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ENTENTE FUND GRAIN
STABILIZATION PROJECT EVALUATION
NIGER - UPPER VOLTA

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Multinational Agribusiness Systems Incorporated
1015 Eighteenth Street, N.W.
Washington, D.C. 20036

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I. SUMMARY AND OVERALL APPRAISAL

This project evaluation is a critique rather than a cut-and-dried assessment of inputs, outputs, etc. The question to be answered in the final analysis is: was the project worth the investment. The answer definitely is positive, with some caveats. Man rarely solves his most intractable problems -- at best he learns to cope with them. Population vs. adequate food supply in Niger and Upper Volta are such intractable problems. This project was one element of coming to grips, i.e. coping.

The Entente Cereals Marketing and Stabilization project was developed under the considerable pressures of the late 1960s and early 1970s when the food situation in the Sahelian region appeared to be approaching a crisis condition. Concerned donors were determined to do something.

A number of consultants were engaged seriatim to examine the situation, and apparently each study followed the same pattern of touching only peripherally on the fundamental nature of the problem. The assumptions upon which they based their recommendations were not tested before the project was packaged and delivered. Many of those assumptions still have not been tested adequately.

Because of this broadbrush treatment, the project design was vulnerable through over-expectation of what could be accomplished. Two newly-formed governmental elements with inexperienced staffs and uncertain financial support were looked to for reconciliation of the twin problems of growing populations - especially urban - and diminishing food production. The means -- the establishment of the National Cereals Offices (NCOs) -- were too indirect and too remote to solve such a major dilemma. Farmers simply were not price responsive enough, nor was the weather cooperative enough, to bring about quantum increases in cereals production within a time frame appropriate for the solution of the problems.

The other broad objective was that of expanding cereals stabilization efforts to other countries of the region, especially to other Entente countries. Sufficient interest to do so, however, did not develop and this objective atrophied.

At issue then, is what was the alternative to the establishment of the Offices. The governments, for whatever reasons, had no confidence in the traditional markets' being able to satisfy the spatial and temporal aspects of food requirements or to contribute to price stabilization and production. As events unfolded in the early 1970s with the worsening of domestic food production and inadequate rainfall, the establishment of the NCOs was one of the most fortuitous actions which could have been taken. Staff was assembled and transportation and warehousing facilities were formed in time to distribute food when and where needed, not as efficiently as could have

been desired, but generally effectively. From the point of view of both recipient countries and donors, the investment must be considered as a good one.

This action was, however, only a partial, short-term solution to the problem. The producer side barely has been touched. The necessity to deal with drought-related food shortages not only delayed attentions being given to the producer, but also changed the project emphasis away from trying to increase production through expanding the market and raising producer prices. Signs during the past year, however, give more promise that this aspect will be emphasized once again.

Both phases of the project experienced start-up delays. Donors were slow in delivering their inputs. After the initial decisions to participate were made, donors were perhaps over-cautious and rule conscious. The arrival of advisors, equipment, etc., by one year earlier would have made a measurable difference both in efficiency and effectiveness.

Although the project design was too broad, the implementation plan was too narrow. A wider range of technical assistance should have been programmed in the beginning, especially for the disciplines of planning, data gathering and analysis, and administrative and financial management. Ironically, the absence of these skills underlaid in considerable part donor decisions not to go forward with Phase II. Donors became frustrated and disappointed because the Offices could not perform some of their intended functions, which they were not equipped to perform. Yet, the larger the Offices become and the more they engage in market operations, the more they will need such skills for effective and efficient operation.

Donors also were frustrated that Nigerien and Voltan political decisions dominated economic decisions. There never should have been any doubt that this would be so. On the other hand, the two countries need to recognize the economic costs of certain decisions.

This project began as a two-year pilot effort and in reality did not proceed much beyond that stage, even though it continued for eight years. The height of project effectiveness was during the 1973-1975 period when the Entente had a lively and effective Regional Office staff. By early in 1975 when it became clear that Phase II in reality would not be carried out, the major objectives (in reduced form) already were accomplished: the two Offices were established and were operating; well in the case of OPVN, not as well for OFNACER. Phase I construction was completed and the Offices had demonstrated their ability to handle food grains. Upper Volta was experiencing problems of organizational dysfunctioning; both countries were experimenting with the best means to manage commercialization. Other donors were picking up pieces of the grain stabilization complex (e.g., West Germany (RFA) was helping with the reserve stockage program) not under the Entente Fund project, which had lost its impetus. The Entente project easily could have been terminated at that point.

The project management technique was interesting, but not optimum. Each donor used its own book of rules and instead of giving the Entente Fund full management authority responsibilities, project management was nowhere and everywhere. Advisors were subject to a variety of contractual arrangements and, consequently, were never quite a functioning whole (with the exception noted above concerning the Cellule staff in 1973-1975). Material inputs are difficult to trace in some instances because each donor had its own methods of procurement. Even contracting for construction work presented interesting problems:- Were the building designs ever approved under the terms of the AID loans? Were the warehouses and other structures finally accepted under the AID/REDSO system?

There were some problems with inputs, but on the whole all that were agreed to were delivered and used. In two areas the Offices will have long-term needs -- competent advisors and training. Mid-level management in developing countries is one of the most persistent problems and one of the most difficult gaps to fill. So it is with OPVN and OFNACER. Staff development and support through advisors and training programs should remain an area of strong emphasis for each Office.

Implementation of the Entente Fund project would not have been possible without the support of other donor efforts, or inputs from the three donors which were not under the terms of the project -- such as food aid. A number of donors contributed to warehouse construction (Libya, Saudi Arabia, West Germany), motor transport fleets, and sometimes cash for budget support. Thus, the external investment in the two Offices goes well beyond the scope of this project. For purposes of better control, equipment compatibility, common structure design, etc., it would have been more efficient if inputs from all external sources could have been made through the Entente Fund project. As it developed, there are too many types of vehicles in the motor pools, with the accompanying repair and spare parts difficulties. Construction of warehouses is of uneven quality. Even the food inputs were not easily managed: some foods were donated for free distribution, other foods were intended to be sold and the funds used to support distribution costs or other development projects. Problems arose in questions of who should receive free food, and who should pay.

This project will have been completed when the remaining advisors depart. There no longer is any reason for the regional connection, and donors can decide on bilateral programs independently. At some time in the future, there may be renewed interest in a regional effort to pool surplus and deficit production of basic grains, whether inter-annual or intra-annual. Such impetus would come more likely from the Sahelian group of countries than from just within the Entente group because of similarities of problems. Until then, this project has served its purpose as well as it could, given the constraints under which it was implemented.

II. SCOPE OF WORK AND METHODOLOGY

Scope of Work - "The evaluation team will be responsible for the following specific inputs:

1. Review and describe the history of the project in reference to:
 - a. the commodities purchased, and
 - b. the construction of warehouses, specifically including the dates of construction, their location and capacities, and the type of construction involved.
2. Evaluate, both by the Office and by the overall project strategy, the role played by technical assistance, the commodities purchased and the construction activities.
3. Evaluate the technical soundness of each activity with reference to:
 - a. the frequency, intensity, participation and content of the training activities;
 - b. the adequacy of the commodities purchased for the job to be performed, if they have been or are currently being used as anticipated, and if not, why;
 - c. the location and capacity of the warehouses, and the soundness of their construction;
 - d. the influence of technical assistance on functions such as the organization of the various offices, including their accounting procedures and reporting techniques; on market policy (other than price), taking into account the buying and selling agents, the calendar and program of activities, the purchase targets, the transport policy and the eligibility for purchase; and finally, the influence of TA on the price policy.
4. Make recommendations for future Entente Fund participation in Office activities, taking into consideration long-term technical assistance; short-term consultants for training activities and the design of special studies; and financing for construction and commodities."

The two-man team engaged by the Entente Fund -- an agricultural engineer and a program administrator -- was joined by an agricultural economist assigned by the AID Regional Development Services Office, specifically to examine pricing policy matters. REDSO submitted 22 "Questions to be Addressed in Evaluation of Grain Stabilization Project". It should be noted that these questions, attached as

Appendix 1 , were drawn from the AID Project Paper approved in June, 1976. This is an AID internal document and, therefore, neither a part of the Entente Fund project documentation, nor part of the Entente Fund-AID agreement. In its several sections, however, this study attempts to address these questions.

Methodology - The methodology of the study was kept as simple as possible: to research all documents available in Niamey, Ouagadougou, and Abidjan, within the time frame allowed, and to discuss various aspects of the project with Entente Fund, recipient country, donor country, and other knowledgeable persons. In addition, the team observed as much of the physical infrastructure financed under the project as was feasible. There was time, however, to examine only a representative sample of warehouses in the two countries.

Complete records on project activities have not been kept in any one place. Some of the basic documents, such as original agreements, were kept in the Entente Fund Secretariat in Abidjan, some essential papers were kept in the Entente Fund Regional Office in Niamey. In the latter, however, lack of continuity of Project Managers and clerical assistance resulted in inadequate classification and filing of important project papers, both technical and administrative. Each individual donor kept its own records; those of FAC and ACDI were not readily available. AID's records were dispersed in the USAIDs in Ouagadougou and Niamey, and in REDSO in Abidjan. Changes in project monitoring responsibilities by AID personnel -- Niamey and Abidjan, and later Ouagadougou -- meant that there was no complete picture of AID's role in any of these field offices. ACDI's inputs into the project were handled on a direct basis as was FAC's commodity assistance to Upper Volta in the second phase of the project.

In short, given the variety of donor assistance techniques, the coordination role of the Entente Fund, the variety of contractual arrangements for the advisory to the national cereals offices and the EF Regional Office, and the special relationship of in-house advisors provided directly to OPVN and OFNACER, the key elements of the project had to be identified and carefully fitted together before the totality of the project could be understood and its impact assessed.

III. GOALS AND PURPOSES

Goals, purposes, objectives -- whatever terms are used to describe the reason an activity is undertaken and the end result towards which it proceeds -- are semantic designators along a spectrum of causal relationships. Terms used to describe the nature and intent of this project, and the concepts underlying such terms, depend upon the perspective and timeframe of the several interested parties. Because the project had a variety of authors, endured for eight years, and underwent a number of mutations, the specification of goals and purposes was a difficult task. Therefore, we examine this subject at some length.

During the 1960s, Entente states became concerned increasingly with falling levels of cereals production and productivity caused by successive years of poor rainfalls and with growing population and urbanization pressures. In view of this concern, an important concept for the design of a project to meet the demands of the situation -- and one which recurs throughout early documents -- was an adequate, domestically produced food supply to be attained through increased cereals production. The problem which this project was intended to address was that of chronic food deficits in Upper Volta and other countries in West Africa, especially other Entente states.

The Entente Fund dossier "Requete pour le Project de Commercialisation des Cereales et des Niebes et de Stabilisation des Cours en Haute-Volta et au Niger" states the project goal as follows:

The short-term objective of the project is the stability of cereals prices in Upper Volta and Niger so that the guaranteed price to the producer will induce him to increase production by applying the improved techniques required for that purpose. On his side, the consumer should be assured of supplies which are regular in quantity, quality, and value. Over the long-term, as soon as production exceeds requirements, the surplus should be used for the effective development of the countries of the savannah region.

The AID position paper of August 1970 stated the U.S. view

"....that the ultimate objective of each country program should be to attain the degree of self-sufficiency in food grains consistent with comparative economic advantage; and that there is no real hope of attaining this objective in the absence of firm government policy to provide eventually on a national scale markets, prices, and services for food crops comparable with those provided for export crops.We would expect that, as national capabilities are developed, participating countries would work through regional organizations to develop regional systems of grain production, storage, distribution, and pricing, and tariff policies."

The means of achieving this goal -- the purpose of the project -- may be seen as the establishment and implementation of a system designed to give the newly created National Cereals Offices the technical and financial means to stabilize producer and consumer prices and to intervene in the local markets for domestically produced cereals; 1/ i.e., stabilization and commercialization of cereals prices and markets. The initial two-year pilot effort was intended to be expanded into a longer-term project which would include other Entente countries, and other foods.

The fundamental idea underlying original project design was that of inducing subsistence farmers to produce more cereals than were needed

for on-farm consumption so that urban area requirements for these basic foods could be met without resorting to imports, which would require drawing down foreign exchange. At the same time, prices to consumers were to be kept at "reasonable" levels during times of relative shortages (the soudure, a period generally between planting and harvesting). The problem of deficit years, usually caused by inadequate or unevenly distributed rainfall, was to be alleviated by the creation of reserve stocks of grains carried over from year to year. In effect, through a delicate balancing of national interests by policy makers, there was to be a redistribution of income from the merchants to the producers and consumers.

When an activity falls short of original intentions, implementers tend to lower their sights along the scale of the achievement spectrum. Such was the case of the Entente Cereals Project when donor dissatisfaction with project progress led to restatement of the goal, especially in the transition between Phases I and II.

For example, in successive project papers written by AID between November 1973 and May 1976, the goal changed from one intended "to improve the production and marketing of domestic food grain" to one intended "to affect the price of grain paid to the farmer and the price charged to the producer" (emphasis on prices and pricing policy). In fact, even within the May 1976 project paper -- the version finally approved -- there is a contradiction in the stated goal. In addition to the goal emphasizing pricing policy, another section of the paper posits: "The goal of this combined donor effort is to provide a more stable market for cereal grains as a first step toward increasing production in the region." Despite this shift of rationale, the purposes and objectives of the June 1971 project agreement between AID and the Entente Fund were never amended.

Achievements expected during the first two years of the project necessarily were more modest than the longer-term objective of increased production, which was expected to become a more dominant theme in Phase II. The more pressing problems were quantity of food supplies, their distribution, and cereals price levels. Disparities existed between production-excess and production-deficit regions in both countries; urban centers, deficit areas by definition, had to be supplied. Reasonable prices to producers and reasonable prices to consumers had to be established.

The immediate objective of the first two-year phase, therefore, was the establishment of a basic infrastructure for the National Cereals Offices of Niger (OPVN) and Upper Volta (OFNACER). An Entente Regional Cereals Office would be set up to support the NCOs and to coordinate the regional aspects of this project. Inputs to the project included building and equipping grain storage facilities, equipping national and field-level offices, providing some transportation units, technical advisors assigned directly to the NCOs and advisors working through the Entente Fund Regional Office, and training programs for NCO staff.

IV. ASSUMPTIONS

Every development project is founded upon fundamental assumptions:

- That there is a state of circumstances which has created a problem.
- That the problem is amenable to solution.
- That the solution could and should be sought.
- That outside help is required and that the entity with the problem is willing to seek such help.
- That the means for a solution will be available; goods, services, and - just as importantly - information.
- That at some time during the project life, the assumptions will be tested and proved or disproved.

Assumptions underlying the Entente Fund Grain Stabilization and Marketing Project were many, profound, and -- in large part -- neither proved nor disproved during the eight-year life of the project. Some of them should have been tested much more thoroughly along the way and either removed or changed. As it were, the project changed, but the assumptions remained.

There were a number of assumptions which the Governments of Niger and Upper Volta subscribed to when they adopted the principal conclusions and recommendations of the U.S. and Canadian experts. The most important of these assumptions, which were basic to the design of this project, were:

1. That Niger and Upper Volta could become self-sufficient in basic food grains, except in years of very poor rainfall.

Comment: This assumption was made ten years ago before the worst effects of the prolonged drought became apparent. Since that time, imports have been substantial, with years of near-self-sufficiency in food grains the exception. Overall population growth and urbanization pressures cloud the self-sufficiency picture. Both countries have asked for food aid in 1979. Self-sufficiency in cereals production, however, is retained as a high-priority goal in each country's Five-Year Plan, albeit seen as a very long-term goal.

2. That there was a strong orientation in the Entente for a regional approach to cereals stabilization.

Comment: Interest in regional cereals stabilization diminished considerably during the early stages of this project, as

indicated in Part V. A. Also, there is an inherent contradiction in each country's targeting self-sufficiency, while looking to a regional stabilization effort. Nonetheless, with the continued shifts of sizeable elements of the population between countries and the relatively free flow of goods, there is little doubt that regionalization in some form will be on the Entente agenda in the future.

3. That the two Governments would support supply and price stabilization efforts in an attempt to achieve the goal of adequate domestically produced food grain on an annual and multi-year basis.

Comment: As noted in 2. above, the national development plans of each government show that this goal still obtains. However, stabilization efforts undertaken by the two Offices have not had the desired effect -- partly because of economic circumstances, but partly because of government policy, which will be discussed in a separate section. In any event, stabilization activities alone would have been insufficient for goal achievement. Specific and direct efforts to increase production also would have been required. This factor was recognized in the design of the project, and a production element was intended to become an important part of Phase II. During Phase I implementation, emphasis was on food distribution; serious stabilization efforts could not begin until 1975.

4. That the two Governments could and would set buying and selling prices so that there would be an equitable balance between producer and consumer interests.

Comment: Pricing policy is of course a matter for political authorities to decide. During the first several years of project life, shortages of domestic food grains and the urgent need to import and distribute food aid caused more emphasis to be placed on the consumer's interests than on those of the producer. Some of the food aid was distributed without charge; other (e.g., U.S. sorghum) was sold locally at prices lower than that for domestic products -- again favoring the consumer. Although official consumer prices have more than doubled in Upper Volta and tripled in Niger, it is clear that both Offices have high operating costs and small operating margins. This situation required continued subsidization in the case of OPVN and a reduced level of operations for OFNACER.

Official producer prices remained stable in Niger between 1973 and 1977, and in Upper Volta between 1972 and 1977. Beginning in the latter year, official producer prices increased substantially in both countries. (See Appendices 2 and 3).

5. That adequate data would become available on the cost of marketing, the costs of production, the functioning of the traditional market, and other essential areas, so that the Offices could recommend official buying and selling prices on sound bases.

Comment: Every thoughtful review of the cereals situation before or after the initiation of this project points out the dearth of reliable information available to project planners or government officials.

Yet, after eight years, little more is known and decisions continue to be made in the same data vacuum. This factor may be the most serious flaw in the design and execution of the Entente Project inasmuch as so many of the early assumptions were made on sketchy information. 2/ It is clear that the project -- or some parallel activity -- should have included an element addressing this data gap. In the Hiatus Phase of the project, an attempt was made to include a study -

"... to develop empirical data about the quantity of grain commercialized, how it is marketed, the degree of on-farm storage, the impact of on-farm storage on reserve stock requirements, the degree of forward-selling, the prices offered in forward-selling, the quantity of grain needed to stabilize prices and supply, the areas where demand will be increasing, the prices received by producers and paid by consumers and other data critical to the establishment of effective and efficient stabilization programs." (June 1, 1974, AID PROP)

Some work of this nature has been done, but not nearly enough. -- e.g., in Niger by D. Zimet, the Entente Regional Marketing Advisor, and by G. Conde, the Financial Management Advisor assigned to OPVN by the Entente Fund; in Upper Volta by J.R. Sherman of CRED/Michigan University.

6. That the National Cereals Offices would be able to make the desired impact on marketing and pricing with a 20 percent share of the commercial market, which was estimated to be 10 - 20 percent of total domestic production.

Comment: The amount of domestically produced cereals marketed in any year is at best an estimate, as is total production. Since 1971 the cereals available for marketing (that is, excess of farmer auto-sufficiency), and especially millet, probably have averaged less than 10 percent in Niger and Upper Volta because of the tendency by farmers to replenish farm-held stocks after years of low production. Even had the Offices commanded large percentages of the domestic grain availabilities, these would have been relatively small amounts

in the aggregate. (Both Offices had tried unsuccessfully to establish monopoly positions in grain trading -- exclusion of merchants from the marketing circuit -- OFNACER in 1974 and OPVN by decree in 1975).

In the early years of the project, however, both countries handled sizeable amounts of imported cereals. In OFNACER's case the combined total of local purchases and imports, including food aid, probably averaged about 20 percent of total grain marketed. In OPVN's case, the percentage figures were higher. In recent years, both Offices have had difficulty in meeting the food "gap", either from local purchases or from imports.

In summary, neither OPVN nor OFNACER has controlled either prices or markets; they have had an influence on both. It is impossible to quantify this influence because of inadequate data and because of factors outside the control of the Offices, such as weather/production, general inflation, government policy to keep food prices down. OPVN has been more successful than OFNACER in its market interventions by virtue of having been better organized in its early operations, having had more support from its government in terms of consistency of policy and financial backing, and in having received, stored and distributed by far more grain. (See Appendices 4 and 5). It should be noted that OPVN considers a 50 percent share of the market suitable. 3/ It should be noted also that OFNACER shared responsibilities in grain distribution during the drought period with a military "Sub-Committee" and the Offices Regionaux de Developpement Rural (ORDS).

7. That the Offices:
 - a. would be willing and able to buy, handle, store, etc., all grain offered at the official price;
 - b. could become financially self-sufficient through an adequate spread between buying and selling prices. This spread should cover all costs of operations including amortization and interest on revolving fund loans, the costs of building up reserve stocks, and eventually the costs of underwriting extension services to farmers.

Comment: OFNACER was slow to begin market stabilization operations, having preferred to wait until its facilities were completed, personnel trained, and equipment in place -- i.e., in 1974. Lack of operating capital (fonds de roulement) has plagued OFNACER since its establishment, even though counterpart funds generated from the sale of food aid imports were available as a source of capitalization, especially in the early years. As noted, OFNACER has handled

only a small portion of the domestic grain surplus in Upper Volta. Without a GOUV subsidy for its operations, the Office has had difficulty competing in the market and has been facing difficult financial situations. For example, in crop years 1975/1976 and 1976/1977 OFNACER was able neither to secure significant amounts of grain from domestic stock nor to import substantial quantities. (See Appendix 5). The spread between buying and selling prices has varied over the life of OFNACER's operations, and in most years very likely has been inadequate. (See Appendix 5). In 1978 when a major turn-around occurred in OFNACER, the margin was increased to 17 FCFA, which was calculated to cover collection and marketing costs. Whether this figure will be adequate remains to be seen; purchases in 1978-1979 were only 15,285 tons, or about half of the 30,000 ton break-even level calculated by USAID/Upper Volta.

OPVN demonstrated that it could receive, store, and distribute large quantities of grain. In effect, it met the challenge of the drought years of the early 1970s when large amounts of imports were required to meet food needs. Storage and transportation facilities are adequate for handling stabilization stocks, and financing has been available from one source or another.

During the 1974/75 campaign, OPVN entered the buying market in an unusually big way. In the absence of post-harvest private trade activity, the Office ended the buying season with a glut of grain which caused them to have to lower the selling price, thereby incurring a loss in operations. Counterpart funds also have been used by OPVN as a revolving fund for grain purchases. The financial situation of OPVN, however, has been deteriorating. The transfer of the marketing of cowpeas ^{4/} to SONARA at the end of the 1975/1976 crop season, and high operating costs of OPVN, have led to operating deficits which have been covered by grants from the GON or by foreign aid donors.

The 1978/79 margin between OPVN's buying and selling prices for millet and sorghum was only 10 FCFA (See Appendix 2) in contrast to 17 FCFA for OFNACER. OPVN's operating costs already are considered excessive. Therefore, if OFNACER's spread is reasonable, OPVN's small margin portends continued financial problems.

The building up of reserve stocks (security stocks), including construction of storage facilities and cereal imports (Niger, 40,000 tons) or local purchases (Upper Volta, 30,000 tons), is being financed and managed by the Federal Republic of Germany (RFA). Thus far the reserve stock program has not worked as planned in either country; the stocks have been used in much the same manner as intra-annual stabilization stocks. This West German project, which began in 1975, is a form of subsidization for the reserve stockage element included in the original design of the Entente Fund project.

A short answer to part b of this assumption is that both Offices have had great difficulty financing the price and market stabilization elements of the Entente Fund project. The extra margin between buying and selling prices which would be required to finance the reserve stocks and any kind of production input services to farmers very likely would be politically unacceptable because this would raise the selling price to the consumer.

8. That the traditional grain marketing systems in Niger and Upper Volta, operating through numerous independent merchants, were inefficient, and that these merchants exploited both farmers and consumer through spatial and temporal price swings.

Comment: This is one of the most fundamental assumptions on which cereals marketing and stabilization projects are founded. All of the experts who examined the situation in Upper Volta and Niger made this assumption. It permeated Entente Fund project papers and the thinking of Nigerien and Voltan officials.

Corollaries to this assumption are the notions that merchants' speculations discouraged cereals production; that merchants somehow controlled the urban consumer markets, even though not individually strong enough or well-organized; and that farmers generally were chronically in debt to merchants who provided them with credit and used their standing crops as surety. This cluster of assumptions is related closely to No. 5 concerning the adequacy of essential data.

There have been some doubts voiced at various times as to the validity of the major assumption. Glimmerings of dissatisfaction appear in several AID documents. The CRED report of 1977 was much more vocal, but had little additional data strong enough to change popularly held opinions. Jacqueline R. Sherman, in a Research Project Proposal for Upper Volta, stated the problem as follows:

"Knowledge of the realities of marketing and storage behaviour exists only for the aggregate level. There are few studies of rural markets, peasant crop disposal behaviour, or storage facilities and channels. Thus, policies are necessarily based on popularly held views and conclusions drawn from aggregate behaviour. . . . Effective policy requires a better idea of who buys and sells grain and when, detailed knowledge of storage capacities and facilities, and crop disposal behaviour.
...

"Policy meant to affect individual behaviour patterns must be based on knowledge of the existing patterns and their

motivations. Thus, it is necessary to study the behaviour patterns themselves in order to understand what the effects of policy may be, and where policy emphasis should be placed."

"Recent government efforts have concentrated on affecting the marketing and storage of grain crops at two levels. Studies are needed to validate conclusions or to reformulate theories about both market and individual behaviour. At the individual level it is necessary to understand the peasant's decision-making processes and thus the determinants of his marketing and storage behaviour. At a more aggregate level, it is important to investigate how the different marketing channels operate and interact, and what part the individual actors play, so as to understand the market's structure and functioning, and identify the major bottlenecks toward which policy might be directed."

One way to judge whether or not OPVN and OFNACER have made a difference in market efficiency is by comparison of before and after. The validity of such comparison is obscured, however, by the effects of the prolonged drought. Normal marketing generally was suspended because little domestically produced grain was available. In the course of distributing large quantities of food aid, neither Office emphasized operational efficiency nor the value of accurate cost accounting -- which still is a weak point in administration. Moreover, the effect on domestic food prices of free or discounted food aid distributed during the drought years is difficult to quantify. Actual food prices on the market were kept at reasonably stable levels, however, even if at times this may have been brought about more from the threat than from the fact of intervention, especially in the case of OPVN.

By continuing to use merchants as collection agents (that is, for most years, both Offices experimented with a variety of ways to procure domestic grain), and by limiting their own market interventions to a range well under a de facto monopoly level, the Offices have not restructured the market; rather, they have entered as a competitor and have become the largest single factor in the market.

From an economic viewpoint, some of the most pronounced cyclical price movements probably have been dampened since the establishment of the Offices. Nonetheless, consumer prices still tend to rise during the soudure, and there still are variations in producer prices. The lack of a reliable, continuing series of data enables one only to make reasonable judgments about resultant transfers of income. A more positive element has been that the Offices have moved grains from surplus to deficit areas, thus satisfying a social requirement which also was economic.

One issue which can never be resolved completely is whether or not the traditional marketing system could have performed the distributions functions handled by government agencies in the periods of large imports. Clearly, a sizeable infrastructure and a central management organization were essential. It is doubtful that the private sector -- made up of many individual traders and transporters -- could have risen to the task. In this respect alone, the government agencies proved their worth.

As indicated above, too little was known at the beginning of this project, and too little is known now -- in 1979 -- about the functioning and cost factors of the traditional market. Some merchants no doubt did extract untoward profits, but without better knowledge than is available, the extrapolation of a few cases into a national pattern is hazardous. The role of the merchant, especially in smaller communities, is a two-way affair. He takes risks and provides services.

For purposes of this project, cereals marketing and stabilization in Niger and Upper Volta have been looked at together in much the same way. Their problems beyond a certain point are quite different.

Upper Volta is considered the more nearly self-sufficient in basic cereals production, and to have good potential as a grain exporter. The CRED report states:

"It is not the expansion of production which is the main constraint... The constraint will rather lie in the area of marketing." (p.5, Upper Volta)

On the other hand, Niger's case is seen as follows:

"The problems that face Niger, and thus the OPVN, are essentially ... production, not marketing problems. Previous to the creation of the OPVN there probably was a marketing problem from the point of view of the farmer. ... Given the nature of the present problems in the cereals market as a whole (supply and demand), it is clear that any attempt to influence the market, excluding massive imports, must give priority to production/productivity issues." (Zimet pp 11-12)

In light of the positions stated above, a statistical paradox surfaces, shown graphically as follows:

Country	Estimated (1) Population 1978 (Millions)	Estimated (1) Population Growth Rate (Percent)	Per Capita (2) Cereals Requirement (Kilograms)	Overall Cereals Requirement (000 tons)	1978 (3) Cereals Production (000 tons)
Niger	5.13	2.7	287.5	1,474.9	1,484.0
Upper Volta	6.51	2.5	207.0	1,347.6	1,157.0

(1) IMF Estimates

(2) Niger uses 250 kg per capita; by adding 15 percent for losses, seeds, animal feed, etc., the above figure is obtained.

Upper Volta uses 180 kg per capita: 180 plus 15 percent is 207.

(3) See Appendices 6 and 7. Production figures include:
 Niger: Millet, sorghum, rice
 Upper Volta: Millet, sorghum, maize, rice.

Given the fact that Niger has chosen a per capita consumption figure much higher than that of Upper Volta (180 kg), or the one used by FAO (192 kg), the Nigerien Ministry of Rural Development also has a tendency to overestimate production. It may be that the two errors cancel out each other. Were the FAO figure, 192 kg plus 15 percent, or 221 kg, or the figures calculated by the Entente Regional Office 5/ applied to Niger's situation, since 1965 there would have been shortages only in 1973 and 1975.

The only thing which these calculations may prove is the quality of statistics available.

V. PROJECT HISTORY

A. Project Origin

The genesis of the Entente Fund Grain Production, Marketing, and Stabilization Project came in 1966 shortly after the creation of the Fonds d'Entraide et de Garantie des Emprunts du Conseil de l'Entente (Entente Fund - established in June 1966). Concern with chronic staple foods deficits combined with increasing urbanization in Entente countries, and other problems, prompted Entente state leaders to request assistance from the United States and other donors. Exchanges of letters between the President-in-Office of the Conseil de l'Entente and AID officials in 1966 and 1967 resulted in AID's agreeing to finance several feasibility studies, including one for a "Regional Food Grain Stabilization Program."

Beginning in 1967, the U.S. (and Canada) made funds available for a series of studies on this subject, viz:

<u>Date Published</u>	<u>Title</u>	<u>Prepared By (Financed By)</u>
March 1969	"A Grain Stabilization Study of the Entente States and Ghana"	Weitz-Hettelstater, Eng. for Porter International (AID 1967)
March 1970	"Production and Marketing of Cereals in West Africa" (Senegal, Mali, Upper Volta, Niger)	Checchi and Company (AID 1969)
December 1970	"Regional Grain Stabilization in West Africa" (Senegal, Mali, Upper Volta)	Kansas State University (AID)
January 1971	"Rapport Concernant les Produits Vivriers au Niger"	Hedlin Menzies and Associates (CIDA)

All of these reports reached essentially the same conclusions: That it was possible to increase grain production through better cultural practices and improved seed varieties; and that there was a need for regularized commercialization, the creation of buffer stocks, better distribution networks, and stabilized prices for producers and consumers. All of the reports recommended also that national policies be established to give priority to cereals production and that national cereals marketing offices be set up to operate in the grain markets so as to influence both producer and consumer prices.

The Entente states met in June 1969 and considered the Weitz Hettelstater recommendations, but concluded that its proposals were too complicated and that its emphasis on a regionalized program of stabilization was inappropriate until national stabilization programs were operational. The Checchi report recommendations on the other hand, appeared to require resources well beyond the countries' capabilities.

In August 1970, based on the studies which had been made as of that time, AID circulated to its field missions, aid donors, and recipient countries a position paper "AID Assistance for Food Grain Production and Marketing in West Africa". This paper announced AID's decision to offer a package of assistance to African regional organizations, such as the Entente Fund, including technical assistance, grain shipments, and the possibility of concessional loans. AID foresaw that as national capabilities were developed, participating countries would work through regional organizations to develop regional systems of grain production, storage, distribution, and pricing and tariff policies. Other aid donors were invited to lend their support to the food grain development effort.

The basic thrusts of the AID Position Paper are repeated here because they were incorporated in the Entente Project which subsequently was developed.

Each country should establish firm national policies within a regional context designed to expand production of food grains with the objective of eventually attaining self-sufficiency consistent with the principle of comparative advantage. Such policy envisaged (a) assuring progressively area by area and eventually on a national and regional scale, provision of markets, prices, facilities and services required to attain the desired level of production; and (b) gradually, as local production, physical facilities and financial resources permitted, building up stocks of food grains sufficient to meet basic geographical, seasonal and annual consumption requirements under all but the most adverse circumstances.

Further, each country should establish a National Food Grain Authority to plan, develop, and implement food grain policy, carrying out the following functions:

- assuring reasonable price incentives to producers and reasonable prices to consumers,
- establishing and managing buffer and regulatory stocks of grain,
- establishing and operating efficient assembly and distribution facilities,
- providing transport of grain from surplus to deficit areas,
- reducing seasonal and spatial variations in prices to the extent permitted by reasonably efficient handling, storage and transportation,
- handling trade in food grains with other countries,
- participating with the appropriate regional organization in initiating action necessary to assure maximum feasible coordination and mutually advantageous policies for intercountry grain trade, and
- assisting, in conjunction with the private trade, in creating a truly national and international food grain marketing system.

These actions were to be carried out step by step through a system of priorities governed by the availability of external and internal resources.

In parallel with AID's actions on grain stabilization and during the period when the survey reports cited above were being published, the Governments of Niger and Upper Volta established National Cereals Offices: l'Office du Produits Vivriers (OPVN) in August 1970, and l'Office National des Cereales (OFNACER) in January 1971, respectively.

The objectives for the two Offices were similar:

- to organize markets for basic food commodities by establishing regular stocks with a view to stabilizing production and consumption prices;
- to assure interregional equilibrium with respect to requirements and resources;
- to plan and carry out food assistance programs through indigenous means or with external assistance;
- to participate in the creation and management of food processing enterprises;
- to coordinate with other government entities a program for increasing production.

The Entente Fund, working with OPVN and OFNACER, synthesized the findings and recommendations of the more specific U.S. (KSU) and Canadian-financed (Hedlin Menzies) reports and prepared a request for assistance to be presented to donor countries: "Projet de Commercialisation

des Cereales et des Niebes et de Stabilisation des Cours en Haute Volta et au Niger." This dossier became the working document for a Grain Stabilization Conference held in Paris May 18-19, 1971. Representatives from Canada, France, the U.S., the Entente Fund, Niger, and Upper Volta attended the conference which was arranged, according to the EF representatives, "on rather short notice and without adequate preparation." 6/

Entente Fund representatives outlined a four-year 1.5 billion franc CFA program in the following terms:

- The system described in the Entente Proposal was designed to give the National Cereals Offices (NCOs) in Niger and Upper Volta the technical and financial means to intervene in local markets for domestically consumed cereals to help stabilize producers and consumers prices and to encourage increased production. The Entente Fund envisaged the years 1975-1980 as the period in which the full program would be in operation.
- The two principal objectives were:
 - Annual - The NCOs would buy cereals over a long enough period to maintain fairly stable, fixed minimum prices for farmers. Extension services subsequently would be made available to farmers to encourage them to increase production of these cereals.
 - Pluriannual - A strategic stock was to be constituted to supplement production in deficit years.
- The NCOs were to be autonomous, but with no power to decide either production or consumption prices, which would be fixed by national governments based on proposals by the NCOs. Prices should take into account the need for NCO economic self-sufficiency.
- Price Ranges - Price objectives in the proposal were based on producer/consumer prices over the past ten years. "The objective of the price range set out in the proposal is to increase the producers prices by 40 to 50 percent in order to encourage the farmers to increase production and buy equipment to modernize their farming operations." The latter objective would be assisted in the future by an extension program which would be financed by the NCOs.
- Economic feasibility - The internal rate of return initially was calculated at 13 to 14 percent, which would enable the establishment of reserve stocks and eventually would finance extension programs. In the revised Requete, the internal rates of return were recalculated at 4.65% for OPVN and 3.55% for OFNACER.

- A four-year program was based on a four-year cycle of climatic conditions.
- Other considerations included:
 - The need for the NCOs to generate a flow of financing to constitute adequate operating funds.
 - The central banks were unable to make the type of loans required.
 - The current operating funds of the NCOs were not sufficient to enable them to carry the level of operations foreseen.
 - Funds generated from the sale of grains imported from the U.S. (PL 480) would be used to reconstitute operating funds for the two NCOs.

An interesting element of ambivalence shows in OPVN's presentation at this meeting. On the one hand "the principal objective of the program is to assure supply of grains to urban centers." On the other hand, "This program's basic objective is to encourage the increase in the production of food grains." A cautionary note reportedly sounded by the Director of OPVN was that "the Government would probably have certain social objectives which would affect the parameters of the desirable consumer price." (Emphasis added).

At the Paris meeting the U.S. took the lead and indicated its readiness to start a two-year experimental program (as phase one of the four-year effort) with the Entente Fund and the two countries. This program would include technical assistance, food assistance, and possibly a loan for warehouse construction. The French and Canadian Governments were not yet prepared to make specific commitments, indicating that they needed more time to study the Entente proposal. French representatives cited previous experiences with national cereals offices which "have had a tendency in the past to grow and become uneconomic." After an apparent impasse, the donors agreed to establish a working group to meet later in the year, by which time AID was to have prepared a draft of a loan paper for consideration of the warehouse construction aspect of the proposal. In the meantime, each donor would proceed with separate, although parallel courses of action.

The Entente Fund and AID signed a Grant Agreement June 21, 1971, "to undertake a regional pilot project in grain marketing and production preparatory to extending the project to all member states of the Entente Council." 7/ The purpose of the agreement was stated to be: "to assist the Grantee and its member states, in collaboration with other donors, to undertake programs to improve the marketing, production, and quality of domestic food grains." The multidonor-regional project would be coordinated by the Entente Fund.

The three donors, the Entente Fund, Niger, and Upper Volta met again October 20-21, 1971, in Niamey. The Entente Fund proposal was reviewed again in detail, and after donor national procedures were satisfied, Canada (ACDI), France (FAC), and the United States (AID) agreed on the specific inputs each would finance in support of Phase I (two years).

Based on agreements reached at the Niamey meeting, the Entente Fund revised its dossier "Requete pour le Projet de Commercialisation des Cereales et des Niebes et de Stabilisation des Cours en Haute-Volta et au Niger." This document, published in March 1972 as a consensus of all parties concerned in the project, represented the official request for assistance, the financial plan, schedule of requirements, and the implementation plan for the full four-year program. However, taking into account caveats imposed by the three donors that the project be reexamined after a trial period, immediate financing was requested only for the first two years.

As noted above, the U.S. already had signed an agreement in June 1971. By an exchange of letters in October, a few days after the Niamey Conference, the two parties agreed on the specific items to be financed by the U.S.

Canada approved a \$700,000 grant to the program in May 1972. This assistance, through l'Agence Canadienne de Developpement International (ACDI), covered technical advisory services and commodities. ACDI, however, provided its assistance within the framework of a general bilateral agreement with each of the two countries, without specific reference to this project. For example, ACDI financed some of the costs for OPVN's headquarters building in Niamey.

France entered into an agreement, through Le Fonds d'Aide et de Cooperation (FAC), on September 13, 1972, to provide commodities. An engineering advisor was assigned to work with the project directly from FAC; i.e., not under the September agreement.

The final element of funding for the first phase of the Entente project was committed under a loan agreement signed by the Entente Fund (with the Governments of Niger and Upper Volta as Guarantors) and the Agency for International Development (AID) on November 14, 1972. This agreement provided \$1.8 million for:

"the construction of grain storage and related facilities within the framework of the Borrower's program for improvement of cereals marketing systems, as is more fully described in the Borrower's dossier entitled "Requete pour le Projet de Commercialisation des Cereales et des Niebes et Stabilisation des Cours en Haute Volta et au Niger."

Thus, almost 18 months after the Paris meeting, the first phase of the project received the final tranche of funding. Each donor, to satisfy its internal requirements, had used a different technique

for meeting its commitments to the project. This became one of the complicating factors for project management over the next several years.

The above discussion makes it clear that a specific starting date for this multi-donor, regional project is difficult to pinpoint. AID financing was available from June 21, 1971, but there was little activity until the October 1971 AID-Entente Fund exchange of letters agreeing on details of the AID portion. In the course of discussions concerning items which each donor would finance, AID agreed, as of October 1, 1971, to take over payments under the contract of the Tunisian national then working with OPVN in Niger. This date, then, appears to be a reasonable overall starting point for the project.

B. The Role of the Entente Fund and Regionalization

The Entente Fund's part in the creation of this project is detailed in Part VI. In fact, the EF played a crucial role in developing the working papers for the May and October 1971 meetings of donors and recipients. The dossier revised as a result of these meetings included the official Request for Assistance on behalf of Niger and Upper Volta, and spelled out a four-year implementation program. Without this groundwork's having been performed, there is little doubt that this "regional" project would not have been possible. 8/

The Entente Fund is an operating arm of the Council of the Entente and as such reflects the interests of the member states. Nonetheless, the record of the EF's participation throughout the eight-year implementation period, shows a remarkably consistent objectivity in managing and coordinating the disparate elements of the project. This task was not an easy one, and gaps in project management at the Regional Office level created problems in the beginning and middle portions of the project.

Reasons for the regional approach may be found in the desire during the 1960's among West African countries for close collaboration for the purpose of resolving similar development problems. Another factor, however, was peculiar to the internal requirements of the principal donor and dominant force behind the project. AID had been limited by legislation as to the number of overseas missions it could field. For operational reasons, therefore, as well as for reasons of policy, AID began to channel increasing amounts of assistance through regional institutions such as the Entente Fund.

The revised "Request" dossier of March 1972 cited other reasons for designing this project within a regional framework; i.e., in the event the first phase was successful, other food products as well as other countries, especially other Entente countries, could be included in the project scope. These factors were identified in recognition of the permeability of borders by movements of people and goods seeking better opportunities and better markets. Also

cited were the common needs for fixing boundaries of food production zones, defining base prices, and generally for better coordination of various related courses of action.

As early as the May 1971 Paris meeting, the EF and the donors recognized the value of establishing a regional cereals office "to direct the overall program for the five members of the organization."

The final project design included plans for a regional consultative commission composed of the directors of the national cereals offices. This commission was to meet twice annually -- before the sowing season so as to compare situations on national stocks, and at the point of harvest so that the Offices could make comparable recommendations on price levels at the beginning of the annual campaign. These meetings also would be useful for comparing technical, administrative, and financial measures, and were seen to be a means of providing coordination which would be indispensable "pour definir une politique regionale d'utilisation des excedents (transformation, exportation)."

To facilitate the tasks of the consultative commission during project implementation, it was decided to establish a regional office in Niamey under the direction of the Entente Fund. Its role was to collect and analyze information, help formulate policy, assist in replanning of market campaigns, coordinate operations between the national cereals offices, and serve as a direct point of contact with donors. The office was to be staffed with three technical advisors:

- A training expert to plan and conduct training programs for national cereals office personnel
- An agricultural economist
- An engineer, to oversee construction work.

Short-term advisors in specific disciplines also would be made available through the Entente Fund Regional Office.

Although project funding was available from mid-1971 (AID), the Regional Office was not formed until January 1973. The first advisor arrived at the end of December 1972. The full complement -- three advisors -- was not filled until July 1973. This late beginning of the coordinating and analytical functions of the Regional Office was one reason the first phase of the project exceeded the planned two-year period. It should be noted, however, that the full effects of the prolonged drought were felt during this same period. Consequently, the National Cereals Offices were not able to make much progress on market and price stabilization. Otherwise, the delay in establishing and staffing the Entente Office in Niamey may have been felt even more severely.

The Secretariat of the Entente Fund had kept other members of the Council fully informed of this regional cereals effort and had provided them with copies of the Request dossier. It was hoped especially that Togo and Dahomey would join the project in its second phase. The commodity of particular concern to these two countries was maize, although millet and sorghum were cultivated in their northern zones. Extensive correspondence between the EF and officials of the two countries was exchanged in 1972 and 1973 and a number of dates were agreed upon for a conference to discuss common problems and essential ground rules before their requests for similar assistance could be presented to donors. These meetings were postponed repeatedly.

The evaluation team found no record that such a conference was ever held and concluded that Togo and Dahomey lost interest. By the end of 1973; it became clear that regional aspects of the Entente cereals project were unlikely to be broadened in phase two.

OPVN, OFNACER, and Entente Fund Officials held the first meeting of the Regional Consultative Commission in Ouagadougou December 13-14, 1973. The Entente representative reviewed the history of the project and the role of the Regional Office in the areas of construction, personnel training, and long-term economic planning. He pointed out again that the Regional Office was to have a limited duration, and would give way to the Regional Consultative Committee, which would meet periodically "pour se concerter sur les programmes a mener les prix d'achat de la campagne suivante et les prix de vente compte tenu des frais d'approches et des problemes de stockage."

Minutes of this meeting and reports from the Entente Regional Office indicate that this was a successful conference because the participants were able to air their views and differences freely on a wide variety of issues. Some of the most important issues discussed were: the basic directions in which the two Cereals Offices were heading -- whether predominantly social or economic; the difficulty of sparing personnel for training programs; the effect of the drought on stabilization efforts; the lack of production statistics and the consequent effect on planning production levels; pricing policies; revolving fund requirements for operating costs and domestic grain purchases; and various technical problems which had arisen during project implementation. Additional requirements for the second phase of the project were discussed briefly.

Members of the Commission agreed that the next meeting would be held in Niamey during the first half of May 1974. In April 1974, Niger underwent a change of government. No record was found of the Regional Consultative Commission having held another meeting. Subsequent contacts between the two offices apparently have been rare, although expatriates financed under the Entente project realize the value of a closer association and have made efforts to generate some interest.

As noted above, the Entente Regional Office was formed at least one year later than originally planned and its full impact could not be felt until the project proceeded into its third year. The first advisor to arrive, a training specialist financed by ACDI, became the manager of the Niamey cell. An engineer was supplied by FAC in February 1973, and a marketing/storage advisor by AID in July 1973. This three-man team became a particularly effective unit over the ensuing two-year period, during which the influence of the Regional Office was at its highest point.

VI. IMPLEMENTATION

A. Project Phases

Originally intended to be implemented over two two-year phases, 9/ implementation took place over eight years, in three identifiable time periods. These time periods are not exact, but calculated roughly are as follows:

Phase I - 1971-1975:

From first funding of the project (AID-EF agreement of June 1971) to early 1975, approximately the time when the first team of Entente Regional advisors completed their contracts.

Hiatus - 1975-1977:

Early 1975 to mid 1977 - a period when project transition from Phase I to Phase II was uncertain, and during which there was relatively little project activity. There was no Entente advisor assigned to OPVN during this period, and no broad gauged advisor was assigned to the Entente Regional Office to serve as project manager.

Phase II - 1977-1979:

Mid 1977 to the fall of 1979. New advisors for OPVN and the Entente Regional Office had arrived, but the project continued operations on a reduced scale. No new construction was undertaken.

B. National Cereals Office Profile

The essential characteristics (or profile) of the National Cereals Offices were considered to be especially important by project designers. The profile of an effective and successful Office, as seen in the Entente dossier, would show the following characteristics:

Financial autonomy - Although an entity of the State and subject to policy direction, the Office should reach the point of self-sufficiency at the earliest time; i.e., should forego national and external assistance as quickly as possible. The Office should establish

an adequate revolving fund or line of credit which would free it from the need for continued subventions. The margin between buying and selling prices, therefore, should be adequate to support current regulatory operations, build up a reserve stock for use during years of severe cereals deficits, and enable support to be given to cereals development efforts.

Administrative autonomy - The Office must be able to withstand undue statal pressures on personnel and administrative management so that it may carry out its prescribed functions in a professional manner.

Credibility - Vis-a-vis the National Cereals Commission, the Office's recommendations for levels of buying and selling prices, beginning and ending dates of annual campaigns, etc., must be of sufficient quality to carry considerable weight. Vis-a-vis the merchants, the Office must be strong enough to enter the market judiciously and decisively in order to carry out its stabilization functions. The Office thus would use the market system to foster competition, not destroy it.

Discipline - The Office should enter the market only when necessary (e.g., sell only during the soudure period) in seeking to stabilize, not monopolize the market.

Technical capability - The Office must be able to purchase, collect, transport, store, treat, rotate stocks, and sell food grains.

Managerial capability - The Office must operate on a cost effective basis; keeping overheads to a minimum and accountability to a maximum level. Staff and equipment levels should be those optimum for good management.

Planning/Analytical capability - The Office must build up a quality data base and analytical capacity to assess national cereals availabilities and requirements, producer costs, and marketing costs including internal costs of its own operations. The Office must have the ability to plan annual campaigns and determine regulatory stock (temporal and spatial) and reserve stock requirements based on forecasts of population growth and movement trends, etc. The planning function also should encompass knowledge of cereals requirements and availabilities of neighboring countries, and the feasibility of collaboration on official price recommendations.

One facet of this evaluation is how well the Nigerien and Voltan Offices measured up to these idealistic elements. It should be noted, however, that in delineating the profile, the Entente Fund expected full Office potential to be realized only in the 1975-1980 period.

Two points must be kept in mind in a review of this period:

- a) The delay in bringing to bear the project inputs financed by the three donors. Although funds initially were available in 1971, the substantial portion of personnel and equipment was not provided until 1973. The efforts of the first phase, therefore, extended through 1974 into 1975.
- b) The full effects of the Sahelian region drought were felt in Niger and Upper Volta during 1972-1975, just when this project was getting under way. There was relatively little millet and sorghum on the commercial market during that period, and food imports were high. (See Appendices 4 and 5). This situation had an obvious effect on marketing and price stabilization efforts.

The final design of this project contained a number of compromises in order to take into consideration many viewpoints of the contracting parties. For example, Canada's preference for a bilateral aid procedure affected the way the request was presented to the donors, and subsequent implementation. The division of the four-year project into two phases because of donor reluctance to commit funds beyond two years is another example. Because the project as presented in the Entente Fund dossier was designed as a unity, most of the objectives could not be divided neatly into two groups, although there were annual targets for construction completion, delivery of equipment, etc.

1. Objectives

Objectives to be achieved over the four-year period were solutions to perceived problems:

- producer and consumer prices; raising producer prices to an economic level which would induce production increases, and dampening the increases of prices to consumers during the soudure and years of poor harvests.
- creating buffer stocks for intra and inter-annual requirements.
- raising overall production and increasing quantities of cereals reaching the market.
- managing spatial transfers between surplus and deficit zones.

These objectives could not be attained completely during the first two years. Donors, therefore, scaled down expectations to a more practical level. AID used the following as criteria against which to assess Phase I progress:

- a. Have the marketing agency infrastructure and the regional office been effectively established? That is, were storage facilities and commodities provided in sufficient quantities and in a timely fashion? Was technical assistance made available as promised?
- b. Were inputs instrumental in creating viable institutions? Were technical assistance and commodity inputs used efficiently and effectively? Have the cereals offices performed the traditional activities of a stabilization program? Have they shown a functional capability to carry out the tasks involved in a stabilization program?
- c. Have the infrastructures created by the project been effective in developing policies to be recommended to their governments and having governments effect those policies?
- d. Is the Entente Regional cell functioning as planned?

2. Inputs

Inputs required to make achievement of the objectives possible were agreed to by the donors at the Niamey meeting and were specified by donor in the Request dossier of March 1972. (See Appendix 8 for four-year request). In general terms, donors would supply the following inputs:

a. Construction of Storage Facilities - AID Loan.

Planned Capacity (000 tons) and No. of Warehouses

<u>Country</u>	<u>Phase I</u>		<u>Phase II</u>		<u>Total</u>	
	<u>Capacity</u>	<u>No.</u>	<u>Capacity</u>	<u>No.</u>	<u>Capacity</u>	<u>No.</u>
Niger	14,500	15	8,500	9	23,000	24
Upper Volta	15,500	11	13,500	9	29,000	20
Totals	30,000	26	22,000	18	52,000	44

The total planned capacity, size and location of each warehouse were based on estimated rates of urbanization, population increases, and production to 1980. For both countries, the storage capacity formula was calculated on a 20 percent share of marketed cereals.

Construction of Warehouses Completed During Phase I 10/

<u>Country</u>	<u>Capacity</u>	<u>No.</u>	<u>Comments</u>
Niger	15,000	16	500 tons extra constructed
Upper Volta	15,500	11	Includes 2 prefabs
Totals	30,500	27	

Although all AID-imposed Conditions Precedent were not met until December 1973 (originally planned date: November 1972), construction was completed by the end of December 1974 - that is, almost by the November 1974 date in the AID Capital Assistance Paper (CAP) Timetable. This was a remarkable achievement in view of problems encountered. 11/

Warehouse Design. AID was interested in introducing prefabricated steel warehouses into the Sahel region. The Entente Fund, OPVN, and OFNACER appeared to be skeptical of the adaptability of the steel warehouses for the climate of the area. However, Entente Fund and NCO officials visited Kansas State University for discussions of prefabricated warehouses. KSU prepared a paper on this type structure and took the visitors to see warehouses in the southwest United States, where the climate also changes from hot days to cool nights.

OFNACER agreed to build warehouses using steel frameworks procured in the U.S. Two of the warehouses, however, were completely prefabricated. The remainder would have steel structures, but masonry walls. Office space, or management centers, were designed as separate buildings. OPVN and the GON insisted that warehouses in Niger be built using local engineering, fabrication, and materials. Initially, OPVN agreed to erect two prefabricated warehouses, but did not. Engineering design for the Nigerien structures was done by Genie Rural; the steel frameworks and roof trusses were fabricated by the SFEDTP firm in Niamey. These designs included areas for office space within the warehouses.

The Offices provided lists of eligible contractors of known technical and financial ability. AID was given the opportunity to investigate the contractors on the basis of information provided by the Offices.

Warehouse Construction - In view of the scattered construction sites, in addition to using its own engineers, REDSO also used a local engineering firm INTRADEP to provide some on-site inspection help. However, REDSO realized the competence of the Entente Fund engineers and because of temporal and spatial constraints conceded final engineering decisions to them.

Niger - The beginning of construction work in Niger was delayed by the differences over design and fabrication already noted. Eventually, four Nigerien contractors were awarded contracts to build 16 warehouses in 14 locations. Genie Rural was supposed to provide day-to-day construction supervision. Because of lack of transportation, however, Genie Rural visits to construction sites generally were limited to times when they could accompany the Entente Fund engineer. The competence of the construction chiefs of the local companies was not always of high caliber, and thus numerous problems surfaced. Inspections by the USAID

Niger personnel, REDSO engineers, Entente Fund Engineers, and more recently by the Evaluation Team engineer reveal some of the problems, such as:

(1) Interior masonry walls have many cavities which harbor insects and their eggs, making fumigation difficult or even ineffective. Inability to make the warehouses airtight may prevent the use for long-term (more than one year) storage, thereby affecting storage policy and the options available to OPVN. This problem was pointed out by Mr. L.A.W. Hayward, until recently technical advisor to the RFA reserve stock programs of OPVN and OFNACER. Mr. Hayward recommended to the two Offices that all such walls be plastered to eliminate the cracks.

(2) Roof ventilators purchased from the U.S. generally leak and often do not work, probably because of faulty installation.

(3) Inadequate weatherproofing around sliding doors allows rain to blow in, generally over the top of the door.

(4) Cement blocks for walls are of inferior quality and the masonry work generally poor, resulting in rough crevice-filled surfaces of the interior walls.

(5) Some of the aluminum roofs have sustained wind damage (but most have been repaired by the contractors).

(6) Concrete floors are not holding up under use. The topping or finish floor applied over the concrete breaks up, leaving an uneven surface which makes the use of hand trucks (dollies) very difficult.

Warehouse management appears to be good. The warehouses observed are clean and the managers seem to be aware of the need for insect control. They have some ability to apply treatment themselves, and know when to call for a mobile unit provided to OPVN by RFA to handle the more difficult problems.

Upper Volta - Construction in Upper Volta was delayed by slowness in meeting the Conditions Precedent of the AID loan. The same problem obtained as in Niger with regard to construction supervision. The government construction agency, HER, also blamed infrequent site visits to lack of transportation, and as in Niger, usually made inspections that coincided with those of the Entente Fund Engineer.

The prefabricated buildings were the first ones erected in Upper Volta. This technique of construction was new and presented problems when precut parts did not fit. Also there were difficulties in handling large sections because of weight. The prefab buildings cost more than comparable

buildings with masonry walls, but the quality was good and there were advantages in addition to the shorter time required for construction. For example, the corrugated steel roofs were insulated, and were far superior to the locally procured aluminum roofing. The ventilators and doors appeared to fit better. Inside temperatures appeared to be about the same as buildings with masonry walls.

Masonry work was of better quality in Upper Volta, probably because of the use of higher quality cement. There was not the same need for plastering over crevices for insect control as in Niger.

Problems noted were:

(1) The quality of warehouse management needs improving. Warehouse floors need to be cleaned up and there were evidences of insect infestation in warehouses visited (5 of the 11 constructed under this project). It should be noted that there were few training sessions for Voltan warehousemen: more are needed.

(2) Plastic bags used by the U.S. for shipping grain are difficult to stack because they slide about easily. Warehousemen appear to take no special precautions to counteract this problem. One masonry wall at Ouagadougou had been knocked down through improper stacking.

(3) The prefabricated warehouse at Ouagadougou also showed signs of improper stacking sometime in the past; two large bulges are still visible in the wall panels.

(4) Generally the same deficiencies as in Niger in finish, leaks, floor joints, door and ventilator operation have caused problems, some as a result of installation, others from maintenance deficiencies.

(5) At Ouagadougou the bed of the railroad spur to the warehouses appears to be too far below the platform level for offloading operations. In fact, rubble has collected and the tracks are partially covered, indicating that the spur line is not in use, and currently is not usable.

Warehouse Equipment - On the whole, warehouse handling equipment and materials ordered were delivered and put into use. A notable exception was Phostoxin, an insecticide, which ACIDI was to provide. Phostoxin, however, is a product of West Germany, and Canadian proprietary procurement regulations prevented project funds' being used for such procurement. The two countries had to obtain this insecticide themselves, but procedural delays in settling the matter resulted in a high level of infestation, and grain loss.

The grain augers in Niger do not appear to have been used since the handling of cowpeas was transferred from OPVN to SONARA at the end of the 1975/1976 season. Augers in Upper Volta, on the other hand, are used for winnowing food grains.

Wheels for hand trucks in both countries will become an increasing problem - having a useful life of about one year - but in some warehouses roughness of floor surfaces limits their usage. ^{12/} Scales are available in the warehouses and warehousemen are knowledgeable in their usage, but the scales do not appear to be used extensively. The value of at least sample-checking bags for weight should be part of warehousemen training sessions.

In Niger, the flat belt conveyors show little sign of usage. In both countries, protruding nails and splintering of the wood pallets tear grain sacks. Good maintenance procedures and careful handling can overcome this kind of problem.

Numerous problems - unsuitable equipment, sacking of too large mesh, etc. - surfaced when grain handling equipment and materials began arriving in Niger and Upper Volta. These problems were threshed out between the contributing donor, the Offices, and the Entente Fund Regional Staff. Installation and maintenance procedures took up the full time services in 1974/1975 of a U.S. Peace Corps Volunteer trained in the use of such equipment. This PCV, Wayne Gallik, performed an essential service in inventorying and installing grain handling equipment, and in preparing operational and maintenance instructions.

Grain Storage Conditions - The Sahel has an ideal climate for grain storage. Post harvest grain losses at the farm level probably are very low. Locally produced grain usually has only one problem in warehouse storage - a grain insect (the capra beetle) which can and does attack very dry grain. The main storage problem is with imported grain, especially that which comes up from the ports during the wet season. This grain is apt to be insect infested and could be too wet for good storage without prior drying. Warehouse managers knowledgeable about the relationships between grain moisture and the relative humidity of the grain environment could handle such problems satisfactorily. Continuous training in this area should be given, especially as longer-term grain stocks are built up.

Warehouse Usage - All of the warehouses constructed with financing provided under this project show signs of considerable use. Most of them were placed in service even before preliminary acceptance because construction coincided with the need to import and distribute large quantities of cereals. Signs of wear and tear may be indications of the need for a better maintenance program, and the need for adequate provision to be made of Office budgets for that purpose. Building maintenance is another subject which should be included in warehousemen training courses.

The grain augers in Niger do not appear to have been used

b. Equipment, Materials, and Vehicles

ACDI: Landrovers, electrical equipment (such as gasoline powered generators), the initial supply of sacks, and warehouse grain handling and processing equipment, including grain treatment products.

AID: Office furniture and equipment (except typewriters), lumber for pallets, hand trucks, warehouse processing equipment and supplies. By a supplemental request of September 12, 1972, OFNACER asked for additional office furniture and some grain handling and processing equipment.

FAC: Typewriters, scales and other measuring devices, transport vehicles for OPVN, sewing machines, and conveyors. (Telecommunications equipment originally programmed was deleted).

The situation of deliveries at the end of Phase I was tabulated carefully when the Request was drawn up for Phase II. The following narrative describes how each donor responded to the above items requested for Phase I.

- (1) ACDI: Including the counterpart contribution, the total value of ACDI delivered commodities was almost equal to the value of the request. As noted under Warehouse Equipment, however, ACDI was unable to supply the grain treatment product, Phostoxin. The delay in making other procurement arrangements resulted in insect infestation and grain losses for both Offices. Another problem for both offices came through the delivery of grain moving equipment which did not meet specifications - the elevateurs gerbeurs had a span of 9 meters instead of 5 or 6 as requested. Also, they were non-reversible.

Late and misdirected deliveries caused delays in placing equipment in use when needed, for example, during the 1973/74 market cycle. Jute sacks with too large a mesh for fine-grained millet and of insufficient strength were delivered to both Offices. OFNACER offset this problem by selling 100,000 of those sacks and using counterpart funds to purchase 250,000 sacks of suitable quality. OPVN used some of the unsuitable sacks for cowpeas, distributed some gratuitously, and sold some at low prices to mattress makers.

On the other hand, ACDI delivered a Scout light truck and two sprayers to OPVN from resources outside the project.

- (2) AID: AID's response to the request of the two Offices for office furniture and equipment coincided more or less with the most urgent items (Year 0) required for furnishing the two headquarters. The record for providing equipment for regional centers (deliveries due in Year 1 and Year 2) was poor. OFNACER, in fact, felt obliged to buy furniture for its regional centers from its own resources to make them operational. Office equipment requests were filled for the

most part, except for calculators and adding machines. Most items, except chairs, in the supplemental request - which primarily was for grain handling and treatment materials - were met. For OFNACER about 69 percent of the lumber for pallets was delivered, and only 35 of 80 hand trucks; for OPVN, the figures are 74 percent and 35 or 65. None of the 80 butyl silos requested by OPVN arrived during that period. However, AID also provided 10,000,000 CFA from counterpart funds for tarpaulins.

- (3) FAC: The total value of items requested from FAC was the smallest of the three donors; percentage of delivery was the highest. In addition, FAC supplied 16 insecticide sprayers for OFNACER and 36 for OPVN, as well as 9 calculators for OPVN, which had not been in the original request. Portable scales supplied by FAC to OFNACER during Phase I were not entirely suitable - being susceptible to getting broken or out of balance while in transport to outlying areas.

Comment: It is not possible to calculate exactly the cost of non-deliveries, late deliveries, or unsuitable/malfunctioning equipment and supplies. Deliveries generally were slow. All of the requested items could have been used to the maximum extent in view of the quantity of grains being handled at that time (1973-1974). Some of the more complex equipment required proper training for optimum operation, maintenance and safety. Until the Peace Corps Volunteer could set up equipment and train operators, it could not be used effectively. Non-delivery of office furniture, delivery of the wrong kind of sacks, shortages of palleting materials and grain treatment products - all must have taken their toll on effectiveness and efficiency.

Yet, the majority of items programmed were delivered and used. Consequently, the offices and warehouses functioned; grain did move. And the two countries survived a very rough period.

c. Training

AID agreed to underwrite all training costs (except for the Adviser provided by ACDI). Details of training had been discussed thoroughly at the Niamey meeting in October 1971. One issue taken up there was that of conducting on-site training for warehousemen so as not to interrupt the flow of work. Regional controllers - the area managers outside the capital cities - were to be trained before they were taken into the cadre, so as to ensure the best selection from among candidates undergoing a year-long training program. The top candidates were to be selected at the end of the program.

The first Training Adviser arrived in Niamey in December 1972. He gave a short training course for three people for OPVN in April 1973, but he considered in fact that the program got under way as of July 1, 1973, the beginning of the u.S. financial year. Appendices 12 and 13 show training given over the

life-of-project period, in as much detail as could be reconstructed.

Training of warehouse managers in Niger and regional controllers for both countries proved to be very valuable because in both countries there were large amounts of grain to be handled in the mid-1970s. Insufficient training for warehouse keepers in Upper Volta, on the other hand (none between 1975 - 1978 because of OFNACER's lack of interest), has meant less efficient warehouse operation.

Warehouse personnel need updated training every year. Retraining for regional controllers also is recommended on an annual basis.

One of the problems for the training function which surfaced during the first phase of the project was the rapid growth of Cereals Office staffs. Training activities, even in Niger where they were more active, were unable to keep up with the personnel increases. Moreover, staff quality appeared to suffer with the increasing numbers, which also had an impact on training programs.

Although many of the staff added to the Offices during the drought relief period were intended to be temporary, like all government agencies, the Offices find it difficult to remove staff once they are on the rolls. The following Table shows Cereals Offices staff growth from the establishment of the Offices until approximately the time the Second Request was formulated. It should be noted that OPVN had the larger fleet of vehicles, and thus would have required more cadre on that account alone. Nonetheless, the table reflects the comparative levels of activity by the two Offices.

<u>Office</u>	<u>Year</u>	<u>No. of Staff</u>
OPVN	1970	24
	1974 (Sept)	377
OFNACER	1971	14
	1974 (Aug)	83

d. Technical Assistance

Technical Advisers were provided as follows:

<u>Funding Source</u>	<u>Office</u>	<u>Description</u>	<u>Dates</u>
ACDI	OPVN	Management Advisor	Nov. 1971 - Sep 1973
ACDI	CELLULE	Training Specialist	Dec 1972 - Sep 1975
AID	CELLULE	Marketing/Storage Expert	Jul 1973 - Apr 1975
PC	CELLULE	Agricultural Machine Eng	Jun 1974 - Jun 1975
AID	OPVN	Financial Mgt. Specialist	Oct 1971 - Jul 1975
AID	OFNACER	Financial Mgt. Specialist	Jun 1972 - Apr 1974
FAC	CELLULE	Construction Engineer	Feb 1973 - Feb 1975

The following narratives (by office) review briefly the functions of each advisor and assess his effectiveness.

(1) OPVN

AID financed the contract for Mr. Taoufik Jomni from October 1, 1971. 13/ Mr. Jomni had been seconded by the Tunisian Cereals Office in 1969 to work with the Nigerien National Development Bank (BDRN) to help establish a Nigerien Cereals Office. Therefore, Mr. Jomni was already working with the newly-established OPVN when this project began. Not only was he instrumental in setting up OPVN, he was operations manager (a key position) during the first two campaigns managed by OPVN and the height of the drought crisis. He had done much of the planning for and documentation of the two successful OPVN campaigns of 1970/71 and 1971/72. By the 1972/73 season, food distribution pressures took Mr. Jomni's time and attention away from the planning and implementation of the stabilization program. He was a capable manager throughout his service to the OPVN, but with changes in OPVN administration (and in the Nigerien Government generally, beginning in 1974), it became clear by 1975 that Mr. Jomni could be more effective in another post. He was transferred to OFNACER to fill a similar position financed under this project in September 1975.

ACDI brought a Canadian management expert to Niger to work with OPVN as a consultant from November 1971 to January 1972. This expert, Mr. Masson, remained with OPVN as an adviser until September 1973. He prepared a management analysis of OPVN based on a proposed reorganization plan, which however was not accepted by OPVN. Nonetheless, among other duties he provided useful services in looking after the reception of grain handling equipment supplied under the EF project. Mr. Masson left no record of having made a long-term impact on the quality of OPVN's internal management capabilities.

(2) OFNACER

AID financed the EF contract with Mr. H. Carl Allam, an American, who after language training in the U.S. arrived in Ouagadougou June 20, 1972, for a two-year assignment as Financial and Marketing Specialist "who will work for the Director of OFNACER". Mr. Allam's contract also states that his principal functions were to advise OFNACER on: grain pricing, elaboration of a national grain marketing policy, drafting legislation to implement pricing and marketing policies, financial management and accounting procedures, and resolving problems related to storage, transportation, and production within the framework of grain marketing procedures. Mr. Allam was required to report semi-annually on his activities to the AID monitor in Niamey.

It becomes clear from a review of the files of that period that: 1) the scope of work in his contract was beyond Mr. Allam's capabilities, and 2) that OFNACER was not making effective use of his services. He was helpful in the distribution of food aid, however.

Only two reports by Mr. Allam were found. Not only were they late by several months, each had to be specifically requested after the due date had passed. Despite the AID monitor's plea "that you might be able to give more attention to your own actions at OFNACER" (Garvey to Allam, letter of January 25, 1974), the reports were primarily descriptions of OFNACER activities and contained little information as to his role as adviser. Mr. Allam departed from Ouagadougou in April 1974 and his contract was terminated in May, before the full two years had expired.

(3) Entente Fund Regional Office at Niamey (CELLULE)

The ACDI-financed Canadian Training Officer, Mr. Paul Perron, arrived in Niamey at the end of December 1972. His contract, directly with ACDI, was extended from November 1974 to September 1975 so that he could complete the Phase I training program. Mr. Perron was the first member of the EF Regional Office team to arrive, and became the administrative manager of the unit.

One of Mr. Perron's early tasks was preparation of staffing patterns for both Offices, and as a derivative, a schedule of training and retraining through 1976. Citing delays in starting operations, Mr. Perron considered July 1, 1973, as the date when the training program actually began. He was a broad-gauged person whose activities ranged well beyond the specifics of his position. In addition to his training duties, and those of managing the Regional Office, for example, he prepared a stock control card system for warehouse level operations. He also prepared a report on operating funds (fonds de roulement) for the Regional Consultative Commission.

Mr. J.P. Leseney, a French construction engineer, arrived in February 1973, the second EF team member, funded by FAC. His principal function was to supervise construction of the warehouses being built with financing provided by the AID loan. This was a particularly demanding position before and during construction of the 27 warehouses in the two countries in 1973 and 1974. As indicated in the Warehouse Construction section of this paper, the EF engineers (Mr. Leseney and his successor Mr. de Vulpillieres) provided the only effective supervision of the construction. In addition, he served as a general engineering advisor to the two Offices and to the Entente Fund.

AID financed the Entente Fund contract for a Marketing and Storage Expert. Mr. Ian Pattinson, a British citizen, arrived in Niamey in July 1973 and departed in April 1975 for medical reasons. His scope of work was very broad, ranging from advising the Offices on the technical aspects of grain storage and marketing, to grain storage policy recommendations. He was responsible also for advising the Entente on matters of program design, feasibility, technical problems, etc. (See Appendix 14 for Scope of Work). The Marketing/Storage Expert position was the Regional Office position requiring both considerable technical experience in this subject field and a wide span of general knowledge and ability. Logically the incumbent also should have handled the managerial aspects of the Regional Office function. However, his late arrival precluded this possibility.

Mr. Pattinson carried out the tasks assigned throughout his contract, but also performed useful services to individual donors- e.g., he prepared a series of papers for the U.S. Embassy on the state of the 1973 harvest in Niger. He made a valuable input into training programs on questions of storage practices and management. Several of his papers are cited in the Bibliography section of the report.

When Mr. Pattinson left Niamey in April 1975, subject to resolving his medical problem, he planned to return for another two-year assignment with the Regional Office. The medical matter was cleared up and he signed a new contract, only to break it a few days after returning to Niamey. This action left a cloud on his otherwise excellent record.

A Peace Corps Volunteer, Wayne Gallik, was assigned to work through the Cellule in June 1974. He spent one year inspecting, inventorying, setting up, and training operators for the various types of grain handling equipment brought in under the project. Most of his work was in Niger, but he also assisted the Voltans. From the accounts seen, and from a study of his report, he was a competent agricultural machinery engineer.

3. The Entente Regional Office and Phase I Objectives

The descriptions of how the Entente Fund Regional Office (Cellule) advisors functioned does not tell the complete story of their effectiveness as a unit. Each was a forceful, highly professional, experienced individual and yet the record they left behind shows also a strong cohesive operation which covered all aspects of the project.

Throughout much of 1973, 1974, and the first few months of 1975, the Regional Office was a highly visible, energetic, competent group, with a wide range of services to offer. As experts in their own fields, and as Entente representatives, these advisors had entree to and credibility with officials in both governments

and with donors and other entities in the two countries, as well as in other countries of the region. As a team, they played a sizeable part in the Regional Consultative Commission meeting held in December 1973. The Commission's recommendations show that this group was viewed as a source of expertise which could not be matched by either Office. Consequently, the "Cellule" was charged by the Commission with a variety of tasks, including studies on two important matters: the constitution of reserve stocks at the national levels (undertaken by Pattinson) and on the constitution, use, etc., of special purchase funds for the two offices (undertaken by Perron).

Despite all of their advice and efforts to keep the project on track, it was becoming clear to the Entente Cellule staff during the first quarter of 1974 that events were beginning to overwhelm the two Offices. A certain dichotomy began to appear; the Offices already were planning their requests for Phase II, but they were not practicing stabilization as the project design intended. The drought, inflation, a hypertrophied staff, over-centralized operations with attendant growing inefficiency, but above all political decisions which increased the costs of subsidizing basic foods consumption - all were taking their toll.

In his January 1 - June 30, 1974, report, Pattinson remarked that "The period under review has been characterized by a certain turbulence in the activities of the cereals offices in Upper Volta and Niger." OFNACER was unable to operate in the local market because of a rigid price structure imposed by the GOUV and the internal rivalry involving the ORDs and the "Sous-Comite". OPVN was marketing its record grain purchases (procured in a deficit year) at a loss because the GON had imposed a selling price which undercut the "in store" price of the grain. During this period, a multidonor evaluation of the project by external aid contributors the Entente Fund and the Offices planned to be held in Abidjan in April was cancelled because of the change of Government in Niger. The Regional Consultative Commissions' second meeting, planned for May, did not take place.

In the wake of these events, Pattinson made a rather pessimistic assessment of the situation:

"Serious rethinking on the future of the cereals offices is required by the Governments concerned as they cannot continue to float on external aid gifts of grain, vehicles and finance. There is little indication that thought has been given to the essentially commercial role of the offices and popular opinion still seems to regard them as socially oriented organizations.

"Project inputs were designed to assist the evolution of viable state operated commercially orientated (sic) grain boards, and within the framework of providing material assistance in the form of warehouses, training and equipment the project has amply fulfilled its function to date. This assistance is however ancillary to the fundamental activity of organized marketing which still has to be created."

In February 1974, the Cellule through the Entente Fund Administrative Secretariat wrote letters to the Ministers concerned in both countries, drawing to their attention the desirability of fixing selling prices so that marketing costs were covered, and pointing out the risks taken of not using normal commercial practices. In April, however, the GON reduced the selling price of imported sorghum, and in May announced a selling price for millet about 10 FCFA per kilogram lower than cost price ("in store").

This lack of responsiveness by political authorities in Niger to the goals and objectives of the project, and the incredibly tangled cereals marketing situation in Upper Volta, which hamstrung OFNACER, were well marked by Cellule staff. Pattinson expressed his misgivings as follows:

"Historically state intervention in the pricing policies of cereals marketing and price stabilization boards is one of the reasons for their eventual collapse, and the lack of financial and commercial independence of OFNACER and OPVN must be regarded as very disquieting omens for their future."

Despite the discouraging political tableau, the Cellule continued to work hard to complete Phase I inputs and to advise the Offices on all phases of operations. The staff put a great deal of effort into preparing the dossier "Situation Actuelle de la Premiere Phase et les Demandes Faites par les Offices pour la Deuxieme Phase." This paper, written principally by Pattinson, presented a history and an evaluation of the project's first three years. Both Offices were reported to be in a position - given the establishment of basic cadres, infrastructure, and experience - to achieve their stabilization objectives. Difficulties and deficiencies were also pointed out. For OFNACER, at the ministerial level the government has "not been able to define... a precise role for OFNACER, nor additionally a sound marketing policy". For OPVN (but also applicable to OFNACER) "the establishment by the Inter-Ministerial Committee of a selling price under the Office's operating costs, leaves little hope that the marketing of millet, the basic cereal of the population, can be accomplished by the office in an efficient manner."

Accompanying the general piece were the specific requests from OFNACER and OPVN for technical assistance, commodity support, and additional warehousing for Phase II. This dossier had been prepared for consideration by representatives of Niger, Upper Volta, the Entente, and the donors at a meeting held December 16/17, 1974, in Abidjan.

At the Abidjan meeting, Cellule staff gave a review of Phase I accomplishments, and a status report on each donor's "commitment". Papers prepared by the Cellule staff at the behest of the Regional Consultative Commission on proposals for creating a Special Purchase Fund (Fonds des Roulement), and a Reserve

Grain Stock also were presented and discussed. Donors, however, gave these proposals a rather lukewarm reception, requiring more background work to be done.

Misgivings similar to those reported by Cellule staff were expressed by AID at Abidjan. The narrow price margin in Niger, and the dual ORD-OFNACER buy/sell monopoly in Upper Volta particularly were troublesome. The lack of influence by the National Cereals Offices on pricing, due in part to inadequate data on which to make recommendations to the National Cereals Commissions, was another weakness causing donors to doubt that genuine stabilization programs would be possible.

The early months of 1975, during which the Phase II Request was under examination, were months of uncertainty. Some AID officials (REDSO) were advocating that any additional assistance to the grain stabilization efforts of the two countries be given on a bilateral basis, not under the Entente umbrella, thus bringing into question the need for the Entente Regional Office. 14/ This notion had stemmed from the distinction (made by donors at the Abidjan meeting) between Niger with its pricing policy problems but effective Cereals Office and Upper Volta with its monopolistic tendencies and divided marketing functions. AID had made its position clear: it was prepared to consider financing additional storage capacity and equipment for OPVN, but not for OFNACER. This development was just about the final blow to regionalization of grain stabilization.

At about this time -- early in 1975 -- the Cellule team began reaching the end of their tours of duty. Leseney departed in February (although his replacement, de Vulpillieres, had already arrived); Pattinson in April (and, as it turned out, with no replacement for more than two years); and Perron in September (replaced by Marcil). Also, Jomni left OPVN in July, not to be replaced for more than two years. OFNACER had been without an Entente advisor since Allam departed at the end of April 1974.

Comment: At this point, the AID criteria for measuring project progress (see p. 30) had been met insofar as the National Cereals Offices were established and were functioning with a good basic infrastructure. They were serving a purpose for their governments and there was no question of their being dismantled. For political reasons, the orientation of the Offices was towards the consumer, with little emphasis on the producer for the purpose of spurring him to increase production, and hence the size of the market -- one of the major objectives. Regionalization of grain stabilization, another objective, had not prospered. Several years of food relief operations had overshadowed price and market stabilization. Market structure had been experimented with, but not changed. The Entente Regional Office had done its job well. The expert

working directly with OPVN had performed invaluable services for Niger. It was clear, however, that the influence of these advisors on the grain marketing policy decisions of both governments was limited.

The regional project could have ended with Phase I. Most activity over the next four years would be concerned with tidying up unfinished business, and for that reason was anti-climatic. Some training, and the continued services of experts was valuable, but these did not need a regional designation. More importantly, for whatever reasons, the donors were unable to provide the additional advisors without whom the project had little chance of achieving its long-term goals.

In reality, Phase II never was undertaken.

D. Hiatus

1. Funding Decision Delays

Discussions at the Abidjan meeting made it clear that there were many project issues for which ready solutions were not available. The period between that meeting and September 1976 when AID made its final financial commitment to the project was one of prolonged project examination and debate, which already had begun in 1974 with the AID evaluation (Maxwell-Becker). Discussions ebbed and flowed among and between all parties to the project. The most active debate, perhaps, was within AID; an example is the issue of continuing the regional approach or going bilateral, which already has been touched on. As the largest contributor, AID still was looked to to provide the lead -- FAC and ACDI also were delaying making new commitments -- but AID seemed more and more reluctant to make a commitment.

In the meantime; financing to keep the technical assistance aspects of the project going at a minimum level was running low. In March 1975 the Entente Fund requested additional financing from AID. On June 30, AID signed an amendment to its agreement with the Fund providing \$297,000 "interim funding for non-deferrable requirements" -- about one year's requirements. AID's final tranche, \$700,000, was not provided until September 28, 1976. FAC signed its final convention on Upper Volta July 7, 1977, having previously signed a convention for Niger.

2. The Request for Phase II

The overall request for Phase II was about 90 percent larger than the original request in 1972 for Years 3 and 4; i.e., 961 million CFA compared with 506 million CFA. (See Appendix 15). Part of the increase was caused by items requested but not

delivered under Phase I; part by inflation of some twenty-five percent; but part also by the expansionist policies of the Offices. OFNACER, for example, proposed a large increase in construction. Additional warehouse capacity of 17,000 tons (instead of 13,500 originally planned for Years 3 and 4) was requested, plus an extensive building program to include 14 new sales centers, 6 warehouse offices, a new headquarters office building in Ouagadougou, and a new management center at Koudougou. OPVN had reduced its construction request from the 8,000 tons originally intended for Phase II to 6,000 tons, but added on cowpea drying and storage facilities. Each donor was asked to provide generally the same types of supplies and equipment as in Phase I (except for insecticide), namely:

- ACDI: Land Rovers, grain treatment products (except insecticide), sacks, warehouse equipment.
- AID: Construction, pallets, hand trucks, office furniture and equipment, grain treatment materials.
- FAC: Typewriters, office equipment, vehicles, warehouse equipment, and insecticide (for local procurement).

AID was asked again to underwrite the costs of training programs.

For technical assistance, a significant change was in the number and types of experts requested:

<u>Office</u>	<u>Donor</u>	<u>Expert</u>	<u>Status</u>
OFNACER	AID	Marketing	Continuing
	AID	Forecasting and Statistics	New
	FAC	Administrative and Financial Management	New
OPVN	AID	Marketing	Continuing
	AID	Planning	New
	FAC <u>15/</u>	Grain Stock Management	New
	FAC <u>15/</u>	Accountant-Comptroller	New
Regional	ACDI	Training	Continuing
	AID	Marketing	Continuing
	FAC	Engineer	Continuing

3. The New Technical Assistance Approach

The Offices recognized their own weaknesses in planning, data collection and analysis, and accountability. Their request for experts for new positions, therefore, was a crucial factor in their attempts to make the internal management changes without which they could not bend their efforts towards a genuine market and price stabilization program.

Statistics and Basic Data - The donors also recognized the validity of these requirements. As early as 1974, AID began trying to program an in-depth study of the grain marketing

structure, producer behavior, production patterns, etc.; i.e., generally the empirical data which should have been established initially when the grain stabilization program was begun. One of the project outputs expected from Phase II, then, would be "an improved agriculture information service in each country." In fact, AID saw agricultural statistics as the key element for continued support to the stabilization program.

Discussions between AID and the Entente Fund - from the time of the Abidjan meeting up to the point when AID/Washington approved a much-modified Project Paper in June 1976 - were keyed in considerable part on how to approach and resolve the problem of an information/analytical base for the two Offices. AID arranged for Michigan State University to visit the area and submit a proposed design for a special studies component of the project. But by November 1975, AID had begun to doubt its ability to provide U.S. advisors to fill the planning expert positions to be established in the two Offices and started sounding out FAC and ACIDI on their doing so.

The story took another turn by March 1976. One of the MSU findings was that if AID provided sufficiently trained and experienced advisors, they would be able to assist the two governments in evolving national grain marketing programs through dialogue. AID rejected this argument on the grounds that it did not take into account the current lack of information and analysis on which to base recommendations for successful operational marketing programs. This rather curious position was taken five years after AID's first project paper was written.

In any event, AID dropped the idea of supporting a special study component for the project, and support to the planning/statistics experts for the Offices on the basis that it had become "clear that policy levels of the Governments of Niger and Upper Volta, and the Entente Fund would not countenance study required to form informational/analytical basis for informed dialogue leading to consensus on policy, operational and institutional goals of various grain marketing agencies in (the) two host countries." (AID/W cable to Abidjan, Niamey and Ouagadougou, 25 March 1976.)

Even more drastically,

"Without prospect of such studies and therefore without reasonable expectation of future dialogue that potentially could lead to mutually acceptable program goals and strategy, AID/W sees no justification for continuing U.S. assistance except at minimum level required to (a) protect AID food production sector program interests by maintaining some influence over access to grain marketing decision making and management processes; and (b) to contribute a reasonable share to multi-donor financing of equipment needed for effective operation of existing

facilities, especially for items that were pledged by AID but undelivered during Phase I."

Financial Management - The financial management component of the new Request fared no better. None of the donors was successful in recruiting a suitable Accounting Expert, and this position subsequently was dropped from the Entente project. As of May 1979 there was a French accountant in OPVN, under contract directly with that agency using its own funds. The financial management and accountability situation, however, is far from satisfactory; the accountant has inadequate help, especially if he ever expects to improve the system. There is a possibility that BIT may give some assistance.

RFA advisors associated with the Reserve Stock program are helping OFNACER with their accounts; how much is uncertain. Caisse Central also provided an accountant, but apparently he was unable to do the financial analysis work needed. It will require a long-term effort for OFNACER (or OPVN) to put its accounts and its financial analysis capabilities on a satisfactory footing.

One of the most useful forms of assistance to both of the Offices would have been in this subject field. An evaluation must question whether the donors were persistent enough in trying to provide assistance.

Entente Regional Office and Staff

During the Hiatus period, the Entente project on-board staff was reduced to three people: the OFNACER Marketing Expert (Jomni, since September 1975); the Regional Training Officer, and the Regional Engineer. The level of activity for the Regional staff was comparatively low. Training programs continued on a reduced level in Niger; but there was no warehouse manager or regional controller training in Upper Volta for about three years between 1975 and 1978.¹⁶ Cellule staff continued to keep track of commodity arrivals, and the remainder of the construction work was completed. But the absence of an energetic, knowledgeable Regional Marketing Expert meant that the cohesive quality of the regional functions no longer was there. Both remaining members of the staff departed in the middle of 1977, leaving the Regional Office without direction until the new project manager arrived in October.

The diminution of staff, a sign of diminished donor interest, made it obvious to the two National Cereals Offices that little more was to be gained through the regional project.

None of the new positions requested for Phase II had been filled: two of the existing five positions were vacant. The New Technical Assistance Approach was stillborn.

4. Construction

OFNACER, as indicated above (D-2), asked for substantial support for its proposed construction program. At the Abidjan meeting, AID - the donor who underwrote Phase I construction - left no doubt that the evolution of the grain stabilization program in Upper Volta towards a monopolistic direction was behind its decision not to agree to finance additional construction for OFNACER. Subject to further study, the door was left open for the financing of the additional 6,000 tons grain storage capacity and storage/drying facilities for cowpeas requested by Niger.

By November 1975, however, AID's position was that "there is no presumptive case for financing additional warehouse capacity in either Upper Volta or Niger during Phase II. Each country appears to have sufficient government-owned warehouse capacity to permit storage of approximately 20 percent of the annually marketed volume of cereals. AID/W is prepared to support a study of additional storage requirements once the Phase II special studies have confirmed or corrected the present rule of thumb that OPVN and OFNACER should aim to handle 20 percent of marketed grain surplus." These special studies, of course, did not take place.

The end of construction work under Phase I had left certain things yet to be completed. Landfill and grading around four warehouses in Upper Volta (Ouagadougou, Bobo Dioulasso, Kaya) were the largest items. Changing reinforcing plates for the prefabricated warehouses, various welding work on the steel structures of the masonry warehouses, and other items identified during inspections for correction also were carried out. Some \$97,000 was still available from the AID loan to pay most of these costs. This work was completed by February 14, 1977. The \$93,000 made available to the project under the AID final grant for construction was used to help pay the costs of paving the platforms for the warehouse areas where the fill problems had occurred due to erosion. Because of the differences in techniques of financing, separate financial records were kept for this final work. Phase II construction was never undertaken and the FAC engineer departed in 1977.

5. Reduction of Project Scope

During the Hiatus period, the scope of the Entente project was reduced bit by bit until it became merely a holding operation, but without hope of becoming anything more as time passed. The excision of the construction element already has been described. The abortive plan to include special studies and experts to improve statistical collection and analysis also has been discussed.

Regionalization - The U.S. and Canadian expert reports of the 1967-1970 period (Porter, Checchi, KSU, Hedlin-Menzies) all had focused on an international trade flow mechanism intended to

ameliorate national surplus/deficit grain problems. This approach had been put aside in the Entente 1969 Abidjan meeting on the basis that national programs first should be developed. The Entente Fund program (perhaps reflecting the AID position at that time), nonetheless, had made the international cooperation approach one of its principal objectives.

Regionalization of the cereals stabilization project - in terms of other Entente countries' joining, or even in terms of a close relationship between OPVN and OFNACER - did not work out as planned. In its internal papers, AID soon abandoned the concept altogether on the grounds that "the original plans of including other Entente States on the basis of a present need and government interest doesn't appear to exist." (June 1974 PROP)

Production Orientation - As this paper points out in Part III, Goals and Purposes, this was the basic objective or long-term goal for this project as originally designed. The establishment and efficient functioning of the National Cereals Office was a means toward that end. A "moralized" and expanded grain market - in time, space, and volume - was the system through which objectives were to be achieved.

AID dropped this objective unilaterally with the following paragraph:

"It was recognized from the beginning, that the creation of national cereals offices ought to be followed by a production increasing program if the goal was to be achieved. In the original documents, it was therefore envisaged that during the second two-year phase of the program, a production increasing segment would be introduced. From the point of view of the United States, due to circumstances connected with the drought, these programs are better placed outside this project. Hence, the purpose of the project involves stabilization of supply and prices rather than the broader, more all-encompassing statements of the original PROP." (June 1974 PROP)

There is no problem with amending internal papers to reflect positions as they change; there is a problem when the Project Agreement is not amended accordingly and if the project is to be measured against the new position.

6. New Goal and Purpose

In AID terminology, the new goal of the project was "to affect the price of grain paid to the farmer and the price charged to the consumer." (However, see Part III for contradiction in goals). The new purpose was "to increase the operational effectiveness and capability of the national cereals offices " (AID Project Paper May 1976).

Now, because these new parameters were less extensive than those still contained in the Project Agreement, the change should be moot from the point of view of evaluation. But, the AID Project Paper based the goal on the assumption that the Offices would have "the ability and the freedom to set their official prices according to economic principles..." etc. The Entente Fund Secretariat had been very careful at the outset of the Paris meeting in May 1971 to explain that the actual fixing of prices belonged in the political realm and would not be done by the Cereals Offices. This fact of life was confirmed more recently in a CILSS/Club de Sahel meeting where the countries concerned made the same point. This raises the interesting question of the possibility of attaining the goal when the underlying assumption patently was a mistake.

The same kind of abstruse relationship exists between the purpose as restated and donor's actions (or inputs leading to outputs in AID's language) with regard to the Request for Phase II. By backing away from two of the most needed elements of technical assistance - financial management and planning/statistics - on whatever grounds, a donor puts itself in an untenable position by expecting an "increase in the operational effectiveness and capability" of OPVN and OFNACER. AID does acknowledge this kind of problem in the Issues section of its final Project Paper (May 1976).

One of the most important functions (closely tied to the new goal) of the Offices is that of recommending "reasonable" buying and selling prices to the price setting bodies, with a price spread which can ensure financial autonomy of the Office, and which also should provide merchants with an adequate profit margin. Reasonable figures can be established only on the basis of knowledge of cost - producers and market, a knowledge of how the market operates, and a knowledge of Office costs based on good cost accounting. In a word, the weakest of the Offices' functions must be relied on for some of the most important information on which the credibility of the Office exists.

7. Special Purchase Fund

Since the beginning of the Project, except for the first two campaigns OPVN managed, both Offices have had severe financial problems with obtaining adequate floating capital. Part of the problem was caused by the extra burden of managing food aid distribution programs (OPVN). In OFNACER's case, a policy of no government subsidy kept its operations at a low level for most of the period since its establishment. Both Offices have been bailed out by the use of counterpart funds and other short term means - sometimes OFNACER's sources have been obscure.

Both Offices have been handicapped by inadequate spreads between the official buying and selling prices. In addition, internal cost accounting has been too primitive for Office operating costs to be measured with any precision.

At the Regional Consultative Commission meeting of December 1973, the Commission charged the Entente Regional Office with the task of preparing a paper which could be used as a request to the donors to find a more permanent solution. A paper was presented to the Abidjan meeting in December 1974. Donors were asked to consider the establishment of a special fund which would be available to the Cereals Offices for their use in grain buying campaigns. This proposal met with a lukewarm reception, and eventually it appears not to have been acted upon in concert by the donors. AID took the view that the Offices should finance their buying operations through the Caisse Central or other bank credits - on the basis that this approach would compel the two Offices to set their selling prices to cover operating costs, including interest charges.

8. Reserve Grain Stock Program

At the Abidja meeting in December 1974 an Entente Regional Office proposal on the constitution of a reserve grain stock was presented for consideration to the donors. This proposal also had emanated from the Regional Consultative Commission meeting of the previous December. The creation of such a strategic stock was seen as a departure in that the countries previously had relied on food imports to balance the internal food production deficits. This presentation was not a request for assistance, and the donors in effect took it under advisement.

In 1975 the Federal Republic of Germany (RFA) took over the management and financing of the Reserve Stock programs in both countries, including the building of long-term storage facilities; 40,000 tons capacity for Niger, and 30,000 for Upper Volta. In both countries the stocks have tended to be drawn down more or less like stabilization stocks, so neither reserve has been built up to the limit.

This action by the RFA relieved the Entente project of this particular objective - the inter-annual buffer stock requirement - but at the same time it added yet another program needing coordination to the situation.

E. Phase II

1. Further Project Delays

Although funds were available in 1975 and 1976, this Phase of the project was also delayed. The project had come almost to a complete stop by mid-summer 1977. The only Entente expert remaining on board was working with OFNACER. The Entente Cellule Office in Niamey was kept open by the secretary.

Staff recruitment for the Cellule and OPVN position proceeded slowly. However, the Regional Marketing/Storage Expert arrived in October, and the Marketing Expert for OPVN arrived in December 1977.

2. Entente Staff and Operations

Regional - By the time the Regional Marketing Expert, David Zimet, arrived in Niamey, the gap in project management and project inactivity had had an atrophying effect. Within the Cellule Office itself, the long period of winding down had affected even the filing system. Papers and documents were in some disarray. The Evaluation Team, for example, had to sort through mounds of papers to identify those of importance. The problem with this time-consuming technique is that some papers essential to a thorough understanding may be overlooked, thus causing a gap in project continuity or logic.

The Regional position had changed somewhat since Pattinson had filled it. It now was the focal point for management of the Entente activity. The advisor was expected to be available to the Cereals Offices on day-to-day problems of cereal storage and also to have a substantial input into the training program. Additionally, he was to examine the implications of the lack of statistical data for each country's program, and as agricultural statistics were built up, to determine the Offices' capabilities and additional resource requirements to analyze and use the data in their decision-making process. In a more general way, he would examine long-term solutions to problems of storage of buffer and reserve stocks.

By virtue of the Cellule Office's being in Niamey, communication with OPVN always was easier than with OFNACER. This situation had been a factor in regional management and OFNACER had felt somewhat neglected at times. The Hiatus period loosened Regional Office ties even more (with both Offices); thus one of the first tasks for the newly arrived Regional project manager was to try to rebridge the gap. Too much time had elapsed, however, and other than reviving training activities and generally ensuring that regional aspects of the project ran as smoothly as possible, the Regional Advisor had few inducements to offer the two Offices.

Zimet's attempts to open a dialogue with the Nigerien Minister of Economic Affairs (under whose aegis the OPVN operated) with a view to improving OPVN's management, met with limited success. Direct contacts with OPVN, especially after the arrival of the Entente Expert assigned to that agency in December 1977, were not as frequent or as close as were such contacts during the height of the Cellule's operations.

The Regional Advisor was quite active in getting the training program back on track in both Niger and Upper Volta. He helped design and conduct stages for warehouse manager and departmental officials in conjunction with the OPVN Marketing Expert. These programs were well received, and officials in the Ministry of Economy and OPVN were aware of the value of the training programs.

In keeping with his responsibilities for examining the statistical data problems of Niger and Upper Volta, the Regional Advisor prepared a survey questionnaire for field testing of marketing and on-farm storage of cereals in Niger. A contract team was brought to Niger to summarize survey results of grain storage, marketing, and consumption patterns of producers in three departments; to suggest marketing and pricing policy alternatives; and to suggest data needs and data collection techniques for OPVN's marketing campaign. 17/ This report was helpful to the Entente Advisor, but less so to OPVN.

A comparable report was prepared for OFNACER, to suggest feasible and accurate methods for obtaining annual production forecasts before September 30th for sorghum, millet and maize in each of the agro-economic regions encompassed by the 11 ORDs. 18/ The gist of the report was that while data collected already was not especially good and should be improved, better use could be made of what there was, and the lack of inter-agency cooperation in agricultural data gathering should be ended. The basic need was seen to be for improved intergovernmental coordination and cooperation in data collection and analysis.

Zimet prepared a paper which discussed OPVN's marketing operations, its goals, problems, and steps which could be taken to improve efficiency. 19/ This paper is a useful reference document for those seeking perspective on the Nigerien cereals market. A similar paper on OFNACER would have been useful, although it is recognized that the record on that agency before the 1975/1976 marketing season has considerable gaps.

OPVN - Georges Conde, a Haitian, arrived in Niamey in December 1977. His position, Marketing Expert (Conseiller en Commercialisation) had been unfilled since 1975. 20/ New relationships had to be forged; it was soon obvious that the Entente Advisor to OPVN would not be placed in the same kind of operations role which had been played by Jomni almost three years earlier. Conde became in effect a special assistant to the Director of OPVN and his principal assistant (Directeur d'Exploitation). He became the OPVN chief contact with various food donors, and with the transport agents used by OPVN for imported food transportation. Another function was that of trouble-shooter - preparing papers on a variety of subjects, such as farmers' costs of production, classification of markets, marketing of cereals in Niger, etc. He also was closely involved with the design and implementation of training programs.

OFNACER - Jomni had moved to OFNACER in September 1975. He was the element of continuity for the Entente Fund project. At that point in time, OFNACER could not have been in greater need of Jomni's services. Even within the Voltan government, that agency had few supporters. Its responsibilities and authorities were circumscribed by other organizations that at times acted more as rivals than collaborators. The ORDs had the monopoly to buy domestically produced cereals, the

Sous-Comite controlled distribution of free food aid, the National Reserve Stock Committee controlled the long-range buffer stocks. OFNACER had, on paper, the monopoly for selling food grain. This situation and other factors created all kinds of internal problems which plagued OFNACER.

Jomni was an experienced operations manager-advisor. ^{21/} His first years at OFNACER must have been very difficult, given the frequent changes of Directors, policy directions, etc. Persistence and perseverance were rewarded when the President of Upper Volta announced a new cereals policy on February 10, 1978. This turn-around made it possible for the first time for OFNACER, i.e., Jomni, to plan a normal cereals campaign for the 1978/1979 season.

3. OFNACER - New Directions

1971-1977, Years of Disappointment

Between OFNACER's creation in January 1971 and its new mandate of February/March 1978, that agency was beset with many problems. Considered as a weak organization within the government, it had little influence on grain marketing or pricing decisions. ^{22/} In fact, the distribution of free food aid was taken out of OFNACER and placed in the Sous-Comite de Lutte Contre les Effets de la Secheresse. Buying from the merchants/producers became the responsibility of the Offices Regionaux de Developpement Rural (ORDs); OFNACER in turn bought from the ORDs or from other countries. The ORDs, a more powerful organization within the Ministry of Rural Development (MDR), did not always sell all of its purchases to OFNACER, which was the legal outlet to the consumer. Another group, a National Committee, was charged with establishing a reserve stock of cereals. Coordination amongst these groups, all of which reported to different ministries, was difficult, if not impossible. The need to fuse all of these dispersed elements together so as to have one cereals policy and one cereals strategy became a matter requiring urgent attention.

Every evaluation of OFNACER and its operations during this period was dominated by comments of its administrative and financial weaknesses. One example of a situation stemming from OFNACER's problems of the time is seen in FAC's insistence that commodity inputs for Phase II be handled directly by FAC rather than through the usual contracting/ordering procedures used under Phase I. In addition, FAC and Caisse Centrale (CCCE) found it essential to conduct an evaluation of OFNACER's material needs for Phase II before agreement could be reached. This caused a delay in the signing of the FAC convention on Upper Volta until July 1977.

One of the principal reasons why Phase II of this project did not move forward as planned was the lack of confidence by the donors in OFNACER's ability to function effectively.

1978 - Year of Change

The Government of Upper Volta was aware of the situation described above. The pressures of other problems, however, had delayed its pulling the cereals agencies together into one package. The mediocre harvest of 1976/77 and the continued difficulties OFNACER was having in procuring enough grain, from either domestic or foreign sources, for its sales program forced this issue to the attention of policy making officials.

On February 10, 1978, in a speech to AID representatives, the President of Upper Volta announced a new orientation for his country's cereals policy and a reshaping of the agency to carry out that policy.

The National Committee on reserve stocks and the Sous-Comite were to be absorbed by OFNACER, which was placed under the MDR for technical purposes, and under the Ministry of Finance for financial support. OFNACER became, accordingly, the single executing agency for the new cereals policy; i.e., in producer and consumer price stabilization, food aid matters, and for the inter-annual buffer stock program. Not only would this bring about better coordination through more efficient management control, there should be personnel savings possible through combined staffs; and economies in the use of warehouses and transport.

The intent to return to the Entente project's original goal of increased production is seen in the following statement on OFNACER's new look:

"The essential objective of that policy being self-sufficiency in cereals products, farmers should be induced to increase production.

In addition to introducing farmers to new cultural practices, it is necessary to guarantee them a reasonable price. It is not enough to announce a theoretical price at the production level. A genuine commercialization campaign must be initiated and organized at the producer's level.

OFNACER, in collaboration with the ORDs, is called upon to set in motion arrangements needed to support producer prices. OFNACER's relationships with farmers -- of low priority for a long time -- becomes its prime role, enabling OFNACER at the same time to establish cereal stocks which can affect consumer prices during the soudure, in urban areas as well as in rural areas."

At the same time, the idea of government monopoly over the grain market was abandoned.

1978/1979 OFNACER Campaign

In line with the new policy directions, 1978 was the year in several years that OFNACER had intervened directly in buying domestically produced food grains. Planning for this campaign showed a great improvement over recent years. Because of delays in obtaining Ministry of Commerce approvals of the dates for the buying season, however, the buying campaign did not begin until December, some two months after the harvest. Even with this handicap, OFNACER was able to buy over 15,000 tons.

Another positive factor was that OFNACER recommendations for buying and selling prices (40 CFA and 57 CFA, respectively) for millet, sorghum, and maize were those accepted by the interministerial committee. It will be noted that the increase in the official selling price in 1978 (from 45 CFA to 57 CFA) was greater than the increase in the buying price (from 32 CFA to 40 CFA). In other words, OFNACER was making an effort to cover its costs.

All of these steps - and others - were taken so as to enable OFNACER to meet the conditions of its original charter of January 1971. For the first time, it appeared that this might become possible.

AID Proposal For A New Grain Marketing Development Project, Upper Volta

USAID/Upper Volta apparently followed OFNACER's transformation very closely. After AID/Washington's approval of a Project Identification Document (PID) prepared by the AID Mission in Ouagadougou, a team was sent to Upper Volta to prepare a Project Paper in May 1979. Preliminary estimates show a \$4.764 million total requirement (including food aid inputs) for a three-year project which includes technical assistance, warehouse and office construction, training, and the provision of a revolving fund for working capital.

Two curious features of the PID are noted. There was no reference to the eight-year Entente Fund project, with all of its vicissitudes. Secondly, some of the same assumptions critiqued by this evaluation were enumerated as assumptions for the new project.

Two encouraging aspects of the proposal relate to technical assistance: the inclusion of an agricultural economist and the inclusion of an accountant. The Entente donors were unable to recruit for these skills in 1975.

Problems Still To Be Solved

Encouraging though it be, OFNACER's turn around does not mean that all problems have been solved. Time will be required

before that agency establishes its credibility with the producer. Even with its sincere efforts during the 1978/79 campaign, OFNACER still is a long way from being able to make the desired impact on marketing. The continued building up of its infrastructure will entail an ever-increasing overhead. A great deal of training will be required for the present staff; even more will be required as staff are added to man new warehouses, etc. Gaps in middle-management level positions, reporting and accountability functions, and in planning will require much attention, with or without donor support.

The proposed AID project and the RFA reserve stockage project both call for floating capital support. These are subventions -- just as direct GOUV subsidies would be -- which obscure true costs of establishing and implementing an effective grains stabilization program, which must bear its own cost-of-money expenses. Moreover, the reliance on under-priced imported cereals (e.g., U.S. "red" sorghum is 10 CFA lower than domestic sorghum or millet) to generate counterpart funds would appear to run counter to Voltan efforts to expand the production of and the market for domestic grains. It also reverses AID's former position of recommending Cereals Offices' reliance on bank credits for working capital.

4. OPVN - A Case For Management

-- Can Niger Become Self-Sufficient in Basic Food Grains

The National Cereals Office, OPVN, was established on the assumption that there was a positive answer to this question. Niger, however, has received substantial food aid every year since 1971/72. The rapidly growing population and increasing shifts of people to towns not only increases the absolute numbers of persons to be fed, but also affects the ratio between producers and non-producers of food. Without sowing even more marginal land or reducing fallow time further, there is little land with adequate rainfall which can be added to land already under cultivation. An additional 30,000 tons of millet or sorghum is required each year just to keep pace with population increases.

Productivity of millet and sorghum appears to have declined in recent years. (See Appendix 17) Millet productivity in kilograms per hectare declined from 436 in 1965 to 421 in 1978. The averages, however, for the years 1965-1970 and 1971-1978 declined from 446 kg/ha to 386 kg/ha. Sorghum yield in 1965 was 505 kg/ha, falling to 449 kg/ha in 1978. Sorghum yield averages for the 1965-70 and 1971-1978 ranges, fell from 542 kg/ha to 401 kg/ha. On the other hand, numbers of hectares planted rose substantially for both cereals: 1,895,200 to 2,590,000 hectares for millet; and 595,600 to 804,300 hectares for sorghum. In other words, much more land is being cultivated, but with diminishing incremental returns.

Without a better inventory of Niger's natural resources and a better knowledge of whether these resources are deteriorating, as some experts believe and without better statistical data, there is no accurate way to answer the question posed, whether the time frame is long or short. As alluded to before in this report, there are too many inconsistencies and gaps in data for any of the tables used to be viewed as more than trend indicators. The trends, however, for Niger are not very favorable.

OPVN Management and Costs

OPVN's first two years of operation were at low absolute levels in terms of the percentage of the market it controlled. The planning done and the actions taken by that agency, however, were those appropriate to its stabilization responsibilities. Since 1973, OPVN has been called upon to meet social objectives rather than economic i.e., distribution of massive food aid. The rapid build-up of staff, buildings, and transport fleet were attended by a rapid increase in overhead costs. Because of the urgency of its new social mission, costs were of secondary consideration.

With a return toward a more normal level of production (1976), and the need for less food aid imports, costs have become a more critical matter. This means also that internal analyses of cost factors, and more careful management of all elements of OPVN's resources are priority issues calling for attention. The means to cope with these issues are not readily at hand. Obtaining financial data relating to grain movements, storage, shortage areas, etc., is both difficult and slow. Analyses of such information is almost entirely lacking. Much of OPVN management time is spent finding solutions for current problems, but with only limited data on which to make decisions. Longer range planning performance receives inadequate attention.

As in the case of OFNACER, the additional technical experts requested for Phase II by OPVN -- Financial, Stock Management, and Planning -- were those which could have helped the agency attempt to solve its management problems.

A comparison of Appendices 2 and 18 shows OPVN's dilemma. The spread between buying and selling prices of millet and sorghum, the two staple cereals, is 10 CFA/kg; the costs are 15 CFA/kg. No agency can continue to operate on that basis without a massive subsidy. OPVN's deficit in its account with BDRN was reported to have been 1.5 billion CFA as of September 1978.

OPVN needs to undertake two separate but related exercises: find its breakeven point, and reduce its costs -- before it seeks additional expansion.

Organizational Distance

OPVN comes under the umbrella of the Ministry of Economy. This factor places an organizational distance between that agency and the Ministry (MDR) charged with increasing agricultural production, which also is one of OPVN's objectives. Until some change is made which will tie OPVN in closer to the factors of production -- e.g., credit -- it is difficult to foresee its being able to attain that important objective. OPVN has the physical and organizational means to carry out its functions; to be able to do so, it must be given the opportunity. As long as it remains tied closely to the central executive function, however, it may be expected to retain its consumer (i.e., social) orientation.

VII. Price and Marketing Policies

Price and marketing policies in Niger and Upper Volta during the last decade at times have been ill-defined or ambiguous. Inefficiencies, contradictory objectives, and uncertainties have clouded Cereals Office activities and progress. Both OPVN and OFNACER were created under abnormal conditions when national cereals production was declining and food aid was becoming more plentiful. "Thus," according to David Zimet, "national produce brought relatively high historic prices because of production shortage, and consumer prices and seasonal price fluctuations were low because of abundant food aid. Therefore, the most important goals of the Offices were attained at low opportunity cost (trade offs) and the inherent conflict between high producer prices and low consumer prices did not appear to be costly." 22/

A. Significance of National Cereals Offices in the Market System

The Offices became "significant" forces in the market system even though they did not always procure 20-25 percent of marketed domestically produced grains. There are no accurate measures in either country of the size of the market, or of total annual production. The rule-of-thumb assumption is that about 10 percent of grain produced is marketed, 23/ and that a share of 20-25 percent of the market would enable the NCOs to exert a stabilizing influence on marketing and price. In addressing this issue, each country must be examined separately because of their differing circumstances. In both countries, the volume of food imports (aid or commercial), especially in the middle of the decade, complicated the grain market situation.

1. OFNACER - In Upper Volta throughout most of the 1970s, OFNACER controlled only a part of the food grain activity, as was explained elsewhere in this paper. The GOUV pulled the organizational bits and pieces together only in 1978. OFNACER's effect on the grain market, therefore, can be examined properly only from its activities during the 1978/1979 market cycle.

Depending on the rains, the total volume of millet, sorghum, maize, and rice produced in Upper Volta would be between 1.2 and 1.5 million tons. Ten percent for marketing purposes would be 120,000-150,000 tons. In 1978/1979 even after late entry into the market OFNACER procured locally 15,285 tons; i.e., just over ten percent of the higher figure. For the effect created on the consumer's market, imports must be added to local procurement. OFNACER had requested about 51,000 tons in food assistance for 1979, but after various adjustments for reserves, over estimates, etc., actual commercial and food aid imports to be handled by OFNACER may total some 33,000 tons. 24/ This figure added to local procurement would give OFNACER a total approaching 49,000 tons for sales purposes -- at least 25 percent of the sales market.

2. OPVN - As the single Nigerien agency charged with handling basic food grains, OPVN has distributed large quantities on the consumer side. In four of its nine years of operations, OPVN's volume exceeded 100,000 tons.

Without precise knowledge of the size of Niger's domestic market and even with estimates of 1,500,000 tons production of millet and sorghum, it is apparent that the OPVN percentage factor with relation to the consumer market was quite high.

On the producer side, the picture varies from year to year. In some years (e.g., 1977/1978) the volume of millet and sorghum marketed was small because of replenishment of on-farm stocks, etc. In other years (e.g., 1974/1975, 1978/1979), OPVN purchased about 45,000 tons of domestic sorghum and millet. This figure should equal at least 30 percent of the market. If the market year 1978/1979 may be considered as an indication of future operations -- in view of OPVN's entering the market October 1st (earlier than before), and of its having announced producer prices in June instead of at harvest time -- OPVN should be able to exert enough influence on the market without moving closer to a monopoly position. The timing of entering the buying and selling markets is just as important as the volume to be handled because what is sought is leverage, not quantity.

B. Price Setting

Neither OPVN nor OFNACER was intended to have the authority to determine and fix official buying and selling prices for cereals. Each country established interministerial National Cereals Committees empowered to fix the official prices and to announce the dates of the annual campaigns. The Dossier of March 1972 stated this situation plainly:

"La direction general n'a pas vocation pour definir les prix de campagne, achat et vente, qui sont fixes par une commission inter-ministerielle mais cette commission doit s'informer aupres de l'office avant de prendre ses decisions."

In Niger, the NCC was composed of about 14 organizations, including OPVN. This Committee recognized that OPVN's social role had long since overtaken its stabilization role. In Upper Volta, OFNACER is one voice of a nine-member Committee.

Reliable, adequate, and timely statistical information on production, consumption, marketing, costs of production, transportation and storage costs, interest rates, population, income, cash crops, prices of substitutes, and grain imports (including food aid), etc., are essential for basing sound policy decisions on price and marketing.

In Niger, some estimates are available from the Ministries of Rural Development, Plan, and Economy, and from OPVN on cereals production, consumption, surplus/deficit areas, marketed surplus, national food deficits, etc. Official figures, however, should be used with caution: data collection methods vary widely - from reasoned estimates to wild guesses. As a result, determination of a price that would give the farmer a just/maximum profit on his average/marginal cost becomes a difficult task for the OPVN and the National Cereals Committee. Time series and cross-sectional price data also are not available.

In Upper Volta, some ministries, such as the MDR, have some information on cereals production, estimated consumption, population, grain deficit/surplus, food imports/aid, etc. As in the case of Niger, all statistical data must be regarded primarily as best estimates. OFNACER has not developed the capabilities to collect, publish, and analyse data either on its own operations or on other macro/micro economic variables relevant to its operations. Again as in the case of Niger, the lack of cost data makes the job of determining an appropriate price policy very difficult.

Both OPVN and OFNACER should concentrate on collecting adequate statistical information on a routine basis, and then use them in their recommendations of price policies, and in buying and selling activities.

The spread between official buying and selling prices was discussed to some extent in sections VI. E. 3 and 4 above. In 1978 OFNACER appears to have tried to rationalize its prices by including costs in its spread. This is of particular significance to that agency inasmuch as it receives no direct subsidy from its government. OPVN, on the other hand, has not yet taken this action. As noted in VI. E. 4, its price spread is not adequate to cover costs. Merchants' costs, including a "reasonable profit", have not received

adequate attention in studies. It is doubtful, however, that in Niger the spread between official prices would be adequate. For this reason, appointed merchants must be given a commission for supplying grain to OPVN, or they will be forced to pay the farmer less than the official price either through lower direct prices, reduced weights, or some kind of "service charge".

The issue of excess profits to merchants has been addressed under Assumptions.

C. Producer Prices

Cereals are produced in Niger and Upper Volta primarily for subsistence and thus are consumed largely on the farm. Consequently, overall cereals output does not respond necessarily to the governments' producer prices. Moreover, there is an interdependence between production of cereals crops and production of cash crops. Farmers make decisions on how much of each to sow based on market price expectations, expected rainfall, and on the opportunity cost of food production/cash crop production -- oil seeds or cowpeas for example, some of which are consumed and some sold. The proportion of cash-type crops finally consumed on the farm depends to some extent on the level of sufficiency attained in cereals.

Producer prices in both Upper Volta and Niger have climbed since the two Offices were created. Much of the increase in both cases has been in the past two years, the middle period having been one of fairly stable prices. Whether NCO producer prices push or are pulled by market prices has been subject to some discussion.

For OPVN, Zimet reports that the first two campaigns set the pattern for the succeeding years. OPVN offered prices higher than the merchants were paying in 1970/71, and though on a small scale, this did affect market prices. The price was raised in 1971/72 and the merchants countered with offering slightly more. Subsequent prices paid by merchants have varied from slightly less to slightly more than the official price. Lower prices being offered before OPVN entered the market or after it had withdrawn. Producer prices in the open market roughly paralleled official prices until 1977/78 campaign, when little grain was offered on the market and when the actual producer prices were about twice the official price (55-65 CFA compared with 25-30 CFA) in the immediate post-harvest period.

For Upper Volta, the general increase in producer prices in the market during the past several years probably was a result due more to the severe shortages during the drought period and continued shortages during the following years and to inflationary price advancements than to the influence of OFNACER. Increases in OFNACER's official purchase prices, consequently would follow rather than lead market prices. With OFNACER's new directions, however, this situation could change.

The setting of floor prices for producers has been based more on a combination of precedent market prices and a desire by the governments generally to raise the level of farmers' incomes than on the results from studies of actual on-farm producer costs. Few such studies have been done. Georges Conde, the Entente Advisor to OPVN, has done some work in this area, however. Both Offices should give this subject more attention because it is one fundamental to finding an economic solution to the problem of price setting.

Inexact knowledge of the workings of the local markets does not enable a definitive statement to be made on whether, how often, and by how much official floor prices for producers are undercut by traditional merchants. Part of the difficulty is in not knowing the type and extent of the relationships between merchant and farmer. The merchant offers a range of services not available through OPVN, such as credit, sales of items the farmer desires, social relationships, etc.

D. Consumer Prices

According to Zimet, the case of consumer price stability in Niger generally is similar to that of producer prices. Consumer prices also have increased, but at a slower rate. Food aid helped keep prices dampened in years of poor harvests; the relative abundance in good harvest years kept the prices depressed. Certainly in both countries the governments have concentrated on trying to keep consumer prices as low as possible during the soudure period and during years of lower production.

Nonetheless, in both countries consumer prices have fluctuated freely, sometimes significantly above the official price levels. Not enough data is available on consumer market prices, and in fact in Niger, these prices are reported to the capital through the political system of the Prefects rather than through the regular services, and are not generally available. However, a Peace Corps Volunteer has done some work recording prices over a nine-month period for Niamey-Ouallam-Filingue. (See Appendices 19 and 20).

E. Prices and Production

Both Niger's and Upper Volta's marketing policies are expected to implement both income and price policies which, ideally, should take growth and equity into account. The operational objective of OPVN and OFNACER, however, has been to redistribute to consumers and farmers the so-called speculative profits traditionally earned by the merchants rather than to stimulate cereals production.

Price and marketing policies have not been used specifically to increase cereals production, which in turn was to have generated more surplus for consumers. The policy of redistribution was based on the assumption that the traditional marketing system had inefficiencies related to the spatial and temporal inequities in the market.

These inequities were supposed to have benefited the merchants to the detriment of producers and consumers, and the governments believed that they were required to intervene by buying and selling grain. This approach ignored the many positive services provided by the merchants, including two of the main functions of a marketing system: spatial and temporal arbitrage.

Niger's and Upper Volta's marketing policies in the past have been directed at competing with the private trading sector instead of integrating that sector into comprehensive marketing policies. 25/ Such policies should take into consideration the impact of market structure on market conduct and performance and be aimed at increasing cereals production through the price mechanism.

VIII. PREVIOUS EVALUATIONS

A comment written by an AID official in May 1976 upon submission of the fourth attempt to amend the AID Project Paper: "Rarely has an AID project received such intensive review over such an extended period of time." sums up one of the phenomena associated with this Entente Cereals Project. Seldom was there a point in time when some kind of assessment of the project was not taking place. The following partial list of documents containing evaluations or evaluative comments will demonstrate this point:

<u>Date</u>	<u>Source</u>	<u>Identification</u>
Mar. 72	EF	Revised Dossier "Requete Pour le Projet, etc."
Jan. 72	AID/Niger	Grain Stabilization - Entente Fund -- Evaluation
06-12-72	AID	Capital Assistance Paper, Evaluative Sections
Nov. 73	EF	I. Pattinson, Quelques Observations sur l'Experience des Offices en Commercialisation des Cereales Locales
Dec. 73	EF	Proces Verbale de la Reunion de la Premiere Commission Consultative Regionale
06-01-74	AID/Niger	Project Proposal, Becker-Maxwell
09-19-74	AID/Niger	Memorandum, Baron to Shear, AFR/GWR - Situation Report - Entente Grain Marketing Project
Nov. 74	AID	DAP Team Report on The Grain Price Stabi- lization Program in Upper Volta
Dec. 74	ACDI	Elements d'Appreciation pour le Projet de Commercialisation des Cereales et de Stabili- sation des Prix au Niger et en Haute-Volta

Dec. 74	EF	Compte Rendu de la Premiere Phase du Projet du Conseil de l'Entente - prepared by I. Pattinson
05-01-75	AID	Project Paper, update of Maxwell-Becker
05-27-75	AID	Summary of AID position after assessing whether project should be continued on bi-lateral or regional basis. Cable: Washington to AID field missions
07-14-75	Jomni	End of Contract Report (Niger)
10-17-75	AID	Status Report on OPVN, Memorandum J. Greenough to G. Chiavaroli
Nov. 75	PNUD	Rapport Provisoire de la Mission d'Evaluation Eau (OSRO) - Campagne Agricole 1975
01-30-76	MSU	Wilcock to F. Gilbert, AID, Memorandum
05-17-76	AID	Revised Project Paper, summarization and update of evaluations in previous draft Project Paper
1977	CILSS	CRED U. Michigan, Marketing, Price Policy and Storage of Food Grains in the Sahel
Dec. 78	MU/CRED	Millet and sorghum Storage and Transactions Behaviour in Upper Volta, J.R. Sherman, Proposal for Research Project.
Jan. 79	EF	A short Analysis of the OPVN, D. Zimet, Regional Cellule

In addition to the above, reports by Entente Regional Office advisors provided a running commentary on project progress, short falls, and problems whether measured against immediate targets or long-range objectives. Furthermore, the period 1974-1976 was in effect one prolonged evaluation on the part of the various AID field offices and Washington headquarters. The AID agency was having great difficulty determining whether, when, and in what amount the U.S. commitment to Phase II should culminate.

IX. FOOTNOTES

1. For Upper Volta, millet and sorghum; for Niger, millet, sorghum, maize, rice, and cowpeas until 1976 when the latter (niebes) were removed from OPVN's jurisdiction. Millet and sorghum are by far the most important basic foods in both countries.
2. One of the several drafts of the AID project paper (June 1971) put the issue quite plainly: "...the knowledge foundation upon which the national cereals offices were created and have initially based their operations came from rather short-term studies by foreign experts who based their estimates on rather unreliable information from the host country agriculture statistics services."
3. OPVN: Note sur l'OPVN, December 1978:

"STRATEGIES:

- (1) To establish yearly forecasts of the low income population in Niger. Groups to consider are:

- nomads
- urban population
- subsistence farmers

We shall start by determining the population's needs based on the normal rate of average annual need of 250 kg per person. It would be unrealistic to only consider the annual global deficit (i.e. the average of surplus areas and deficit areas - an average which is purely theoretical).

- (2) To assure a rate of market control and we choose the rate of 50 percent, covering the food deficit, which would also allow the stabilization of consumer prices on a year-round sales.
 - (3) To anticipate the stocking infrastructure and the processing equipment necessary to achieve the prime objective.
 - (4) To improve present market structures in order to achieve the prime objective.
4. This profitable operation was used to offset losses caused by distributions of other foods, especially food aid intended for free distribution. SONARA, too, was having financial difficulties, and this shift was meant to relieve their problems.
 5. 110 kg for nomads, 146 kg for urban dwellers, and 212 kg for rural people. Applying these amounts to the percentages of total population by each group -- 72 percent rural, 15 percent urban, and 13 percent nomad -- the weighted average would be 217 kg per capita, or very nearly the FAO average.

6. One of the major reasons cited for holding the conference under the time constraint was AID's need to make a decision on funds commitment by the end of the U.S. fiscal year, June 30, 1971.
7. This agreement specified parenthetically that "The grant of PL 480 commodities to the cooperating countries for use in this project is covered in separate agreement between AID and those countries outside the terms of this grant." Food imports from the U.S. and other countries were to become of increasing importance, however, to the Entente project.
8. The use of the term "project" for this activity may be a misnomer. More exactly, there was a miscellany of inputs by three donors, each of which had different techniques of providing assistance and each of which imposed requirements of varying degrees of stringency for accountability, reporting, etc., to serve its own internal purposes. In addition, there were essentially two national projects which were held together under the umbrella of the Entente Fund, primarily through the efforts of the staff of the Entente Fund Regional Office.
9. A four-year life-of-project period was based on the assumption that Niger and Upper Volta (as part of the Sahelian zone) were subject to a four-year weather cycle. Cereals production in these countries depends largely on the timing, amount, and geographic distribution of rainfall. Production figures since 1965 show wide fluctuations, but no predictable cyclical pattern.
10. See Appendices 9, 10, 11 for warehouse locations, comparative costs, etc.
11. The Evaluation Team found no record of REDSO's final acceptance (approval) of all of the warehouses.
12. The Evaluation Team observed an operation of unloading from trucks and stacking bags of grain in one of the Ouagadougou warehouses. The bags were being back-packed although hand trucks were sitting idle near the entrance. One look at the wheels and another at the rough surface of the floor told the story.
13. Mr. Jomni's contract was directly with OPVN. It contained no scope of work or position description. This factor, however, caused no diminution of his effectiveness.
14. Even after the matter of whether or not the Cellule function would continue was settled in May 1975 by AID/Washington, a modified bilateral route still was advocated by field offices in Ouagadougou and Niamey -- signs that these offices were expanding the scope of their operations. Such an action would have turned the Cellule into a kind of miniature REDSO for

grain marketing expertise. In reaching a compromise on the regional-bilateral issue, AID/Washington gave voice to an ambivalence in its position which had run through the project history like a minor theme:

"...this would not preclude either Field Office from representing AID in discussions with host governments/marketing agencies within the framework established AID policy and posture with regard to entire regional programs. Believe this approach necessary in order to maintain integrity of both regional program and of AID program inputs vis-a-vis that program."

15. Requested from AID, but changed to FAC in March 1975 Request revision because of anticipated recruitment difficulties (language requirements). In point of fact, this type of expert was in demand in France and FAC noted at the Abidjan meeting that finding such an expert for OPVN might prove to be difficult. The Stock Management position later was proposed for AID financing instead of FAC.
16. In April 1977 ACDI informed OPVN and OFNACER that Narcil was not to be replaced: "Les responsables de l'ACDI ont en effect estime que les conditions de travail qui ont ete reserves a leur expert n'ont pas permis d'utiliser entierement les possibilites que etaient offertes aux deux offices en matiere de formation."
17. Several Aspects of Marketing and On-Farm Storage of Cereals in Niger - Survey Results and Recommendations. T. Daves, J. Elterich - Niamey, April 1978.
18. Methods for Improving Cereals Production Forecasts in Upper Volta. J. Elterich, T. Daves, Ouagadougou, May 1978.
19. A Short Analysis of the OPVN. David Zimet, Niamey, January 1979.
20. See Appendix 16 for position description, (Description des taches). This description was out of date - it still described an operations manager function.
21. Jomni's duties (fonctions) state in his contract with OFNACER were very brief, but lucid: The contractor will assist the Director of OFNACE in matters of organization and commercialization of cereals, stock management, and formulation of a cereals price stabilization policy for submission to the Government for approval.
22. Zimet's Analysis of OPVN and OFNACER, 1978, report to the Entente Fund.

23. In years of poor harvests, a smaller proportion is marketed because the farmers first concern is self-sufficiency. Chronic poor harvests in the 1971-1975 period probably reduced the 10% figure.
24. USAID/Upper Volta, 1978 Harvest Assessment, February 1979.
25. Using private traders as licensed agents to do the primary collection for the official monopoly in Niger and Upper Volta is not an effective integration into the marketing system.

X. ABBREVIATIONS

ACDI	L'Agence Canadienne de Developpement International
AID	Agency for International Development
BIT	Bureau International du Travail (International Labor Organization)
Cellule	Entente Fund Regional Office, Niamey
EF	Entente Fund - Le Fonds d'Entraide et de Garantie des Emprunts du Conseil de l'Entente
FAC	Le Fonds d'Aide et de Cooperation (French aid program)
GON	Government of Niger
GOUV	Government of Upper Volta
KSU	Kansas State University
MSU	Michigan State University
NCO	National Cereals Office (CFNACER, OPVN)
Office	National Cereals Office
OFNACER	L'Officè National des Cereales
OPVN	L'Office des Produits Vivriers du Niger
ORDs	Offices Regionaux de Developpement Rural
PC	Peace Corps (M.S.)
RDO	Regional Development Office
REDSO	Regional Development Office
RFA	Federal Republic of Germany (West Germany)

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APPENDICES

X11. APPENDICES

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3. Official Purchase and Sales Prices - Upper Volta (table)
4. OPVN Activities - Quantities Received - Niger (table)
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6. Production Chart - Niger 1965-1978
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8. March 1972 Dossier - Recap of Total Cost (table)
9. Warehouses Constructed Under Entente Fund Project - Niger (table)
10. Warehouses Constructed Under Entente Fund Project - Upper Volta (table)
11. Comparison of Construction Costs - Warehouses of 1,500 tons (table)
12. Programme de Formation - OPVN (table)
13. Programme de Formation - OFNACER (table)
14. Scope of Work - Pattinson
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17. Niger Average Yields 1972-1979 (chart-graph)
18. OPVN Costs Per Kilogram 1977/1978 (table)
19. Consumer Prices - Millet - 1978/1979 - Niamey - Ouallam -
Filingue (graph)
20. Consumer Prices - Sorghum - 1978/1979 - Niamey - Ouallam -
Filingue (graph)

21. Entente Fund - Advisors (barchart)
22. Estimated Costs - Entente Fund Cereals Project - (\$000) - (table).

QUESTIONS TO BE ADDRESSED IN EVALUATION OF GRAIN STABILIZATION -
PROJECT 625-11-150-161

1. Did the regional marketing/storage advisor and the two marketing/planning advisors fulfill the terms of their contracts and accomplish the objectives set out for them?
2. Were grain storage and marketing commodities ordered, delivered, and installed in a timely manner? Were they adequate to the needs of the Project?
3. Were the training plans for African personnel of the National Cereals Offices (NCOs) satisfactorily accomplished? Were they adequate to the needs of the Project?
4. Was sufficient storage capacity established to handle (a) the regulatory stocks from time of purchase to time of sale, (b) the long-term storage requirements to hold over stocks of high production years to meet the needs of deficit years?
5. Was sufficient working capital available to NCOs to permit purchase of amounts of grain necessary to form regulatory stocks?
6. Have host governments assigned sufficiently competent and motivated personnel to the upper and middle management levels of the NCOs? Do the NCOs now have adequately trained managerial, technical, and administrative staffs?
7. Did the Project succeed in increasing the operational effectiveness and capabilities of the NCOs? Did they, for instance, adequately develop the capability to buy and sell local food grains at prices commensurate with rational stabilization policies?
8. Do the NCOs have established current buying and selling activity plans which are utilized as action guides to the offices' operations?
9. Has adequate statistical information been developed and is it being used in determination of pricing policies and in buying and selling activities?
10. Are NCOs' organizational structures based on functional requirements with well defined lines of accountability and authority?
11. Was a fully operational and effective policy planning unit established within OFNACER in Upper Volta?
12. Did the NCOs in Niger and Upper Volta become significant forces in the market system (i.e., did they purchase and handle a large enough quantity -- 20 to 25% -- of the market surplus in order

- to assure that private traders paid competitive prices and that consumers could obtain grain below pre-determined ceiling prices)? Are the NCOs able to exert significant influence over the existing markets without having to increase substantially the volume of grain they handle?
13. Did the Project succeed in increasing the extreme low price of grain to the farmer in the immediate post-harvest producers' market?
 14. Did the Project succeed in reducing the extreme high price of grain to the consumer in the pre-harvest consumers' market?
 15. To what extent, if any, did (a) farmer prices fall below the floor prices set by the NCOs, (b) consumer prices depart significantly from the official prices established by the NCOs, and (c) were excess profits accruing to grain traders reduced?
 16. Did the NCOs develop the ability, and were they granted the freedom, to set their official prices to assure that (a) farmers would receive prices which would accord them reasonable returns on their labor and investment even in bumper crop years, (b) consumers would not have to pay speculative prices even in very short crop years, and (c) the range between buying and selling prices would be sufficient to cover costs, including a fair return to efficient commercial traders?
 17. Did the NCOs develop the capability to estimate accurately the annual supply and demand for cereal grains so that reasonable prices could be set to (a) contribute to a balance between supply and demand, and (b) allow enough margin to cover private traders' expenses plus a just profit?
 18. Have the NCOs become financially viable institutions with the capacity to acquire the needed capital to pursue their intended objectives? Have host governments accorded adequate budgetary support to the NCOs?
 19. To what extent, if any, have host governments subordinated the stabilization objective to other political and social welfare objectives in deciding marketing and pricing policies? To what extent has this hindered achievement of the NCOs' objectives?
 20. Have host governments awarded an adequate degree of autonomy to NCOs in matters of (a) management, (b) finance, and (c) market policy decision-making?
 21. Were geographical disparities in supplies of grain (i.e., shortages in some parts of country and surpluses in others) a problem in Niger and/or Upper Volta? If so, did the Project contribute toward alleviation of this problem?

22. Was deterioration in storage (e.g., due to lack of drying equipment) and/or loss due to pests a problem in Niger and/or Upper Volta? If so, did the Project contribute toward alleviation of these problems?

OFFICIAL PURCHASE AND SALES PRICES
NIGER-OPVN
(Francis CFA per Kilo)

<u>CROP YEAR</u>	<u>MILLET</u>		<u>SORGHUM</u>	
	<u>Purchase</u>	<u>Sales</u>	<u>Purchase</u>	<u>Sales</u>
1970/71	10-15 <u>a/</u>	15-25 <u>a/</u>	- <u>b/</u>	10 <u>b/</u>
1971/72	12.5	18-20 <u>a/</u>	10	15
1972/73	12.5	18-25 <u>a/</u>	11	15
1973/74	25	35	20	30
1974/75	12 <u>c/</u>	30 <u>c/</u>	20 <u>d/</u>	25 <u>d/</u>
1975/76	25 <u>c/</u>	30 <u>c/</u>	20 <u>d/</u>	25 <u>d/</u>
1976/77	25 <u>c/</u>	40 <u>c/</u>	20 <u>d/</u>	25 <u>d/</u>
1977/78	25-30-50 <u>c, e/</u>	50 <u>c/</u>	25-30 <u>d, e/</u>	35 <u>d/</u>
1978/79	40 <u>c/</u>	50 <u>c/</u>	35 <u>d/</u>	45 <u>d/</u>

Notes: a/ Regional prices were used.
b/ No local sorghum purchases were made.
c/ Millet and white sorghum.
d/ Red sorghum only.
e/ Price changes were made during the 1977/78 campaign.

Source: D. Zimet, "A Short Analysis of the OPVN", Niamey 1979, using Comptes d'Exercice of the OPVN as major sources, but with the notation that there may be discrepancies between major and minor sources.

OFFICIAL PURCHASE AND SALES PRICES
UPPER VOLTA - OFNACER
(Francs CFA per Kilo)

<u>CROP YEAR</u>	<u>MILLET AND SORGHUM</u>	
	<u>Purchase 1/</u>	<u>Sales</u>
1970/71	12	26
1971/72	12	26
1972/73	14	26
1973/74	18	30
1974/75	22	32
1975/76	18	30
1976/77	21	35
1977/78	32	45
1978/79	40	57

1/ Minimum prices at Ouagadougou. Prices in other locations may be adjusted for transportation cost differential.

Sources: USAID/Upper Volta, checked against IMF reports and the CILSS - Club du Sahel financed CRED study of 1977.

NIGER
OPVN ACTIVITIES
QUANTITIES RECEIVED
(tons)

<u>Y E A R</u>	<u>Local Purchases</u>	<u>Commercial Imports</u>	<u>Food <u>1/</u> Aid</u>	<u>Total</u>
1970/71	4,767 <u>2/</u>	-	2,000	6,767
1971/72	6,200 <u>2/</u>	-	13,600	19,800
1972/73	7,000 <u>2/</u>	-	125,000	132,000
1973/74	28,500 <u>2/</u>	-	190,000	218,500
1974/75	82,943 <u>3/</u>	-	71,597	154,540
1975/76	47,398 <u>3/</u>	15,251	74,573	137,222
1976/77	45,987 <u>4/</u>	15,668	29,136	90,790
1977/78	13,556 <u>2/</u>	35,000	29,000	77,556
1978/79	42,898 <u>4/</u>			

Source: OFFICE DES PRODUITS VIVRIERS DU NIGER (OPVN) and D. Zimet, A Short Analysis of the OPVN, Niamey - January 1979.

1/ Principally sorghum, but also includes wheat flour, milk powder and other commodities in lesser quantities.

2/ Includes cowpeas (nebes).

3/ Cowpeas are large percentage. After 1975/76 cowpeas marketing was transferred to SONARA.

4/ Millet and sorghum only; for 1978/79 - figures are through April 12, 1979.

UPPER VOLTA
OFNACER CEREALS OPERATIONS 1/
1971/72 - 1976/77 2/
(Quantities in 000 tons)

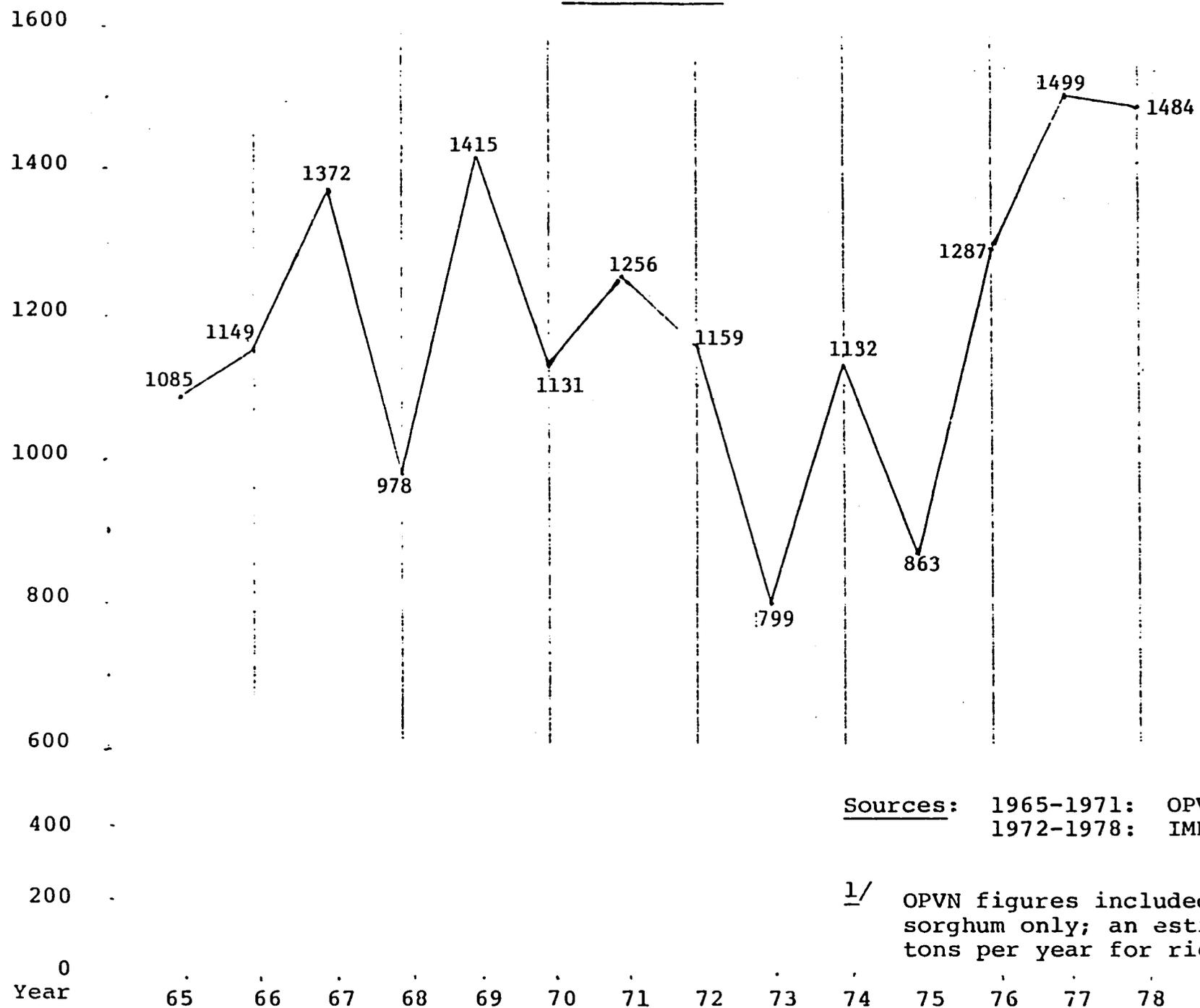
	<u>1971/72</u>	<u>1972/73</u>	<u>1973/74</u>	<u>1974/75</u>	<u>1975/76</u>	<u>1976/77</u>
<u>Grain Purchases on Local Markets</u>						
Quantities	1.54	0.76	2.77	15.40	9.84	7.83
Values	32.78	16.12	-	569.10	370.45	220.01
<u>Imports of Grain</u>						
Quantities	35.29	27.41	29.54	24.75	7.25	9.36
Values	534.56	479.95	-	639.69	406.89	714.55
Total Quantities	36.83	28.17	32.31	40.15	17.09	17.19
Total Values	567.34	496.07	-	1,208.79	777.34	934.56
<u>Cereal Sales on Local Markets</u>						
Quantities	30.75	24.93	33.02	28.01	20.67	21.42
Values	539.11	469.80	-	685.65	1,177.66	1,079.71
<u>Exports</u>						
Quantities	-	-	-	-	0.95	9.45
Values	-	-	-	-	33.32	406.35
<u>Changes in Stocks</u>						
Quantities	6.08	3.24	-0.71	12.14	-4.63	-13.68
Values	28.23	26.27	-	523.14	433.64	551.50

Source: Office National des Cereales (OFNACER)

1/ Cereals are principally millet, sorghum and maize, with rice in smaller quantities.

2/ OFNACER's fiscal year is April 1 through March 31.

NIGER - MILLET, SORGHUM, RICE PRODUCTION
1965 - 1978



Sources: 1965-1971: OPVN ^{1/}
1972-1978: IMF

^{1/} OPVN figures included millet and sorghum only; an estimate of 30,000 tons per year for rice was added in.

,400

,200

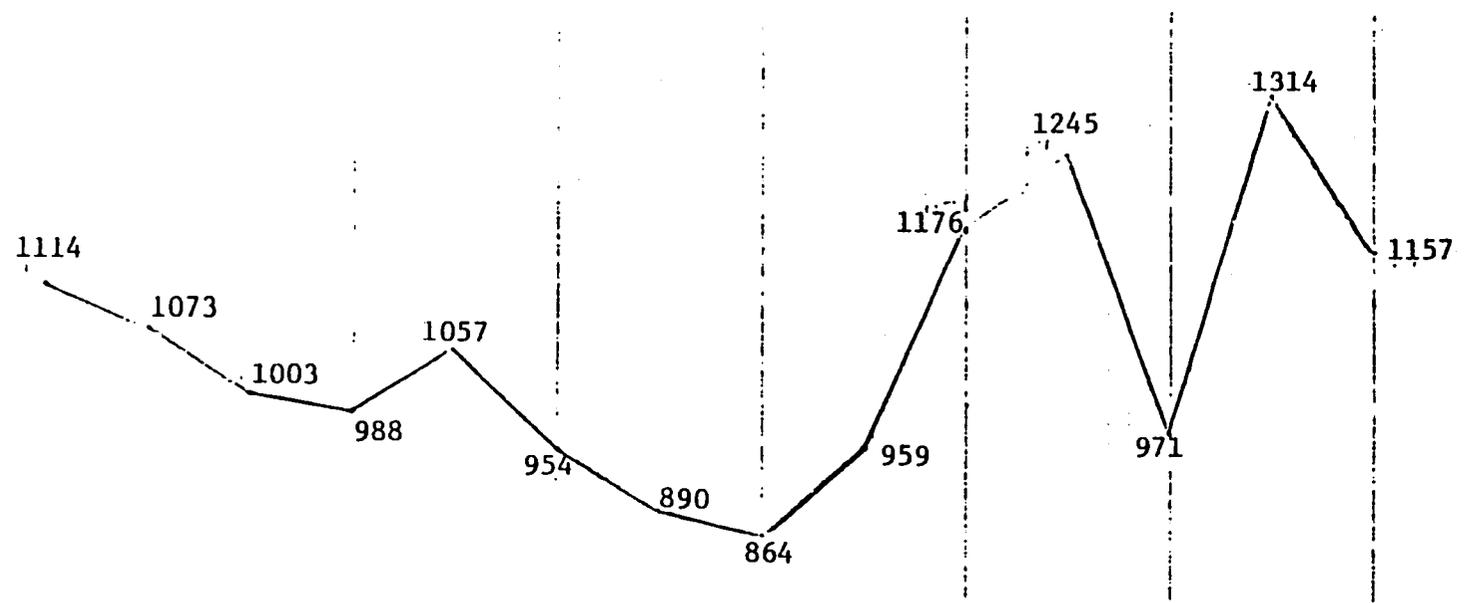
,000

800

600

400

200



UPPER VOLTA
Millet, Sorghum, Maize,
Rice Production
1965 - 1978

Sources: 1965-1971 CRED^{1/}
1972-1977 IMF
1978 USAID/UV

^{1/} CRED figures used for millet, sorghum, rice. 10% additional added for maize for uniformity of table

REQUEST DOSSIER - MARCH 1972
RECAPITULATION OF TOTAL PROJECT COST
FOUR YEARS GROUPED BY COST COMPONENT AND OFFICE
INCLUDING PREVIOUS EXPENSES (YEAR 0)
 (000 francs CFA)

<u>Item</u>	<u>Year 0 1/</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Total First Phase</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Grand Total</u>
<u>Construction:</u>							
OPVN	51,500	116,140	77,940	245,580	91,340	20,200	357,120
OFNACER	62,800	109,140	118,140	290,080	90,300	70,600	450,980
<u>Equipment</u>							
OPVN	32,390	32,390	11,360	76,680	12,300	6,120	95,100
OFNACER	3,232	28,004	11,832	43,068	8,460	2,100	53,628
<u>Vehicles</u>							
OPVN	30,200	12,950	8,500	51,650	13,850	3,600	69,100
OFNACER	6,700	4,250	1,500	12,450	3,800	4,850	21,100
<u>OFFICE Furn/Equip</u>							
OPVN	8,971	2,196	1,650	12,817	778	596	14,191
OFNACER	4,702	3,892	892	9,486	-	-	9,486
<u>Recurring Items</u>							
OPVN	5,000	8,250	8,500	21,750	9,450	2,900	34,100
OFNACER	-	13,500	14,125	27,625	14,375	7,375	49,375
<u>TECHNICAL ASSISTANCE</u>							
Salaries	17,000 2/	50,000	59,500	126,500	59,500	59,500	245,500
Regional Office Costs		4,525	9,240	11,765	7,240	6,340	25,345
Expenses of Experts	1,690 2/	3,380	3,380	8,450	3,380	3,380	15,210
Assig. to Offices							
Misc.		4,500	1,000	5,500	1,000	1,000	7,500
<u>TRAINING</u>							
		6,925	7,725	14,650	1,000	1,000	16,650
TOTAL	224,185	400,582	333,284	958,051	316,773	189,561	1,464,385
OPVN 3/	137,406	207,131	147,372	491,909	163,778	69,026	724,713
OFNACER 3/	86,779	193,451	185,911	466,142	152,995	120,536	739,672

1/ Includes urgent requests.

2/ Estimates for two Experts already in place: Jomni and Masson, OPVN.

3/ Includes half of technical assistance and training for each country.

WAREHOUSES CONSTRUCTED
UNDER ENTENTE FUND PROJECT
NIGER

<u>Location</u>	<u>Capacity</u> (tons)	<u>Contractor</u>	<u>In Use By</u>	<u>Originally Planned</u>
<u>Niamey Department</u>				
Niamey	1,500	SNGTN	7-31-74	1,500
Niamey	1,500	SNGTN	7-31-74	1,500
Ouallam	1,000	DIABATE	7-31-74	500
Tera	500	DIABATE	7-31-74	500
Filingue	500	DIABATE	7-31-74	500
Tillabery	500	DIABATE	7-31-74	-
Sub-Total	<u>5,500</u>			<u>4,500</u>
<u>Dosso Department</u>				
Gaya	1,000	SNGTN	7-31-74	1,000 a/
Doutchi	1,000	METAL NIGER	10-31-74	500
Sub-Total	<u>2,000</u>			<u>2,500</u>
<u>Tahoua Department</u>				
Tahoua	1,000	METAL NIGER	10-31-74	500
Birni N'Konni	1,000	METAL NIGER	10-31-74	1,500
Sub-Total	<u>2,000</u>			<u>2,000</u>
<u>Maradi Department</u>				
Maradi	1,500	SNGTN	7-31-74	1,500
Dakoro	500	SNGTN	7-31-74	500
Tessaoua	1,000	SNGTN	7-31-74	1,000
Sub-Total	<u>3,000</u>			<u>3,000</u>
<u>Zinder Department</u>				
Zinder	1,000	GAUTRY	7-31-74	1,500 b/
Zinder	1,000	GAUTRY	7-31-74	-
Goure	500	GAUTRY	7-31-74	500
Sub-Total	<u>2,500</u>			<u>2,500</u>
Grand Total	15,000	-- Warehouses		14,500 (16)

a/ Dosso
b/ Magaria

WAREHOUSES CONSTRUCTED
UNDER ENTENTE FUND PROJECT
UPPER VOLTA

<u>Location</u>	<u>Capacity</u> (tons)	<u>Type</u>	<u>Contractor</u>	<u>In Use By</u>	<u>Originally Planned</u>
Ouagadougou	1,500	Prefabricated	SECOBAKO/Sand	12/31/73	1,500
Ouagadougou	1,500	Masonry	SECOBAKO	8/31/74	1,500
Ouagadougou	1,500	Masonry	SECOBAKO	8/31/74	-
Ouagadougou	1,500	Masonry	SECOBAKO	8/31/74	-
Bobo Dioualasso	1,500	Prefabricated	SATOM/Sand	12/31/73	1,500
Bobo Dioualasso	1,500	Masonry	SATOM	8/31/74	1,500
Koupela <u>1/</u>	-	-	-	-	-
Fada N'Gourma	1,500	Masonry	SOVE	12/31/74	1,500
Fada N'Gourma	1,500	Masonry	SOVE	12/31/74	1,500
Dedougou <u>1/</u>	-	-	-	-	1,500
Ouahigouya	1,500	Masonry	SATOM	8/31/74	1,500
Kaya	1,500	Masonry	SATOM	8/31/74	1,500
Dori	<u>500</u>	Masonry	SATOM	8/31/74	<u>500</u>
Total	15,500	-- Warehouses			15,500 (11)

1/ Constructed with OFNACER funds.

COMPARISON OF CONSTRUCTION COSTS
MAGASIN DE 1.500 TONS
Francs CFA

<u>Dépenses par</u>	REALISATIONS			Magasin OPVN Construit par <u>SECOBAKO-OUAGA</u>	HYPOTHESES	
	<u>SECOBAKO</u> <u>Préfabriqué</u>	Ossature <u>métal</u>	SNGIN-NIAMEY Construction <u>Classique</u>		SNGTN - NIAMEY <u>Prefabriqué</u>	Ossature <u>métal</u>
Travaux métré HT	9.988.973	12.168.416	10.748.934	10.748.934	4.580.486	10.626.351
Travaux régie HT	575.527	2.706.870	2.706.870§	2.706.870§	1.188.587	575.527
Matériel <u>l</u> ŷ Importé HT	11.742.319	5.109.713	238.956	238.956	11.742.319	5.109.713
TOTAL	17.038.359	15.674.213	15.114.242	13.694.760	17.511.392	16.311.591
Coût à la tonne	11.339	10.449	10.076	9.130	11.674	10.874

§ Coût de la charpente SFEDTP

(1) les dépenses en dollars sont respectivement : 54.743,33 - 21.993,73 et 1 045,12. Les taux de change sont variables car il a été pris pour chaque marché un taux de change moyen en fonction des paiements effectués localement.

COMPARISON OF CONSTRUCTION COSTSLegend

- Réalisations:** Actual costs of prefab warehouse constructed; average costs of actual construction by the two firms in Ouaga and Niamey of Ossature and Classique warehouses.
- Hypothèses:** Hypothetical costs of Enterprise SNCTN's constructing the two types of Voltan warehouses in Niamey.
- Préfabriqué:** Metal warehouse built to plans provided by Al Sand Construction Corp., Lyndhurst, N.J., who furnished structural frames to prefab designs by Stran Steel, and steel roofing, roof insulation and siding -- and a construction team.
- Ossature**
- Métallique:** Warehouse using imported steel framework, sliding doors and statis ventilators; masonry walls; lateral ventilators fabricated locally; and aluminum roofing procured locally.
- Construction**
- Classique:** Reinforced concrete framework; masonry walls; steel roof trusses fabricated locally, doors and lateral ventilators fabricated locally. Only the statis ventilators are imported from the U.S.

PROJET CONSEIL DE L'ENTENTE
PROGRAMME DE FORMATION OPVN
STAGES TERMINES

<u>STAGE</u>	<u>LOCALITE</u>	<u>AGENTS</u>	<u>NBRE</u>	<u>DUREE</u>	<u>OBSERVATIONS</u>
2 au 14 avril 1973	Niamey	Candidats, contrôleurs régionaux et chef du personnel	3	2 semaines	Initiation aux objectifs, au fonctionnement de l'OPVN et au travail de contrôleur
12 août au 12 septembre 1973	Niamey	Contrôleurs régionaux	5	1 mois	En coopération avec la CCCE et l'UNCC
Matières: -gestion des stocks -comptabilité -organisation de l'entreprise					Participation de l'UNCC:6 délé- gués départementaux
14 septembre au 6 octobre 1973	Niamey	Candidats, contrôleurs régionaux et agents com- merciaux	3	3 semaines	-Introduction aux objectifs de l'OPVN -Fonctionnement -Exécution campagne achat -Stockage et traitement des céréales
18 fév. au 21 mars 1974 - Agents du département de Niamey	Niamey	Magasiniers et contrô- leurs	24	4 jours	-Méthodes d'empilage -Utilisation rationnelle du magasin -Désinsectisation du magasin -Fumigation -Manutention -Règles administratives et comptables

4 mars au 7 mars 1974 - Agents départ. Zinder, Diffa	Zinder	Magasiniers et Contrô- leurs	11	4 jours	-Règles administratives et comptables
4 au 20 sept. 1974	Niamey	10 contrô- leurs régio- naux; 5 ca- dres du ser- vice adminis- tratif et commercial; 3 agents stagiaires	18	2½ semaines	-Problèmes en approvisionne- ment, commercialisation, ten- dances, manutention et trai- tement des céréales, aspects administratifs
Printemps 1975	Niamey	Magasiniers	100 approx		-Recyclage - participation du BIT
Automne 1975	Niamey	Contrôleurs	10 approx		-Recyclage
1976/77	Niamey	Magasiniers	15	3 stages 4 jours chaque stage	-Nouveaux magasiniers
18 octobre au 1er novembre 1976	Tunisie	Responsables	2	2 semaines	-Accompagnés par MM.Marcil et Jomni
Mai - juillet 1978	Chef-lieu de chaque Départ- ement au Niger	Magasiniers	100 appr	28 jours (4 jours, chaque Dé- partement)	-Recyclage - collaboration des techniciens du Projet stock de réserve de la RFA

Septembre 1978	Niamey	7 responsa- bles Dépt. 5 personnel- les de l'ad- ministration	12	1 semaine	-Collaboration du BIT; parti- cipation du Projet stock de réserve de la RFA
Mai -juin 1979	Chef-lieu de chaque Dépt. au Niger	Magasiniers	100 appr	14 jours (2 jours chaque Dépt.)	-Participation des techniciens du Projet de la RFA
Septembre 1979	Niamey		10-15	1 semaine	-Avec participation du Projet de la RFA

Remarque: Le tableau ci-dessus se fonde sur des informations recueillies
 lors de l'Evaluation réalisée par l'Entente en mai-juin 1979.

PROJET CONSEIL DE L'ENTENTE
PROGRAMME DE FORMATION OFNACER
STAGES TERMINEES

<u>STAGES</u>	<u>LOCALITE</u>	<u>AGENTS</u>	<u>NBRE</u>	<u>DUREE</u>	<u>OBSERVATIONS</u>
12 août au 12 septembre 1973	Niamey	Candidats, contrôleurs régionaux	8	1 mois	En coopération avec la CCCE et l'UNCC; Participation des agents UNCC.
<u>Matières:</u>					
-gestion de stocks					
-comptabilité					
-Organisation de l'entreprise					
14 septembre au 6 octobre 1973	Niamey	Candidats, contrôleurs régionaux	8	3 semaines	-initiation au programme céréaliier -objectif de l'OPVN -fonctionnement de l'OPVN -exécution de la campagne d'achat -stockage et traitement des céréales.
7 octobre au 24 novembre 1973	Chef-lieu de département du Niger: Dosso Maradi Zinder	Candidats, contrôleurs régionaux	8	6 semaines	Stage pratique pendant l'exécution du programme d'achat dans les régions excédentaires du Niger.
26 novembre au 17 mars 1974	Ouagadougou et chef-lieu de régions excédentaires - Haute-Volta	Candidats, contrôleurs régionaux	8	3½ mois	-1 semaine d'orientation concernant l'OFNACER -Affectation temporaire en Haute-Volta pour exécution du programme achat.
18 mars au 6 avril 1974	Ouagadougou	Candidats, contrôleurs régionaux	8	3 semaines	-les techniques de maintenance, traitement et stockage -le rôle et les problèmes de l'OFNACER -Rapport de fin de stage.

8 avril au 11 mai 1974	Chef-lieu de département du Niger -Niamey -Tahoua -Maradi -Zinder -Agadez	Candidats, contrôleurs régionaux	8	5 semaines	stage pratique pendant l'exé- cution du programme de vente de l'OPVN dans les régions déficitaires.
1975	Ouagadougou	Nouveaux ma- gasiniers		1 mois	
18 octobre au 1er novembre	Tunisie	Responsables	2	2 semaines	accompagnés par MM.Marcil et Jomni
Dernière moitié de 1977	Côte d'Ivoire	Directeur	1	6 mois	
Septembre 1978	Ouagadougou	Nouveaux ma- gasiniers	35	3 semaines	organisé par SAED
11 au 19 décem- bre 1978	Niamey	Directeur, Conservation des céréales	1	1 semaine	

Remarque: Le tableau ci-dessus se fonde sur des informations recueillies
lors de l'Evaluation effectuée par l'Entente en mai-juin 1979.

IAN PATTINSON CONTRACT WITH
ENTENTE FUND

Effective Date: July 1, 1973

SCOPE OF WORK

CONTRACT REDSO/WA-C-73-1

The regional cereal grain specialist provided for under this contract shall have responsibilities in the areas of grain storage and marketing in the Entente States as follow:

1. Advise national offices on technical problems of storage, protection, conditioning, treatment, and handling of cereal grains and niebe.
2. Recommend and/or prepare specifications on grain equipment, materials, structures and processes.
3. Assist in the design and execution of technical training of cereals office personnel.
4. Assist in the design and establishment of a system of stock records and control.
5. Assist in the design and establishment of a method and system for damage inspection and control.
6. Advise the Entente on matters of program design, feasibility, technical problems and their resolution, for new dimensions, additions or directions in the program, e.g., as required by inclusion of new participating member states.
7. Advise participating cereals offices on methods for improving statistical gathering and analysis.

8. Conduct on-going analysis of production, consumption, marketing, pricing and distribution trends.

Recommend pricing and marketing policies to participating cereals offices, including analysis of consequences of alternative marketing policies on attainment of long-term stabilization goals.

Recommend grain storage policy to national cereals offices, including consideration of levels of storage for stabilization and emergency programs, location of level of stocks, turnover requirements, annual purchasing requirements as dictated by anticipated production, consumption levels. Coordinate marketing and storage policy development in participating countries so that they remain consistent within the region.

RECAPITULATION OF TOTAL COST
REQUEST FOR PHASE II
(000 CFA)

<u>ITEM</u>	<u>OFNACER</u>		<u>OPVN</u>		<u>TOTAL</u>	
	<u>Original Request For Phase II</u>	<u>New Request</u>	<u>Original Request For Phase II</u>	<u>New Request</u>	<u>Original Request For Phase II</u>	<u>New Request</u>
Construction	160,900	320,257	111,540	132,870	272,440	453,127
Warehouse Equipment	32,310	111,671	30,770	75,377	63,080	187,048
Vehicles and Parts	8,650	53,108	17,450	50,543	26,100	103,651
Office Furniture & Equipment	-	4,626	1,374	16,232	1,374	20,858
Training <u>1/</u>	1,000	4,510	1,000	4,510	2,000	9,020
Technical Assistance <u>2/</u>	<u>70,670</u>	<u>84,150</u>	<u>70,670</u>	<u>102,850</u>	<u>141,340</u>	<u>187,000</u>
Total	273,530	578,322	232,804	382,382	506,334	960,704

1/ Training costs slip 50-50 between Offices

2/ Technical Assistance for Original Request split 50-50.

DESCRIPTION DES TACHES
(Conseiller en commercialisation)

I - Introduction

L'Office des produits vivriers du Niger (OPVN) dont le siege est à Niamey, est un établissement de l'Etat à caractère industriel et commercial. Il a été créé en août 1970.

L'OPVN est chargé d'organiser la commercialisation des produits vivriers (mil, sorgho, maïs, etc.), de constituer des stocks régulateurs, d'établir les prévisions concernant les ressources et les besoins nationaux en produits vivriers, et est également chargé de la mise en place de l'Aide alimentaire aux populations éprouvées.

L'Office emploie à présent plus de 700 agents (permanents et temporaires). Il commercialise plus de 70.000 tonnes de céréales et compte plus de 130 centres.

Après la création de l'Office, le Fonds d'entraide et de garantie des emprunts du Conseil de l'Entente a préparé une requête pour faciliter le démarrage des offices.

Cette requête a obtenu l'accord du Canada (ACDI), des Etats-Unis (USAID) et de la France (FAC) pour fournir une assistance technique en matériel, céréales, et construction de magasins.

Cette requête a été divisée en deux tranches. La première s'est terminée en 1975, et la deuxième devrait se terminer en 1979.

C'est dans le cadre de ce projet que l'on recherche un Conseiller en commercialisation pour l'OPVN dont les prestations de service seront financées par l'USAID.

II - Description des tâches du Conseiller en commercialisation

Sous la direction du Directeur général, le conseiller en commercialisation:

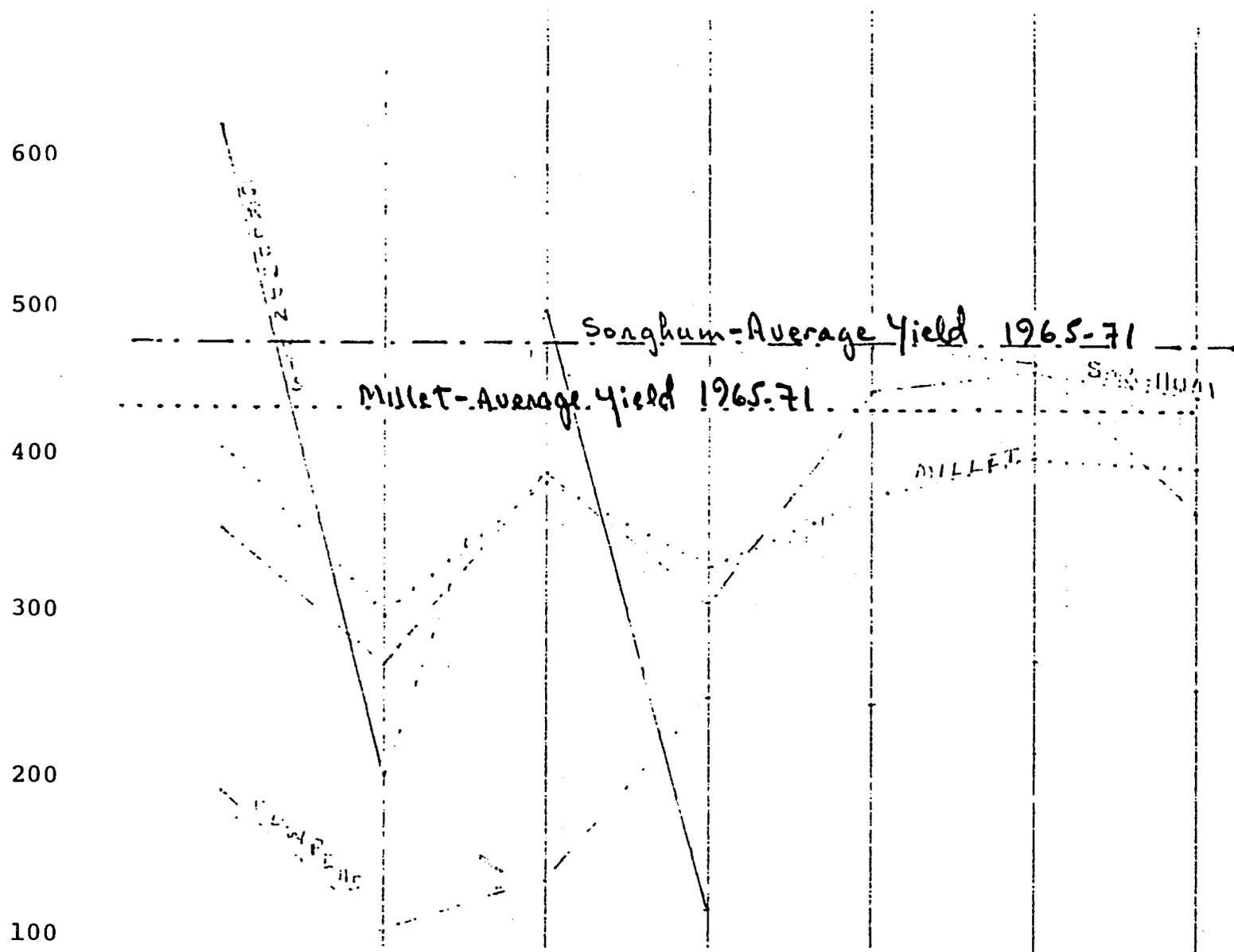
- 1) prépare et planifie la campagne d'achat et de vente;
- 2) fait, en collaboration avec le Ministère du développement rural, des prévisions sur la production et les besoins en céréales;
- 3) fait des propositions de prix de vente et d'achat pour le comité des céréales;
- 4) suit la campagne d'achat en collaboration avec le Directeur de l'exploitation;
- 5) prépare le rapport d'activité de la campagne d'achat et de vente;
- 6) prévoit et planifie les programmes d'importation ou d'exportation; et
- 7) effectue toute autre étude demandée par le Directeur général.

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III - Qualifications

- 1) Diplômé en économie rurale, minimum cinq ans d'expérience en commercialisation des produits agricoles. Une expérience exceptionnelle et des compétences reconnues peuvent suppléer l'absence de diplômes universitaires.
- 2) Excellente connaissance de la langue française tant parlée qu'écrite.

	M i l l e t	S o r g h u m	C o w p e a s	G r o u n d n u t s
1972/73	419	367	201	622
73/74	312	281	111	211
74/75	396	404	145	504
75/76	343	321	261	128
76/77	387	455	258	482
77/78	414	467	285	471
78/79	407	451	267	379
Aug 1965-71	444	486		



NIGER 1972-1979

Average Yield
kgs/hectare

- Millet
- Sorghum
- Cowpeas - - - -
- Groundnuts _____

Source: IMF
(from Nigerian figures)

OPVN COSTS PER KILOGRAM
1977/1978

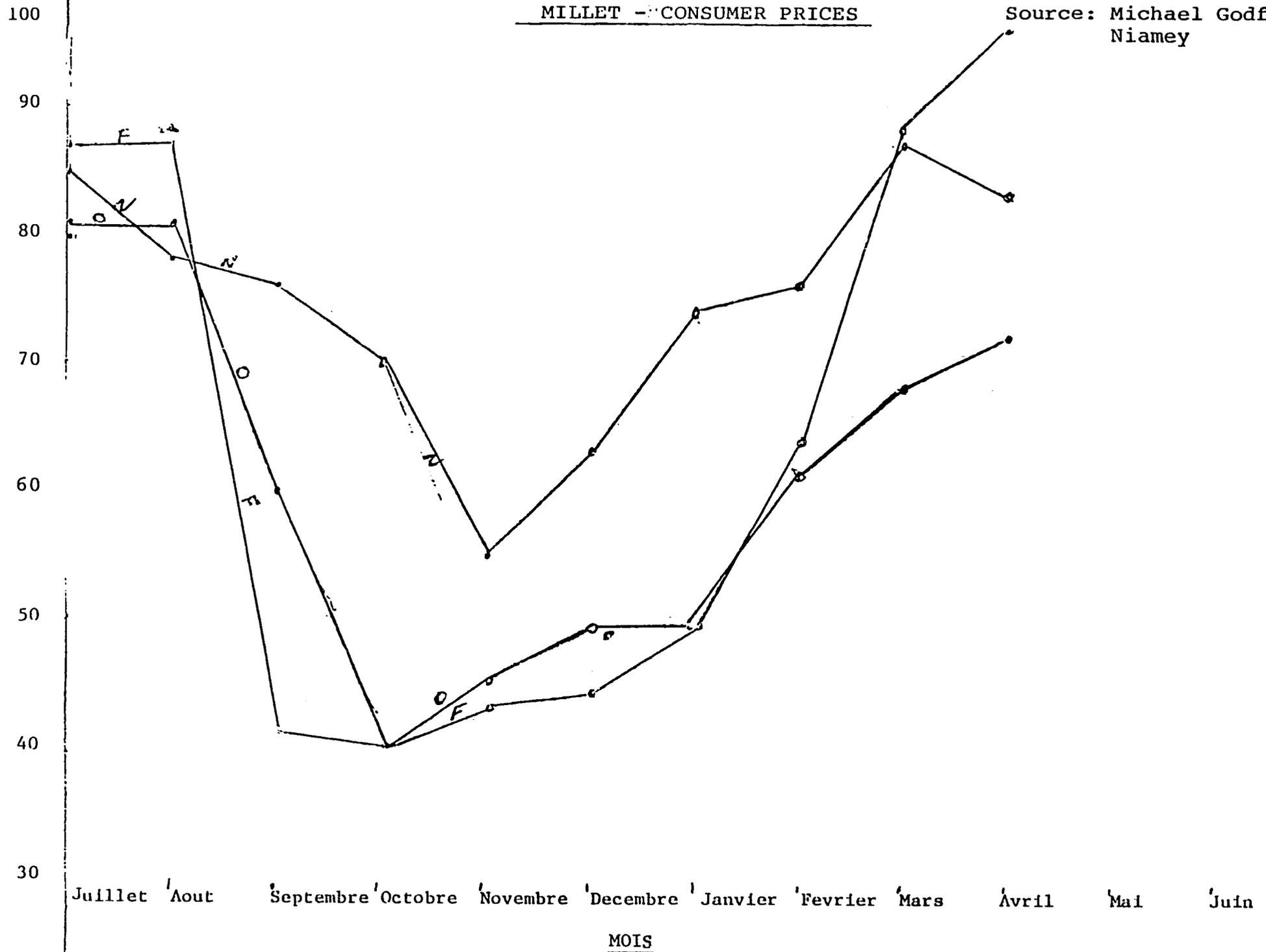
<u>ELEMENT</u>	<u>COST CFA</u>
Chemical Treatment	1.00
Transport	2.00
Storage and Handling	2.00
Management/Personnel	7.40
Amortization of Warehouses	<u>2.60</u>
Total	15.00

Source: OPVN internal document.

NIAMEY - OUALLAM - FILINGUE
MILLET - CONSUMER PRICES

Source: Michael Godfrey
 Niamey

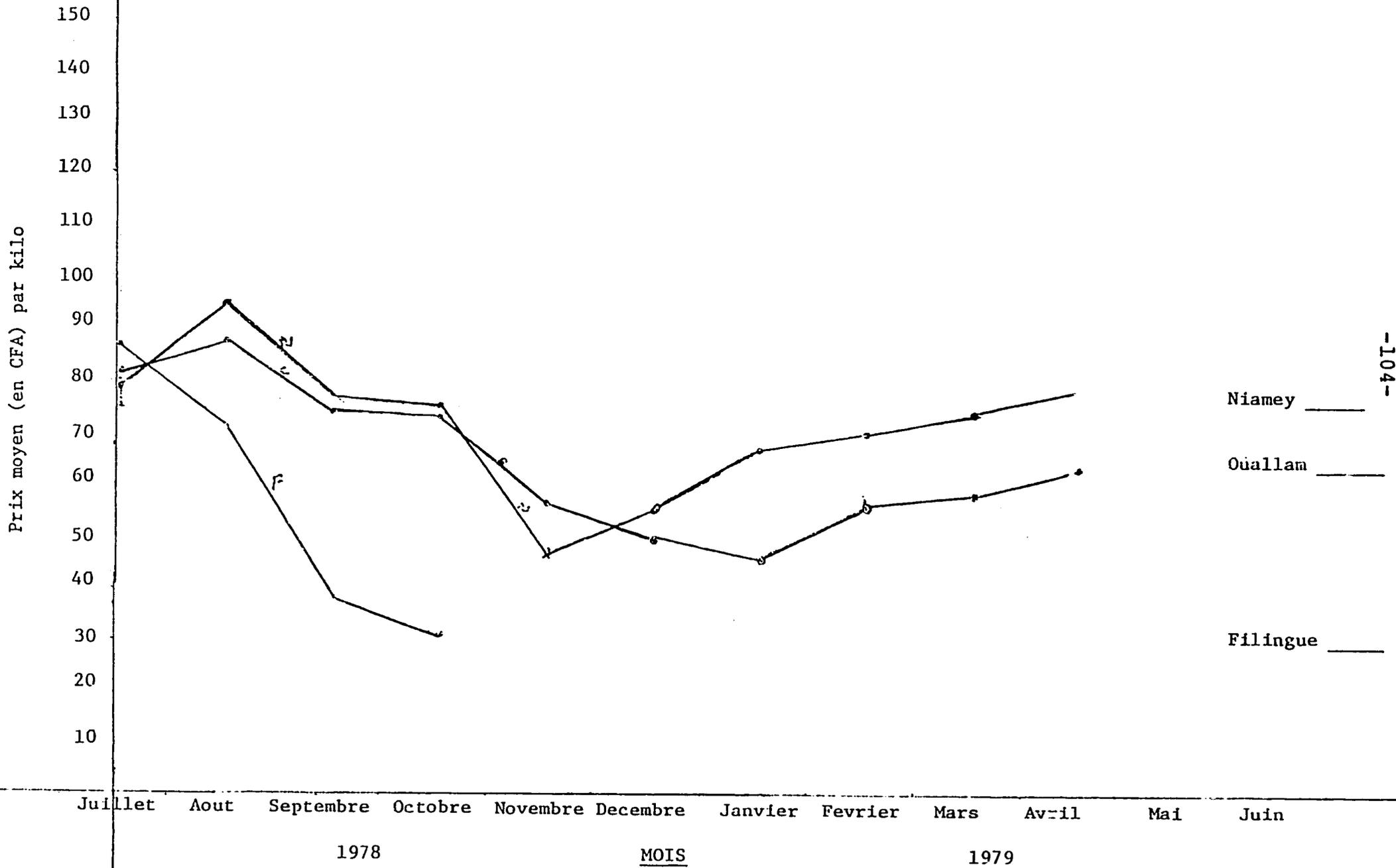
Prix Moyen (en CFA) par kilo



SORGHUM

CONSUMER PRICES

Source: Michael Godfrey, Niamey



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MKT/STOR
(AID)

Jul ← Pattinson → Apr

Oct ← Zimet → Jul

TRNG SPEC
(ACDI)

Dec ← Perron → Sept ← Marcil → Jun

ENGR (FAC)

Feb ← Leseney → Feb

EQUIP SPEC
(PC)

Nov ← de Vulpillières → Jun

Jun ← Gallik → Jul

SHORT
TERM

[Daves and
Elterich

MGT ADV
(ACDI)

Nov ← Masson → Sep

FIN MGT
(AID)

Oct ← Jomini → Jul

Dec ← Conde → Sep

FIN MGT
(AID)

Jun ← Allam → May

Sep ← Jomini → Sep

ADVISORS

ENTENTE FUND CEREALS MARKETING
AND STABILIZATION PROJECT

1971 - 1979

ESTIMATED COSTS
ENTENTE FUND CEREALS PROJECT
(\$ 000)

	<u>Phase I</u>	<u>Phase II</u>	<u>Total</u>
<u>FAC</u>			
A. <u>Technical Assistance</u>			
Engineering Advisor - Cellule	120	120	240
B. <u>Commodities</u>			
1. OPVN	116	63	179
2. OFNACER	60	62	122
Total FAC	<u>296</u>	<u>245</u>	<u>541</u>
<u>ACDI</u>			
A. <u>Technical Assistance</u>			
1. Training Advisor - Cellule	120	120	240
2. MGTADV - OPVN	120		120
B. <u>Commodities</u>			
1. OPVN	250	148	398
2. OFNACER	196	114	310
Total ACDI	<u>686</u>	<u>382</u>	<u>1,068</u>
<u>AID</u>			
A. <u>Technical Assistance</u>			
1. Entente Regional Office			
Storage/Mktg Expert	103	186	289
Support to Other Advisors	57	-	57
Training Program	24	146	170
Bilingual Secy/Typist	33	28	61
2. OPVN			
Marketing Advisor	99	186	285
3. OFNACER			
Marketing Advisor	99	175	274
B. <u>Commodities</u>			
OPVN - Office/Warehouse	100	99	199
OFNACER - Office/Warehouse	92	111	203
C. <u>Construction</u>			
OPVN - Loan	852	-	852
OFNACER - Loan	858	90	948
OFNACER - Grant	-	93	93
Total AID	<u>2,317</u>	<u>1,114</u>	<u>3,431</u>
GRAND TOTAL	3,299	1,741	5,040