL480 Monitor and the distribution team.

Another problem was that the PL480 Monitor did not have line management authority to set up the required commodity accounting system and supervise its implementation. As noted elsewhere in this report, communication between staff and the Executive Director was not very good, and in this case that was certainly true due to the unusual role of the PL480 Monitor who was paid directly by OIC-International. The Executive Director did not delegate many of the normal duties of a food monitor to the PL480 Monitor so he only had part of a job. It is advisable to vest all responsibility for commodity management in one manager (with staff as required for a larger program) who would have full responsibility to assure proper management from receipt through distribution. It is necessary to assure the proper training and supervision of the staff member and provide him/her with the needed resources, such as the regulations, manuals etc. In a small program like OIC/Togo's, if the PL480 manager is not busy year round, he or she could have other jobs as well.

VIII. Institutional Development

OICI's program methodology is aimed at achieving long term sustainable development of its affiliated NGOs. USAID/OAR/Togo's Final Evaluation report of 1988 concluded that "OIC/Togo has an effective board of directors which provides careful guidance and oversight . . . Local management and leadership of OIC is superb . . . Financial commitments from the Government of Togo and (various donors) appear to be falling into place in time and at levels that will allow OIC/Togo to continue operation without interruption at the end of the USAID project agreement on 31 December 1988. From an institutional perspective, this project has attained the end-of-project status anticipated in the Project Agreement".

Since 1988, there has been some decline in OIC/Togo's institutional evolution. Although this is in large part due to the difficult political and economic situation in Togo it is probably due to other factors a well. The fact that OIC/Togo has managed to operate in these difficult times is however, continued evidence of a base that can be improved upon. It also seems to demonstrate significant individual staff initiative.

A. Board of Directors

The board of directors is comprised of 9 people. It is essentially the same board of 1988. There are 6 members who are high ranking government officials, and 2 members who are the area's traditional chiefs. One member is a Catholic nun primarily responsible for the integration of women into OIC's programs. Board members are named by the Minister of Rural Development and serve in a personal capacity, not as representatives of government services or communities.

OIC/Togo has a peculiar status. Although it is registered as a nongovernmental organization, maintains it own budgets and has title to lands, buildings and equipment, the program is to a large extent an instrument of the national government. As the 1988 evaluation states: "Most OICs are profoundly private community based organizations reaching up to their national governments for support of their work. OIC/Togo is primarily a government organization reaching down into the local communities."

The combination of public and private sectors on OIC's Board has been both a strength and a weakness. While government board members provide a link with the various ministries, and are potentially important for government support, especially financial, it is difficult to ascertain Board Member commitment to the OIC program. Board members are members because they have been designated by the government and can presumably offer something to OIC, rather than because they believe in the approach of the OIC program and want to help.

Commitment is further difficult to discern since the evaluators met with only two of the nine board members (the Vice president and one member). It seems that the short notice of the meeting is the reason for the lack of attendance. The board members that were interviewed felt that they should represent the government agency where they are employed rather than acting as individuals. This would assure representation even if a board member transfers to a different agency or is out of the country. They further indicated that there was need to revitalize the board and address OIC's most important matters, especially future financing.

On the other hand, in the wake of the country's crisis, the Board has met and discussed important issues as evidenced by minutes of the meetings. Like many evolving Board of Directors, members often concentrate on details and more operational issues rather than broader policy concerns. To the Board's credit they did form a resource mobilization committee which provides further indication that they view OIC's future finances as important. The committee, however, has never met.

In sum, the performance of the Board of Directors needs to improve in order to provide OIC/Togo's program and staff with long-term guidance and strategic planning.

Recommendation: The OIC Board lacks the dynamism that private sector representation could provide. Although evaluations have repeated made the same suggestion, the OIC Board should be expanded to include several committed business people. Circumstances may make it difficult to recruit but the Board should be aware of the issue and start looking for candidates.

B. Professional Staff

Since 1989 OIC/Togo has functioned without the presence of international advisors. OIC's personnel consists of 38 staff members. 19 of the staff are civil servants and 19 are paid directly by OIC. Although several staff members have been with the OIC program as long as ten and eleven years, the majority of the staff has changed since the 1988 evaluation. The Executive Director, who has been at OIC since 1986, indicates that staff turnover presents an additional challenge and unsolicited staff assigned to OIC are sometimes not appropriate for vacant positions. The end of USAID assistance could also prompt some employees to look for other donor funded opportunities since additional allowances afforded under donor funding will most likely not be possible in the near future.

In general, staff seem to be dedicated and have technical agricultural backgrounds but many lack prior experience relevant to their current assignment. Examples include the Training Coordinator/Assistant Director (who is really waiting for retirement) and the Sales Director, both of which are key positions. Although there is an impressive sense of teamwork and mutual respect among staff, management is highly centralized. All staff members interviewed indicated dissatisfaction with this management style, and expressed their desire to be more autonomous and responsible for their own work. Some indicated that they were not implicated in the budget or program planning process. There is a feeling that a select few have input to management planning and decisions. Staff indeed noted that over time management has become more centralized under the same Director.

Intellectually, the Executive Director understands delegation and decentralized management systems. In fact, his management was a key reason for the glowing 1988 evaluation. It is possible that circumstances have forced him to take on more and more responsibility himself and that he has unconsciously failed to communicate with his staff. The Director indicated that indeed staff meetings and executive committee meetings have not taken place on a regular basis. He also indicated that there have been some bad feelings and miscommunications as a result of decisions concerning the payment (or non-payment) of certain salaries during the 1992 strike.

Recommendation: The Director needs to renew communications with the staff. He should meet with them, clear the air, and recommence management committee and staff meetings on a regular basis. This may require a facilitator from OICI. Finally, the Director needs to find a way to deal with seconded staff that are inappropriately placed. At the very least, reorganization is required to fill the most important positions with the most appropriate personnel.

C. Organizational Structure

The organizational structure of OIC/Togo is typical of many organizations. The Executive Director answers directly to the Board of Directors. Management tasks are divided between technical training/production tasks and administrative tasks. The idea of this organizational structure is that the Executive Director's primary contact is with the Chief Accountant and the Training Coordinator who in turn manage the rest of the staff. The fact that this does not happen may have less to do with the organizational structure of OIC/Togo and more to do with the lack of management delegation and an inappropriate staff person in the position of Training Coordinator.

Within the OIC structure, there is no one specifically responsible for revenue generating activities. Consequently, revenue generating activities are pursued in a rather passive manner. In addition, these revenue generating activities are combined with on-going training.

Recommendation: Now, given the absence of donor support, OIC revenue generating ability is extremely important. OIC/Togo should create a section specifically for income generating activities and the section head should have equal status to the Chief Accountant and the Training Coordinator. This section will have its own workplan and budget.

D. Management Tools and Systems

OIC/Togo has been introduced to a plethora of management systems and tools. The 1988 evaluation states: "This is an area in which OIC/Togo excels; the evaluators rarely have seen a local organization with such an effective combination of management style, systems and strategies. The organization has in place the following management systems which are fully utilized at every level: Annual Planning and Budgeting Process, Performance Tracking System, Standard Operating Procedures, Review and Evaluation Process."

Although an overall annual plan and performance tracking document is found with the Director and all key staff, more detailed workplans were not found with any one. Although there are budgets for donor funding, OIC's own revenue is not budgeted and staff are not always implicated in the budget process. In fact, most staff express ignorance of budget amounts, even those that directly affected their own activities. Whereas, the planning process was formerly more complete and more participative, currently there is need for improvement. Budgets seem to be perceived more as requirements of donors rather than planning tools that need to be constantly reviewed.
On the positive side, OIC/Togo has in place written job descriptions for each position and standard operating procedure documents to cover the use of resources and documentation of activities (sales, farm operations, etc). All staff had copies of their job descriptions and although some are not fully implemented, all but one staff member was aware of standard operating procedures for the various activities of OIC. Training program evaluations are done, albeit orally.

OIC/Togo has been required to report to various donors on activities. At times these reports seem to reflect what OIC thinks donors want to hear rather than reality. This is demonstrated in OIC's MYOPs and budgets and reports on these activities submitted to USAID. MYOPs were prepared with budgets and food distribution quantities. Circumstances required that OIC change their original plans. However, this was not reported to USAID. Instead reports reflect that the budgets were followed as planned. Reporting to multiple donors has been an arduous, time-consuming task for OIC and resulted in sometimes faulty reporting.

OIC's program management information system is the responsibility of the Head of the Trainee Service and Feeder Program. The head of this service came to OIC in 1991. Although there may have been some valuable information collected in the past, there seems to have been no transition from one employee to another and the current head of this service was unable to make use of information that might have been collected prior to his arrival. In addition, important information is inaccessible do to the lack of a rational filing system at OIC. Until recently information has been limited to tracking trainees after leaving the training center, primarily recording whether trainees have settled on land and begun farming activities or not. This information is mainly used as indicators for donors and seems to be rarely used and analyzed in order to improve upon and better-plan the program.

USAID/REDSO/Abidjan made recommendations concerning information collection and measurement of impact. They suggest that if OIC/Togo wants to receive further Title II assistance that a closer linkage to food security needs to be demonstrated. This would include clearer objectives related to food security and benchmarks that show that the program is having a positive impact on food security. Increased agricultural production, improved technology and farm management practices are several indicators that can be measured.

Recently, as a result of the advent of this evaluation, the Head of the Trainee Service and Feeder Program in collaboration with some of his colleagues and suggestions from USAID administered a questionnaire. The questionnaire was answered by over 250 former OIC trainees. The primary objective was to get an idea of the impact of OIC training. The questionnaire has not yet been analyzed and there was no clear idea of how the information would be used. Some of this information was analyzed by the evaluators and appears in the "Project Impact" section of this report.

Recommendation:

OIC/Togo needs to generally review the management tools originally introduced to them, start using those that have been neglected and improve the use of others. SOP, PPT and OWP should be distributed to all staff. Some employees, for example, have little exposure to some of the tools since they have arrived in the last several years and management seems to have gotten increasingly lax in their usage. Important improvements that are needed are as follows:

The budget process needs to be revised at OIC/Togo and take into consideration all activities and income and revenue from all sources in an integrated planning process. OIC needs to understand that budgets are not just for donors. Budgets should contain detailed line items based on specific activities to be undertaken during the period under consideration. Budgets should originate from the coordinators of each program component in consultation with selected staff members. After individual budgets are reviewed, they should be integrated in an overall budget prepared by the Executive Director. This collaborative process should result in a more rigorous and realistic workplan, in a sense of ownership and commitment to planned activities and in increased integration of program components.

The annual planning and performance tracking document, which is extremely general, needs to be complemented by service (or component) workplans and individual workplans of each key employee. In addition, the projected activities should include estimated budgets for each component and each activity. Workplans and budgets should be reviewed by service heads and their staff once a month and short reports made at monthly staff meetings.

A standard format for reporting should be developed that takes into consideration all of the audiences of OIC (Board, donors, OICI) so that multiple reports do not have to be written and take valuable management time.

OIC needs to put into place a system for the central filing of important documents. In the long run this will save management time and prevent duplication of efforts.

Training program evaluations should be written or alternatively, minutes of an oral session could be recorded so that the details may be integrated into OIC's information system. Written evaluations can be combined with the oral sessions to further document results from the trainee perspective and provide a record for suggested improvements.

Information collected about the status of OIC graduates is important for OIC program development and can provide significant information to demonstrate the impact of the program to donors. For this reason OIC needs to install a simple system of collecting key (and very limited) data and to devise a way to analyze the information in order to include it in regular reporting.

OIC International needs to provide assistance to OIC/Togo in most of the areas cited above. OICI should consider a series of workshops for planning, budgeting and reporting and provide short-term assistance to assist OIC/Togo set up their filing system and management information systems.

E. Community and Government Support

Although largely a government organization, OIC/Togo began as a community based organization and there has continued to be indications of community support over the years of OIC's evolution. OIC's 120 hectares for their training center and agricultural activities were given by the village of Todome. Many of the trainees are local youth and OIC animal husbandry trainees make arrangements for room and board in Notse. OIC sponsors an annual soccer tournament and in general has a good rapport with the community in Notse and Todome.

A notable exception to the positive community relationship OIC has developed is related to the 1,900 hectare resettlement area in Agoto. This property was given to OIC so that students finishing their training and lacking land could settle there. Approximately 85-90 OIC-trained farmers have settled in Agoto since 1989. Since socio-economic and political hard times have hit Togo there have been disputes over this land. People from a different village claim rights to this land. This has not only caused great tension between communities but has also constrained those OIC alumnae from making permanent investments in the area.

Government support of OIC's program is primarily evidenced by their contribution of 19 senior staff to OIC's personnel and a monetary contribution of 20 million FCFA per year. OIC's program is unique in Togo. It is the only practically oriented agricultural training center in the country and maintains important linkages with government services, and training programs as well as ties with international agricultural programs such as the International Institute of Tropical Agriculture (IITA) in Nigeria.

IX. Sustainability and Resource Mobilization

OIC/Togo's ability to continue to provide quality agricultural training on a no-fee basis relies largely upon its ability to generate revenues to pay staff salaries, contribute to professional development and provide students with room, board and the material necessary for their training. Since its inception, OIC/Togo's primary source of financing has been USAID. Starting with the next fiscal year (October 1994) there will be no more USAID funding. All other donor funding (such as UNIFEM) has also finished. Although OIC's program and agreements with USAID, clearly state that September 1994 would be the last of US funding OIC/Togo has failed to plan for replacement resources. This will have significant consequences for the OIC/Togo program.

A. Projected OIC/Togo Recurrent Costs:

Average annual expenditures for the five-year period 1989-93 are approximately 150 million FCFA. However, included in this amount are large amounts of investments and capital equipment averaging 45 million FCFA annually. In addition, the costs related to PL 480 commodities (port charges, transit agents, transportation and distribution) are substantial and will be curtailed when PL 480 commodities are finished. These non recurrent expenses average 10 million FCFA per year. The resulting recurrent expenses, therefore, are a yearly average of 95 million FCFA, if OIC wants to maintain their current level of activity. Additional expenses might be incurred depending on how OIC decides to replace PL 480 commodities (if for example they decide to purchase these on the local market) used at the training site to feed trainees.

B. Projected OIC/Togo Revenues:

In recent years, OIC revenues came from several sources. These included USAID, EZE, PNUD, ILO, the government of Togo and sales (mainly eggs, poultry and rabbits) from the OIC farm. Presently two sources of revenue remain. First, although there is no firm commitment (written or otherwise), OIC expects to continue to receive 20 million FCFA from the government of Togo. In addition, they also expect that the 18 seconded government personnel will continue with OIC and have their salaries paid by the Government. Although this is a substantial amount (approximately 18 million FCFA) these salaries are not included in OIC's budgets or planning documents and are thus not included in the estimate of recurrent costs. Second, OIC has consistently had farm revenues in excess of 20 million FCFA. This provides a reasonably certain revenue stream of 45 million FCFA per year.

C. Other Sources of Revenue:

World Food Program: OIC has received small amounts of World Food Program (WFP) food in the past. Discussions with the World Food Program in Lome revealed that they had only one on-going project but that NGO collaboration might be possible if a way could be found to fit OIC activities in the goals and objectives of the project. The on-going project is a reforestation project and would most probably require OIC to shift their focus a bit although they are already involved in promoting alley cropping and other conservation methods.

WFP has several other projects in the pipeline. One project, the "Development of Rural Infrastructure" is more in line with the orientation of OIC activities and in fact, has as one of its objectives, support to training and rural employment generation. Although this project may take some time to come on line OIC should pursue this possibility. WFP commodities could be used to replaced PL 480 commodities, at least for feeding at the training center.

Recommendation: This possibility needs to be followed very closely for results. WFP in Lome indicates that contact directly with the Executive Director or the Deputy Director for Operations at headquarters needs to be made. To pursue this possibility it is desirable for OICI to intervene.

Other Donors: There is a drastic reduction in donor activity in Togo. Also OIC/Togo, particularly the Board of Directors has not been sufficiently proactive in seeking out funding. The Executive Director has indicated that the strategy is to treat the OIC activities as three separate components (Young Farmers Program, Young Women's Program and Special Animal Husbandry) and seek financing by component. He is currently preparing proposals for all of the components. Funding possibilities cited by the Executive Director are the Swiss and Dutch Governments. There no funding requests currently pending.

PL 480/Title II: The Regional USAID office in Abidjan has requested that they be given authority to administer PL 480 programs in countries where USAID missions have closed. Although there is only a remote possibility that monetization would be permitted this should be explored by OICI.

Recommendation: The Board of Directors needs to activate the Resource Mobilization committee formed sometime ago and to seriously pursue donor funding. OIC/Togo needs to establish their priorities for funding and be able to articulate project goals, objectives and expected outcomes as well as provide documentation of success stories of the past. OIC needs assistance in this regard. Past proposals have been of variable quality, often not clearly presenting which outputs can be expected from donor funding. Also, budgets have often not been explicit. OIC/Togo needs to improve their presentation and marketing to convince donors that they are a unique, professional, successful agricultural training institution that merits preservation.

D. Cutting Costs:

OIC can likely cut some costs without sacrificing their program. Examination of OIC budgets indicate a phenomenon where budgets match funding sources rather than budgets that are defined by program activities. Some areas to consider for reduction are:

Personnel. This is an area that is already being considered. The 19 employees paid directly by OIC cost close to 12 million FCFA per year and supplements paid to employees paid directly by the government amount to a little over 5 million FCFA per year.

Animal Feed/other inputs. Purchases amount to 25 million FCFA or more per year. The profitability of some of the revenue generating activities is somewhat questionable. Analyses of several operations, such as corn production seems to omit costs that would greatly affect profitability. Others, such as animal production are heavily reliant on feed that has a high content of imported products.

E. Reducing Operations:

The Executive Director has started to discuss the reduction of OIC training activities and modifications of training given the cost of inputs both for the training and the student when he/she finishes training. There seems to be sufficient funding to finish the three training programs currently in session. All of these will be finished by December. After this, if additional funding is not secured, the center will pursue only the longer term agro-pastoral training, although it will be shortened from ten to seven months and no monthly allowances (OIC contributes 30,000 FCFA per month per trainee in this program which amounts to 12 million per year).

Recommendation: It is encouraging that management is considering alternate scenarios for the OIC program. Still, it is worrisome that OIC continues to discuss substantive issues in such general terms rather than looking at discrete activities, dissecting them, looking at historical costs, projecting costs and piecing together detailed plans and budgets that OIC could realistically follow. As earlier suggested, OIC needs assistance from OICI to do this. Otherwise OIC will continue to operate without plans and find themselves short of resources too late.

F. Income Generating Activities:

OIC already funds 15% of it recurrent costs (close to 25 million FCFA) through revenue generated on their training farm. In general OIC has made substantially more on livestock operations (eggs, broilers, rabbits) than the growing of crops. Currency devaluation, has increased price of imported inputs, especially animal feed, chicks and veterinarian supplies, and changes the complexion of revenue generating activities for OIC. The political conditions in Togo make markets uncertain and because of this, in recent years, OIC has lost significant amounts of money, particularly on chicken sales.

In recent years OIC has planted a variety of crops. The crop mix planted is mostly determined by training requirements. In the current season OIC planted 38 hectares. The majority of this was maize but other crops included yams, sorghum, pineapple, cowpeas, cotton, soybeans, mangoes, teak and eucalyptus. Most of this production is sold to market women from Lome. OIC has recently expanded their production of pineapple to 5 hectares. A state owned pineapple business went bankrupt, leaving an already established market to private concerns. A portion of OIC pineapple production will be sold on the local market and another exported. This activity, if managed properly, could be a good source of income for OIC.

OIC has over 120 hectares of land, most of which is not used. Discussions with OIC concerning farm expansion indicated that the lack of hired labor to work the farms is a major constraint. Additional constraints include uncertain markets for crops and the dubious profitability of some crops. For example, even though OIC has 25 hectares planted in corn, the farm manager believes that this is not a profitable venture because of labor and input costs.

As mentioned earlier, no one is responsible for revenue generation at OIC. Although there is a Sales Director, he acts more as a cashier. He has no commercial experience and little idea how to market the OIC production. There is no overall plan for revenue generation and detailed analyses of activities, before they are started, does not take place.

A major objective of OIC's latest PL 480 monetization was investment in capital equipment to improve income generating capacity. Purchases included a mixer for animal fee, and a 7-ton truck. There is no evidence that either of these acquisitions will improve OIC's revenue generation. The mixer is used to produce feed only for OIC's use and the truck is used to distribute PL 480 commodities.

Recommendation:

Revenue generation should be made a separate section or component of OIC activities and a staff member should be made responsible for revenue generation. The staff member should have commercial experience, be creative and be capable of writing a realistic business plan for these activities. A business plan for the next fiscal year should be done as soon as possible. The plan will necessitate feasibility analyses for the various income generating options.

In addition to the various livestock and crop options, the feasibility analyses should include the viability of the feed operation and the use of the 7 to truck. OIC may be better off selling some of these capital resources. Experience with similar organizations shows that ventures such as a transport business is rarely profitable. One option that might also be explored is the marketability of eucalyptus or other fast growing trees for poles for use in construction. The person in charge of revenue generation should be an "idea person" who can offer other suggestions to generate revenue.

In general income generation activities should be closely related to the subject matter of the training program at the center. Judging from the experience of other OIC affiliates in Africa, OIC's revenue generating activities are unlikely to provide more than their current level of 25 million FCFA per year.

G. Equipment, infrastructure and Fee for Service contracts

Although OIC/Togo has on occasion rented equipment and provided the center's facilities for various training programs, there has not been a concerted effort to organize these activities and factor them into OIC/Togo's overall activity planning and budgeting process. This should be done. OIC's training capability and their excellent facilities should especially be exploited. Various non-governmental organizations and volunteer services may be very interested to pay for short courses tailored exclusively to their organization.

X. Overall Project Impact

The overall purpose of this evaluation is to look at how OIC's activities have affected the lives and careers of the graduates of the program, and contributed to improved food security and the development of Togo. Although OIC has not been keeping complete information on its graduated trainees over the years, they have kept basic information on numbers trained and types of training received. Additionally, OIC has started some other initiatives in an attempt to look at impact for donors and to learn how to better serve their students.

In preparation for this evaluation OIC hired the Societe Togolaise d'Etudes de Developpement (SOTED) to carry out an impact assessment. This assessment included the administration of a questionnaire to a sample of 140 former OIC students located throughout the country. The results of this assessment can be found in SOTED's "Etude de l'Impact Socio-Economique de L'OIC au Togo". At the same time the OIC Trainee Service and Trainee Monitoring Service administered another questionnaire to a sample of 255 former trainees. This information has not yet been completely analyzed.

The evaluators have used SOTED's study and OIC collected information as well as discussions with former students and their teachers to draw conclusions about the effect of the OIC program on its trainees. In addition, we look at the secondary impacts of OIC training, including the influence of OIC graduates on their neighbors and communities where they settle.

A. Numbers

The most basic result of OIC training has been the employment of a significant number of young men and women on the farm living under conditions that are better than most of their neighbors. Since 1984, OIC/Togo has trained 1,574 men and women in their three principal programs and almost 2,000 people have received refresher courses. Approximately 80% of those trained are actually considered "settled"[4] and are engaged in full time agriculture. The primary reason given for graduates who do not settle is the lack of land. This is a significant problem that is becoming more and more pronounced especially for women trainees. OIC graduates are represented throughout the country.

Another direct impact of OIC/Togo and the training program has been the development of Agoto, 1,900 hectares of land to the southeast of Todome. The settlement of close to 90 students has meant the construction of 20 kilometers of roads, the development of land which was previously uninhabited thus increasing total land in agriculture. Those settled in Agoto have organized schools,

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[4] OIC Togo considers a trainee settled if he or she have land to farm and are pursuing farming activities. In the case of the Young Farmers Program, either crops or livestock qualify the former trainee as settled whereas the for the Young Women's Program both gardening and livestock must be undertaken simultaneously for the graduate to be considered settled. This categorization has been especially important to qualify for PL 480 corn flour and cooking oil. Please see Annex III for statistics since 1989.

churches, credit unions and a local government structure.

B. Assessment of Food Security Impact:

Productivity. Food security depends on food availability, accessibility and proper utilization. The lack of accessibility at the individual and household level has been a serious problem in many developing countries, especially in Subsaharan Africa. Agricultural production is the major determinant of the income of the rural poor in Togo. Low production means low income. As indicated in the table below, in general, OIC graduates are more productive than traditional farmers. Information collected shows that for maize, the major consumption crop as well as sales item, OIC graduates produce 25 % than traditional farmers.

CROP	National Average Production 1992 tons per hectare[5]	OIC Average Production 1992 tons per hectare[6]	National Average Production 1993 tons per hectare	OIC Graduate: Average Production 1993 tons per hectare
Maize	1.01	1.26 > by 25%	1.159	1.19 >3%
Sorghum	.67	.70	.58	.91 > by 56%
Rice	1.85	1.92 > by 4%	1.2	1.5 > by 25 %
Yam	8.3	7.5	10.34	10.10
Cassava	6.9	5.1	6.85	4.17
Peanuts	.78	1.15 > by 47 %	.47	1.51 > by 320%

[5] Etude de l'Impact Socio-economique de l'OIC au Togo, SOTED, Aout 1994.

[6] Maize is the major crop both for consumption and sales.

Farm Size. OIC graduates also have farms of greater size than the national norm. Graduates cultivated land represents .20% of total national land cultivated, whereas graduates represent only .12% of the farming population. For OIC graduates, this means generally greater accessibility to food and more income.

Income. In general, OIC graduates have a more diversified income base given the integration of livestock (especially poultry and small ruminants) in the farming system of many former OIC trainees. They also have a greater per trainee population of livestock compared to the national average per active farmer. For example OIC graduates own 1.18 percent of the nation's pigs, yet graduates are only .12 % of the farming population. The OIC graduate's varied farming system not only provides diversified income sources but also improves nutrition through the increased consumption of animal products. SOTED's survey showed that meat consumption by OIC graduates surpassed the national average by 30% for poultry, sheep and goat and by almost 300% for pork.

Source of Revenue	Revenue 1992	Revenue 1993
Livestock	224,775 CFA	73,888 CFA
Crops	46,290 CFA	67,372 CFA

The above table shows the average revenue from livestock and crops of OIC graduates interviewed by SOTED. The great variation for the two years is due to the disruption of markets due to the socio-political events in 1993. In both years, however, OIC graduate revenues exceeded national per capita income figures (127,000 CFA for 1990 and 93,000 CFA for 1993). It is important to note that figures are available because the majority (81 % of those interviewed) of OIC graduates maintain good records on expenses, yields and revenues. This helps them to make informed decisions on their crop and livestock mix.

The increased incomes of OIC graduates result in greater savings and investment. Although savings are small (usually under 100,000 CFA) in the Togo context this is significant. Investments are most often made in education, additional income generating activities such as more livestock or a corn mill, improved housing and at times luxury goods such as a motorcycle.

Improved Farming Techniques. Agricultural programs that stress environmentally sound agriculture also have a positive impact on food security, since they help to assure the continued use of land. OIC graduates are taught modern techniques that are also sensible for the environment. These include organic fertilizers and composting, the use of nitrogen fixing plants and methods that discourage erosion. Although it is difficult to ascertain the quantitative effects of these practices interviews have demonstrate that the techniques are used by OIC graduates and are appreciated by other members of the community when they see the results.

C. Attitudes and Impact on Others

The OIC training program has had a strong impact on the attitudes and motivation of its graduates and their communities. OIC graduates, most of whom have completed several years of secondary school, may have at one point envisioned a job in an office or shop. The OIC program gives its graduates the sense that agriculture is a promising, respectable profession that can result in rewards far greater than a civil servant's pay check. The OIC program has added a dimension of entrepreneurship to farming that should be expanded upon.

OIC graduates are very often leaders in their communities. OIC training has helped them to be more organized, informed and willing to take risks. OIC graduates are typically members of organizations such as cooperatives and have often formed groups for commercial reasons such as marketing their livestock. Interviews with some revealed that they are considered extension agents, providing technical agriculture advice to family and neighbors. Family members are undoubtedly the most influenced by OIC graduates, who often send other family members to OIC training. This has a multiplier effect that is difficult to measure.

ANNEX I: Scope of Work

Scope of Work
Evaluation of Togo OIC

The mission of OIC/Togo is to improve the standard of living of rural dwellers through agricultural training, settlement of trainees, job creation and services to the farming community in Togo. The primary target beneficiaries are young male and female school leavers who are not served by traditional systems, adult farmers, settled young farmers and agriculture extension workers. Since its inception in 1976, the program has been financially supported by donors such as USAID, UNDP, the Government of Togo and local community. Since 1989, the program has covered its operating costs with assistance received from USAID through the PL 480 Title II program.

The current grant no. 693-0802-G-00-3020-00 for Central Office administration provided a sum of $45,202 in furtherance of the Title II Multi-Year Operational Plan objectives of Togo OIC for the period October 1, 1992 to September 30, 1993. Due to the political crisis in the country and a country-wide general strike called on November 1992, program activities and shipment of commodities were suspended until June 1993. An extension was requested and granted until March 1994 in order to complete implementation of program objectives. OICI requested and was granted a second extension until September 30, 1994.

Evaluation objectives

This evaluation will assess the progress toward meeting the project's goal "to contribute to Togo's rural development strategy in general and to increase food production in particular".

This evaluation will have three primary objectives. First, this evaluation will assess the impact of food aid on the food security of OIC/Togo trainees. The basic definition of food security has been defined by AID as "when all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life".

Second, this evaluation will assess the design, organization and management of the Title II program. It will include an evaluation of the roles and responsibilities of OICI/OIC Togo in implementing the program and will examine the factors associated with successes and failures of the monetization and distribution of commodities.

Third, this evaluation will closely examine OIC/Togo's sustainability. In particular, it will propose alternatives most likely to increase the financial self-sufficiency of the OIC/Togo Farmer Training Program. In proposing these alternatives, the evaluation team will include in the report an assessment of OIC/Togo's productive assets such as land, equipment, infrastructure, livestock, skilled labor, income generating capacities, etc.

Evaluation Team

The following individuals have been proposed to the team. They are:

Ms. Lisa M. Matt: An institutional development specialist will be the team leader and responsible for conducting the impact study. She will use the data available from the study to be conducted by the program and verify through an additional sampling. Ms. Matt will also evaluate the sustainability of the program with input received from the program's management.

Ms. Ann Claxton: a PL 480 specialist will be primarily responsible for evaluating the design, organization and management of the Title II program. She will also assist Ms. Matt in the analysis of the sustainability of the program.

REDSO/WCA representative: to be determined

Government of Togo representative: to be determined

Methodology:

In general, it will consist of three phases:

1. Preparation before field trip: Review of critical program documents

2. Field work in Togo: The team will conduct data collection and analysis in Togo using all relevant and applicable information in the proposal and MYOP as reference terms.

As part of their field work, the evaluators will visit storage facilities and review documents pertaining to inventory, management and distribution of commodities, financial records, sales agreements and other relevant documents.

To assess results with respect to impact, the evaluators will include in their work in-depth interviews of selected members of program management staff, training faculty, current and former trainees and government officials.

3. Finalization of Report: Prior to departure, the evaluators will submit a summary of findings and recommendations to the OIC Board and Management and REDSO/WCA. The evaluators will also debrief OIC/Togo's Board and Management and REDSO/WCA in Abidjan at the conclusion of their work. Upon returning to the U.S., the evaluators will submit a complete draft to OICI prior to debriefing OICI's management on findings and recommendations of the evaluation. The final report should be submitted no later than October 1, 1994. In general the report format will be as follows:

> i. Executive Summary: To state the objective of the project, purpose of the evaluation, study methods, findings, conclusions and recommendations.
>
> ii. Table of Contents
>
> iii. Body of the Report: To include a discussion of a) the purpose of the evaluation b) the economic, political and social context of the project, c) team composition and study methods, d) analysis on the impact of PL 480 Title II food assistance on the food security of the Notse region of Togo, e) Analysis of the management of PL 480 commodities. f) Analysis of OIC/Togo's sustainability, g) Appropriate recommendations on findings and h) conclusions drawn from findings. The body of the report should

not exceed forty (40) pages. More detailed discussions, if needed should be placed in appendices.

iv. Appendices: The appendices should include a copy of the evaluation scope of work, a list of documents reviewed and individuals and agencies contacted.

Annex II: People Interviewed

People Interviewed

OIC Employees in Notse

WOLEDJI Kossi-Kouma	Executive Director
AYIVOR Wonda	Chief Accountant
DZAKAR Yaouvi	Sales Director
ADDAH Yao	Store Keeper
OGOUTAN Majouna	Training Coordinator
AGBEMENYALE Kwassi	Farm Manager
UKOH Sena Bayossou	Chief of Livestock Section
AZIAGBEDE Koffi John	Head of Service for Trainees/Feeder Program
KORTETE Woulou	Rural Construction Trainer
TSATSU Eyram Constance	In charge of Young Women's Program
SYLLA Boubacar	PL 480 Coordinator

OIC/Togo/Board of Directors

AMETITOVI, Folli	Vice President
GNEMEGNA Komlan Domet	Member

OIC International/Cote D'Ivoire

TAYLOR-CLINE, Henry	Country Representative

Catholic Relief Service

KPAGO, Kossi Kpe-Agbelee	Administrative Director
ADJUVANOU, Robert	PL 480 Coordinator

World Food Program	
BALLA, Mahaman L.	Country Director/Togo
Societe Generale des Moulins du Togo	
BACALIAN, L.	Director
SO TO CO	
KADAYI, N'ssougan	Regional Director
LOME-Delices	
DJADOU, Yawo S. Francois	Chief Accountant
US EMBASSY/Lome	
LAWSON, Amen B. Officer	Assistant Commercial
USAID/REDSO/Abidjan	
SEARS, Robert	Regional Food for Peace Officer
US EMBASSY/Abidjan	
GRESSEL, Jonathan P	Regional Agriculture Attache

ACRONYMS

AER	Annual Estimate of Requirements
AID	United States Agency for International Development
CCC	Commodity Credit Corporation
CSR	Commodity Status Report
CRS	Catholic Relief Services
EEC	European Economic Community
EEP	Export Enhancement Program
ETA	Estimated Time of Arrival
FAS	Free Along Side
FCFA	Franc Communaute Financiere Africaine
GOT	Government of Togo
ILO	International Labor Organization
LOP	Life of Project
MIS	Management Information System
MYOP	Multi-year Operational Plan
NGO	Non-governmental Organization
OICI	Opportunities Industrialization Center-International
OICT	Opportunities Industrialization Center-Togo Office
OMB	Office of Management and Budget
OWP	Operational Work Plan
PACD	Project Assistance Completion Date
PPT	Plan and Program Tracking
PVO	Private Voluntary Organization
REDSO	Regional Economic Development Support Office
RSR	Recipient Status Report
SFCM	Soy Fortified Cornmeal

SGMT	Societe de Grand Moulins de Togo
SOP	Standard Operating Procedures
SOTED	Societe Togolaise d'Etudes de Developpement
SOTOCO	Societe Togolaise de Coton
UNDP	United Nations Development Program
UNIFEM	Agency of the UN responsible for Women's programs
WFP	World Food Program
WHO	World Health Organization