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AHK Ltd. COMMERCIAL
RABBITRY, GHANA

Starting a High Risk Enterprise
in a Troubled Economy

Thomas W. Dichter

Case Studies in
Enterprise
Development



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AHK, Ltd. COMMERCIAL RABBITRY, GHANA
STARTING A HIGH RISK ENTERPRISE IN A DECLINING ECONOMY
(Technoserve Project Number 1127)

A TECHNOSERVE CASE STUDY IN DEVELOPMENT

ABSTRACT: This series presents lessons learned in enterprise development. It looks at both successes and failures and much in between, which is where most development projects fall. AHK, Ltd., up until very recently, has very clearly been on the darker side of this grey area. The case study is an attempt to interpret the ups and downs of AHK, Ltd. by bringing out the interplay of elements, some of which are not often discussed in project studies: The interplay, in this case, of a development organization's desire to move forward with an increasingly clear-cut mission, and that organization's culture of caution and procedural rigor; the interplay of business goals and social goals; the interplay of grass roots constraints and macro-economic constraints at the national level; the relationship of the ability to learn lessons and the way an organization is structured; the interplay of project orientation and program orientation. The case study attempts to consider different perspectives on the question of success and failure in the field of enterprise development. Finally, the study, as with all the cases in this series, gives the reader an understanding of the details of the actual work of enterprise development as practiced by one organization.

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STARTING A HIGH RISK ENTERPRISE IN A DECLINING ECONOMY
(SUCCESS OR FAILURE?)

A Case Study of the
Afiadenyigba Henokam Kpee Ltd. Commercial Rabbitry.
Ghana
Technoserve Project No. 1127

Acknowledgements

Any case study is built on the work of many people. This study owes much to the Technoserve/Ghana Program, the oldest of Technoserve's nine country programs. Technoserve's work in Ghana has been carried forward for years under rather difficult circumstances. Yet the dedication of the Technoserve Ghana staff has never flagged. They deserve thanks collectively.

John C. L. Doku, Technoserve's Ghana Country Program Director, deserves special appreciation. Technoserve has operated in Ghana since 1968. It has lived through eight changes in government, of which four were successful coups d'etat, and several abortive coups. In that time, the economy of the country declined almost continuously. Currency devaluations, widespread out-migration, loss of confidence, foreign indebtedness, drought, repeated policy errors and shortages of the most basic commodities characterized the period. Yet the program continued, surviving at times on faith alone. Much of the credit for that survival goes to John C. L. Doku.

Certainly, the fact that AHK, Ltd. has survived this trough in the national economy, to the point where it is now beginning to show positive movement, is largely due to the tireless efforts of John Doku and his staff.

John was the recipient, in 1985, of the Paul Hoffmann Award, which acknowledged formally what many in development circles in Ghana knew for years: his selfless and tireless efforts to assist low-income people attain self-sufficiency. John has been with Technoserve since 1972, the second longest tenure among Technoserve's 150 world-wide staff. He is a professional agriculturalist, with degrees in tropical agriculture and agricultural extension.

We wish to thank, as well, Benson Anaglo, Technoserve's on-site manager of AHK, Ltd. and his associate John Heloo. Benson Anaglo has a certificate in general agriculture and experience as an

extension agent. He joined Technoserve in November 1982, after four years as a plant protectionist with the Ministry of Agriculture. He speaks English, Ewe and Twi. John Heloo has a B.S. degree in Agricultural Science from the University of Science and Technology, Kumasi. His specialty is animal science. He speaks English, Ewe, Ga and Akan.

William Salmond, presently Senior Project Advisor in the Africa Division of Technoserve/Norwalk and formerly Administrative Program Manager in the Ghana Program, based in Accra 1978-1981, whose role in the early days of AHK, Ltd. was crucial, has been extremely helpful in putting the study in its context.

And the people of Afiadenyigba itself, especially, Mr. D. T. Dogbe, the Treasurer of AHK, Ltd. and Chief District Farmer at Ada Afiadenyigba; Mr. L. T. Medzi, Chairman of AHK, Ltd.; Mr. E. Lawarteh, Secretary of AHK, Ltd.; and Messrs. E.N. Nangwa, and Johnathan Dogbe, both members of the Board of Governors of AHK, Ltd.; Buenor Dogbe and Emmanuel Dogbe, shareholders in AHK, Ltd.

I. Preface

The Replication and Dissemination Department of Technoserve began in 1984 with a mandate to extend Technoserve's reach to low-income people through research, documentation, and dissemination of its work. The hope has been that the organization, having reached a level of sufficient maturity (after 18 years), its mission clear and its experience in its field largely valid, is ready to share with others some lessons learned.

These first efforts include a series of case studies of two basic types. The first type are complete descriptions of projects of monograph length which are, by their nature, rich in detail, both financial and methodological. These studies are done on what are more or less Technoserve's "standard" enterprise projects-- enterprise projects which demonstrate the "replicability" of Technoserve's proven methods, and which are generally demonstrative of economies of scale and cost effectiveness. The second type are shorter, less-than-full case studies, designed to show a few themes, and generally more discursive and interpretive. These studies are done on enterprise projects or enterprise-related projects which are either more experimental, or have special characteristics that lend themselves to lessons learned about whole programs, or about enterprise development in general. This case study on AHK is of the second type. We feel what is shown here will contribute lessons of relevance to other PVO's as well.

This series tries to present the "warts-and-all" reality of development work as practiced by one organization committed to enterprise development. There is a need to "tell it like it is"--especially now. Small and medium enterprise development is much in vogue these days, which we think is a good thing. Since we have been doing it for 18 years and still haven't got it perfect, we think we can help by getting across to others that viable, community-based enterprise development is a complex, tedious endeavor, which requires far more rigor and discipline than is commonly thought. As one of our colleagues here once put it, "Rural enterprise development is hardball". There are indeed lessons learned in this business, but there are no pat formulae that guarantee success, no matter how well the lessons are applied.

We try to present a variety of projects and degrees of success and failure within various contexts, and measured against different criteria. Some enterprises may be successful in business terms; less apparently so in social progress terms. Others may be the reverse. Some are mixed, as is the case with AHK, Ltd.

The research methodology for this case study is simple. The sources for the project-specific data are the files (both in the home office and in Ghana) and the project site and people (both the community and the Technoserve staff). Additionally, Technoserve has a well-developed management information system which includes the kinds of data any business venture needs, balance sheets, expense reports, and other data used for tracking. These records were analyzed, as well as monthly records on breeding and production. Business plans, projections, and correspondence were also perused. Field interviews were held with many people in and around the project.

The field work for this case study was carried out in two visits. The first, to the AHK site in November 1984, and the second to both the office of Technoserve in Accra and the project site in July 1985.

II. Introduction

In 1979, Technoserve began working with a group of small farmers in a village some 50 miles to the east of Accra. The group wanted to improve their situation. One of the possibilities discussed as a future community enterprise was a rabbitry. As Technoserve had had some experience in studies of commercial rabbit production, we offered to help start up this enterprise. The original business plan called for a diversified operation which would produce rabbits for the local community, for sale in the marketplace, as food and breeding stock (including by-product sales such as skins), and for the training of local managers to

take over the enterprise, as well as for the initial support of a local spin-off association of family backyard rabbit breeders.

The title of this case study asks the question "success or failure?" Our answer is going to be: "too early to tell." We are not trying to be cute, or beg the question. Development practitioners know by now that most projects fall in the grey area between success and failure. If we were pushed, we would have to say that, so far, the AHK project falls out on the darker side of this grey area. But, obviously, the answer depends on context, on definitions, on what perspective one takes. In Technoserve's world, the short term can offer an answer on the business side of the question since the bottom line--profit or loss--cannot (easily) be fudged.

Over 3 years after its formal inauguration, AHK, Ltd. has not yet made a profit. We are not happy with this fact, and consequently would admit to a sense of failure on that score, so far. However, the project is now (almost 6 years after it was first conceived) beginning to show some measurable, positive movement.

But Technoserve is not a for-profit management services company. We are in business to help low-income people become self-reliant. Enterprise development is our chosen means to that end. For us there are, therefore, other aspects to look at: the community itself, the goals we and they set for the other benefits of the project, the lessons we all have learned, the other subtle roles such a project plays. To answer the question (success or failure?) on those scores is harder still.

Looking at AHK strictly as a business, there are two reasons for its slow progress to date: 1) The Ghanaian economy has been going through one of the longest periods of economic strain ever experienced by a post-colonial era sub-Saharan nation; and 2) the rabbits (the intended product of the enterprise per se) themselves suffered considerably. On paper, an extremely logical choice of commodity--though acknowledged to be high-risk right from the start--turned out to be far more problematical from the mortality/morbidity standpoint and from the reproduction complexity standpoint than had been anticipated. Thus, a high-risk venture from the financial side was made more high-risk from the commodity side.

But when the entire complex of interrelated factors is taken into account--when one goes beyond the strictly business side of things--then, probably, this is one of those development projects which needs 10 to 15 years to make an intelligent judgement on. Then why write about it, and why now?

Because we think there are lessons to be learned by us and by others wishing to practice enterprise development. The AHK project, so far, is a lesson in organizational humility. From the very beginning of this project, we tried consciously and

conscientiously to apply the hard-won principles and perspectives we had learned. We thought we were proceeding with caution, objectively, analytically and, above all, professionally, at a time when, frankly, few other PVO's in this practice could even articulate an enterprise development methodology. Yet, we have been humbled, in part by the ultimate power and pervasiveness of the day-to-day reality of a very depressed, almost moribund economy. This dictatorship of the field, an aggregation of many small factors, resulted in their magnification. They became major factors because of the larger forces at work in the economy as a whole--the hidden hands of development.

But there is more to the story than that. The causal relationship was not unidirectional. We cannot say that the terrible problems of the Ghanaian economy are to blame for the project's lack of success. If that were all we had to say here, there would be no "lessons learned" for, as a small organization, we could not have done much about national economic decline. Sure there was an element of bad timing and bad luck, and such random factors should not be discounted. But the dynamic of the problems at AHK, Ltd. became more complex than a simple cause and effect relationship might suggest.

The general depression in the nation began to create a kind of feedback loop to both the project itself and Technoserve (in Accra and in Norwalk) so that, in terms of organizational behavior and culture, we began to ignore some of what we knew to be important. When the Ghana project and program began to lose momentum, the organization, in some sense, was slow in facing up to it and the implications of it. This process needs to be learned more about, in order to try to neutralize such tendencies in the future.

The study also illustrates the limits and even to some extent, perhaps, the impracticality of the businesslike ideal of making the tough decision to cut one's losses and leave. The reality of the field, especially for a non-profit organization with a long-term social goal, yet firmly committed to business thinking, ultimately blurs the question. When you have gone so far down the road that to pull out would be expensive and to continue seems expensive, what do you do?

What Technoserve did in Ghana, at AHK, Ltd., was to lay low. As we shall see, there were times when we laid too low. In order to survive, we did not pull out of AHK, nor did we march rigorously and resolutely forward. There were periods of limbo, where the inaction was not rationally explainable. There were times when we, in effect, deliberately hedged, behaving very much like small farmers do everywhere when times are bad. Overall, we did the best we knew how with a poor situation. To our surprise, the opportunity cost of hanging on (opportunity cost is one of the hard task masters which hovers over an organization like ours) turned out to be low; there was little else we could be doing at

that time. This was serendipity. And now we and AHK, Ltd. are ready to move ahead with more confidence.

AHK also represents a transitional period for Technoserve. The AHK project begins about two-thirds through Technoserve's own life. A full third of the organization's existence is represented by the 6 years since the AHK project was conceived. We have grown, changed, adapted, learned, become more professional, more wise. Certain things would not now be done the same way as they were six years ago. But, because of certain underlying principles (longevity, sticking with something, a commitment to a national staff) and the nature of our way of operating, we are not in an easy position to clearly separate projects from program. That too is part of the story.

We first worked with this commercial rabbitry venture at a time that can be characterized as late adolescence for Technoserve. There was a perception that we were at a plateau. Having figured out "finally", we thought, some important answers to what works and what does not, we felt ready to apply these new lessons, although still with a sense of experimentation. This is a stage that many organizations go through periodically--of being willing to go out on another limb. Specifically, this meant a willingness to start commercially-oriented projects from scratch (one reason why AHK is a limited company rather than, say, a co-op). But it also meant a more conscious effort to anchor the enterprise more solidly in the community--hence, the attempt to get a larger number of shareholders. In our zeal to apply lessons learned from our own earlier experience in Ghana, we made new mistakes.

The AHK study also tells us something about corporate memory. The traditional development project/contract approach, based on a 2 to 4-year life of project, managed by an expatriate team, has been justifiably criticized for its inability to generate any kind of corporate memory, so that learning often gets lost. Technoserve's approach has been the opposite of this "in and out" style. We take a programmatic view: setting up "permanent", locally staffed, country program offices, so that there will be longevity, continuity, the capacity to learn and apply lessons, and a more direct relationship between program culture and beneficiary culture.

Technoserve's country staff in Ghana, having lived through the program for years, internalized certain lessons learned, without necessarily articulating them. Thus, they have been always trying to build on what seemed to have worked in a project, and drop those aspects which did not. Naturally, new mistakes are made. And, oddly enough, a well formed corporate memory will make it more likely that some old, untried ideas which otherwise might have been forgotten are resurrected, some of them well past their time since a sense of unfinished business propels them forward. In short, while corporate memory has its advantages, it

needs, to be monitored more systematically, and taken less for granted as a guarantee of anything.

III. What Technoserve Did: A Brief Summary and Chronology.

Technoserve began discussions with the farmers at Afiadenyigba in August of 1979. Between that time and the end of 1980, our work with the group came under the umbrella of our BASIG project (Business Advisory Services in Ghana). The purpose of BASIG--a necessary, but small part of the Ghana Program--is to provide short-term, focussed assistance to local groups, local private voluntary organizations and local institutions in business and business related matters (management consulting, accounting, sourcing of equipment and materials, help with proposals and loan applications, analyses of business plans and so forth). Short term meant no more than 5 person-days per month. Sometimes, working with a BASIG client turned out to be an effective way to explore new project possibilities. AHK, as a full project, emerged in this way from BASIG.

During this period Technoserve played an active role in helping the group incorporate, set up bank accounts, make introductions to existing rabbitries, locate materials, design a production site, explore funding sources and prepare loan applications, and generally foster the preparations for the inauguration of this new venture.

On December 15, 1980, a Letter of Understanding between the Board of Governors of AHK and Technoserve was signed--the first step in a contractual arrangement between the parties. This step called for Technoserve to undertake a Project Study, which in this case was a combined product consisting of a full feasibility study and business plan for the AHK, Ltd. company. Three weeks later, a Memorandum of Understanding was signed in which these products were more fully detailed. AHK, Ltd. agreed to pay Technoserve a fee for this study.

The full Project Study was completed in May 1981. Between May and December 1981, the study was reviewed, and further details towards the project's inauguration worked out.

With Technoserve's help, in July 1981, AHK applied to Barclay's Bank for a loan of 220,000 cedis in year 1 and an additional 231,000 cedis in year 2, with an overdraft facility of 10,000 cedis.

In December 1981, a full Project Agreement and Management Services Contract was signed. This contract outlined the rights and obligations of the two parties, and set fees and term of work. Under it, Technoserve agreed to work with the group for a period of 5 years, two of which would call for Technoserve to

manage the company on behalf of the shareholders, during which time our on-site managers would identify and train their replacements. This management skills transfer is intended as a key to the enterprise development process. AHK, Ltd. agreed to pay Technoserve a fee of 1200 cedis per month (at the time \$436.00).

Barclay's Bank, now brought into dialogue with Technoserve as the project studies proceeded, indicated that it would not approve a loan, unless Technoserve agreed to a direct management role in the project for a full five years rather than the two years proposed initially.

Loan approval was received on April 21, 1982 (10 and a half months after application), for the first tranche of 220,000 cedis. However, the loan was delayed for land documents until October, 1982.

Meanwhile, site construction had begun. In April 1982, site construction and preparation were well underway, and Technoserve placed its first full-time manager on site. By the end of April, 1250 blocks had been made on site, 50 rabbit hutches were completed, all other housing materials were procured, and 4 masons and 2 carpenters engaged. A 10,000 cedi deposit on an imported hammer mill (for feed processing) was made.

During this period, Technoserve became heavily involved in researching, procuring, shipping and other "brokering" functions related to feed, supplements for feed, feed technology, disease research, pumps, tattoo boxes, freezers, generators and the like. Equipment availability problems mounted due to the state of the economy. Files indicate that there was considerable difficulty in obtaining most materials. Decisions had to be made from among equally poor options (e.g. Where to go for chicken wire? Ship it from U.S.? Import from Togo?). Increasing efforts were made by James Herne in the Norwalk home office to back up these logistical keys to the start up of the project.

The first rabbits were installed in the hutches in June 1982, and the project was officially inaugurated in September 1982 (though the project's first fiscal year began 7/1/82).

Technoserve began sending quarterly operating reports to Barclay's Bank (Tema Branch) on the AHK, Ltd. project.

In early 1983, the project encountered difficulties of all kinds. John Doku's letter to the Bank general manager of March 14, 1983, indicates carpentry problems (4 carpenters hired and dismissed in series during the quarter), machinery costs underestimated, rabbit mortality rates higher than expected. Doku acknowledges that "...this project is a high-risk venture, just as any live stock project, and with the present national economic problem we expect to face difficulties."

In August 1983, Barclay's finally approved full 450,000 cedi loan and 10,000 overdraft facility.

In December 1984, Technoserve requested a change in the overdraft facility from 10,000 to 50,000 cedis.

SUMMARY OF AHK Ltd. DEVELOPMENT CHRONOLOGY

- 11/79 to 12/80 - Project assisted by Technoserve under BASIG Program (Business Advisory Services in Ghana)
- 10/80 - Preliminary Project Report completed.
- 12/80 - Letter of Understanding between TNS and Farmers co-op to do full project study.
- 1/81 - Memorandum of Understanding to begin Project Study.
- 5/81 - Project Study completed.
- 7/81 - Application for loan submitted to Barclay's Bank, for 220,000 c in 1st year; 231,000 in 2nd year.
- 12/81 - Agreement and Management Services Contract signed.
- 4/82 - Bank loan approved for 220,000 cedis, but held up awaiting land documents.
- 4/82 - Technoserve places manager on site.
- 5/82 - Construction completed.
- 6/82 - Rabbits shipped to site.
- 7/82 - First fiscal year begins.
- 9/82 - Project inauguration ceremony.
- 10/82 - Bank receives remaining documents.
- 8/83 - Bank approves 450,000 cedis loan.
- 12/84 - Technoserve requests higher overdraft facility.
- 6/85 - First significant sales of rabbits.

IV. AHK, Ltd. Within the Context of Technoserve's History in Ghana.

There are several threads in the history of Technoserve's Ghana program which come together to form the basis for our role in AHK, Ltd.

USAID approached Technoserve/Ghana in August 1973, to ask for help with the business planning of the National Rabbit Project. A Ghanaian entrepreneur had been successfully producing rabbits in Ghana for over 3 decades and, in 1971, had begun promoting the idea of a government-sponsored National Rabbit Project which would act as a catalyst for rabbit production in the country. By late 1974, the idea had gained momentum and some funding, and the Commissioner of Agriculture signed a Project Study Agreement with

Technoserve in January 1975 to make recommendations on the design and implementation of a National Rabbit Project (NRP).

The study was completed in August. We recommended that the NRP be registered as a limited liability company, to be wholly owned by the Government of Ghana. The purpose of the company was to be the production of meat, pelts and feed, to the end of becoming a supplier of breeding stock and feed for sub-centers around the country. The long-term goal was the gradual promotion of rabbit meat in the Ghanaian diet, the demand for which was substantiated in the Project Study. The short-term, direct social benefit of this project was to be the creation of 235 jobs within the first 5 years. A 13.1% return on total sales of 600,000 cedis was projected at the end of 5 years, with a breeding colony established at 5,000 does and 500 mature bucks.

The Government National Rabbit Project was already in operation at Kwabenya, but was not being run along business lines. The whole thrust of Technoserve's Project Study was to restructure the project along strict business principles.

Technoserve, at that point, was in its 6th year of operations. The organization had started with the judgement that what it could offer to the developing world was business expertise, correctly assessing a major missing ingredient from many kinds of development efforts. It would be an understatement to say that the question of how to do this posed problems.

Technoserve struggled for some years with the difficult question of how to get business expertise across to people and make it stick. This issue of "technology transfer" was a dicey one. We knew then that our management and business "technology" would be worthless, unless those involved in the enterprise learned what we had to teach. Because of past experiences with short-term volunteer businessmen, we had learned that this transfer process required more than a few months' intervention. We were becoming inclined towards much longer periods of training. At the same time, there was a growing conviction that the technology transfer could not be easily separated from the issue of the enterprise's viability. In blunt terms, we saw that there had to be a functioning enterprise to manage, otherwise the problems in getting it functioning would overwhelm the transfer process.

This "chicken and egg" problem was informally resolved by our getting more and more into the commodity side of the enterprises we assisted. If the product was sugar, then our staff had better know something about sugar, and not just about management and business in general. Gradually, a systems approach to enterprise work evolved, in which we conducted feasibility studies and market surveys--taking as much into account as possible--and asked hard questions about the potential of a given enterprise. Such an approach cannot be done in the abstract. It requires many kinds of expertise. The Ghanaian nationals on staff, in

fact, came primarily out of an agricultural extension background--there being, at the time, very few Ghanaian MBAs available. We had the makings of this full range of skills, with the nationals possessing the agronomic skills, as well as some teaching/extension training, and one American on staff at the time with an MBA degree.

We were also trying to figure out which kinds and sizes of entities could make sustained use of such expertise. Obviously, we had learned, management and business as technologies with defined approaches (the "business plan", feasibility studies, market analyses) were applicable where there were economies of scale. But the type of entity was important too. Should groups be organized as cooperatives? Limited liability companies?

In the late 70's, Technoserve had had success working to develop two sugar syrup processing projects that had been set up as limited liability companies (Alanfam and Promase). This structure was consistent with Technoserve's conviction that an enterprise development project had to be conceived along business lines, whatever its wider social benefit purposes.

We had been concentrating, in the mid-seventies, on getting the mix of technical business transfer capability and project selection criteria adjusted to fit both our clear goal of helping more low-income people, and our commitment to the concept of a viable business as the vehicle to that end.

The structure of a commercial venture, a limited liability company, seemed logical and appropriate, and agribusiness as a commodity sphere seemed to offer an arena with genuine promise towards fostering economic development, given Ghana's own history and make-up as well as, in general terms, the history of development worldwide.

Promase and Alanfam worked in that a processing plant design and business design functioned. We realized, however, that the benefits appeared not to be very widespread within the community, and eventually the sugar plants began to run into problems, as those who had been trained left to start their own plants. What was missing, we now understood, was a wider distribution of equity in the enterprise, and with it a broader base of trained individuals. The ownership was not community-based (though it could be argued that a successful entity owned by one individual would still have a valid positive economic impact on the community). After these projects, it was felt that a more effective way to join community impact and enterprise development had to be found.

In short, Technoserve had, by the late 70's, drawn certain conclusions about the enterprise development process: lessons drawn from experience and made all the more memorable, since they

were based on what we acknowledged to be failures. We were further understanding the depth of the problems of putting relatively simple concepts into practice. Generally, what we were seeing were errors of omission:

- Management and business techniques were not enough--they had to be taught effectively.
- To accomplish that, short-term assignments were insufficient. Long periods of time were needed, preferably on the job.
- An enterprise needed to be viable in order for transfer to be effective. To get it to that stage, our people needed to get involved in the commodity side of the enterprise.
- The size of the enterprise made a difference. It needed to have a size that we vaguely defined as "significant".
- It was not enough to constitute an enterprise; we needed to consider who and how many owned it. The enterprise had to have a community base--a wider sharing of the ownership of the enterprise in the real sense.

Obviously, with such a sense of major lessons learned, it seemed justifiable to believe that certain keys were now in hand. But just as obviously, there would be new lessons around the corner that one could not yet see. Yet we took, perhaps, too much pride in believing that, while surely there would be unforeseen problems in the future, they could not have the magnitude or the importance of the lessons already under our belts.

In any case, Technoserve/Ghana was ready for something in which to apply these lessons. Because of staff tenure and longevity, it also retained the "corporate memory" in which was contained the whole concept of a commercially-run rabbit project. Though there had been no further involvement with the National Rabbit Project, staff in Ghana remained attracted to the commercial rabbitry idea with its likely long-term social, economic and health benefits. The commodity expertise developed by staff in the course of the 7 months we had worked on the feasibility study and business plan for the old National Rabbit Project was, of course, still intact and, in some sense, was waiting for an outlet.

When, in late 1979, the Afiadenyigba Food Farmers Co-op Society came to Technoserve to ask for help, Technoserve saw an opportunity for a start-up venture with a community-based ownership. Though initially the group of farmers spoke vaguely about the hope that they could get a cannery going nearby to process their excess tomato production, there was also talk of rabbits as a source of meat--the notion of rabbit production having been, by then, widely promoted in Ghana through the media.

When rabbit production entered the picture, it was natural for Technoserve to recall its work 4 years earlier on the NRP and, at the same time, to think about Alanfam and Promase as partial models, keeping the limited company structure, but ensuring that ownership be more widely distributed. This seemed like the opportunity we had been waiting for.

In order to further multiply impact, an additional component was built into the project: The Family Backyard Rabbit Breeders Association, a spin-off of the commercial venture, designed to provide immediate benefit in protein intake and increased family income directly to the community. This became an integral part of the original plan and a key to the high hopes attending the project originally.

The project was so carefully nurtured by Technoserve in its early stages, that it threatened to become too much our project and not enough theirs. This will be seen in the chronology of the start up. And this occurred in spite of the lessons learned thus far about ownership. What we had yet to learn were the subtleties of "beneficiary participation". There is a fine line between the concept of participation, the idea that the beneficiaries have to play a role in the setting of goals for themselves and indeed in the initiation of their projects, and the zeal of the assisting agency, which often hears what it wants to hear. This was a case where our predisposition to a commercial rabbitry latched on to their expression of interest, to the point where we did not pursue the question of the depth of their commitment.

Technoserve had learned that, in certain environments, the best way to ensure that a venture could move forward cost effectively to a day when it could be self-sustaining was not to take the position of outside advisor, but rather to play a direct management role, with real responsibility. This principle of "having to live with your advice" was the result of earlier experiments and lessons learned in enterprise development, especially in the African environment where we had learned the advisor stance did not seem to work in the same way it did in our Latin American programs.

At the same time, we were learning, too, that the owners had to take responsibility, had to cough up equity, and had to "own the project" both in the real sense and the psychological sense. This was understood by us quite well in theory, by then; but, as will be seen, we still had a way to go in the subtleties of practice. These two themes--the need to play a direct role in early management and the need to ensure beneficiary participation--came in subtle conflict with each other as the AHK project proceeded.

V. AHK Ltd. Today - A Day in the Life....

A. SALES

Technoserve Agronomist John Heloo backs the Technoserve pick-up truck up to the loading dock at an Accra brewery. He is in town for the weekly pick-up of wet, spent brewers malt. The brewers malt will be dried, and later mixed with dried cassava chip, blood meal, and other, mostly recycled, local by-products to become part of the feed stock for the rabbits. He is well known by now, and the workers are ready for him. They load up the pick-up with a couple of cubic yards of wet malt, a by-product of the brewing process that would otherwise go to waste. John pays them as part of the contract between the AHK, Ltd. and the brewery. He waves. They will expect him next week.

A half-hour earlier, he had completed the chain by dropping off 4 rabbits at the back door of "Chez Mammie", a small restaurant in Accra. This is the very first time that a restaurant has ordered rabbits from AHK. John proudly pulls the rabbits from the box in the back of the truck. There are four of them, black with soot from the traditional smoking process used to burn off the fur. Most Ghanaians who eat bush rabbit, when they can get one, like to smoke the meat in this way.

To John's surprise, the restaurateur is not pleased. For him, as for the AHK, Ltd., this is an experiment. He has been intrigued with the thought of offering his clientele fresh rabbit, but had in mind a cleanly skinned animal, with the flesh still pink. There has been poor communication. Both men made assumptions. Both were wrong. John offers to bring the next batch in the way the owner wants them. The owner offers to take this batch anyway. He'll do the best he can with them.

It is the end of July 1985. This is the second month in the life of the company that there have been steady rabbit sales. There were 58 sold in July; 46 in June. The Technoserve advisors are encouraged. There have been many ups and downs with this project and, while many in the community seem to have been patient, some at Technoserve have not been happy with the figures and have grown increasingly impatient to see "results".

Rabbit sales began in June 1983, 26 months earlier. In 26 months of sales including this June and July, a total of 247 rabbits have been sold. Thus, the sales from the last two months alone accounted for 42% of the total. To put it another way, in the first 21 months, average sales were 5 rabbits per month. In the last 5 months, 29. In the last two months, 52. Naturally, things are looking better.

Table I
July 1985 Sales.

	for breeding	for table
to Accra	24	11
Locally	3	20
Totals	27	31

Annual Sales: Variance from Business Plan

	Plan	Actual
1982-83 Business Plan	37	11
1983-84 Business Plan	216	63
1984-85 Business Plan	109	115

Three major business plans have been produced so far for AHK, Ltd. by Technoserve. The first turned out to be not terribly far off, though actuals for most factors came in lower than plan. As more was learned, business plans for the next year were adjusted accordingly. The major divergence between plan and actuals occurred, however, in the 1983-84 year, in spite of the fact that the business plan was adjusted to reflect what was learned from the first operational year. The 84-85 Business Plan briefly discusses the prior year:

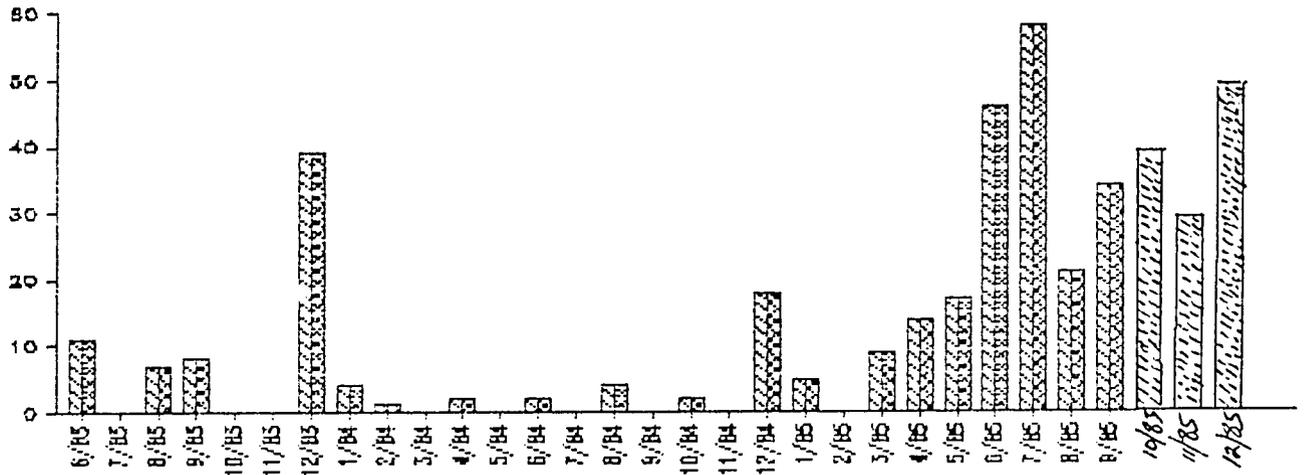
" The second year Business Plan focused mainly on breeding, sales and inauguration of the Family Backyard Rabbit Breeders Association (FBRBA). Little was achieved in terms of the above planned goals, due to an unexpected absolute cessation of production in the breeding stock, coupled with the outbreak of an infectious disease (pasteurellosis) in the herd."

Sales are a good indicator of the progress of the operation along strictly business lines. As the first Business Plan put it:

"...the project will not be profitable until the emphasis on herd expansion is reduced and significant rabbit sales begin."

This brief background explains the new burst of enthusiasm which attended the significant jump in sales in June and July of 1985.

TABLE II.
AHK, Ltd. Rabbit Sales.



John Heloo and I chat as we drive back to Afiadenyigba from Accra, heading east along the coast of Ghana. By road, the distance from Accra is about 70 miles. Fifteen years ago, the trip took about an hour and 20 minutes. Now it takes almost three hours. The reason is brought home as we bounce over a road that is rutted and jagged with broken asphalt--a road which, once built, was not maintained. Alongside the road are telephone lines which dangle from every third or fourth pole, bird nests and bits of straw here and there among the tangled, broken wires. Again, part of an infrastructure that was once functioning, but is no longer.

John is an agronomist. He has been with the AHK, Ltd. project for about one year. John considers himself lucky to have been assigned to Technoserve for his two-year government service internship. Thousands of others in his position--new graduates--are given meaningless posts where they do nothing. Technoserve had requested someone with John's qualifications in animal science several years before. The request was almost forgotten when John Heloo showed up 2 years later. He is busy, he is learning something about business, and the challenge of the rabbits' health and feeding problems engages him fully. He is interested in coming on with Technoserve full time as a permanent advisor in the Ghana program when his internship is over.

We arrive at the site of the AHK, Ltd. rabbitry. It is the last day of the month, and Benson Anaglo, Technoserve's on-site project manager is doing the sales record for the month. I go through the receipts with him, since we have an interest in knowing more than the numbers. We want to know where the sales

were. For the first time, significant sales have gone to the city (Accra), 60%, in fact. Interestingly, 24 of the 35 rabbits sold in Accra went for breeding purposes, whereas all but 2 of the 23 rabbits sold in the local area around AHK were sold for "table". I ask if this has significance. Benson and John do not know. I recall they are not marketing specialists; they are trained agronomists and agriculturalists. Their concern has been, since the beginning of the project, to get the production going and keep it going. Only now that sales have begun might other skills be necessary.

The AHK, Ltd. office is a well-built concrete structure, about 12 feet wide by 30 feet long. It is divided into two large rooms: one serves as the company office, the other is a store room. A covered veranda in front of the office houses a hammer mill, which is used in the feed production process. A few feet in front of the office, is a borehole with a hand pump donated to the project by the Dutch government. Past that, is a simpler structure of wattle and daub, which is used to store rabbit cages used to transport the animals. A model of a Family Backyard Rabbit Breeders Association Hutch lies beyond that.

Behind the office is a large (about 800 square feet) concrete platform used to dry the malt. Three of the four AHK employees (there are two on-site Technoserve people who are not project employees, and 4 permanent full-time employees of AHK itself) are unloading the pick-up truck, and spreading the load of wet malt evenly over the platform, where it will dry for 24 to 36 hours. A fenced-in area (about 75 by 65 feet, or roughly 5,000 square feet) contains the rows of rabbit hutches. These are locally made, the construction having been worked out in the early days of the project, trying to get the right mix of cleanliness and inexpensive local materials.

The hutches are made of rough-sawn wood, enclosed in chicken wire, covered with split bamboo. The door hinges are straps cut from old tires. The rabbits drink from clay bowls commissioned by Technoserve from a women's pottery group near Accra with which Technoserve had worked. The rabbits are divided by type: bucks, in one area, fryers (young rabbits) in another, and kindling (pregnant) does in another. There are shade trees interspersed quite thickly through the hutch area, as the original herd of rabbits suffered high mortality due, in part, to the heat.

The whole area of the project is no more than 6 acres. This land was donated by the local chief and elders of the community. It is flat land with low brush, and lies about a quarter of a mile outside the complex of 3 sub-villages that make up the Afiadenyigba community.

Right now, as of end July 1985, 728 rabbits are on hand (196 breeding does, 25 bucks, 246 fryers and 261 unsexed bunnies). The mortality rate among the production rabbits (all

but the breeding does and bucks) was 18.3% this past month. Mortality is, in fact, about 15% over the most recent business plan projection for the month. That is not bad considering production itself was 38% under the business plan projection. But the important thing is that the project is functioning. It has reached a scale and a pace that begins to look commercial.

Table III
 AHK, Ltd. Balance Sheet, June 30, 1985
 Ghanaian Cedis

Assets		
Current Assets		
Cash on hand	25,543.00	
Prepayments	13,356.00	
Accounts receivable	670.00	
Feed ingredients	7,744.28	
Construction materials	7,764.50	
Livestock value	68,130.00	
Total Current Assets		123,207.78
Fixed Assets		
Initial breeding stock	11,188.32	
Machinery & equipment	9,571.66	
Leasehold land	1,900.02	
Hutches	19,439.58	
Office & store	27,218.10	
Workshop & drying platform	4,195.65	
Furniture & fittings	6,120.96	
Total Assets		202,842.07
		=====
Liabilities & Net Worth		
Liabilities: bank loan	425,722.81	425,722.81
Net Worth		
Share Capital	76,298.30	
Retained Earnings 1983/84	(199,901.06)	
Less loss for year to 6/85	92,277.98	
Total Net Worth		(222,880.74)
Total Liabilities & Net Worth		202,842.07
		=====

Table IV
Condensed Income Statement
Fiscal year ending 6/30/1985 (Ghanaian Cedis)

Rabbit sales	57,300	
Feed sales	19,986	
Gross Sales		77,286
Feed expenses	27,687	
Daily labor	62,960	
Misc. Operating expenses	12,746	
Depreciation	17,597	
Total Operating Expenses		120,990
Management fee	14,400	
Travel & transport	21,000	
Misc. General & Admin. Expense	6,945	
Interest expense	51,089	
Total General Expenses		93,434
Net Operating Income (Loss)		(137,138)
Change in stock value		37,860
Net Income (Loss)		(99,278)

B. EMPLOYEES AND THE COMMUNITY

One of the multiplier effects hoped for in the original project paper was the provision of employment for local people. Obviously, employment is a function of the productivity and growth of the business. As AHK, Ltd. has moved more slowly than expected, employment has been minimal. The Business Plans for the first and second year each projected 6 employees. The first year saw one person hired, and the second saw 2 additional persons hired. The third year Business Plan foresaw 5 employees at the end of the year (June 30, 1985).

The project currently employs four local people, a senior stock supervisor employed March 1, 1983; two stock men employed respectively April 1984 and October 1984; and a night watchman employed July 3, 1983. The senior stock supervisor gets 1,650 cedis a month; the two stockmen get 1,350 each. In dollars, this is respectively \$30 and \$24 or, in annual income, \$360 and \$288 (using the July 1985 exchange rate). Hiring decisions were made primarily by Technoserve's on-site managers. A brief description of the employees also gives insight into the nature of the community.

The stock supervisor, Charles (age 29), finished secondary school at age 24 at the Adah Foa secondary vocational school where he

lived in a rented room rather than board. He finished secondary school five years ago, and came back to Afia to farm three acres, intercropping cassava and tomatoes. He paid 1,000 cedis for approximately a year's rent on this piece of land from a local landlord. He did general agriculture in school, but his field of interest was animal science. However, he did not have the capital to invest in animals at home. There were no opportunities for gainful employment in the area. He wanted to go on with his education, and hopes eventually to do so.

He has a wife and one child. He and they live with his mother's brother, his mother and three sisters, two of which are married, though their husbands live away for job reasons. In addition to his own child, there are five more in the household, and one junior brother, and his uncle's wife and six children, making a total of 11 children in the household.

His uncle is a distiller in Accra, and probably is the main support of the household. Charles himself gives some money to his wife, and uses the rest for basic expenses. He does not indicate that his cohort is terribly interested in similar kinds of work. Their main interest is gainful employment. Some are in farming. Some went on to teaching, and others are working in Accra or other urban areas. The one drawback that everyone seemed to acknowledge about going to the city is that, while there are some income earning possibilities, expenses are high, and for this reason, people, he believes, really do prefer staying in their own village. His main frustration is that, in his appointment letter, he was told he would eventually have some training in Accra, but because of the bad economic situation in the country, that opportunity never did come.

The stockman is David Langwah. He was farming in Kponya village (one of the three sub-villages of Afiadenyigba), working 10 acres of cassava, tomatoes, okra and corn, which he farmed alone for three years. He completed middle school and is now 25. Mr. Lawarteh, the Secretary of AHK, came to him and suggested that he take the job. He is not married, and he is the only wage earner in his household (all the others do farming). He gives approximately half of his monthly salary to his mother, and apparently does some farming part-time. In his household, the following people live: He and his mother, his father's brother, his junior father or small father--which is to say another uncle--his mother's sister and at least 14 children. He does not contribute to the household, aside from the money which he gives to his mother.

The third stockman is Poa Tetteh Marteh. He is also from Kponya village and is the nephew of the chief. He sought out employment directly from Benson Anaglo, the Technoserve on-site manager. Poa had been farming four acres of cassava and tomatoes, and was not making any money. He was thinking of going to start up some fishing activity in the Lake Volta area, but decided to stay here

because of this job opportunity. His household is very small: Four cousins living together in a house owned by the chief. He has been married one year, has no children, but sees his wife only once a month. She operates a chop bar (a road side stall type of restaurant) with relatives in Accra, and because of that job opportunity, stays there and visits monthly. He gives 600 cedis, or roughly half of his monthly salary to his wife. He gives part to his mother and father who live in a village near Afia, because his father is now sick. Poa is illiterate, having never gone to school.

C. THE COMMUNITY AND THE BOARD OF DIRECTORS.

Benson and I visit the Board of Directors of AHK, Ltd. The Board members are in the second of the three villages, waiting for us. They invite us into one of their houses, a low wattle and daub structure with a large single public room. This room is informally the Board's gathering place. Mr. Dogbe, the Treasurer (and informal spokesman) shuffles some papers on a dusty table, looking for the guest book, insisting that I sign it. Mr. Dogbe has been around development for some time, and knows how to speak our development idiom. The village had had contact with the Peace Corps and other development organizations which are well represented in Ghana. Mr. Dogbe speaks to me:

"The original purpose of our group--The Afiadeniyba Food Farmers Cooperative Society--was to increase food production. We saw other villages getting together, we read the newspaper and we saw that something better could be achieved by getting together. That way, we would be able to get inputs, perhaps even buy a tractor, and save money. Eventually, we hoped that we would be able to improve the lives of our people, help stem the tide of young people going away to work..."

(The 3 villages are composed of 6 clans. The total recorded residents at last census was about 550. However at least 250 villagers in addition to that number work in Accra, the Akosomba Dam area, or abroad (Nigeria, primarily). In 1974, 26 farmers originally formed the co-op. These farmers' principle crops were cassava, peanuts, okra, tomatoes, pepper and cowpeas. These are small holders who used to have about an average of 5 acres a piece in a kind of leasehold arrangement related to the stool father (chief). In 1976, enough money had been saved to purchase a tractor with a loan from the government. The tractor was used on a fee basis, with non-members of the group paying a higher fee. The tractor is now broken and has not being repaired.

Land tenure patterns apparently changed during that era, as the Board now reports that average farm holding is in the 15-acre range.

Today there are 73 shareholders in the AHK, Ltd. company. Some have more shares than others. Mr. Lawarteh, for example, has 4,000 cedis in shares. Some shareholders have 500. The old co-op, The Afiadenyigba Farmers Cooperative Society, still functions, and today has 108 members. All 26 of the original farmers are shareholders in AHK, and basically the leaders of the community are at the same time the leaders of the co-op and the chief shareholders in AHK.

We go outside to look at the villages. The ground is pounded hard. There is no dust, no litter. Everything looks picked clean. There are no glaring signs of dire poverty as one sees in the drought-affected Sahel this year. But there are no signs either of any movement towards what we could call an improved quality of life. No one is starving, but many are not terribly well nourished. Diet is chiefly fish, to the extent there is animal protein. There is a recently built clinic and a school. But the thing the villagers are most proud of are the two boreholes built during the period when AHK itself was being built. These have had a palpable effect on the village. People no longer suffer from guinea worm infestations.

Of the villages themselves (there are three), the largest is Vunya. The second largest is called Obemla, and is where Mr. Dogbe lives. It seems to serve as the center of the AHK cohort. The third village is Kponya, which is the smallest. It is also the village where the Chief sits.

The difference between the No. 3 village and the Nos. 1 and 2 villages are strong. No. 3 contains about sixteen houses, and has predominantly traditional-style housing with almost all roofs thatched--only two were metal. By contrast, the No. 1 and No. 2 villages have a far larger percentage of metal roofs, at least 50% or more.

What one notices is as much what is not there as what is there. Even the most remote spots in much of the Third World show some of the signs of the commercial 20th century, at least some of the plastic flotsam and jetsam that more and more is specifically designed for Third World consumption. These things seem to be absent at Afiadenyigba. No radios, no cigarette butts, virtually no one smoking cigarettes, no metal utensils or water holders, surprisingly few plastic utensils anywhere. Most water and other commodities are contained in earthenware jugs. The only cooking ware that reflected any linkage with the modern manufacturing sector or trade goods were some rather rusted enamel bowls. Some chicken wire in various places, but to the extent that there were enclosed gardens or plants being protected, it was by the use of palm fronds, bamboo or other local materials. No electricity and, of course, no water and no vehicles.

In the No. 2 village, there were at least four relatively large concrete block buildings under construction lacking roofs--these,

apparently, being constructed by village members who work outside the village.

There were indications that a fair number of village people work outside, mainly in Accra.

Households appear to be relatively large; the number of families relatively small.

There is a clinic built in 1984, and a committee which supervises it. The clinic is attached to the Ministry of Health Clinic in the nearby town of Kesseh. There is a school. A small number of fowl were running about, and food preparation was taking place in or near most of the houses. Clothing is relatively standard, nondescript, non-indigenous, low-income trade goods which one sees all over the Third World.

Probably, it is safe to say that the major changes in village life in the last twenty years--or perhaps greater in the last forty years--are in education and health; not very much in material well-being. People are, no doubt, healthier. The fact that the people are modestly clothed and clothed in western ways suggests the influence of both education and the Christian religion. Several women appeared to be washing their clothes with soap and disinfectants, suggesting also the influence of health consciousness and education.

In material terms, however, this village is still characterizable as extremely poor. There are no major farmers, and most agriculture is subsistence plus a small amount of marketable surplus. This year, tomato production has been unusually high (in part because the prior year the local cannery had bought the surplus and farmers, expecting this again, planted more). Now the cannery has broken down and cannot buy any tomatoes. Left with large surpluses, the price of tomatoes is dropping drastically day by day, and farmers are now letting them rot in the fields. There is only one livestock raiser of any significance--an owner with about 50 head of zebu cattle.

We are not witness, here, to starvation and dire poverty. Rather, we see here something equally serious (perhaps even more so, though considerably less dramatic): impoverishment--a condition of chronic poverty to the extent that it is so pervasive as not to be noticeable, or to lend itself to melodramatic description. The reason why this is so is that people have learned to accommodate the condition quite well. In fact, for over a decade, Ghana has been an impoverished nation.

VI. AHK Ltd. in the Context of Ghana's History.

Ghana lies on the Gulf of Guinea on the West coast of Africa, a few degrees north of the Equator. It is bounded on the north by Burkina Faso (formerly Upper Volta), on the west by the Republic of Ivory Coast, and on the east by the Republic of Togo.

Ghana became independent in 1957, the first sub-Saharan African colony to do so. The former colony had been composed of the Gold Coast and British Togoland (the Western part of former German Togo, which was divided among the British and French at the end of World War I). At the time of independence, Ghana had more going for it than most nations in Africa were to have later on as they became independent. Its economy was solvent. It had a relatively educated technocratic class, a cadre of experienced mid level-bureaucrats, a comparative economic advantage in its cocoa production, a developed traditional marketing system in certain commodities, an entrepreneurial tradition in certain areas, and fertile land relative to the population's food needs. Best of all, it had the advantage (and of course the liability, as it turned out) of being first. The world's attention turned to Ghana, as it rarely has to a new African nation since. This meant foreign aid.

Its population at independence was about six million. Today it is over 13,000,000 (47% of whom are under age 15). The area of the country is about 92,400 square miles (about the size of Oregon). Geographically, it is equatorial. The daily temperature range is very stable at between 75 and 85 degrees F. Generally, the larger part of the year is relatively humid at about 80% humidity. A British writer, towards the end of the colonial era, described the climate as "enervating". It is certainly somewhat less than comfortable, but compared to most tropical zone countries, it is best put in the moderate category.

The topographic variation in the entire country is minimal. Generally, it is an undulating plateau, mixing forest with savannah, and basically lowland (even the highlands are no more than 3,000 feet at their highest points). The soils are not generally good, requiring that small holder agriculture rely on a process of crop intermixture as insurance. Nonetheless, by world standards, Ghana is a highly agricultural country. Close to 60% of the total land area is under agriculture, and about 55% of the labor force is in agriculture. About 85% of total agricultural output is small scale holdings, 6 acres (in 1978) being the average size holding. In the southern half the country (where the majority of the population lives), all agricultural lands in small holder hands are basically "stool lands"--lands set apart for the benefit of tribe members by the "stool" (local chief)--a form of land trust.

Traditional agriculture has been largely subsistence agriculture, characterized by slash and burn techniques, widespread erosion,

soil depletion and exhaustion. The most serious problem in Ghanaian agriculture in the modern era, however, has not been production, but rather distribution. Shortcomings in distribution reflect a complex of problems, which we can only point to here. Infrastructure problems (at first, lack thereof and later, in the 70's, the rapid deterioration of) have certainly been part of the problem. Where there was a developed commercial agriculture, it was largely in cocoa and operated under an unusual and highly entrepreneurial system of migrant farmers. The orientation of this sector was for export. The traditional indigenous fishing industry, one of the oldest indigenous agribusiness-type systems in the country, was and remains highly developed in its marketing aspect through the so-called "market mammie system". Yet, apparently, these well-developed systems, to note the two most prominent, did not result in sustained economic linkages. This is why some experts believe that, even with Ghana's less than optimal soil conditions, the reasons for its recent poor record of food dependency are generally related to deficiencies in the marketing system, rather than the production capacity of the country.

The period of the 1970's to mid-eighties--the period of Technoserve's tenure in Ghana and the period most relevant to this case study--has been marked by continuous decline. The economy has become less industrialized, less commercialized, increasingly localized and subsistence oriented, and has remained marked by a very low degree of sectorial integration (in practical terms, an inability to develop and sustain economic backward and forward linkages). In effect, it has gone from a rather bold, outward oriented, "we are going to be part of the larger world" stance to a spare, inward-oriented, head-ducking stance, with people increasing their ties to and, in many instances, retreating back to the villages, surviving by means of traditional hedging skills, relying on family obligations, networking, and making every little thing stretch way beyond where, in easier times, it could possibly go. Ghanaian character, it has to be added, plays a role in all of this. Religious faith and humor keep the whole system going, and it all rolls up into what many people call Ghanaian Magic--the ability to survive in the face of all these odds.

Right after independence, the decision taken by Nkrumah to go for rapid industrialization--in effect, to emulate the first world--was a decision to ignore Ghana's comparative advantage, rather than respect it. In retrospect, it was the beginning of the disaster. A country that, at that time, was a magnet for labor from neighboring Ivory Coast and Nigeria became, in the 70's, a massive exporter of labor.

In the first Ghanaian expulsion from Nigeria in 1983, close to one million Ghanaians were sent home. By May of 1985, at least 300,000 Ghanaians were back in Nigeria and the second expulsion occurred. In the first month, 62,000 Ghanaians were summarily

shipped out of Nigeria back to Ghana. This most dramatic tip of the iceberg of an increasingly mobile population has both exacerbated the Ghanaian economic problems through the extra strain of these "returnees", and at the same time--through their remittances and the goods they brought back--provided small boomlets, which have been a factor in Ghana's day-to-day survival.

The growth rate of the agricultural sector declined from 1970 on. In the period 1970 to 1984, we see fluctuations in world cocoa prices, and a resulting decline in maintenance of the trees --which take time to be brought back to full productive levels-- mounting foreign indebtedness, continuous cycles of policy errors, mismanagement, corruption, and a high degree of political instability.

More dramatically, the period 1978 to 1984 (which is the period, roughly, of Technoserve's involvement with AHK), saw a convergence of political, economic and climatic woes. The years 1982 to 1984, in particular, were rough. Sahelian drought, by 1982, began to affect Ghana heavily. Widespread bush fires in 1983 destroyed over 150,000 acres of cocoa trees. A drop in Lake Volta (one of the largest man-made lakes in the world) resulted in a 40% drop in electrical capacity and widespread shortages of power. The Nigerian expulsion also occurred in this period. Exports had been declining for years, but now there was little resilience in the country at all. Inflation in the 1978-1984 period remained over 100%, going up to 140% at its peak. And all of this was exacerbated by inadequate producer price policies, scarcity of foreign exchange with which to bring in inputs, and mounting deficits. Everything that could go wrong was going wrong.

By the beginning of 1983 the free market value of the Ghanaian cedi was estimated to have dropped to between one fifteenth and one twentieth of its official rate. The first major devaluation took place in April (90%). In March 1984 another 14%, and again in September 1984, June 1985 and August 1985, so that the cedi has gone from a rate of exchange in 1983 of 2.75 to the dollar to a rate (as of this writing) of 90 to the \$1.00. (See Appendix A-Currency exchange rates.)

For the first time in Ghana, the professional class, the "middle class" in Ghana, began to feel the situation strongly. Shortages were everywhere and palpable to all, including Technoserve. Our staff required food shipments from our office in Norwalk. Projects could not be regularly visited due to petrol shortages. We had to pull back.

Ironically, one of the key reasons Technoserve had justified entering into the high-risk commercial rabbitry was because of the promise of answering a long-standing food problem in Ghana--lack of an adequate supply of meat protein. Yet, here we were

struggling to raise meat in a situation where our own staff had to be supplemented.

Ghana, in the late 70's, ranked 45th among nations in per capita food consumption. This is a very rough gauge of nutrition, and is meaningful only in relation to other countries. What this says is that Ghana was somewhere in the middle in terms of seriousness of its nutrition problem. They did have protein sources, and still do (in the form of fish and eggs), but the desire for meat source remains very high. Several things stood in the way.

The country had serious endemic health problems which affect overall production of agriculture, both from the human energy side and the animal husbandry side as well: For humans, malaria, yellow fever and trypanosomiasis; and for livestock, the tsetse fly in all but the far northern region and the eastern coastal plain. These problems, combined with shortages of good pasture, poor fodder, the perennial problem of animal feed in the dry season and generally poor animal breeds, make meat as a source of protein very unlikely.

In 1978, all meat production in Ghana (beef, veal, mutton, lamb, goat, pig, poultry and other) totaled only 79,000 metric tons. By contrast, fish in 1977 was 382,000 metric tons--outdoing meat by close to a factor of 5. Yet fish too, in the late 70's and early 80's began to decline. As a result, most meat and dairy products, since the late 70's, have been imported. And fish--a major component in the Ghanaian diet and the source of livelihood along the coast--had reached such a state that, when our home office people visit Ghana, we are cabled by our staff to be sure to bring along cans of tuna fish for us to eat while there.

It is in this environment that Technoserve has continued to operate. More importantly, it is in this period of 1979 to the present that the AHK, Ltd. commercial rabbitry was launched.

Add to the above picture some specifics relative to the zone around Afiadenyigba itself. Afiadenyigba is in the Greater Accra region, yet it is far enough from the city to not be easily accessible, and far enough from the coast to not be able to rely on fishing. Afi lies in a featureless low plain of flat grassland and scrubland with not terribly good soil. It lies just outside the traditional forest zone--the most productive cocoa area--and is also slightly to the east of the Akwapim Range which marks the edge of the main area of food crop and mineral production. The area certainly has not had too many of nature's favors bestowed on it. Its population certainly contains some of the 25% of Ghana's population deemed to be in a state of "absolute poverty" as defined by the World Bank.

On the face of things, Afiadenyigba had little going for it when Technoserve entered into the early days of AHK, Ltd. and we knew

this. It had one plus socially, and one plus logistically. Socially, in terms of this project, it had an organized cooperative with a core of community leaders with an expressed interest in a rabbitry. Logistically, the site was close to Accra and our country program office.

VII. The Early Development of AHK, Ltd. - Following our own Theory to the Letter.

In a 1975 attempt to distill critical lessons learned about enterprise development, Technoserve wrote:

"Unfortunately, most technical assistance agencies which foster and promote enterprise development tend to be trapped by the ideal, but generally false notion, that there is a key component that will facilitate the viable development of enterprises. Such specialization only reinforces the myth that rural enterprise development is relatively easy.

"In our experience, it is rare that rural enterprises can be implemented in a viable manner by receiving only "single input" attention. Examples of such single inputs are capital, appropriate technology, legal assistance, market analysis and planning, management training, feasibility studies, ad hoc unintegrated "advice", etc. It is absolutely essential that the technical assistance agency have the capability, at the outset, to address the needs of diverse rural enterprises which have differing resources and entrepreneurial capability. No two enterprises, no matter what their purpose, size or complexity, require the same assistance in scope or intensity. In our opinion, the failure of most enterprise-related assistance is primarily the result of only single input services being available from the assisting agency.

"While it is possible that several development agencies could work together to implement viable rural enterprises, it is not realistic. Therefore, the single agency must have a diversity of skills and be multi-functional. In addition to the range of skills and services and capabilities discussed above, the agency must include the somewhat elusive, but absolutely essential "catalyst service", which can facilitate the backward and forward linkages between enterprises assisted and local development and commercial entities."

Technoserve's theory some ten years ago remains essentially the same today. Put simply, what was said then and would be said now amounts to this:

"Each case is different. Know the case well before you take it on, and know your capabilities equally well. Match the two. In some cases, enterprise development is an all or nothing affair, and if you are not prepared to put in the "all" (and the all may include capabilities for which there is no apt name yet, like "catalyst service"), do nothing. You must be systematic in your analysis, flexible in your response. Above all be careful, and remember: this is risky business".

Technoserve went at AHK, Ltd. with great care. In terms of the broad lines of the theory stated above, we made few mistakes. If there is one that can be cited as a deviation from the theory, it is that we did not pay strict attention to the diversity of skills needed on site. We placed an agronomist with few business skills in the position of on site-manager. (This was justified on the grounds that the start-up of the enterprise would depend on getting the livestock production going.) But, with hindsight, it seems clear that we were, in general, overeager to apply the theory, and got caught up in its "letter" rather than its "spirit". We had, perhaps, too much faith in the completeness of the lessons we had already learned. This chapter tells that story.

A. THE FORMATION PERIOD - BASIG

At the end of November 1979, the Ghana Organization of Voluntary Agencies (GOVA), asked Technoserve to meet with a group of farmers at Afiadenyigba who wanted a development project. A Peace Corps Volunteer (one Paul Johnson) had been assigned to this area through GOVA, and had been active in getting the farmers to think of various options to advance their lives. Partly through him, contact was made between the Afiadenyigba Food Farmers Co-op and Technoserve.

The Ghana program had established a Business Advisory Service the year before under an AID grant, the original purpose of which was to assist local PVO's with short-term management help. This was a side line of Technoserve's main work, which remained the development of rural agriculturally related enterprises. But BASIG, as the side program was called (Business Advisory Services in Ghana) was coming to be seen within the country program as a way to discover new "clients" for the main work of the organization. Working with a local group on short-term assignment could be a low-risk way to discover the possibilities and future viability of an enterprise. Moreover, such a way to enter into a relationship would ensure accuracy of judgement on

both the business viability side and the community commitment side of the enterprise development process. With this way of thinking in mind, the Country Program Director, John Doku, and William Salmond decided in early December to drive out to talk to this group of farmers who looked like they were serious about wanting to start something. Mindful of the principle of the community having real equity in the project ("putting their money where their mouth is"), they wanted to talk about that first.

They explained to them that an equity of 100 to 150 thousand cedis would be necessary to start the project. At that time's exchange rate, this would have been approximately \$45,000-\$70,000.* [* The matter of changing exchange rates, and the differences between official and non official rates, as well as the complex relationship between changes in the official rate and changes in the prices of basic goods makes any translation of cedis to U.S. dollars very problematic. Nonetheless, cedis are converted to dollars from time to time in this report according to the rates noted in Appendix A.] It was clear that the farmers had had no experience with rabbits; they are primarily vegetable farmers. Nonetheless, there was considerable enthusiasm, and they agreed to move ahead. Technoserve had explained that it would not undertake a formal role in this until equity had been pledged. This was to be a sign of commitment, without which Technoserve could not invest its time.

About five weeks later, on January 16, 1980, Willie Salmond again visited Afiadenyigba and met with the farmers once more. It was clear, then, that the farmers had become quite serious about starting the rabbit project, as they had already put together pledges of equity amounting to 50 thousand cedis, or roughly \$20,000. Technoserve agreed that, if the farmers wrote to Technoserve to request assistance in establishing the project, Technoserve would initially be able to assist them under the BASIG program.

Because of Technoserve's earlier experience in the design work for the National Rabbit Project and its eagerness to apply those learnings, there was, early on, a sense that this group had the potential to evolve into a major enterprise project. The interest in them, right from the beginning, was clear. And right away the staff began considering problems which would be quite a long way off, among them the problem of how to produce suitable local rabbit feed. For the next 5 months, Technoserve very carefully nurtured the development of this project. The following paraphrases from notes in the Ghana files are illustrative.

On February 20, 1980, John Doku and Willie Salmond of Technoserve again visited the farmers group. Twelve farmers turned up for the meeting, and informed Technoserve of the progress thus far. At that point, 26 people from eleven families had now pledged a total of 63,500 cedis in equity, the highest amount being 17,000

from one individual and the lowest being 1,000. Technoserve had arranged for a group of the farmers to visit the national rabbit project at Kwabenya to learn more about rabbits, and they came back enthusiastic.

It was decided that, at an initial meeting of all the shareholders, the principal officers would be elected. Technoserve would then assist with the incorporation procedures, opening a bank account and a feasibility study.

On the 4th of March 1980, Mr. Attah-Mensah of Technoserve held discussions with an official of the Registrar General's Department as to how to incorporate the company. The procedures for incorporation were made clear to Technoserve.

Another field trip was made on April 21, 1980, by Mr. Attah-Mensah and John Doku of Technoserve. This field trip concentrated on the site for the rabbit project. Two plots were being considered, and Technoserve advised on the choice of the plots. In addition, the matter of the board of directors had to be taken up. A promise was made by the chief farmer, D. T. Dogbe and Paul Johnson to send the names of Directors and shareholders to Technoserve by the 22nd of April, so that registration of the company could proceed.

On the 28th of April, Technoserve's Attah-Mensah went to the firm of Rockson Adoe Company to initiate the registration procedures of the Afiadenyigba Farmers Group as a limited liability company. The appropriate forms were handed over to Technoserve and the explanation of fees as well.

On April 30th, Mr. Attah-Mensah visited Afiadenyigba again. He presented the chief farmer with the forms and instructions on how to complete them, indicating he would come back in a week, on the 5th of May.

On the 7th of May, Mr. Attah-Mensah of Technoserve appears again at the firm of Rockson Adoe to get fresh registration forms as the first ones, apparently, had been "messed with".

On May 28th, Mr. Attah-Mensah and John Doku travelled to Afiadenyigba to meet with the farmers. They, at that point, were meeting with Paul Johnson, the Chairman, Secretary and two other members of the Board of Directors of the company. They covered the following topics: completion of the company registration forms, an agreement on the objects of the company, mixed farming, small livestock and agro product processing. The name of the company was decided upon as Afiadenyigba Henokam Kpee Limited (otherwise known as AHK). It was agreed that a start would be made to collect the equity contributions pledged.

The site for the project was chosen, but there were certain drawbacks noted which would make it expensive to prepare. The

project site was to be surveyed, and a 200 cedi payment, or roughly \$72, was made to Technoserve to cover the expenses incurred in registering the company.

We are now at the end of May. Six months have passed since Technoserve's first meeting with the farmers. In that time, much has been accomplished. On the surface though, the list is short:

- a group of farmers has pledged equity shares to form a commercial company, the registration for the company has been completed, and the Board of Directors and Officers elected.

But Technoserve, between the lines, as the notes above show, has very much been the "catalyst service". It has been opening doors for the group, facilitating connections with the modern worlds of law and finance and, in those regards, lending legitimacy to the group--a function the farmers understand well. Bridging the gap between the farmers' dreams and their reality is a practical matter of knowing the ropes. That and helping the farmers make basic decisions has been the thrust of the assistance thus far.

While doing this catalytic work, Technoserve has, at the same time, been trying to lower the farmers' expectations, letting them know how long it might take before they would really see some return on their investment.

But Technoserve itself had higher hopes for the project than it might then have admitted. The energy put in "on the side" was considerable. Technoserve's staff in Accra kept their eyes and ears open for possibilities that may play into the farmers project. For example, in late June, Jim Herne of the Technoserve staff in Ghana visited a feed mill and noticed, during the course of the feed mill visit, that a pelletizer which they owned was not being used. He asked about it and was told that the demand for the cattle feed the machine had been bought to make was so low that they discontinued its use. They were not willing to sell the machine, but indicated they would pelletize feed for rabbits on a contract basis.

It seems as if we were all along giving a very large benefit of the doubt to the viability of commercial rabbit production in this setting. A momentum was building, probably not recognizable at the time, that carried everything forward, perhaps beyond the point where rational analysis alone would have let it go. But we thought we were guarding against just such a movement by paying strict attention to the prior lessons learned.

Technoserve now began preparing the internal mechanisms for making this somewhat informal short-term intervention into a full-fledged project. These procedures would be preparatory to bring a full Preliminary Project Report before the Technoserve Management Committee in the Norwalk Head office. The next couple of months saw the visits by staff concentrate on the nitty-gritty of getting the project into the construction stage while, back at the Accra office, Technoserve staffers were preparing the Project study.

The next recorded visit to the AHK project was on the 12th of August. Willie Salmond again visited the project. Their agenda was as follows:

They discussed the schedule for the payment of shares and were informed that the chief farmer, Mr. Dogbe, had called a meeting for the 14th of August, at which time the shareholders would be asked to state the schedule of payment of their shares. The closing date for payment would be mid-December.

The chief farmer asked whether the Board of Governors could be increased from five to ten, and Technoserve promised to find out if this was possible. They then discussed whether local carpenters would be available to build the rabbit hutches, and that would not be likely. So it was agreed that outside carpenters would be used.

The next topic was water. It was hoped that two or three wells could be drilled before October. The group visited the site which was to be measured by Neil Johnson the following week. One well had been dug by hand, but had collapsed in the rain. Another had gone 30 feet, but had hit rock and could go no further. It was clear that one good well built on the site would be essential before the project could begin.

Rabbit feed was discussed, and it was agreed that Technoserve would contact those possible sources to discover the ingredients used and the price during the stage of writing the preliminary project report.

A visit was made to the Ghana Commercial Bank at Ada Foah, and a meeting was held during which it was explained what was needed in order to open an account. Two hundred cedis were given to Technoserve to deliver to the Register General's Department, in order to pay for the certificate to commence business. It was agreed that once the first portion of the shares were paid and the bank account opened, Technoserve could begin a Preliminary Project Report.

Willie Salmond visited the project again on the 14th of August to attend the shareholders meeting. Fourteen shareholders were there. Willie explained Technoserve and the aims, and stressed

that the company had to be viable. He added that, of course, there is the additional idea of encouraging small scale rabbit production in the area, with local people buying feed from the company's feed mill.

The schedule for the payment of share capital was agreed upon, with the first third of the moneys due to be collected the following two Sundays, and the final payment made to the bank on August 27th.

Willie then did a pre-test questionnaire in order to establish some baseline data so that, two years hence, it would be possible to see whether nutrition and family income had improved. He asked the following kinds of questions: What did you eat last night? How many people ate from the pot? How much fish was put in the pot? And the same questions were repeated for the previous night and the night before that. The replies were much the same, with considerable money being spent on fish since meat was too expensive and also scarce.

Willie was concerned that it would be difficult to show an increase in protein intake as a result of the rabbit project, since protein is daily being eaten now in the form of fish. Also, there was concern that those present at the meeting represented the richest people in the area, and so are not representative.

On August 27th, John Doku and Willie Salmond visited the AHK group, as promised. The first installment of shares had been collected: a total of 7,540 cedis, or about \$3,500.00. This amount also represents approximately 10% of the pledged equity, and was viewed as prima facie evidence of the willingness of the members to really make the company work. Of that amount, 6,540 was deposited in a current account and 1,000 in a savings account. The company was congratulated on its formation, and it was requested that Technoserve do AHK, Ltd. the additional favor of purchasing two company stamps in Accra.

On the way back to Accra, Doku and Salmond stopped at the Danafko Rabbit Project, and met with the manager to find out some more about his problems, and particularly about the prices of rabbits which, he said, were being planned for sale at 70 cedis apiece. He complained of the general shortage and high price of wheat bran for rabbit feed, and said they were now considering the purchase of brewers mash from the Accra breweries.

At the end of August 1980, Technoserve's assistance to AHK shifted from under the BASIG program to preparation for full project status, this being possible now that the company had actually deposited equity into an account. A key condition of Technoserve's assistance had been met; the theory of community based enterprise was being made real, and Technoserve was quite pleased that it was rigorously applying what it had learned thus

far. The amount pledged by April 1980 by 26 people from 11 families was 72,600 cedis of which, as we noted, 7,540 had been collected and paid to the bank towards the end of August.

We had another reason to be pleased, once the project shifted out from under the BASIG umbrella. Under Technoserve's guidelines for the Business Advisory Service, in order to ensure that the opportunity cost of providing that service remained low, we had established that no more than 4 man-days per month could be provided to a client of BASIG.

While under the BASIG umbrella, Technoserve's assistance to the project consisted of the following: Incorporation of a limited liability company, choice of a suitable site, list of shareholders and election of Board, preparation of certificate to commence business, opening a bank account with Ghana Commercial Bank, preparation of a survey questionnaire and several meetings with shareholders to discuss the first steps in starting up the company. Thirty-four man-days had been spent on assistance to the group up to the beginning of September 1980; in short, over a period of approximately nine months.

In a letter dated 22nd January, 1980, Technoserve had explained to the farmers group its rules of assistance under BASIG, telling them then that, if more time than 4 man-days per month became necessary, a preliminary project report could be written and the project upgraded to a full Technoserve project, with corresponding management fees charged on a monthly basis. In fact, a total of 36 man-days would have been allowed until the end of August and, as we see, 34 were spent.

We see here the beginnings of a pattern in which Technoserve's adherence to the letter of its stated methods and project development criteria and principles may have played a role in obscuring certain problems and risks.

Strictly speaking, since Technoserve's assistance to AHK under the BASIG umbrella did not exceed the limits mandated for BASIG, Technoserve could feel that this project had gone along well. Likewise, because the community had come up with the equity (at least pledged, if not collected) the criteria for community ownership appeared to be met. But, in fact, the notes indicate clearly that Technoserve did a considerable amount of directing of the farmers; perhaps a degree of cajoling, as well, in addition to the actual brokering and physical services performed (like the running back and forth with bank papers and registration forms). There may have been less spontaneity on the community side than we like to have thought at the time.

Realistically, of course, it should not be surprising that an element of direction by the assistance agency takes place. The point is rather that Technoserve, as we will see, wanted very much to believe that this was entirely the community's project.

Still, the record does show that the AHK start up process, in its structure, represented almost a pure archetype of Technoserve community-based enterprise formation. Also, what we might today call an excess of fostering and brokering would then have been seen as a high degree of concern evidenced by Technoserve's staff. The extent to which they make an effort to "teach" the farmers, to convince them of certain things, to physically take them to visit other projects as part of the convincing process, suggests the degree of responsibility, Technoserve felt towards its clients.

B. THE PRELIMINARY PROJECT REPORT AND PROJECT RATING PROCESS.

The Preliminary Project Report (PPR) is a document that benefits from the series of visits and investigations that usually take place in the project formation stage. In the AHK case, that stage was lengthier than usual because of the project's status under the BASIG umbrella. For this reason, it is difficult to say how much time actually went into the production of the report. It is a 10-page document, densely packed with justifications, questions, explanations and projections. Its purpose is to cover all the bases and bring before the Management Committee a rational picture of the fit of this project with Technoserve's purposes and capabilities. Certainly, a couple of person-weeks went into the AHK PPR.

The PPR lists the following expected positive elements arising from the AHK project:

- income to the shareholders.
- job opportunities for villagers
- cost-effective production and consumption of protein.
- increasing the commercial horizon of the local farmers.
- the prospect of bringing backyard rabbit raising to the families in the area as a second phase of the project.

Fit with Technoserve's project criteria is defined as follows:

- The project is in response to local need and request.
- The project has no need for imported labor or materials.
- The economic viability of the project is evident in the scarcity and demand for rabbit meat.
- There would be no negative impact on the area's ecology.
- The project does not discriminate in favor of any group or sex.
- The project beneficiaries do not have access elsewhere to the services which would be provided by Technoserve.
- Technoserve has experience in the particular commodity proposed.

Additionally, some major questions are raised which should be addressed in detail in the full project study if the PPR is approved. These are :

- availability of local feed
- availability of breeding stock
- disease prevention
- availability of managerial talent
- availability of construction materials

It is interesting that these questions, in October 1980, were pinpointed early on as the critical ones, and as it turned out, remained key problems, though not always all at once, for the next 5 years.

The PPR recommended as follows:

"Technoserve has deliberately kept a low profile in the development of this project, wanting to see if the people really meant business, and whether or not they could come up with the required equity. Their enthusiasm in meetings and the payment of 7,540 cedis prove they are serious. We recommend that the PPR be approved and a full project study be instituted. "

The PPR ends with projected balance sheets, income statements, depreciation and amortization schedules for the first 5 years of the proposed project.

Finally, the project was rated by four staff members, using a rating system that had been devised 5 years earlier. This rating system covers 36 different criteria in three areas: Business Viability, Social Benefits and Technoserve Program Goals and Corporate Capability. A sample rating sheet is included in the appendix. The weighted mean score will determine the project's acceptance.

All four raters came out with similar scores, the average being a 6.9 which is on the high side of "fair". The remarks made by each rater at the end of the sheet are interesting. Taken together, these remarks show a general awareness of all the risks. Technoserve was not going into this with its eyes closed.

The V.P. for Africa: "Good project fit for Ghana... however, management and organizational skills will be severely tested in Ghana's current economic environment."

Willie Salmond: "The main constraint will be feed."

Jim Herne: "Principal problems will be local management availability, raw materials supply, sources of equipment and construction materials, and local technical skills."

The project study was approved and Technoserve went ahead. It might seem to the reader that, given the questions and doubts, there would be good reason not to. One needs to understand, however, the potential for high gain which the project and, more

importantly, the project model represented for Technoserve at the time. This importance was cast within the context of other development assistance efforts in Ghana.

Ghana has been, for years, one of the most "assisted" countries in Sub-Saharan Africa. In 1984, for example, Ghana had the fourth largest number of private aid agency projects of any country in Africa. A large number of projects, however, have been basically relief-type projects, or slight extensions of the relief genre: aid in the form of material things being given out to the people (food, tools, tractors, money). Some of these, of course, are projects in which much more happens than simply dropping the stuff "off the back of the truck"--community development efforts, training efforts, technical assistance, appropriate technology, and a host of other forms of accompanying development assistance. But we were searching for a model that would produce, not only something with perceptible and measurable economic and social benefits, but which would last as a sustained entity long after the assistance had been given.

What Technoserve perceived as missing was an integrated attempt to gather low-income people together into a viable, hence self-sustaining, business, having significant impact on a sizeable number of people and the economy.

The AHK Model, was then and still is, a very exciting one--if it can be shown to work. Here you have a local rural group putting in their own equity, getting funding from a commercial bank, starting a business with high potential for production and sales, and using both the income and the commodity itself (rabbits) as seeds for a spin-off that would have widespread and immediate social impact--the Family Backyard Breeding Association. The outside agency, Technoserve, takes on the role of providing management services to this fledgling business--training local people to take over the business, and all the while acting as the catalytic force to get the thing rolling and running. And through all of this, nothing is just "handed" to the people as charity, nothing that in any way could create a dependency.

VIII. AHK, Ltd. As Full-Fledged Project - Moving into Gear.

With the PPR done and being considered in Norwalk, Doku and Salmond went out to Afia in the fall of 1980 to discuss the memorandum of understanding between AHK and Technoserve, and to establish a fee for the project study. This was acceptable at 1,500 cedis. They met with the members, and Mr. Doku spoke about the opening of the account and registration, encouraged them to pay their equity. The chief farmer requested an accounts book and a register book.

Meanwhile, Technoserve's "catalytic service" continued. The first well was being drilled by the Water Resources Research Unit. Their equipment had broken down, but a depth of 100 feet had been reached, and water had been found. This was in the middle of the village. The group was encouraged to have a well drilled on the project site while the Water Resources Research Unit was still in the area. In February 1981, a representative of GOVA came to inform Willie Salmond that the Water Resources Research Unit had ordered the drilling equipment to be withdrawn from AHK immediately. At that point, only one well had been completed with another in a nearby village.

Willie had then asked Mr. Sawyer of GOVA to contact Mr. Quist of the Water Resources Research Unit, who is a good friend of his, and entreat him to allow the drilling equipment to remain in the area for a few more days. This entreaty was successful and Mr. Quist agreed. In order that the supervisor of the drilling team stay back there with his men and his equipment, a letter had been collected from Mr. Quist to be taken directly to the supervisor at the site.

Willie and one of Technoserve's staff members rushed up to Afiadenyigba to present the letter and try to stop the well drilling equipment team from leaving. As it turned out, the team was still drilling the well at the nearby village. The letter was handed to the supervisor of the team.

Also, in February 1981, Technoserve visited the group again to discuss the siting of the project. Another person came along with the Technoserve team to discuss with the group the issue of how and why rabbit meat would help improve their way of life and their physical well-being. The site was inspected and suggestions for the location of the buildings, the store, the office and the hutches were discussed. The equity issue was again brought up, and John Doku encouraged them to continue efforts to make collections and payments by the end of the month. (The December due date had now been passed.)

On the 24th of March, two Technoserve staff members again visited the project--with some difficulty as this was in the midst of a petrol crisis, and they had to line up for over two hours in order to get enough petrol to drive the distance.

The Water Resources Research Unit had left Afiadenyigba on the 17th of March, after having gone over 100 feet and having discovered that they could drill no further. The first issue of discussion was the failure of the drilling team to strike water. It was agreed that the Water Resources Research Unit would again be contacted to try to convince them to send the team to finish the well.

On the equity collection, Mr. Dogbe informed Technoserve that the amount in the bank was 45,000 cedis. They were commended on

those efforts, but asked to speed up the collection so that the bank would be in a position to consider any proposals for financial assistance. As they had no accounting books, it was suggested that the secretary of the company attach himself to Mr. Patrick Kofi of Technoserve, so that he could train him at proper bookkeeping and basic accounting.

At the end of April 1981, Willie and Agya Asamoah-Muno of Technoserve again visited the project. The first item was to agree on the amount payable each month to Technoserve under the contract agreement (1,200 cedis per month). Technoserve had, in the meantime, been working on the problem of the source of breeding stock, and had contacted Heifer Project International on AHK, Ltd.'s behalf. The contract made with Heifer Project International by Technoserve in order to provide for the donation of the rabbits was explained to the members.

The members were very happy to hear of the letter and form sent by Heifer Project International, and it was thoroughly explained that the major condition of HPI was that every recipient of rabbits pass on the gift to others. This was discussed at some length. Technoserve advised the people to sign the appropriate form, so that it could be carried to the United States with John Doku on May 4th.

The Agricultural Development Officer of Barclays Bank of Ghana, Mr. Mills, had been in constant touch with Technoserve regarding the opening of bank accounts on behalf of the project. This too was discussed.

Then, the issue of equity contributions was again brought up. Mr. Dogbe noted that still only 45,000 cedis had been deposited, and explained that, because of the farming season, many of the farmers had invested their extra cash in their farms with the hope of good returns, in order to help them pay their remaining contribution. He assured Technoserve that efforts would be made to finish collection as soon as practicable, but that Technoserve should now make them see some signs of the project. This is the first time, in the notes, that it becomes clear that the farmers are beginning to wonder what's happening, suggesting more clearly than we've seen before, how much Technoserve was really carrying every bit of the responsibility for starting up this project on its own shoulders.

But Technoserve continued to be convinced that it was being true to the letter of its prior lessons, that it was being strict about keeping in mind whose project this really was--the farmers of Afiadenyigba. Staff, in this start-up period, continued to see itself as always throwing the ball back to the farmers, however much it assisted them and facilitated things, and intervened on their behalf for every aspect of the operation of the business, from the opening of bank accounts to the sourcing

of rabbits, to the constant explaining of the need for these things and the decisions made about where to open new bank accounts, and what was required in order to get financial assistance.

In July and August of 1981, further visits were made by Technoserve, again around the issue of bank accounts, equity collected and water well drilling progress. The Water Resources Research Unit had again started drilling a well, and plans were now being made to start construction in October '81. There had been a problem in transferring the money from the Adah commercial bank to the Tema branch of Barclays Bank, as had been agreed upon at the July 29th visit, in that the group had arrived late at the bank, which was almost closed.

The well drilling was apparently completed at 130 feet. Construction issues were again discussed. Carpenters, masons and block makers from the locality were assigned to be arranged, and the question of cement also was discussed. Mr. Dogbe, as chief farmer, agreed to accompany Technoserve to meet the regional minister or his deputy on the 20th of August, since he was the person in charge of cement allocation. Mr. Dogbe appealed strongly to Technoserve to assist them in getting a pick-up truck.

Meanwhile, Technoserve visited the Director of the National Rabbit Project to learn more about which breeds seemed to be successful in Ghana, and other aspects of both breeding and feeding. Technoserve began to recognize that certain supplies needed for the project were not going to be available in Ghana, and made contact with Technoserve's Norwalk office to see whether some of these items could be purchased in the U.S.

Technoserve, in early September, went to visit the Tema Barclays Bank manager to discuss the progress of the loan application made by AHK. The Bank made explicit what had been implicit all along: that Technoserve, by its presence in the project, was acting, in effect, as a guarantor for the loan. The Bank now required that our on-site management assistance be put in the contract for 60 months rather than the 24 months originally proposed. This was the primary condition for the granting of the loan.

Also in early September, a field trip was made to several commercial rabbitries and the Eastern Region Rabbit Breeders Association, as well as the Salvation Army Mission which had a Peace Corps volunteer in charge of their rabbitry. Their problems with disease were discussed, and certain recommendations made to Technoserve about construction of the hutches in such a way as to avoid disease problems.

During September, Technoserve completed the business plan and project study and presented them to AHK. A 22nd of September visit by John Doku and others, again discussed a number of key

subjects, equity being among them. At this point, 52,000 cedis had been raised. John Doku explained the necessity of a land document which would be required once their loan proposal had moved along. The project inauguration was discussed, and plans for the project office and store building were shown to the group. These plans had been drawn up by Technoserve. The accommodation for the project manager who would be supplied by Technoserve was also discussed. Their books were looked at, and Mr. Doku asked that they send their books to Technoserve's accountant to establish a system and train them in its use.

At the end of 1981, a coup occurred in Ghana and the government changed. The Provisional National Defense Council (PNDC) was established. Work slowed down, but continued.

On January 15, 1982, the laying out of the project site took place. Baseline data collection of a fairly elaborate index of domestic assets took place in February 1982. On the 18th of March, 1982, Technoserve again went up to AHK to work on the relocation of the office, store, carpentry shed, dry platform and the rabbit hutch colony. This involved getting someone from the Adah Foah Agricultural Office to request a surveyor to draw a new site plan for the AHK project.

Heifer Project International was to ship the rabbits to AHK in June. But before they arrived, Technoserve performed yet another unplanned service. HPI shipped the rabbits in June, 1982. Before leaving the United States they transited through the cargo area at JFK airport in New York. Upon learning this, HPI telephoned Technoserve/Norwalk, and expressed its concern about an airline delay which might result in the rabbits going unfed while waiting at JFK airport. One of Technoserve's Norwalk staff drove to the cargo area at JFK, personally checked on the rabbits, and alerted the agents of the nature of their cargo.

On September 9, 1982, the official inauguration of the AHK rabbit project took place. At that point, the following things had been accomplished:

A successful bore hole had been drilled by the Water Resources Research Unit, in addition to two other bore holes in the village itself. A hand pump on top of the well had been donated by the Netherlands Embassy. The Australian government had donated to the farmers cooperative a Datsun pick-up. Heifer International of the U.S. had agreed to donate 192 breeding rabbits, which were to be presented by the American Ambassador to the project on the inauguration day. The buildings and hutches had been constructed, due to the completion of a loan from Barclays Bank, and the project concept had been worked out, its main emphasis being the Family Backyard Breeding Association. In April 1982, Technoserve's on-site manager had arrived and set himself up in the new building. The rabbits had been air-shipped in June 1982. By the beginning of the first fiscal year (7/1/82) 49 additional

shareholders had pledged 27,400 cedis more, bringing total shareholders to 75 with a total equity pledged of 100,000 cedis, of which close to 70,000 had been collected.* As of inauguration day, 33 months had passed since Technoserve's first visit to the site.

*[An outside audit done of AHK Ltd at the end of 1984 showed 73 shareholders with a total equity of 68,957.80 cedis. Of the shareholders, 25 (34%) had 1000 cedis or more worth of shares, 10 (14%) had 2000 cedis or more worth of shares and the rest had under 1000 cedis worth of shares with the average for this group being 445 cedis worth of shares per shareholder. In terms of equity percentage, 46% of total equity is held by 14% of the shareholders, 69% of total equity is held by 34% of the shareholders. It appears that, in spite of pledges of close to 100,000 cedis, the total equity did not increase at all from July, 1982 to the beginning of 1985, when we last have accurate data.]

In the welcoming address given by the Secretary of AHK, Ltd. on September 9th, 1982, Technoserve was singled out in the following way: "All these things have been made possible through the assistance, advice and guidance of our technical advisor, Technoserve".

Technoserve had played the following roles: Community organizer, social worker, broker, procurement service, legal advisor, courier service, building contractor, architectural firm, psychologist, extension agent, health advisor, accounting firm, management and business planners, animal husbandry specialist, researcher, matchmaker (it was Technoserve's feasibility study which GOVA transmitted to both the Australian and Netherlands Embassies which resulted in the donation of the pump and truck) and, finally, shipping agent and "rabbit sitter".

Clearly, Technoserve had played the catalytic service role to the hilt, and had fully applied its lesson with regard to rural enterprise development as "hardball"--the opposite of a Sunday afternoon stroll. It required even more of a diversity of skills than we had imagined, and a commitment of greater depth than even our own rhetoric had suggested.

The energy expended in this first 33-month period, was by way of applying the ultimate practical lesson, that there had to be an on-going enterprise to manage in order for management and business skills to be applied and transferred. And since these farmers in Afiadenyigba did not yet have such skills; ultimately, the enterprise had to be started up for them. This paradox of orthodox grass roots development theory (all development must proceed from the bottom up) was, in our interpretation, something we felt had to be lived with if sustainable efforts of significant scale were to be successful.

IX. The First Three Years of Business (1982-1985).

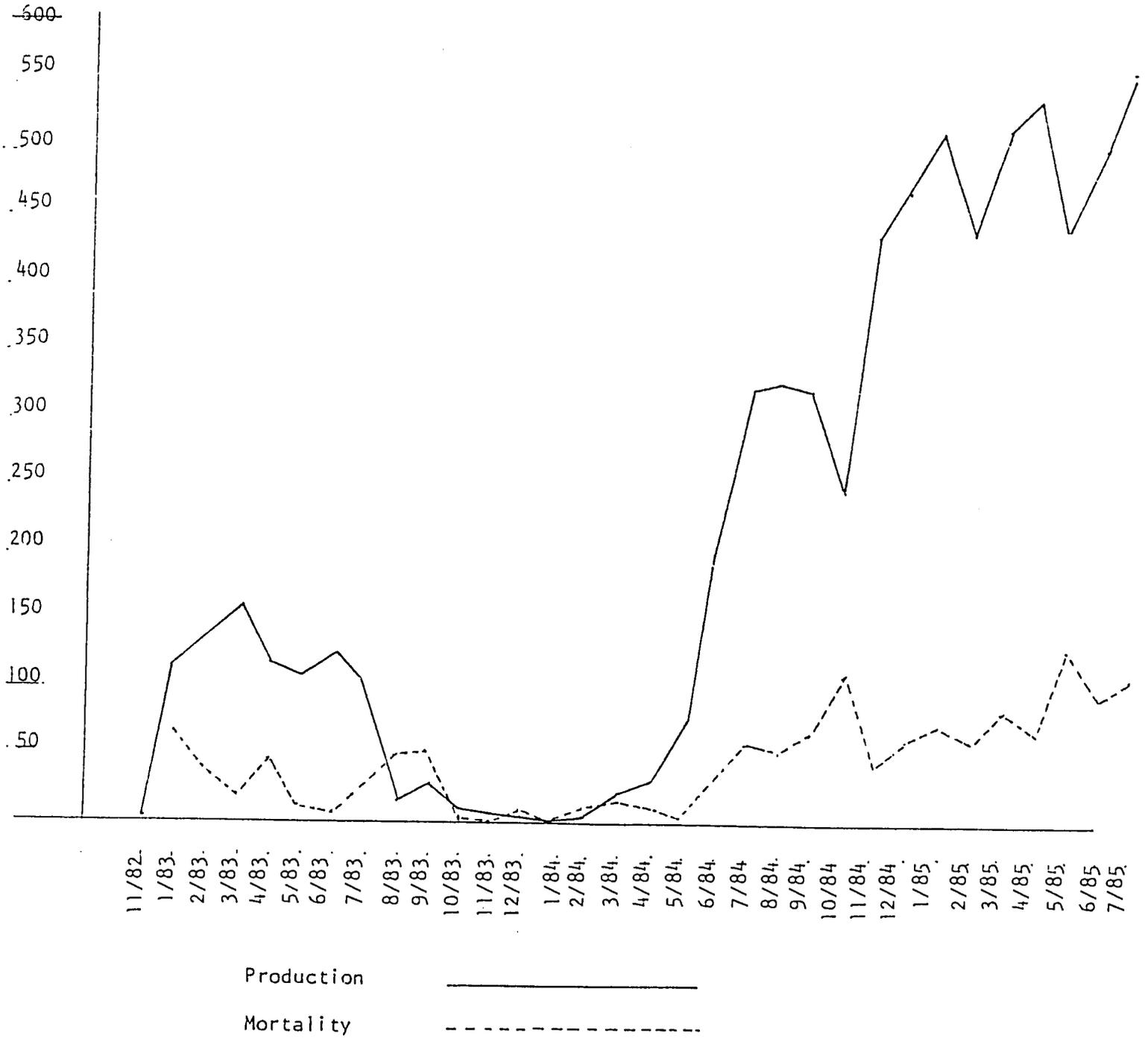
A. AHK's FINANCIALS

The original business plan called for the project to reach its maximum breeding stock level of 2,500 does in four or five years; in other words, by September 1986 or September 1987. At that point, the project would be expected to employ between 60 to 70 "school leavers" on a full-time basis, and turn out monthly sales of over 1,000 rabbits. Sales in smaller quantities were expected to start from the second year of operation; namely, by September 1984. We see, in fact, some sales beginning in 1983, but the first significant sales do not begin until June and July 1985; which is to say, about 33 months after the project's beginning, or 2 years 9 months. Present employment is, as we have seen, four people.

The shipment of rabbits arrived and were installed in June 1982. No babies were born until November. As expected, the first group of babies had high mortality, due largely to the inexperience of the young does. But as the following table shows, even modest production (not yet of commercial proportions) did not really begin until early 1984. Mortality remained a problem but, more important, the nature of the breeding cycle and the control of the breeding stock proved more complex than expected.

TABLE V.

AHK, Ltd. Production and Mortality - 1982-1985



Basically, AHK lost money continually. The following financials tell the story in terms of the bottom line.

Table VI

AHK, Ltd. Comparative Business Plans
Ghanaian Cedis, 6/30 fiscal year

	year one 1982-83		year two 1983-84		year three 1984-85	
	original	actual	original	actual	original	actual
Breeding stock (#'s)	703	242	1,650	227	2,750	138
rabbit inventory	57,000	36,250	201,000	63,000	271,000	74,000
bank loan funds	220,000	189,000	450,000	158,000	450,000	143,000
total assets	206,000	177,230	438,000	183,000	566,000	57,000
owners' equity	70,000	100,000	100,000	100,000	100,000	100,000
unit sales (#'s)	761	37	7,080	216	18,940	109
gross sales	38,000	2,590	354,000	43,000	947,000	55,000
wages	37,000	33,500	104,000	55,000	168,000	86,000
net income (loss)	(84,000)	(117,300)	(38,000)	(142,000)	(138,000)	(22,000)

Table VII

AHK, Ltd. Comparative Actual Results

	year one 1982-83	year two 1983-84	year three 1984-85
Breeding stock (#'s)	160	84	227
rabbit inventory	25,951	30,270	68,130
bank loan funds	184,811	158,000	143,000
total assets	160,300	167,632	202,842
owners' equity	(25,132)	(123,603)	(222,881)
unit sales (#'s)	37	216	109
gross sales	3,200	22,259	77,286
wages	25,132	24,082	62,960
net income (loss)	(101,431)	(98,471)	(99,278)

As can be seen, the big setback was the second year. Everything went wrong. High temperatures, unreliability of feed sources, a disastrous year in the economy and disease among the rabbits. Production stopped. The morale of our Ghana staff was low. The drought of 1983 had exacerbated an already terrible economy, and

finally the coup of December 1981 had resulted in a major cutback of USAID which ran through 1982, '83 and '84.

Technoserve was put in a position of simply having to survive this low period. The project, which certainly needed some luck to do well, was very low on that commodity during this time. But, as was said in the introduction, there was more to these difficulties than bad external luck.

B. TECHNOSERVE'S ORGANIZATIONAL BEHAVIOR IN RELATION TO AHK, LTD.

Organizations, like persons, need space to reflect on themselves. This is rarely available to either. Therefore, once set in motion, things can keep on going relatively unreflectively. A state akin to "being in a rut" can occur when larger, external problems enter the picture.

Technoserve was beginning to grow in other areas. Its Latin American programs were expanding rapidly, and a new participatory methodology was being initiated. By contrast, the African division was undergoing difficulties, both at home in the Norwalk office and in the field, due in part to the continent-wide drought. The Africa division withdrew its two expatriates in Ghana, Willie Salmond and Jim Herne. The depression in the Ghanaian economy was feeding back to the home office. Short staffed in Norwalk, confronted with difficulties in the other African programs, particularly concerned about AHK, Ltd. and Ghana, the division was searching for new directions. Ghana was unfortunately subject to a degree of neglect. No one knew what to do.

AHK was in effect the only enterprise project in Ghana of significance. Much was at stake in keeping it going for, given our commitment to fostering real enterprises of significant scale, it would be hard to live with a program that did not show a single such entity being worked on. And yet, it was clear that Ghana staff was short-handed, working under difficult circumstances, but not being able to make breakthroughs. The Ghanaian economy was frighteningly badly off. Training of counterparts was not taking place at AHK. Participation of the beneficiaries was not yet happening in the Family Backyard Rabbit Breeders Association. At best, we were keeping the project from dissolving.

This situation stymied the Norwalk office. In terms of its own internal culture, Technoserve was tied to Ghana because of its start there in 1968. Like a doctor with a sick patient with a mysterious disease, we tried to help, but did not know what to do, except to simply hang on. It is impossible to say if anything else could have been done.

X. Technoserve's Costs in Working With AHK; Given the Slow Progress of AHK Ltd., Was This Project too Costly?

Technoserve's costs are relatively easy to trace. As the only commodity we trade in is our staff, our costs come quite close to our personnel time. We have data from the time that AHK, Ltd. became a project and acquired a project number (1981).

Table VIII, which follows, shows the time spent on AHK as a percentage of total staff time devoted to projects (that is all time except "program administration, grant administration and new project identification). It is obvious that, in the first years, AHK used far more time than any other project, corroborating the anecdotal evidence which suggests high start-up costs, consistent with the high level of difficulty in starting up AHK. Over time, the project breaks out at about one third of the Ghana Program in terms of time.

Table VIII.
Time Spent on AHK Ltd. as % of Total Ghana Program Time.

Year	AHK rank in Ghana Prog.	%
1981	4th of 4	20%
1982	1st of 6	39%
1983	1st of 5	28%
1984	2nd of 6	23%
1985*	4th of 4	17%

* First 6 months

As the job cost figures show (Table IX), the cumulative figures for 42 months (1/82 through 6/85) show total direct costs (everything except "G & A") as US \$ 153,974.00. This represents 32.4% of the entire Ghana Program for the same period. In short, time spent and dollar cost come out about the same as a percentage of the program over time. (Note that the US \$154,000 figure includes about US \$41,000 in travel, transportation and other direct expenses not related to salaries and overhead.)

Table IX
Job Cost Figures.
(U.S. Dollars)

Mfantsiman Extension	49,454
Nnudu Extension	2,637
BASIG	94,948
AHK Ltd.	153,974
Patuako Charcoal	69,344
Abura Extension	72,905
AASC Rice	29,653

Is this expensive? This is an extremely complex question. Until 1982 Technoserve/Ghana had expatriates on staff. Their cost was much higher than Ghanaian staff. The Ghanaian cedi, until April, 1983 was highly overvalued. For these two reasons alone job cost figures are distorted. It makes sense to look at job costs by year, and compare cost per person-month in a given year of AHK, Ltd. to cost per person-month of the other major numbered Technoserve Ghana projects.

As Table X shows, AHK was the most expensive project we had in Ghana in 1982, but only by a few percent when compared with the two closest runners up. In 1983, costs were considerably lower, due to the devaluation of the cedi and the fact that there were no more expatriates in the Ghana program. Still, this was the year when AHK cost significantly more than the 4 other projects, being a good 10% higher than the next closest project. Also, 1983 was, economically, one of the worst years Ghana had had, and project problems reflected this. In 1984, AHK ranks third most expensive of 5 projects. This reflects, generally, some slight improvement in overall conditions, but is also the reciprocal of the fact that a major new project (AASC Rice) was starting up, and another major project (Patuako) was terminating. Both start-up and termination can be high cost phases. In 1985 (first half), AHK ranks first, but all four project cost per man-month figures are so close to each other that job costs for all are effectively the same.

Table X
 Cost Per Person/Month for Major Ghana Projects (in U.S.\$)

	1982	1983	1984	1985
AHK	3419	1952	1424	2097
Mfantsiman	2671	1535		
BASIG	3302	1475	1274	1985
Patuako	3216	1753	1610	
Abura	2859	1470	1317	1998
AASC Rice			1556	2048

Over the four-year period (actually 42 months), the cost of AHK, when compared to the cost of the other two projects that can be tracked for the same period, is nominally more expensive, but only by 3% and 12% respectively.

The more interesting story, though, is the high degree of energy that went into the pre-project phases (late 1979 through early 1982). These cost figures are not broken out as AHK, and therefore we cannot offer an apples-to-apples comparison. But it is clear from the anecdotal evidence that much time went into this early period. Given that this was a start up venture in a high risk time, that is normal.

Table XI shows the staff disposition in the AHK, Ltd. project. Here we see the Technoserve pattern of direct management that has emerged in projects that resemble start-up ventures in the profit sector. The model for AHK as a business, is precisely that. Technoserve was, in effect, contracted to transfer management capability to the local community. But the business had to come into its own first. To ensure this, Technoserve placed a full-time manager on site. From 1982 on, one person on Technoserve's staff had put in between 88 and 100% of his year as AHK Manager. Because of the nature of the project, the peculiar husbandry difficulties and the nature of Technoserve's staff composition at the time, it was also necessary for John Doku, the Country Program Director, to put in an unusually high percentage of his overall time in the rough early years. His time has steadily decreased (33% in '82, 21% in '83, 17% in '84 and 10% in the first half of '85).

Table XI.
Staff Disposition
No. of Staff Involved and % of Their Time Spent on AHK, Ltd.

	1981	1982	1983	1984	1985*
No. of staff out of Total Ghana staff	3/10	4/11	4/11	5/11	3/8
<u>Staff Member</u>	<u>% of person's time in each year</u>				
Doku (Director)	20%	33%	21%	17.4%	10%
A.M.	69%	-	-	-	-
W.S.	6%	-	-	-	-
A.N.	100%	-	-	-	-
E.N.	64%	100%	-	-	-
P.K.	-	17.5%	33%	15%	17%
B.A.	-	-	17%	88%	100%
E.A.	-	-	-	6%	-
H.B.	-	-	-	2%	-
J.H.	-	-	-	-	100%

Much of John's time was spent in his capacity as a respected elder. He alone had the necessary status to address the villagers in persuasive ways, to teach them, cajole them and persuade them to of certain aspects of the start-up of a new venture which they often did not understand. It has to be recalled that, while we are talking at one level about the start up of a new commercial venture, we are at another level talking about this occurring with a different long-term goal than that which a venture capitalist might have. There is, after all, a long-term, overriding social purpose here, reflected in the fact that the community is the owner of this venture. Technoserve, therefore, is operating the venture on behalf of the community. This means that business criteria which may or may not decide when to call it a day, have only limited applicability.

At the same time--and this is where the subtle interaction of business principles and development principles takes place--the venture will have no long-term social purpose for the community unless it operates as a viable business. This will not happen if it is not nurtured into existence by using basic business and technical skills.

One of the ways in which Technoserve/Ghana laid low during this early 1980's trough in the economy was that it was not in a position to recruit and train new staff. Technoserve staff in Ghana had been primarily agriculturalists and less marketing and financial specialists. At the point when AHK needed the input of these skills, we had to improvise them, and this is why Patrick

Kofi and John Doku are seen spending considerable time on the project, along with Benson Anaglo, who took over full-time management in early '83. Ben is not a marketing or financial analyst but a production-oriented agriculturalist. His problems were overwhelming--keeping up with the constant feeding problems, the continued lack of supply, the up-and-down nature of the mortality, the difficulty of finding construction people and, ultimately, the complexities of rabbit reproduction which, admittedly, Technoserve had underestimated.

When production began to pick up, Technoserve was not really in a position to shift to the more commercial mode. Mortality remained a problem but, compared to production, it was less and less a worry as the percentage was going down. By early '85, marketing became the real need and we were not up to it. John's memo to Ben of early April 1985 reflects this:

"I am not worried about the mortality because we suspect the cause and you are working on it. But the variations on breeding does and rabbits sold were not good, especially the sales. You must start thinking of promoting sales by some means. It is very important. Let the Monthly Project Field Reports guide our concerns so we are not caught on the wrong side Why not think of some sort of sign board advertisement for sales... Let us resolve the problem asap."

A sign was put up at the road junction at Kasseh in May and, at the end of May, an ad appeared in the Daily Graphic newspaper, followed by a second ad on June 4th. As 60% of the sales in July were to Accra (where the Daily Graphic is published and where its largest readership is), it is clear that these ads worked and would have worked earlier had they been placed earlier.

In July, production had increased enough that John was concerned about rabbit housing, and sent Ben a memo of the 17th directing him to begin a crash program for rabbit housing. In his memo, John gives specific directions and suggestions on where to get the bricks and what they should cost, and adds that local school boys could be organized to make them on their own.

From a distance, it looks like the Director is too involved in details. But this is too easy to say. He had a dedicated, overworked staff, and had to make sure the project, now that it was beginning to take off, could survive until the more appropriate skills were found and installed. These crisis responses are entirely normal in the circumstances, and illustrate again and again that development principles have to be compromised in the short-term in the interest of keeping the vehicle alive which we hope will eventually bring those principles back into play again. Thus, for the sake of the long-term goals, the folks who are supposed to be in the back seat have to take the wheel.

XI. The Long-Term Community Benefit Side- The Family Backyard Rabbit Breeders Association.

We now move from the AHK, Ltd. project site to the villages again, about a quarter of a mile away. Here we see the other side of the enterprise development concern: the longer-term social benefit side.

The original project was conceived, as has been noted earlier, as a limited liability company, because it was felt this would attract funding from the banks--as it did--and because it was felt that, if the community were to be involved, their equity had to be protected in a high-risk venture. But we knew then that it would be several years (according to the original business plan) before the community would be running the project by itself. The justification for going ahead nonetheless was the concept of the Family Backyard Rabbit Breeders Association.

The genesis of the concept comes from the Ghana National Rabbit Project. It was elaborated on by the addition of the concept of the "passing on of the gift" (related to the eventual bringing in of Heifer Project International as the stock donor), and the idea of repayment to the AHK commercial project itself. In a memo of August 1979, John Doku explains the "rabbit chain" idea.

"Each participating family is given a doe and a buck, and in the second year "repays" to the company 2 fryers for fattening and sale. The chain then expands..."

The concept was attractive, both economically and socially, as it seemed like, eventually, this approach would cost nothing to the company and would solve the longer term health problem of providing a source of both income and meat protein: a genuine multiple effect, as well as a genuine multiplier effect. In short, the concept of the Family Backyard Rabbit Breeders Association is a "development project designer's dream".

The way things were supposed to work in the first stage of the FBYRBA, a small group of community members were to be shown how to construct their own backyard rabbit hutches in preparation to receive the first rabbit "gifts". It was thought that these first recipients should be community leaders of the type who could be used as models to help "diffuse the innovation". A state-of-the-art rabbit hutch was designed, intended to use solely local and cheap materials, to be easy to clean and solve the dual problem of heat and shade, and protection in the rainy seasons. The model was built on the AHK site and rabbits installed. The first recipients were designated and agreed to build their hutches. They each chose one person in their families to come to the project for training (generally people chose a teen age child). Thus, everything was set in motion.

But we did not really do the kind of in-depth homework which we

should have done. In spite of considerable effort in 1982 to collect rather sophisticated baseline social and economic data on the community; somehow, we did not really try to interpret the dynamics of the community and the relative priority that such a program might realistically have in the villagers' already burdened lives. A classic, mistaken assumption was made: taking for granted that, because the people liked the idea and indicated that it would meet a "felt need", the idea would work in the implementation. This mistake of "need" with "capacity to implement" is made over and over again by PVO's.

We would, today, engage in a lengthy participatory diagnosis of the future of the FBYRBA, involving many members of the community, and taking the time to ensure that everyone understood what this process was about. We have learned from our experience in such diagnostic exercises in Latin America in the last two years that such community participation processes can take from several months to a year to complete.

As a result of not correctly assessing the real priority such a project would have in the community, we overestimated the ability of the people to care for the rabbits, given the realities of everyone's overburdened life. Related to this, and a factor which made people's commitment even less likely to be fulfilled was the fact that the hutches themselves were overdesigned.

The first rabbit "gift" did not take place until March 8th, 1985, some 2 years behind schedule.

Table XII
Summary of First Four Months of Rabbit Gifts

Date of Gift	Sub-village number	Mortality rate as of 8/1/85
3/8/85	2	62.5%
3/9	3	38.5
3/9	2	65
3/12	2	76
4/13	2	38
7/19	1	NA

Walking through the villages, we can see the progress of the gifts and their owners.

As intended, the first rabbit gifts have been given primarily to the key members of AHK, the very first gift going, not surprisingly, to Mr. Dogbe, the Chief Farmer and, in general, the ubiquitous spokesman for AHK and the village.

His gift was followed one day later by the gift to Mr. E. N. Nangwa, also a Board member. This was followed by a gift on the

same day to Mr. K. Lawarteh, who is a brother of the Secretary of the Association; then to Mr. Emanuel Dogbe, the brother of the Mr. Dogbe; and, finally, to Mr. Buenar Dogbe, additionally a relative. In July, a gift was given to one Tseko Apenakro, a shareholder and village elder.

The recipients of the backyard rabbits are the elite of the village. That was intended. However, even with the supposedly higher commitment to be expected of these more involved elite participants, it is evident that, so far, there has been a rather low level of involvement.

In spite of the training and the constant discussions by Technoserve about the need for cleanliness and the ways in which to avoid mortality, there has been a 55% mortality rate among the offspring of the original gift stock. This can be explained by many factors, including the inexperience of the relatively young does in caring for newborn bunnies, but it also is likely a function of the lack of cleanliness of the hutches.

Let us quickly go through the ten backyard rabbit hutches that exist thus far, four of which are "under construction". We first visit Kenneh Lawarteh's hutch. He now plans that, when his rabbit production reaches approximately 20, he will start eating rabbits, but only on Sunday. These days he rarely eats meat, even on Sundays though, once in a rare while, chicken may be served. (Note: Chicken is slightly more expensive per weight than rabbit.) Mr. Lawarteh's rabbit hutch is extremely dirty. There is excreta all over the floor, and the rabbits themselves are obviously in very dirty shape. His son is taking care of them, but is not around today. Mr. Lawarteh's hutch has chicken wire going up approximately 20 inches over the top of the finished wall. He tells us this is to protect the rabbits from reptiles, dogs and cats.

The hutches are strikingly elaborate and large compared to the residences of the people themselves, a sign that we were asking too much for them to construct such relatively "important" buildings for the keeping of small animals. On the average, the hutch is approximately 25% of the area of a living quarters house. As mentioned, we knew this fact before we began, but we did not bother to interpret its implications.

The second hutch is Mr. Dogbe's. Also dirty. Also high mortality. He gave a figure of about 700 cedis needed to construct the hutch--this to go for the cement and bitumen which are the only necessary inputs that one has to buy. The rest is local thatch, and one can supplement the chicken wire with a wattle fence construction. The basic structure is pressed mud. Seven hundred cedis, it should be remarked, represents more than the actual capital investment by the average member. It seems that expecting that kind of an investment is unrealistic.

In the third case, Mr. Emanuel Dogbe has his daughter, a married girl of perhaps sixteen to twenty, caring for the rabbits. She claims that she cleans three times a day and feeds twice.

Note: The training is supposed to be 28 hours per week seven days a week times four weeks, or 112 hours of training; however, in most cases, brush-up courses are necessary because of the delays in construction.

By visual observation and then matching it to later calculations, where we have records of mortality, the three of the five with the highest mortality rates (62%, 65% and 76%) were the three dirtiest of the five that we saw. In the case of the other two, both with mortality rates of 38%, the hutches were significantly and visibly cleaner.

We now visit Mr. Buenor Dogbe's hutch, and the suspicion that the hutches may be perceived as too good for mere animals gains more weight. Mr. Buenor Dogbe's hutch is very nicely done and also very clean. In talking we learn that, before he had put his rabbits in, he would come there himself to sit in the cool part of the hutch. He felt it was clean and new and, all in all, one of the nicest places to sit in the village. The others laugh, remarking that now he has given it up to the rabbits.

Of the four hutches still under construction, only one looks like it will ever see actual use. The other three are in the largest of the three sub-villages called Vunya.

In this case, all three were in various stages of having been washed away by the recent rains. In the first one, the hutch was at about two-thirds of completion when the rains came. Inside the hutch, there are plants growing and a considerable amount of garbage, suggesting that it has been some time since any construction went on, and that perhaps construction stopped some time before the rains came, in spite of what the Board members told me.

The second one, also in Vunya, also unfinished, was approximately one-half finished when construction stopped. The shareholder and owner of this one is a woman. I spoke to her, and asked her how long it had been under construction. She was neither apologetic, nor in any way enthusiastic, saying that since she is a woman this has nothing to do with her. It was her sons' obligation to finish and construct the hutch, and her sons are extremely lazy, she tells us. She called the oldest one over, who stood there with a smile on his face, and promised that in three weeks' time it would be finished. However, it emerged after some discussion that, in reality, to get to the stage that we now saw had taken over two months. Given that it was barely half-finished, it seemed impossible that it would be finished in three weeks' time.

The woman's hutch also showed extensive damage from rain, and

also contained growing plants on the floor and some amount of garbage.

The fourth hut, also in Vunya, was the least finished. Approximately 17 to 20% of it had been built, and this one was so washed out by rain that it looked as if it would have to be pulled down and started from scratch.

In sum, three of the four huts under construction are not likely to see completion. The fact that the story told about all of them was exactly the same; namely, that they had been started, but that the rains came and interrupted construction, can be interpreted in several ways. One could argue that if people know roughly when the rains come, it is quite likely they could have completed them, had there been the will to do so. I think much more likely the woman's explanation about her sons, that they simply were not terribly interested in putting too much effort into it. Looking at it with American eyes, it certainly suggests very bad planning and no ability to anticipate that work would be wasted. Indeed, in the case of the two that were 50% or more completed, a considerable amount of effort was, very obviously, wasted.

The other interpretation is that these people have limited control over their lives not because they lack will, or lack "conscientization" (an understanding of the forces which constrain their lives), but because of the circumstances of their physical lives. They are often sick, and thus tired, and they have far more immediate needs, so that they do not have the economic resiliency to put effort into new kinds of things that do not look like they'll provide immediate return. Quite naturally, there are habits in a village, established procedures, and not much real room left to think of alternatives. If people are going to put time into protecting their future, it is far more established procedure to do that through social means--by spending time "networking", keeping up family and extended family ties which in history have proven reliable as hedges against future shortages and crises. These activities, which may look to the outsider as non-productive, are sensible economic activities for a village like this.

Each hut was built almost too faithfully to the original model, with only one hut varying in the slightest. The investment of time and money is high. Perhaps the best way to look at it--and the most positive way--is to be surprised that the other three, under partial and failed construction, were even begun in the first place, which is really quite remarkable.

There seemed to be no great sign of any others about to be constructed or under way. At present, however, people are involved in harvest, and again people claim that there is no time.

The Family Backyard Rabbit Breeders Association, though it has got off the ground very slowly, and has presented AHK and Technoserve with a challenge, is still the most attractive long-term goal of the whole project. We, clearly, looked at this aspect through somewhat rose-colored glasses, ignoring the motivational aspects of such a concept. We expected the thing to work mechanically, once the first ones were launched. We paid attention to design detail and the technical aspects of rabbit raising, and how to train the kids of the villages to take care of the animals. But we did not put it all in the context of people's lives, their priorities, what is realistically possible given other constraints. We expected that, once begun, things would take care of themselves.

But around the time of the above visit, Technoserve saw its mistakes and took corrective action. The basic hutch design has now been changed and made much more simple, cheap and faster to build. The Ministry of Education has also been brought into the process, as has the health establishment. Now a target for the backyard rabbit breeding concept will be institutions as well as villages. Such institutions are better able to sustain such a project and secondly, through the example set for children in schools and, for mothers in clinics, it is hoped that a new source of motivation will now be channeled to the community.

XIII. Lessons Learned - The Future

The broad lesson learned is a lesson in humility. Even when we try to do most things right, we can still run into serious problems. The business of enterprise development in the AHK case reminds us that it is risky business, that it requires constant energy and skill and rigor. Above all, it requires a long-term effort.

We were, as we have tried to show here, a bit caught in the trap of thinking we had learned the key lessons. We tended to be a bit more driven by both our own vision and our own past experience in rabbits than perhaps we should have been; in a way, we were not enough "demand driven" and too much "supply driven".

The conditions in Ghana, especially in the 1983-84 low ebb of the economy, made our mistakes much more palpable. Our effort became one of survival, of hanging on long enough to be able to continue later on. We were forced to lie low. Now, things have improved considerably. We have learned that the project can survive. We need, now, to put more effort into it from our end, and do what is necessary to solve the remaining problems. Rather than slacken off, we now have to put in skills in marketing and management training, a higher level of bookkeeping, and be more aggressive in the search for appropriate local people who can take over after we leave.

These changes have already begun. Technoserve has shifted some of its personnel, so as to inject new energy into the project. A new business plan has been written which draws a line on when Technoserve will end its direct management role. A more aggressive sales program is underway. Our Norwalk home office is giving better support to the Ghana program as a whole, due to the fact that the Africa division is now fully staffed. The major logistical and disease problems of AHK, Ltd. are now over. Production and sales are increasing. The community is renewing its interest in the FBYRBA. Best of all, the Ghanaian economy and overall policy environment have begun to turn around. The signs are all good ones now, and we are, with a new degree of hard earned humility, hopeful once again.

APPENDIX A

CURRENCY EXCHANGE RATES
Ghanaian Cedis to U.S. Dollars

6/1983	from	2.75	=	\$1.00	to	29.98
4/1984	from	29.98	=	\$1.00	to	35.00
10/1984	from	35.00	=	\$1.00	to	38.50
12/1984	from	38.50	=	\$1.00	to	50.00
10/1985	from	50.00	=	\$1.00	to	60.00
1/1986	from	60.00	=	\$1.00	to	90.00