



AURORA
ASSOCIATES INC.

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PD-AAU-239
47053

STANDARDIZED PROJECT PROGRESS
REPORTING FORM
(INTERNATIONAL DIVISION)

PROJECT TITLE: Guinea-Bissau Rice Production Project

PROJECT NUMBER: 657 - 0009 USAID 041 - Aurora

DURATION (START AND END DATES): April 1982 - January 1987

LOCATION: Contuboel, Guinea-Bissau

REPORTING PERIOD: April 1, 1986 - June 30, 1986

REPORT NUMBER: 17

NAME AND TITLE OF REPORT PREPARER: Linda Smith

Project Coordinator

DATE: July 17th, 1986

Linda D. Smith
(SIGNATURE)



PROJECT PROGRESS REPORT	PROJECT # 657 - 0009 AID 041 Aurora		AGENCY USAID	REPORTING PERIOD April - June, 1986	
DATE PROJECT APPROVED	START OF FIELD WORK		COMPLETION OF FIELD WORK		REVIEW During Reporting Period Yes ___ No <u>X</u> DATE:
	Scheduled	Actual	Original Est.	Current Est.	
April 1982	Apr. 83	Apr. 83	Aug. 85	Jan. 87	

SUMMARY OF ACTIVITIES:

Extension agents and new trainees were placed in participating villages.

The topography team surveyed new areas for 4 villages who qualified additional development.

Most villages began rebuilding their dikes and drainage canals. 2 villages did exceptional work (Demba, Ure and Bonco)

A bridge was repaired and water control structures installed near Dembel Ure.

Village meetings were held to begin the dikework and organize the campaign. A new farmer contact method was introduced and agents and villagers briefed.

New extension candidates were screened and tested for village adaptability. 11 new agents were selected for 1 year of training in the field

Reorganization of the extension program continued. A proposal was submitted to the GOGB for restructuring payscales for extension and credit personnel.

Preparations were made and training documents created for the second session of the rice production course.

The post-harvest bean trial at Tanta Cosse concluded successfully. The harvest finished in May.

Demonstration plots were planned for the 1986 campaign. All DEPA-assisted villages are to participate.

BUDGET (U.S. \$)	FORMS SUBMITTED (Check)
	A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E-1 <input checked="" type="checkbox"/> E-2 <input checked="" type="checkbox"/>
	F <input type="checkbox"/> G <input checked="" type="checkbox"/> H <input checked="" type="checkbox"/> I-1 <input type="checkbox"/> I-2 <input type="checkbox"/>

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Form A continued

A seminar was outlined on the subject of Research and Appropriate Technology. This is scheduled for 2 days in September.

An inventory of the Central warehouse was conducted. Problems were reported to director DEPA/Contuboel.

Village meetings were held to ascertain interest in purchasing agricultural materials for rice. A proposition was submitted to DEPA.

Credit collection continued in the villages. Billing began for the Horticulture and Dry Season campaigns.

Training continued for credit personnel. A reconciliation was done of sales Journals vs Individual Village Accounts. A table was prepared to consolidate the disposition of credit materials for all 3 campaigns.

Quarterly and financial reports were prepared. The march credit update report was submitted.



<p>P R O J E C T P R O G R E S S R E P O R T</p>	<p>PROJECT # 657 - 0009 AID 041 Aurora</p>	<p>AGENCY USAID</p>	<p>REPORTING PERIOD April - June, 1986</p>
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General Account of Project Implementation

APRIL

Bolanha Development

No field work was possible in April because of the lack of fuel.

The two MF tractors, plows and spare parts arrived on April 5th. These could not be used until batteries and fuel arrived (May).

The villages had still not begun rebuilding their dikes from last year. This stemmed mainly from lack of extension agents in the villages, as the existing agents had been placed in the irrigated perimeters for the dry-season campaign. Although much of that crop was lost when pumps ran short of fuel, the agents were required to calculate area held liable for credit repayment. Thus the rainy season villages experienced the same setback as in the first year when agents were not available to help villagers begin their dikework.

Extension

Field extension was also suspended during April due to the fuel crisis. Preparations were made and training documents prepared for the second session of the Rice Production Course, scheduled for late April. Unfortunately the fuel crisis forced an indefinite postponement of the session.

Despite the fuel difficulties some work was able to continue:

The reorganization of the extension program continued. Forty villages were chosen and grouped into 4 zones of action for the eventual expansion of the DEPA extension program.

The field staff of DEPA's Research division was taken on a field visit to clear up some of their questions regarding fertilizer/variety trials and the effects of drought. Slide documentation was done for training purposes illustrating the effects of water shortage and insect problems.

The Extension Specialist attended a meeting in Bissau with AID and DEPA staff to review the current status of the project work and discuss the fuel situation. It was decided to recruit 12 new extension agents as soon as possible to begin training this year. A selection procedure was later outlined to screen the prospective candidates. The new agents are to receive extensive training in bolanha development techniques and will each work with an old agent during the coming year.

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Management

The Project Coordinator was away on vacation during the month of April. The remaining team members experienced numerous difficulties because of the fuel crisis, and activities consisted mainly in providing logistical support for the team.

A generator, located and installed in late March, was replaced by a larger model in order to service all team houses and pump water for the Center. Much time was required to maintain fuel stocks for the generator and an emergency supply for the team's security.

The Rice Production Specialist acted as interim team leader in April.

May

Bolanha Development

Field work began again on May 5th when fuel was made available. All 1985 sites were visited to establish what work, if any, had been done to date. As expected, very little had been accomplished given the lack of fuel and extension agents. Once the new extension candidates were placed some of the villages began preparing their land, notably Dembel Ure and Tanta Cosse.

Dembel Ure had completed all of its 1985 dike work by the end of May and had begun work on the drainage canal. They asked for assistance from the topography team to develop additional land in their bolanha. The dike-work, by all assessments, is excellent. Dembel Ure benefitted from a strong village leader and the assistance of an aide-topographer in order to accomplish so much so quickly, and the village appears to be proud of the work they have done in their bolanha.

Saucunda has chosen a new bolanha which they would like to develop this year. This village experienced problems in 1985 when extension agents and inputs were not available when needed. The women, who had begun cultivating in their traditional fashion, were rather put out when project personnel later insisted that they transplant rice that had been sown on the dike structures. The Comite explained that in order to avoid reopening old wounds from last year, the village agreed to choose a new area for improved bolanha techniques and to start from scratch in 1986. The area chosen is near the river and will also allow for pump backup should rains fail.

The village of Bonco, which had requested DEPA assistance and was admitted to the program this year, was visited and the bolanha program was explained. The village elders were taken to the Ginane site where the Comite of that village explained the benefits of the improved rice techniques. Bonco has agreed to pay for fuel to plow their dikes and canals. All survey and tractor work was completed there by the end of May.

Sare Dabel, developed for the 1986 dry-season, will also be included in the 1986 rainy season program, using the same perimeter. Tanta Cosse has

Form B continued

also asked for expanded hectarage this year once their old dikes have been rebuilt.

As of the end of May none of the old extension agents were yet available to work in the bolanhas.

Extension

Once fuel became available, the extension service immediately began meeting with the villages in order to organize startup of the long-overdue dikework. The work was impeded by the lack of extension agents to follow up on the workplan.

Candidates were made available for 12 new extension positions. Twenty-one candidates were screened, and, based on the interview and written test, 13 were chosen for the village adaptation survey. Although it was planned to place each candidate with an old agent, all 13 were immediately placed in the villages until the regular extension team could be made available. This situation rendered some of the candidates ineffectual but has contributed valuable information on their ability to adapt to and support village conditions. The majority have also been able to gather important preliminary information on the participating farmers and traditional rice practice in the villages. The candidates were not yet receiving a salary, but all were provided basic foodstuffs from DEPA in compensation. The village adaptation and screening process is extremely important in order to avoid selecting new agents with problems similar to those in the old team.

Old agents received their new postings which they were to assume upon completion of the dry-season work.

The second session of the Rice Production Course was postponed until the second week of July in order to avoid absence of the agents from the villages during the critical period of bolanha preparation and planting.

Field briefing of the extension agents and farmers on adopting a new farmer contact method began this month. The new system is directed toward increasing the efficiency of extension supervisors and village agents. Included in the system are refresher courses on given topics for extension agents just prior to major agricultural operations. For example, in the week prior to the commencement of fertilizer top dressing in the fields, the agents will be refreshed on calculation of doses, placement of fertilizer, etc.

The bean trial at Tanta Cosse, based on the post rainy season residual moisture, ended on a note of success. 400 square meters of land were under bean cultivation. The plot yield roughly 800 kg/ha. of dry grains. Although a normal yield would be in the area of 1 1/2 - 2 tons/ hectare, the communal experiment posed problems of pest control (no surveillance against monkeys and cows) which diminished yields somewhat. Three sections

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of the field were originally laid out to demonstrate the effects of different land preparation: a) cutting and removing rice straw, b) non-cultivation of land but covering with a mulch of rice straw, c) cultivation and mulching. This aspect of the experiment was nullified when cows were permitted to enter the field and eat the mulch.

Despite these initial problems the farmers were impressed with the bean trial and are interested in continuing the crop after the next season, but on an individual basis which should mean better management and care of the crop. In addition to the nutritional benefits of a post-harvest bean crop, the plants were left in the field to decompose, thus improving the soil, and replenishing nitrogen.

The list of needed extension and training materials, previously submitted to AID, was updated and redone with catalogue references. It is hoped that this might speed up the purchase of the materials.

Management

10,000 liters of AID-funded fuel arrived in Contuboel on May 1st. Unfortunately as soon as the work resumed, the bridge was condemned and closed for repairs, effectively cutting off the Center from most project villages. The work continued, albeit more slowly, by using the back road to Bafata, stationing vehicles on the other side of the bridge, etc., etc.

Tires and batteries for the new MF tractors arrived in mid-May, thus freeing the tractors up for bolanha work. A portion of the topographic material on order arrived in time for use this year. The remaining materials were not available for purchase from Dakar and must be identified from a catalogue and reordered.

The March 1986 Quarterly Report was written and the credit update prepared. The sales stocks in the central warehouse were inventoried and a reconciliation made of sales against remaining stocks. A global credit fund table was prepared to reflect all goods distributed during the three overlapping DEPA agricultural campaigns. It was established that many of the same problems still exist in the central warehouse despite a new and well-trained stockclerk. (Neglect of stockcards, stock movements not recorded, goods removed without authorization, delivery tickets to villages not written, etc.) A report was written to the Contuboel director to this effect. The stockclerk expressed regret for neglecting his responsibilities, and has promised to take his work more seriously in the future.

Because of large losses of credit materials to support other activities at the Center, an appeal was again made to the FAO Project to provide a stock of handtools for their projects. There was no satisfactory resolution of this problem.

The credit department also learned of a secondary cash recuperation effort in the villages. Cash recovered by extension agents for gasoil sold to farmers during the dry-season campaign is being turned over to the direction rather than the credit department. This has caused

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several problems for the credit department whose mandate is to manage all credit at the Center. In addition it was later learned that, once again, certain quantities of gasoil was distributed to villages without passing through the credit department distribution system.

AID's stipulation upon granting agricultural materials for sale to farmers were: a) that the credit goods be subject to an effective control system, and b) that these goods be sold to farmers. As these conditions cannot be met given the present situation at the Center, AID may wish to meet with the GOGB in order to decide the future of the credit program that has been put into place, and/or future supplies of agricultural materials. As the DEPA Director/Bissau had specified that the credit department manage all credit sales, he should probably be notified that a global program is apparently not possible at the Center at this time.

The credit personnel began a series of meetings with all participating villages in order to ascertain two things:

1. Why credit has not yet been repaid, (farmers were also reminded that they would not be eligible for agricultural materials this year with outstanding credit). Findings: The credit department has not been able to stay on top of collection due to the lack of transportation for the monitors and fuel in general. All village Comités were willing to help recover the remaining credit within the next few weeks.
2. Are the farmers interested in paying for their agricultural materials in rice as opposed to pesos. Note: The GOGB has just released the new prices for agricultural materials and they are substantially higher than last year. Before having the farmers decide on this issue it was explained in detail that they would have to increase their hectareage if they expected to pay for materials in rice. It was also well explained that this was not yet an option but that information was being gained to present to the GOGB in the event that there was enough interest.

Findings: All of the villages were excited about the prospect of paying in rice, especially given the new prices for materials. The men expressed willingness to work in the bolanhas if the rice were to become, in fact, a cash crop. Villages asked to have the topography team survey more land for the people interested in producing more rice.

A proposal to accept rice in payment for agricultural materials has been prepared and submitted to the GOGB. If the proposal is accepted the warehouse should be built as soon as possible in order to store the rice which would be paid in Dec. - Jan. Now that momentum is building in the villages, in the opinion of all technicians on the project this opportunity should be exploited. All efforts should be made to back the farmers at this crucial time. A decision should be sought from the GOGB regarding rice payments so that farmers could begin planning additional hectareage.

JUNE

Bolanha Development

Field work continued on water control structures for the new parcels and to rebuild dikes on the 1985 perimeters. The survey team was able to continue in all bolanhas as the rains did not increase to the point of stopping the work.

The new area at Saucunda (25 ha.) was completed on the 13th and survey work began at Dembel Ure on the 16th. Dembel Ure has shown the most progress in their dike work and was chosen as the first village to have their area increased (8ha) for the 1986 season.

A bridge was constructed to facilitate access to the Dembel Ure bolanha, although the Cat D-6 is still inoperational, the water control boxes were installed with a DEPA backhoe and the MF tractors assisting.

Survey work continued at Tanta Cosse. If rainfall permits, 5 additional hectares will be developed at that site. It is hoped to repair an old bridge there in order to improve the drainage in the bolanha. Because of the late start it is expected that Tanta Cosse will be the last area to be developed for this crop season.

In 1985, 145 hectares were surveyed for development, but only 76 hectares were considered to have been minimally developed. This year it was hoped to assist the villagers in completing the better part of the 145 hectares from last year. Only those villages having the means to complete their old parcels would be entitled to additional land development. Certain conditions have improved for 1986 campaign, thus increasing the chances of meeting this goal: more support is being provided by DEPA and AID, DEPA has provided food supplements to enable survey team members to be stationed in the villages, 2 MF tractors have been purchased for farmer use, additional extension agent trainees have been provided, the old agents are better trained, the villagers are more experienced in the concept of water control dikes and more used to the idea of men participating in bolanha work.

Other conditions have not changed drastically, however, from last year and may impede the work somewhat: materials ordered for resale to farmers have not yet been delivered, extension agents were not available to begin the work in the bolanhas on time, fuel problems prevented contact with villages when dike construction was programmed, motorcycles on order for monitors have not arrived. In addition there has been at least one major new problem this year that is seriously effecting the bolanha program in 1986: seed rice provided in the past by the seed multiplication service at Contuboel has been cut off this year. The Center has apparently begun exporting the seed to other areas of the country, and none was made available for the Contuboel farmers for 1986. Project personnel made every effort to explain the necessity of furnishing improved rice as a vital ingredient in the new tech-

Form B continued

nology package being presented to the farmers, however the seed had already been shipped out to Bissau. Now that the seed multiplication division has been obliged to provide the seed rice, it is much too late to thresh and treat the quantity necessary for the villages. Villages which have invested the work and time necessary to ready their bolanhas now find that there is no seed to plant. Yields will certainly be limited this year as the traditional varieties are not high producers.

Extension

The observation period for the field adaptation skills of the new extension agent candidates began on the 19th of May and continued until June 16th. During this period they were tested for (1) tolerance of "tabanca" living conditions, (2) favorable interaction with the villagers and assimilation of traditional rice cultivation practices, (3) compliance with regular work hours. As a result, two candidates were eliminated and eleven have been finally recruited. Pending their final selection the candidates were supported through the food supplies provided by PAM, as agreed to by the DEPA/Contuboeil director. At the request of DEFA/Bissau the extension specialist also graded 22 candidates for six vacancies in a project in the south. A proposal was submitted to restructure the payscale of the DEPA extension wing based on a study of past performance (work and inservice courses) and payscales of present extension agents. Accordingly, a starting pay and further raises have been suggested for the newly recruited agents. There is some urgency in implementing this given the shortage of PAM supplies and the consequent inability of DEPA to furnish the food rations during the last two weeks of June.

All the extension agents were in place and working in the project villages by the end of the first week of June. A first round of village meetings was concluded and a second round began for the purposes of mobilizing the farmers to build the water control structures, field briefing the extension agents on regular farmer group meetings, demonstration plots and informal field training of the new recruits.

Dembel Ure and the new village, Bonco, have done a good job on their water control structures. Tanta Cosse, Ginane and Cutame have been able to improve upon last year's dike work. However, the progress in other villages is below expectations. A report on the status of farmer participation will be submitted at a later date.

Although the rains began early and raised hopes of timely planting, they have since become sporadic and scattered thus delaying planting operations. The second session of the rice production course for extension agents has thus been postponed.

A one-day classroom training session on improved farmer contact methods

Form B continued

was held for extension agents on the 23rd. Biweekly timetables and seasonal agenda formats were distributed both for the field agents and extension supervisors. A general explanation was also given for the layout and purpose of demonstration plots. This year a simple experimental trial has been planned to compare the traditional "balunculo" rice planting with improved methods. This will hopefully be implemented in Saucunda and Bonco. This year project technical support for extension activities will include all DEPA-assisted villages rather than just those participating in water management.

A program for 2 day seminar on "Research and Appropriate Technology" was outlined and finalized in a meeting (June 4) with Isabel Miranda and Teresa Graça. The seminar was postponed until September at the request of the Director/DEPA who would be out of the country until then. In addition to its focus on the importance of disseminating appropriate technologies in the bolanhas, this seminar is expected to serve as a forum to propose an improved organizational structure leading to better coordination between the Research and Extension activities of DEPA, Contuboel.

Management

Meetings continued with Village Comitês on the subjects of credit payment and the possibility of purchasing agricultural materials for rice. One new bit of information that was provided on why villages have not reimbursed 1985 credit is that there has apparently been a misunderstanding on credit terms. In the past DEPA has granted 3 years to repay credit. The rules were changed in 1985: 1/3 payable in advance, 1/3 after the first harvest and 1/3 payable after the second harvest. Therefore several villages believe that they are up to date on their credit when according to our records this is not the case. This will be taken into consideration if the question of new credit materials arises this year.

The credit department is still being blocked by lack of motorcycles for the monitors. Attempts are being made to locate motorcycles in country for rent until those on order arrive.

Billing of villages was begun for the horticulture campaign, and credit payment for that campaign continued. Problems were experienced in billing the dry season campaign due to the recuperation of gasoil money by the direction of the Center. In order to bill the villages for other materials, the credit department was obliged to disregard the gasoil deliveries and payments for each village, and to bill them only for other agricultural materials and fertilizer. It is a somewhat awkward situation as villagers in effect have two different credit systems from the same center operating in their zone.

A major inventory was conducted in the Central Warehouse. Only the fertilizer in stock has not been properly inventoried as laborers are required to move the sacks. These have been requested from DEPA but as yet have not been provided given the cutback in personnel at the Center.

A meeting was held for credit department personnel in order to clarify

Form B continued

procedures and iron out some recurring problems. These meetings will be continued on a monthly basis. Attendance and other problems in the Sonaco zone may necessitate replacing the monitor in that area. The need for a followup training session for credit personnel was established. This will hopefully take place in July.

With the increase of personnel in the extension and credit divisions, the Center is having difficulties meeting their salaries. AID has therefore furnished a sum of money to the GOGB in order to pay the salaries of personnel working on the project. A budget was prepared and submitted to the GOGB with a proposal for the salaries of concerned personnel.

A trip was made to Ziguinchor to purchase bicycle parts for the extension agents and other needed materials for the project. A contact was made in Kolda with a merchant who is prepared to supply, within one week, any materials available in Dakar that cannot be found in Kolda. He will be used in the future for vehicle parts.

Monthly meeting at AID/Bissau: At AID's request the credit documents and problems involved in the control of the materials were reviewed. AID is consequently taking the matter up with the GOGB in order to determine whether additional materials should be furnished to the Center for the farmers. The situation is unfortunate as it seems to reflect a difference in philosophy rather than a lack of effective controls. The integrity of the credit program at the center is apparently not considered a strong priority. DEPA has historically shuffled donor goods and commodities between its various projects in order to maintain all operations, and the Contuboel credit goods are no exception. If an agreement cannot be reached between AID and DEPA as to the use of credit materials, the credit program established at the Center will be ineffectual.

A proposal was submitted to DEPA for accepting credit payment in kind (for the future). Monthly and financial reports were prepared. The project received a visit from Mike McGauhey, Chemonics, who provided a fresh perspective on project accomplishments to date.

Contractor support issues: Electricity problems increased in June, and the small generator, rented by the contractors, was in use most of the time. It is now being used to supplement water pumping for the Center. A decision should be reached as to what constitutes an emergency situation so that contractors might be reimbursed for a part of this monthly expense.

PROJECT PROGRESS REPORT		PROJECT # 657-0009 USAID 041 Aurora		AGENCY USAID		REPORTING PERIOD Apr. - June, 1986	
ACTIVITY NO.	PROJECT ACTIVITY	ACTIVITY STARTED		ACTIVITY COMPLETED		MAJOR POSITIVE/NEGATIVE FACTORS AFFECTING RESULTS OF ACTIVITIES AND IMPLEMENTATION	
		SCHED.	ACT. (EST.)	SCHED	ACT. (EST.)		
1.	New bolanhas surveyed, old ones expanded.					a) fuel available. b) DEPA provided food supplements. c) VERY late startup - few villages expanded	
2.	Villages began land prep: 2 villages qualify for additional land development.					a) Late arrival of ext. agents. b) Strong leaders in certain villages c) Program more familiar this year. d) Inputs not available for planting. e) Continued motivation problem in most villages f) Ext. agents better trained/new trainees well screened	
3.	Bridge with water control constructed near Dembel Ure bolanha.					a) Cat D-6 inoperative b) New tractors available c) Inadequate support from DEPA garage d) Remainder of control boxes cannot be installed too late.	
4.	Village meetings to begin dikework and organize campaign.					a) fuel available b) agr. inputs not available-farmers discouraged	
5.	Preparations and training documents for second session of rice prod.course					a) Translation required-fund will be available late. b) Lack of reproduction facilities.	
6.	Successful conclusion of post-rice bean trial.					a) Villagers impressed-interested in continuing.	

PROJECT PROGRESS REPORT		PROJECT # 657 - 0009 USAID 041 Aurora		AGENCY USAID		REPORTING PERIOD Apr. - June, 1986	
ACTIVITY NO.	PROJECT ACTIVITY	ACTIVITY STARTED		ACTIVITY COMPLETED		MAJOR POSITIVE/NEGATIVE FACTORS AFFECTING RESULTS OF ACTIVITIES AND IMPLEMENTATION	
		SCHED.	ACT. (EST.)	SCHED	ACT. (EST.)		
7.	All ext. agents placed in villages. Training begun for new agents and continued for old.					a) Old agents available very late.	
8.	Reorganization of ext. program continued.						
9.	13 new ext. candidates recruited and screened. 11 candidates accepted.					a) Good support from AID and DEPA. b) Good assistance from Training Coordinator (Tete) c) Insufficient candidate for normal selection. d) Old agents not available to assist trainees.	
10.	New farmer contact method implemented. Farmers and agents briefed.						
11.	Demonstration plots planned for 1986 campaign.					a) All DEPA-assisted villages to participate- problems of exclusion eliminated. b) Many villagers cannot replicate demo. plots- lack of improved seed	
12.	Proposal submitted to restructure pay-scales of ext. and credit personnel.					a) Personnel encouraged by attempt to normalize salaries.	
13.	Seminar outlined on Research and Appropriate Tech. (scheduled for September)						

P R O J E C T P R O G R E S S R E P O R T	P R O J E C T # 657-0009 USAID 041 Aurora	A G E N C Y USAID	R E P O R T I N G P E R I O D April - June, 1986
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ACTI- VITY NO.	PROJECT ACTIVITY	ACTIVITY STARTED		ACTIVITY COMPLETED		MAJOR POSITIVE/NEGATIVE FACTORS AFFECTING RESULTS OF ACTIVITIES AND IMPLEMENTATION
		SCHED.	ACT. (EST.)	SCHED	ACT. (EST.)	
14.	Credit collection continued (see Credit Update report, Annex I)					a) Very difficult-lack of motorcycles for credit monitors. b) Farmers believed they had longer to repay.
15.	Began billing for Horticulture and Dry season campaigns.					a) No transport for credit monitors b) Some goods distribute and cash collected without knowledge of credit department. c) Horticulture Chief neglected credit system.
16.	Inventory of Central warehouse. Report prepared for DEPA.					a) Incomplete - lack of laborers for fertilizer count.
17.	Reconciliation of sales Journals vs Individual Accounts.					a) Need for more training for credit personnel.
18.	Table prepared for consolidating disposition of credit materials for all 3 agr. campaigns.					a) Some goods distribute without credit accountant knowledge. b) Credit accountant willing to work overtime
19.	Village meetings with Comités to determine interest in purchasing agr. mat. with rice. Proposal submitted.					a) Farmers enthusiastic but awaiting GOGB decision. b) Too late to implement this year.
20.	Credit documents reviewed with AID/Bissau.					

21. Quarterly and financial reports prepared. Update report on credit submitted.

PROJECT PROGRESS REPORT	PROJECT # 657 - 0009 AID 041 Aurora	AGENCY USAID	REPORTING PERIOD April - June, 1986	
AURORA INPUT				
	DURING PERIOD		CUMULATIVE	
	PLANNED	ACTUAL	PLANNED	ACTUAL
Technical Personnel (P/M)				
Subcontracts (\$US000)	N/A	N/A	N/A	N/A
Equipment Rec'd (\$US000)	"	"	"	"
Fellowships (Person-Months)	"	"	"	"
GOVERNMENT INPUTS				
Counterpart Staff (Person-Months)	"	"	"	"
Support Staff (Person-Months)	"	"	"	"
Equipment Rec'd (\$US000)	"	"	"	"
Buildings, Land (\$US000)	"	"	"	"
Cash Support (\$US000)	"	"	"	"
OTHER _____ (Specify)				
REMARKS:				

P R O J E C T P R O G R E S S R E P O R T	P R O J E C T # 657 - 0009 AID 041 Aurora	A G E N C Y USAID	R E P O R T I N G P E R I O D April - June, 1986
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POST NO.	POST DESCRIPTION	NAME OF INCUMBENT and (NATIONALITY)	ARRIVED* (MO/YR)		DEPARTED (MO/YR)	
			Sched.	Actual (Est.)	Sched.	Actual (Est.)
	Rice Production Specialist	Donald Broussard (American)	April 83	April 83	Aug. 86	
	Project Coordinator	Linda Smith (American)	Jan. 85	Jan. 85	Jan. 87	
	Agric. Extension Spec.	Naraina P.S. Varde (Indian)	Apr. 85	May 85	Jan. 87	
	Admin. Assistant	Gilbert Pouho (Ivorian)	Feb. 85	Feb. 85	Jan. 87	

REMARKS:

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AURORA ASSOCIATES INC.

1140 Connecticut Avenue, NW, Suite 1200, Washington, DC 20036 (202) 659-4480

FORM E-2
HOST GOVERNMENT
PERSONNEL

PROJECT PROGRESS REPORT	PROJECT # 657-0009 AID 041 Aurora	AGENCY USAID	REPORTING PERIOD April - June, 1986
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POST NO.	POST DESCRIPTION	NAME OF INCUMBENT	FULL/ PART TIME	ASSUMED DUTY (MO/YR)	
				Sched.	Actual (Est.)
	Director DEPA/Cont.	Malam Sadjo	PT	-	-
	Field Extension	Dona Quemabi	FT	-	Jan. 83
	Hydraul. Technician	Joseph Coly	FT	-	July 84
	Topographer	Armando Sambú	FT	-	March 83
	Draftsman	José L. da Silva	FT	-	Feb. 84
	Chief Accountant-Cred.	Ernesto D. Mané	FT	-	April 85
	Credit Monitor	Braima Sambú	FT	-	January 86
	" "	Braima Camara	FT	-	March 86
	Bookkeeper - Credit	Amadu Djaló	FT	-	Jan. 86

REMARKS:

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PROJECT PROGRESS REPORT	PROJECT # 657-0009 AID 041 Aurora	AGENCY USAID	REPORTING PERIOD April - June, 1986
EQUIPMENT	DELIVERY (MO/YR)		REMARKS
	SCHED.	ACTUAL (EST.)	
Vehicle spare parts	April '85		Proformas submitted to AID March 1985
All equipment and material needed by project for duration	April '86		Submitted to AID Nov. '85
Technical materials for training	'86		Proforma submitted to AID Nov. '85



PROJECT PROGRESS REPORT	PROJECT # 657 - 0009 AID 041 Aurora	AGENCY USAID	REPORTING PERIOD April - June, 1986
TITLE OF REPORT, PAPER, ETC.	REMARKS		
<p><u>Credit Situation - Update IV</u> <u>June, 1986</u></p> <p>Linda Smith Project Coordinator Aurora Associates Inc.</p> <p><u>Annual Review of Bissau Rice</u> <u>Production Project</u> <u>March, 1986</u></p> <p>Linda Smith Project Coordinator Aurora Associates Inc.</p>	<p>ANNEX I of this report</p>		

A N N E X I

Credit Situation
Update IV

Bissau Rice
Production Project
USAID

Linda D. Smith
Project Coordinator
Aurora Associates
Project 657 - 0009

June 1986

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I. Sale of Agricultural Materials

A. Repayment of Credit

Reimbursement of credit for the 1985 rainy-season campaign has been extremely low. This has not been entirely the fault of the farmers, as the credit department lacked transportation (motorcycles) for the monitors who are charged with credit recovery. In addition the fuel crisis which ended May 5th was a serious deterrent to contacting the villages.

During this quarter the Project Coordinator and the Chief Credit Accountant visited all participating villages once fuel was made available, in order to meet with the Comités on the credit situation. A number of problems were brought to light by the villagers. In addition to the lack of contact by credit personnel, mentioned above, the farmers reiterated a problem they apparently experienced after the peanut harvest. There reportedly was a lack of cash with which to purchase peanuts in the region, which lasted several weeks. As the farmers generally pay for their agricultural materials with revenue from their peanut crop they were in a difficult situation. (There is a contradictory report involving an attempt strike by the area farmers. In any case, there was apparently a peanut "cash flow" problem.)

In addition there was a real misunderstanding as to the repayment terms. Prior to last year the farmers were given three years to repay credit. In 1985 they were obliged to pay 1/3 advance on larger equipment (plows, carts, 1/3 due after the campaign and 1/3 due after the second harvest. Handtools and fertilizer were to be purchased in cash (no credit). However, generous extension agents, at that point responsible for distribution of materials, allowed farmers to take materials without obliging the advance, or payment for non-credit materials. In the end this has created confusion in the minds of the villagers as to how much they are in arrears. In order to not penalize villages who are ready to plant this year, we have made a compromise in credit repayment. They will be able to receive fertilizer this year, for cash. However they must satisfy their handtool and fertilizer debt as well as 2/3 of the price of larger materials before qualifying for additional agricultural tools.

For the 1985 rainy-season campaign the farmers received a total of 4.944.463 PG worth of agricultural materials, plus interest for credit of 166.968. The payment situation is as follows:

materials received	4.944.463
interest	<u>166.968</u>
	5.111.431
advances	1.592.665
reimbursement	<u>1.095.848</u> (as of 6/30/86)
balance	2.422.918

The farmers are obliged to meet the post-harvest payment as well as satisfying the credit given for handtools and fertilizer. This would leave only the last payment for larger equipment plus 1/2 interest due on credit. As of June 30th, therefore, the farmers are in arrears:

actual balance	2.422.918
allowable balance	- <u>1.229.818</u>
arrears	1.193.100

B. Recapitulation of Village Credit

Each month a recapitulation chart is updated on the villages' credit status. Below is the situation for the 1985 rainy-season campaign as of the end of June.

Footnote codes in the last column indicate the following:

- 1/ This figure indicates advances collected by the credit department plus 232.043,5 PG collected by other DEPA personnel but not turned over to the credit department. (Situation addressed in section C, below.)
- 2/ Project villages from first year of bolanha development.
- 3/ Part of this payment received by other DEPA personnel. Cash not yet turned over to the credit department.

Situation de crédit agricole, 30 Juin 1986

<u>Village</u>	<u>Matériels</u>	<u>Avances</u>	<u>Interêt</u>	<u>Récupération</u>	<u>Reste</u>	<u>PS</u>
Sare Djaiba	416.030	129.117	14.346	95.400	205.859	2/
Dembel Ure	640.170	200.364	21.990	165.026	296.770	2/
Kadina Ioba	70.655	10.200	3.023	17.225	46.253	
Contuboel	51.619	28.209	1.108	10.750	13.768	
Tanta Cosse	389.260	74.554	15.735	148.098	182.343	2/
Santanto	220.810	35.655	9.258	25.991	168.422	2/
Saucunda	417.590	106.194	15.570	33.530	293.436	2/
Cutame	259.950	89.100	8.543	43.500	135.893	2/
Velingara	265.030	70.838	9.710	50.600	153.302	2/
Ginane	398.175	131.325	13.343	104.603	175.590	2/
Madina Sare	542.630	176.970	18.283	168.700	215.243	2/
Paiama	75.675	21.200	2.724	24.317	32.882	
Djabicunda	172.675	78.171	4.725	27.097	72.132	3/
Waquilare	350.355	99.820	12.526	68.751	194.310	3/
Sotocoi	9.345	2.480	343		7.208	
Sare Biro	218.705	109.155	5.478	39.576	75.452	
Canquenhim	45.690	2.180	2.176	12.695	32.991	
Geba	37.550	36.900	33		683	3/
Fulamore	48.550	26.200	1.118	2.800	20.668	3/
Cataba Alfa	113.175	57.400	2.789	33.875	24.689	3/
Mansadjam	15.250	15.250	-0-	-0-	-0-	
Sonaco	102.238	41.233	3.050	15.880	48.175	
Timbinto	9.880		494	7.434	2.940	
Cansantim	450	450	-0-	-0-	-0-	
Autres	61.750	49.700	603		12.653	
Encadreurs	11.256	-0-	-0-	-0-	11.256	
<u>T O T A L</u>	<u>4.944.463</u>	<u>1.592.665</u>	<u>1/ 166.968</u>	<u>1.095.848</u>	<u>2.422.918</u>	

C. Implementation Problems

Credit monitors, trained to attend to distribution of materials and payments in the villages, still remain ineffectual due to the lack of transportation. Motorcycles, on order, have not arrived. Attempts are still being made to borrow or rent motorcycles until AID-funded materials arrive.

Goods are still being lost from the farmers' stocks to other DEPA operations. Despite efforts to find funding for separate DEPA stocks, to date there is no resolution. More importantly, however, there is apparently a conceptual difference in the use of these materials between AID and DEPA. DEPA has never distinguished between materials meant for distribution to farmers and those to be used for any other operations. This explains the tremendous difficulties the credit department has experienced during this last year in maintaining the integrity of the credit fund (including its materials). Stockclerks cannot be convinced to respect the regulations pertaining to the removal of these goods from the warehouse. Further, the direction at the Center has not understood the need to maintain "goods or cash" in one closed system. There is now evidence that even at the Bissau level this concept has not been accepted.

During this last quarter a serious misunderstanding resulted from this difference in conception. The credit program was created initially to control goods funded for resale purposes by AID. At the insistence of the DEPA/Bissau Director the program was set up to include all sales of agricultural material, regardless of donor, taking place at the Center. This is, in fact, the normal function of a credit program. However recent events have made clear the need to define the function of a credit program and to agree upon the use and management of the goods and cash from the sale of these goods. The Director/Contuboel and the Project Coordinator will attempt to generate a document to this effect in the near future. There is a need for this to be done at the Bissau level as well.

Related to the conceptual problem, above, the credit department is again experiencing problems with non-credit personnel involved in distribution of materials to villages and recovery of cash from these sales. The sale of fertilizer and gasoil during the dry-season campaign was, in effect, carried out in part by the credit department and in part by other DEPA personnel. Thus credit department records are incomplete as to the distribution of these materials. In addition cash for gasoil sales is presently being recovered by the direction through the extension agents. As the credit department has been excluded from these activities, the village credit records for this campaign must now be nullified in order to delete the gasoil debt recorded for the villages. The cash from these sales is presently being deposited into a second bank account that is not controlled by the credit department. This same bank account has apparently also received payments for other credit materials which have been recorded on village records by the credit department (notably plows written off as a loss on credit records and the sum represented in footnote 1/ of section B, above).

It is clear that it will be impossible to continue functioning in this manner. An agreement must be reached between both parties as to the function of the credit program and the disposition of agricultural materials. It is meaningless for the credit department to continue documenting losses each month, and time could be better spent on more normal credit functions.

At a meeting between the DEPA/Contuboel Director, the Project Coordinator and the Acting Director/DEPA, Bissau, the subject of loans to DEPA operations from the credit fund was discussed. One loan in particular, for 10,000 liters of gasoil, was raised. It was explained that this fuel was purchased in early January for sale to farmers at a time when fuel was available but a fuel shortage imminent. Cash was not available locally to purchase the gasoil in time. The question was raised as to whether this loan, rather than being repaid to the credit fund, could be considered a reinvestment of credit capital into goods to be resold to farmers. In the opinion of the Project Coordinator this would be a bonafide use of credit funds, especially as it is difficult to reinvest the pesos in other agricultural goods incountry. However, in this event, the fuel as well as the cash recovered from sales must be managed by the credit department, which is not presently the case. If AID and DEPA agree to the use of credit funds for these purposes, Malam Sadjo has agreed to turn this cash over to the credit bank account and resolve the questions over village repayment of this debt. Thus the cash would be available next year for repurchase of gasoil for farmers.

D. Preparation for the Upcoming Campaign

The 1986 agricultural campaign is experiencing a late startup due in part to the non-availability of agricultural inputs. Distribution of materials should normally be occurring at this point. However seed from the Center is not available, agricultural materials funded by AID have not arrived. GAPLA has provided a stock of fertilizer that could be used to start up agricultural activities, but this should be delivered with seed rice to prevent farmers from using this for other cash crops. The main consideration, once inputs arrive, will be the availability of trucks with which to distribute materials to the villages. In order to avoid a repeat of last year's nightmare, we are requesting at least one truck to be put at the disposition of the credit department during this period, as the AID-funded truck will not arrive in time.

It is normal to inventory credit materials before the arrival of major stocks for the next campaign. However because of the cutback in DEPA personnel recently, we were not able to find laborers with which to inventory remaining fertilizer stocks. Consequently new fertilizer has been added to old stocks, and the entire quantity is an unknown. It will thus not be possible to control fertilizer movement this year as is done for other materials. Once again fertilizer contributed to the credit fund will have to be extrapolated from the sales to farmers.

II. Value of Agricultural Credit Fund

To date the credit updates have dealt uniquely with sales for the 1985 rainy-season campaign, as this is the campaign for which AID-funded materials were purchased. However DEPA conducts two additional agricultural campaigns per year, the horticulture and dry-season activities. Obviously some goods remaining in stock from the rainy-season have found their way to the villages during the remainder of the year. Therefore it is no longer possible to present the credit fund from the perspective of one campaign when "remaining stocks" would reflect sales that took place later.

The following table indicates all materials that have been contributed to the general credit fund. There have been serious problems with goods taken out of the warehouse for other DEPA functions and not recorded on stocksheets, however the quantities cited below are a reasonable indication of the situation of these materials as of June 30th.

GAPLA commodities include NPK and Urea made available to farmers. The sales figures are incomplete as the dry-season villages have not yet been billed, thus fertilizer distributed outside of the system is still not known. (The "loss" figures for fertilizer certainly reflect this missing quantity.)

The prices of all agricultural materials have recently been changed by the GOGB. The table below reflects all values at the old prices, as goods have not yet been sold at their higher value. The next update will deal with the credit fund as reflected by the new values.

Footnotes in the table indicate:

- 1/ Includes 4 cart tires and tubes loaned to project for sale to farmers- to be reimbursed from AID materials.
- 2/ Includes fertilizer made available for sale to farmers as reported on stock cards.
- 3/ Materials which have been discounted from the credit stock for use by the Center or DEPA in general. (Situation addressed in section C above)
- 4/ Materials inexplicably lost from the stock. These are undoubtedly goods that were removed unofficially for use at the Center. The figure also includes the value of 14 plows (Other Donors) that were sold without documentation, and have been arbitrarily written off as a loss. Fertilizer included in this figure reflects a discrepancy between stock card figures and sales to farmers, mentioned above.

Value of DEPA Agricultural Credit Fund

	<u>PG</u>
A. AID-funded	
(purchased at 35.390.750 Cfa) <u>1/</u>	5.537.000
GAPLA <u>2/</u> (NPK and Urea)	1.330.000
Other Donor	<u>2.867.000</u>
	9.734.000
b. Materials Distributed as of 6/30/86	6.080.000
Materials in Stock	<u>3.000.000</u>
Subtotal	9.080.000
Goods rendered for DEPA use <u>3/</u>	422.000
Losses <u>4/</u>	<u>232.000</u>
	9.734.000