



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

W.
... ..
... ..
... ..
... ..



07697



Distr.
LIMITED

ID/WG.257/1
1 September 1977

ENGLISH

United Nations Industrial Development Organization

Expert Group Meeting on Industrialization
in Relation to Integrated Rural Development

Vienna, Austria, 12 - 15 December 1977

INDUSTRIALIZATION OF RURAL AREAS
CASE STUDY ON ESTABLISHMENT OF RURAL INDUSTRIAL ESTATE
FOYA, LOFA COUNTY, LIBERIA ^{1/}

^{1/} This paper was prepared by Mr. D. Skinner, the UNIDO Project Manager; Mr. L. Randall, the UNIDO Senior Industrial Development Field Adviser; and Mr. L. Bruyntjes, Junior Professional Officer. The writing of the paper was co-ordinated by Mr. Bruyntjes.

The views and opinions expressed in this paper are those of the authors and do not necessarily reflect the views of the Liberian Authorities or the secretariat of UNIDO. This document has been reproduced without formal editing.

id.77-6579

TABLE OF CONTENTS

	Page
THE LIBERIAN SITUATION, BACKGROUND SKEETCH	1
Introduction	1
General policy and long-term objectives of Liberia's socio-economic development	1
Key problems in rural development	1
Background of the rural industrial estate (RIE) concept	2
Location of rural industrial estate, Pogo, Lofa County	2
Description of the project	4
Development of the project to the present situation	5
Bottlenecks, key problem areas and limitations of the project	11

THE LIBERIAN SITUATION, BACKGROUND SETTING.

1. INTRODUCTION

General policy and long term objectives of Liberia's socio-economic development.

- diversification of production based on renewable resources.
- dispersion of sustainable socio-economic activities throughout the country.
- equitable distribution of the benefits of economic growth and diversification so as to ensure an acceptable standard of living to people throughout the country.

2. The cornerstone of the diversification strategy is Integrated Rural Development (IRD), through balanced regional planning.

Priorities:

- Agriculture
- Education
- Health
- Transportation and Communication.

Although these priorities are very general, it is noteworthy that industry is not on this list.

3. Key problems in rural development:

- low productivity of land as well of labour caused by:
 - low yielding crop varieties and shifting cultivation
 - not enough soil and water conservation measures have been taken
 - inadequate research and extension services
 - lack of suitable or accessible credit, marketing and processing structures
 - lack of experienced management and entrepreneurial skills
 - poor infrastructure (roads, power, water) facilities.
 - lack of technically qualified people.

4. Background of the Rural Industrial Estate (RIE) concept. In order to improve agricultural performances the Liberian Government established during the last 4 to 6 years, a number of farmers cooperatives which create a network of cooperatives throughout the country. These cooperatives, who have been given a monopoly position in terms of selling agricultural produce to the governments' central buying organization LPMC (Liberian Produce Marketing Corporation, should not only provide the member farmers with a fixed and stable centre to sell their surplus produce, but should also be seen as an important part of a general integrated rural development programme. Among others these cooperatives should facilitate the distribution of improved inputs (NDP paragraph 80), and could at different levels be focal points for non-formal education.

5. Location of Rural Industrial Estate, Foya, Lofa County, a brief geographical and historical description.

Lofa is the northern most county in Liberia and is to date almost entirely depending on agriculture. The northern part of the county (Upper Lofa) with a population of approximately 58,000 is somewhat more developed than the rest and most of the development efforts are concentrated in here. World Bank is executing a \$17 million agricultural development programme, comprising crop improvement, establishment of credit facilities, road building and improvement and of course manpower development.

The expectation is that within 6 to 8 years the huge iron ore deposits in central Lofa will be exploited, which will create a new growth pole in the county.

Foya is a town of about 3,000 inhabitants in the western part of Upper Lofa, approximately 12 miles from the Sierra Leone border and on equal distance from Guinea. Besides being an agricultural community the town has been a trade centre for a long time. Each week the Saturday market attracts five to seven thousand people.

6. In the beginning of 1971 a farmers cooperative was founded in Foya. It was called Intofawor, which means in the local language "let us try". It provides a marketing centre for the fastly expanding commercial agriculture, whose main products are coffee, palm kernel, cocoa and to a lesser extent rice. Last years turnover was close to \$200,000.

Because membership of a Cooperative, in districts where they exist is compulsory these institutions have a very strong position, and can show a substantial profit, due to a 6% sales commission from LPMC if managed properly.

7. At the moment of introduction of the cooperative a minority of the population was involved in cash crop farming while the vast majority was involved in subsistence farming. The trade sector was and is mainly in the hands of non-locals (Guineans, Lebanese, Mauritians) and a service and manufacturing sector was virtually non-existing. During the first years of its existence Intofawor was managed by Peace Corps Volunteers who trained Liberian counterpart staff. In the second half of 1974 Intofawor was turned over to the Liberian staff and two Peace Corps Volunteers remained as advisors. The cooperative at that time was probably the only employer of any scale in the region, providing job to approximately 15-20 mainly semi or un-skilled labourers.
8. The above was the situation as found by the Rural Industrial Estate at its inception early 1975, meaning that there was hardly basis of any value for industrialization which implies a foundation in the form of some skilled or semi-skilled labour some basic management skills and a transport and communication system. This foundation has to be built rather than to be used by the RIE project, to facilitate industrialization in a second stage. In spite of this, the general trends could be assessed as favourable for the establishment of an RIE which could provide processing services for agricultural products and set up other small enterprises for which the need arose in this rapidly developing area. The agricultural prospects were very good. Farm efficiency was rising due to improved land clearing methods, diminishing of shifting cultivation practices and the introduction of better yielding crop varieties. Farming for market purposes of oil palm, coffee, cocoa and rice was encouraged by the existence of the farmers cooperative as a stable purchaser. Opposite this feature it was clear from the beginning that managerial and technical skills would be extremely scarce and that also the aspirations of the "ordinary" people were not to be over-estimated. Leadership was incorporated in the Paramount Chief and other tribal leaders who generally did their very best to follow and understand new developments from the outside world, but were never part of it.

9. The high cost of transport of agricultural products led the way to the belief that establishing of processing industries could be feasible. In older reports on agro-industries development in the regions (Weizmann, UN/OTC, August 1973, and in November, 1972 Adams UNIDO project manager-designate for LIR/72/012, Construction of Agro-Industrial Estates in Rural Liberia, pre-project investigation report) there was a mention of fruit canning industries and other technologically complicated industries, but at the start of the RIE the level was already set much lower. For the RIE, activities like rice milling, cocoa drying, coffee cleaning and oil milling were seen as the limits of the possible in terms of manpower and resources availability.
- Furthermore, there was the fact that virtually all manufactured goods had to be imported from Lenoovia. Foya's development created a greater demand for among others more durable building materials than the commonly used mud.
10. On the national level the approach of these problems could unfortunately not be founded on a national rural industrialization plan. Liberia is still in the stage of formulating rural development policy.

Description of the project

11. The Foya pilot rural industrial estate was established not because the local community directly felt a strong need for it, but because the concept appealed to the government which selected the, at the time, most promising farmers cooperative, to serve as a backbone for this new type of service organization.
12. The objectives of the projects can be divided in two categories: The first is to expand and/or develop entrepreneurial capability in the area. This is supposed to be done by direct training of RIE staff, a manager, an accountant and one or more supervisors of the different activities, in a counterpart framework. It was anticipated that more people could be trained than would be necessary for Foya and that they could eventually manage other RIE's. The second objective is to establish and manage profitable commercial enterprises, as a way of demonstrating the viability of industrial activities.

13. Although the Ministry of Agriculture (MOA) is officially the Government agency to execute the project, it has delegated its authority to Intofawor Cooperative as being the most desirable vehicle for carrying its development message to the farmer. It is the government's policy to create a network of agricultural cooperatives throughout the country and the RIE was attached to the originally best operating cooperative. It is organized as an integral part of Intofawor and is meant to facilitate and expand its activities. Being a pilot operation its success is likely to lead to the establishment of more RIE's linked to other cooperatives.
14. Financially it has been agreed that UNDP would contribute \$290,700, for one expert (project manager), equipment, consultants and a mechanical engineer. The counterpart contribution of the government of Liberia would be \$120,320 for local personnel, training and equipment. Intofawor's counterpart contribution was agreed to be \$205,240, for counterpart personnel and equipment (\$115,000) and finally the US Peace Corps would contribute \$96,000 for 8 man years volunteer service.
15. A noteworthy statement about the organization of the project can be found in the project document annex I, para. 4; "Upon commencement of the project the Executing Agency may be requested to assume primary responsibility for project execution. However that primary responsibility shall be exercised in consultation and in agreement with the Cooperating Agency. Arrangements to this effect shall be stipulated in the project workplan as well as for the transfer of this responsibility to the government or to an entity designated by the government for the expenditure incurred." It does not need much interpretation from this and similar other points in the project document that the government and the executing agency played a very dominant role. I will refer to this when discussing development of the project.

Development of the project to the present situation.

16. The project started in March, 1975. By that time the counterpart organization Intofawor was managed by Liberians already, but on the background there still were two very experienced Peace Corps Volunteers, knowing the strong and the weak sides of the management, guiding them through a myriad of smaller and bigger problems.

After they left in February and March 1976 the resistance against the RIE by the cooperative management proved heavier than expected and even to day this remains the most important impediment for the further implementation of the project. As originally designed presently it appears that the concept of investing in activities that will only be profitable after some time, but will provide regular employment is still hard to introduce to rural people. Primarily this seems to be caused by the lack of understanding of the management of Intofawor and the reluctance of the Ministry of Agriculture (MOA) to impose its authority on matters considered within the competence of the cooperative.

17. Bearing this background in mind it is interesting to review the immediate objectives listed in the project document LIR/73/016/B/01/37 of May 1975:

- (a) to expand or develop entrepreneurial capability in the Foya area; Up till March 1977 it had not been possible for the cooperative and the RIE to agree on a counterpart for the PM. Some qualified people presented themselves, but were either denied a reasonable salary by Intofawor, or refused to work under the cooperative in the present situation. The man who was finally assigned to be his counterpart (which happened during PM's home leave!) shows little interest and does not seem to have many other capabilities that could make him a suitable estate manager.
- (b) to establish and develop the first stage of the rural industrial estate in Foya,.....
- (c) to select and train local personnel, initially on a counterpart basis, who subsequently will assume full responsibilities as managers, and operators of industrial estates; see remark under (a).
- (d) to train process and machine operators for future industrial expansion. PM never had adequate time and/or possibility to do this. There is one man in RIE service with a technical background. He supervises the daily operations very well but is otherwise not educated or technically qualified to instruct at higher level.

- (e) to undertake the training in craft skills through apprenticeships; One local woman has a keen interest in developing her already existing craft skills and is stimulated and supported wherever possible. Straining the development of her potential business capabilities is that she, like the vast majority of the people, is illiterate. Other people will probably go along as long as the project exists, unless someone in the cooperative can be trained to act as an intermediate between producers and consumers (mainly in Monrovia).
- (f) to establish and manage profitable commercial enterprises such as:
- (i) sand and gravel sales. RIE does not have means of transportation for these items, and since everyone is free to dig sand and gravel out of the nearby river, transportation is the only thing to sell.
 - (ii) Intofawor (The Foya farmers cooperative) Utilities Division.
 - (iii) Coop. Store; agricultural, electrical and household appliances. Because of the strained financial situation the coop. there has been no possibility to initiate it.
 - (iv) Automotive and farm implement service station, gas oil and general repairs. Recently the gas station was finally completed and is in service now. Expansion into repairs has not been feasible.
 - (v) Others have met the expressed needs of the people.
- (g) to assist in developing the capacity of agricultural cooperatives and farmers associations in increasing agricultural productivity and earned income through the establishment of secondary processing units and improved marketing methods. In the circumstances no activities except the establishment of a small rice mill have been possible. However, the inavailability of spare parts for the MOA donated rice huller precludes operations. Other activities, for simple processing of coffee, cocoa and palm kernels, which were

anticipated were never able to come off the ground due to lack of finances or simply lack of support from the counterpart organization.

(h) to construct facilities for and initially manage the following industries, considered as a first phase:

(i) manufacture of (laterite, sand, cement) Civa-Ram type blocks; Two Civa-Ram block machines and one cement block machine are available, but there is no work shed available, which virtually stops all operations during the wet season and there is a continuous struggle for the supply of raw materials, cement (from Monrovia) and sand (from the border river with Guinea)

(ii) processing of building, construction and general utility lumber.

(iii) manufacture of standard door and window frames, shutters, screens and doors;

(iv) manufacture of school office and household furniture

(v) manufacture of prefabricated roof trusses

The necessary woodworking equipment has partially arrived while more is on requisition. Although money for a building for a woodworking shop has been budgetted by Infofawor, it is not available, and thus there is no place for these operations.

(vi) establishing of justifiable secondary processing units for rice, oil palm and coffee crops; A small rice mill was erected in August 1976 but it struggles continuously with spare part problems, and there are no drying and parboiling facilities. (see further under (g))

(vii) manufacture of bamboo, rattan and reed items, furniture, fencing and agricultural and tools for domestic and export market.

On a small scale rattan and reed furniture is manufactured, mainly for the Monrovia market. The irregularity and un-dependability of transport to Monrovia and the lack of warehouse facilities in Monrovia are the main constraints.

(viii) upgrade automotive and farm equipment repair shop to include general engineering services and welding. No building and no well trained mechanic who is able to instruct others are available. Welding equipment arrived in May, but is of use as long as the UNIDO donated generator has not been installed.

(ix) identify and develop where possible other viable industries for the utilization of locally available raw materials etc. In this connection attention is and will be paid to the feasibility of establishing a bio-gas plant, a brick plant and the production of charcoal using wood waste.

18. In March of this year the board of directors of Intofawor at the insistence of the MOA decided to transfer their tractors and some other farm equipment to the RIE because the cooperative was not able to maintain the vehicles properly, which results in frequent breakdowns during which it was almost impossible to transport produce to the cooperative warehouse. RIE maintains and leases this equipment now.
19. As can be noted from the previous paragraphs the problems of running a relatively big cooperative were too big for the capabilities of the present management. In the first stage this was more or less concealed by the presence of the Peace Corps Volunteers but from the moment they left they were basically fighting a lost battle. As early as at the end of 1975 the Ministry of Agriculture recognised the need for an experienced and highly qualified cooperative officer. Since also the board of directors of the cooperative is not capable of guiding the management or at least supervise its dealings properly, mistakes were not corrected and problems became inextricable. Frustration took over and what first could be called insufficient management gradually developed into mis-management. Finally in May 1977 after several abortive other attempts to rectify the situation, the MOA suspended the manager and the cashier, made the accountant acting manager, and sent a special advisor from the Ministry to assist the board of directors and the acting manager. At the same time an audit of the cooperative books (the third in ten months) was ordered. The audit showed a considerable loss of which only a part could be retrieved, and no improvement has been noticed since.

20. The rainy season severely affected the block making operations, one of the potentially most profitable activities, because there was no shed available to store the freshly made cement and clay-ram blocks protected against the rain. Although Intofawor had budgetted 10,000 \$ for a building, the money is simply not available.

On June 3, 1977 the gas station ran dry and there was not enough money to buy new stock because part of it had disappeared into Intofawor and was impossible to retrieve in the books of the Intofawor/RIE organization. It took more than three weeks of concerted efforts, in which the RIE foreman played a surprisingly active role (the only positive point) to straighten out the difficulties and misunderstandings between Intofawor/RIE the MOA and the gasoline supplier and to order a new load of gas.

Unaffected by problems in the counterpart organization the furniture and crafts division steadily developed. It will not be long before the rattan and wood furniture operation can be self sustaining. The handicraft activities, although not so far developed yet are potentially self-sustaining if a good business manager can be found or the present one can be trained to that level. (see remark under 17 e). In general it can be said though that the level of self-sustaining growth has certainly not been reached yet.

21. By far the most interesting development and maybe even the main achievement to date is the growing interest in the RIE concept, in spite of all the problems with Intofawor, by two neighbouring farmers cooperatives. Both have expressed their desire to get assistance from the Poya RIE in expanding their facilities and have indicated a willingness to invest their own money in a number of RIE related projects which have their special interest.

Bottlenecks, key problem areas and limitations of the project.

22. Problem areas can generally be divided in two categories, i.e. the physical ones, the ones that can be solved with more money or more people and the non physical ones. These can either originate from inability to cope with organizational and technical problems, and often require a change of attitude, or from conflicting interests and priorities or vaguely formulated policies on the various levels. In the light of this framework the following observations can be made regarding this project.
23. The physical problems can almost all be brought under the headline, Infrastructure. Although much work has been done the transport remains a major constraint. Up till today many truckdrivers are very reluctant to go to Foya during the monsoon. The solution of the transportation problem would greatly help the furniture manufacturing and to a lesser extent the crafts activities, because these are primarily depending on the Monrovia market, and the block making operations and the gas station, being dependent on the capital for the supply of cement and gas. Other physical support functions like electricity, water and a communication system with the rest of the country are non existent. As noted under 17(h)(viii) the UNIDO donated generator has not yet been installed. Lack of motivation from the side of Intofawor and lack of money for a generator building can be regarded the main reasons.
24. Institutional infrastructure is limited to the declining influence of government institutions in the area. Both structures however are (still) too weak to provide a solid framework to support this kind of development

programme. In this connection it is noteworthy that just 6 weeks ago in the capital of Lofa County, 50 miles from Foya the first bank, outside Monrovia and the iron-ore and rubber concession areas, was opened.

25. Contrary to the expectations Intofawor never managed to make any savings from which it would have been able to meet its financial obligations as agreed upon in the prodoc. For a while a 100,000 working capital grant from the UN Capital Development Fund looked within reach but since Intofawor/RIE has never been able to produce a financial statement which proved its credit-worthiness this possibility looks rather remote at this moment. No other alternatives to obtain working capital seem to be available. Complicating the issue of financial situation is the fact that Intofawor and RIE had only one set of books up till April 1977. Inputs from RIE are generally not entered separately making it impossible to actually assess the economic viability of the project activities.
26. Underlying most of the bottlenecks and limitations of the programme is the lack of qualified manpower, resulting in lack of motivation and in a basic reluctance against taking responsibility. Illiteracy in general and technical and managerial inabilities are major constraints for the implementation of the project.
27. The lack of entrepreneurial motivation and the lack of understanding small scale industrial development is shown in the reluctance of the cooperative management and board of directors to invest in longer term profitable RIE activities, although they provide employment and training for a relatively big group of local people, as opposed to the fast profit made by buying and selling of agricultural produce.

28. A crucial bottleneck for the project, resulting from the manpower deficiency, is the low efficiency of the administrative and managerial counterpart structure. The leaders of the cooperative, traditionally, heavily lean on the central government for explicit direction. For every major decision, even though it clearly falls within their competence they prefer the government to take responsibility.
29. Other limitations derived from social and cultural barriers are less easy to define. One notices the reluctance of people to act in a way different from the traditional and like in most traditional societies outsiders are not too easily accepted. In the same way there is no clear conflict of interest between groups in the society concerning the development of an RIE. On the other hand it is clear that the more developed groups of the community benefit more from the Coop/RIE concept than the poorer, but there seems to be no alternative. One cannot reach the lowest classes in these societies without touching the more privileged. In this case it can be said that all the undertaken activities are directly beneficial to the local community, either by using and processing local materials or by directly producing for the local market, and thus reducing "imports" from Monrovia or other areas.
30. Vagueness can be considered a last general problem for the execution of the project. Vagueness rules the project document when it comes to defining responsibilities for and relations between the different contributing partners.

Many problems between Intofawor and RIE could have been avoided if the project document would have been more specific in outlining their relation and obligations. Vagueness in the form of the lacking of well formulated policies and strategies concerning rural development forces government officials into ad hoc decisions and a less firm line of action than desired. In this connection it is easier to cope with the fact that no industrial incentives, services or physical facilities specifically designed by the government to promote industry in the rural areas are provided than with the definition of the programmes' socio economics objectives which is stated as: "to support the governments' policy of balanced and sustained economic progress of all parts of the country and all people through integrated rural regional development and small scale industries by establishing a network of small scale rural industrial estates in selected areas".

51. Future of the project and lessons from the past
- In spite of all the problems and setbacks over the past period of the project, expansion of the programme in the form of a multiplication of RIE's whether attached to other institutions as farmers cooperatives or not, looks desirable. This kind of development has the best possibilities to leave social structures and cohesiveness intact, and to raise the standards of living of a majority of the local groups involved. The project provides for a very gentle introduction into industrialization. This way a rural population has a chance to grow along with new developments, and will not immediately be drowned in it as could easily be the case in a large scale approach. As noted before, motivation and interest are growing, most notably in neighbouring communities.

32. From the production results of the PIE the following conclusion can be drawn: for every "product" demands exceed the supply, and increase of "productivity" of the block making operations, the gas-station, the tractor-service, as well as the furniture manufacturing and the handicraft activities, can all be easily absorbed by the Liberian market. Except for the furniture and craft, which are sold mainly in Monrovia emphasis is entirely on the local market. If it will be possible to use the grown interest of other in the concept of the PIE it will be feasible to diversify production within the same technological level, which will head to a stronger development of manpower, the overall constraint, and increase local production capability. Given the Upper West natural resources, agricultural products as coffee, oil palm, cacao, rice and not to forget timber, the physical possibilities for small and even middle size enterprises are on somewhat longer terms (two to five years) quite good. National marketing will be a logical next step which however can only be taken after **considerable improvement** of both the manpower and infrastructural situation.
- Till now the project is still in a very early stage concerning the development of entrepreneurial skills. The stage in which the project is situated now is that of demonstrating the viability of small enterprises and to attract the interest of potential entrepreneurs among the rural population.
33. For the present time and near future the major contribution of the project towards the (industrial) development of the region must be that it induces a growing awareness of their own possibilities. The belief of being dependent on Monrovia will at the same time be likely to decrease,

not in the last place because some "import substitution" from the capital will be the result of project activities. It can never be forgotten that the project is a very first step to institutionalize activities that are not directly farm related, and as such must be considered one of the first steps on the way to an institutional infrastructure in this part of Liberia.

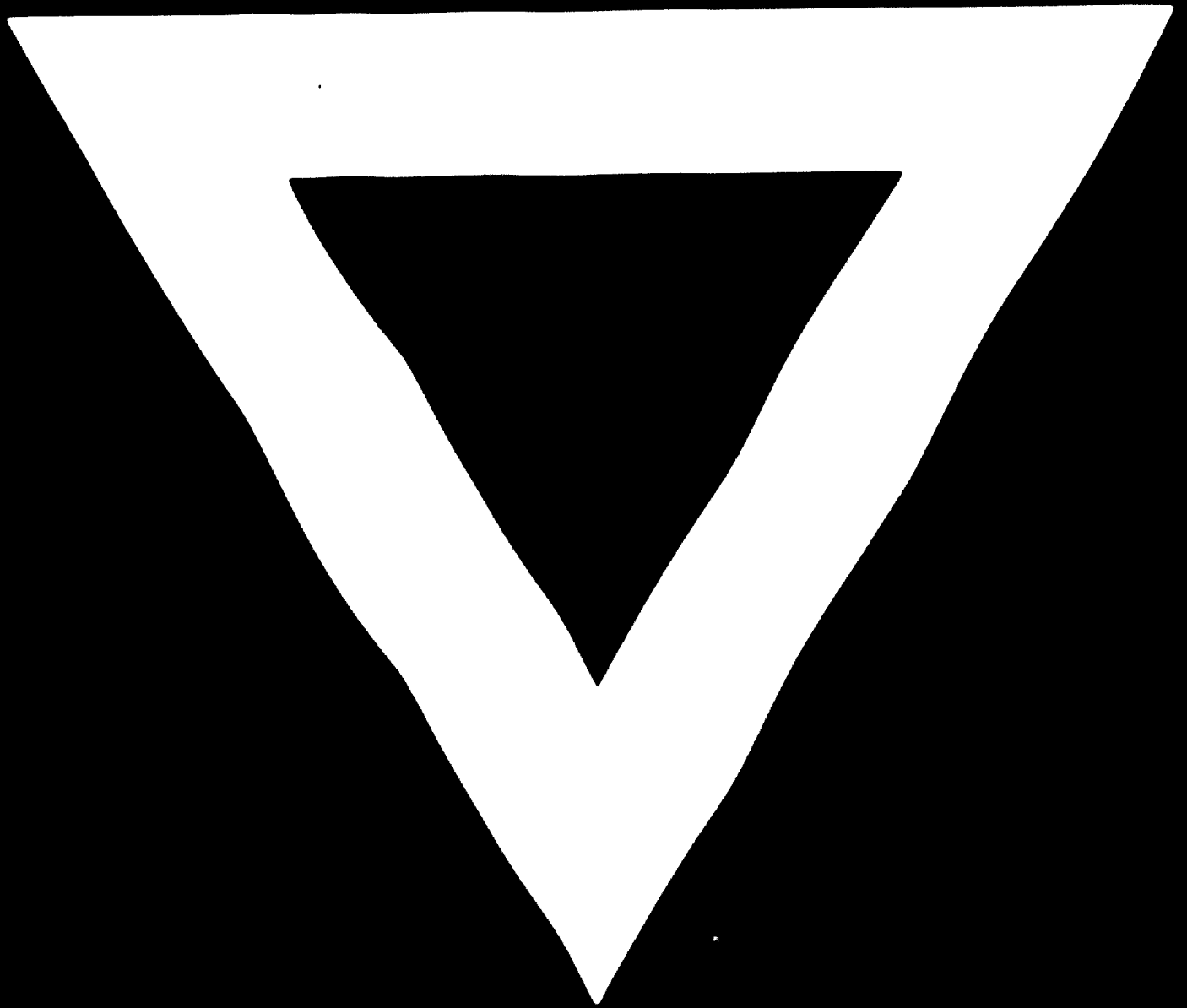
34. Concluding from the experience with this project it can be said that a major shortcoming and lesson for the future has been the inadequate assessment of the level from which an RIE could be started. Although the concept has been studied extensively in the years preceding the project, (Adams UNIDO 1972, Weizman UN/OTC 1973 and several others) no report managed to make a realistic assessment of available resources and required inputs. Evaluating the reports after two years RIE one notices that the operations are much more modest than was foreseen in the above mentioned reports, and that the emphasis of the RIE has shifted from actually establishing business to training and demonstration. Clearly the starting level of RIE operations has been miscalculated in all of the previous studies, overestimating the availability of local entrepreneurial skills and experience. In this connection one cannot help but feel that agency salesmanship sometimes influenced sound judgement.
35. Certainly in a beginning stage of industrialization, like in this case, the absorptive capacity of the local community is limited. The list of immediate objectives in the project document against the actual achievements, gives an indication of having overestimated this capacity. It will not be possible to give hard evidence in this case, but it seems that all the development inputs in the area

(cooperative, RIE, World Bank project plus government projects) have been more than could be absorbed and have partially caused the situation of confusion and resistance that presently exists. The self reliance approach which was adopted by this project can only be successful if the scale of the activities is carefully kept within the limits of the absorptive capacity. Defining and assessing this capacity must be extensively discussed in future project proposing reports. Determining the local development level will greatly assist in assessing the viability of a rural industrialization plan, for which a certain minimum level is required. In this case the RIE has to provide a gentle introduction into industrialization by developing basic skills that will lead to the establishment of an entrepreneurial class in the local community. The stage in which the RIE can make use of managerial and technical skills has not come yet.

36. Although the existence of a favourable environment was overestimated, the project can be considered to be a result of the agricultural developments in the area. These developments have caused the increased demand for technical services, building materials and most of all for managerially skilled people. In its activities the project uses locally available raw materials whenever possible; sand, laterite and wood for building materials, rattan, bitter-root and reed for furniture and indigenous materials for crafts articles, to strengthen the self supportive capacity of the programmes.

37. Regular visits by UNIDO field staff to the project site, the 6 months progress reports and evaluation reviews are means to monitor the programme. Because the project staff has no other regular means of communication with the outside world than through the UNDP office in Monrovia, it turns out to be very important to keep that staff closely informed and give them continuous feedback to help them to keep in touch with the project as a whole and prevent them from getting lost in the innumerable daily problems and details.

C-670



78. 11. 08