Niger. Case 2 – Underutilization of Resources

After completing her Peace Corps service, J continued working in her site and created an NGO with the mission to improve the economic situation of her village in one of the poorest regions of Niger. The NGO used TCP Global loan funds to buy sacks of peanuts for the women to plant, doubling the amount they needed to grow food for their family’s consumption. When the women harvested their crops, they kept half for their families and returned the other half to the NGO to store until the price of peanuts was at its peak.

Since the loans were issued and repaid in peanuts with no cash payments by the women, there was no money to loan out until the peanuts were sold, which the NGO planned to do when the price of peanuts reached its peak, approximately six months later.

To qualify for funds to expand the loan program, the NGO had to loan out the $1500 we had sent twice. Most sites accomplished this in less than 6 months. The Niger NGO would have to wait at least a year for the 2nd installment of loan funds because, until the NGO sold the peanuts in the market, they had no cash to loan out.

There was nothing wrong with the program other than that the NGO and the village were not reaping maximum benefit from it.
WHAT WOULD YOU DO?

WHY?

THIS IS WHAT TCP GLOBAL DID

TCP Global recommends that its partners keep the loan funds fully invested. As soon as sufficient payments are received to support a new loan, partners are encouraged to invest in a new loan, assuming they have a qualified candidate. Money sitting in a bank is not helping anyone. Those peanuts sitting in storage were similar to money in a bank.

No one on the TCP Global team had been to Niger or had experience raising peanuts. We barely understood how the peanut loans worked and certainly not enough to suggest ways to improve the process. The TCP Global policy is to set guidelines and leave the implementation process to those on the ground. If they comply with our basic requirements, we do not question how the NGO runs the program. When the foreigner controlling the purse-strings starts asking questions, it is difficult to avoid the impression that we are questioning their ability and it is easy to interpret our suggestions as mandates.

But in this case, the person running the program was an RPCV. With the removal of any cultural barriers, we thought our inquiries could be received at face value rather than as implied criticism. When we pointed out that repayment in peanuts rather than cash was holding back expansion of the program, J. did not have an immediate solution, but she soon modified the peanut loan program so that the women repaid in cash. It took the NGO 18 months to qualify for the 2nd allocation of TCP Global funds, but the third allocation came just 6 months later.