

**AIRGRAM**

**DEPARTMENT OF STATE**

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FROM - LACOS

SUBJECT - Amendment to Non-Capital Project Paper: Agricultural  
Economics and Marketing (620-11-140-768)  
REFERENCE - TOAID A-19 (January 1969)

Country: Nigeria Project No. 620-11-140-768

Submission Date: Original: 2 January 1969

Amendment No. 1, September 1971

U.S. Obligation Span: FY 1963 - 1976

Physical Implementation Span: FY 1963 - FY 1976.

Cross Life of Project Financial Requirements:

U.S. Dollars	\$2,625,000
U.S. owned local currency	- - -
Cooperating country cost (1969-76)	2,370,000
Other donors (PAO)	1,175,000
Total	\$6,170,000

Attachments:  
Staffing Patterns for four states

PAGE 1 OF 18 PAGES

DRAFTED BY MCKrisel:Alrossenden	OFFICE AGR	PHONE NO.	DATE 9-10-71	APPROVED BY: JHammon, Acting Director
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AD AND OTHER REFERENCES  
 AGR:HLKupler PRM/ECON:PJGormely  
 PRM/O:TLiercke/Vestrich Info: PRM/E  
 AD/P:RPerp AD/M PRM/O/TRG

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## INTRODUCTION

Under this project, AID will provide funds for the Nigerian Government to enter into an agreement with an American contractor to provide assistance in the field of agricultural economic planning. The direct hire technicians now on this project will continue to the end of their present tours. The present participants will also complete their training.

The PROP describes a project to build up the planning units in both the Federal and State Ministries of Agriculture and Natural Resources. It takes into account the experiences of the direct hire planning advisors and our informal discussions with the CON. It is proposed that the contractor send out a team leader to negotiate the details of the project design with the CON and other donors involved (UNDP/FAO). During his TDY, the final project design will be negotiated with the CON, and preliminary workplan for the State Planning Units will be developed. This may result in modifications in the project's structure from that outlined below.

The PROP submitted below indicates the most likely direction that the project may take as of this date. It should be understood that USAID is proposing that A.I.D. serve primarily as a financing agent, with the details of the project to be negotiated between the PFC and the contractor.

### I. Strategy and Goals

A. Statement - The overall sector goal to which the successful execution of this project will contribute is to accelerate growth in agricultural output, rural employment, incomes and in gross domestic product in Nigeria. Drawing on results of previous institution building efforts, USAID assistance and CON efforts are being directed to the expansion of agricultural production. This requires greatly increased emphasis on effective program planning, implementation and evaluation.

B. Measurement - Expansion in employment, physical output and exports, reduction in costs of production (e.g. cereals), increases in incomes and better nutrition for rural people.

C. Assumptions - The major assumption is that the state and federal governments (and primarily the financial/economic decision makers) are committed to promoting agricultural development and are willing to take the necessary actions to implement the required high priority activities.

### II. Purpose

A. Statement of Purpose - The purpose of this project is to establish or build up existing planning units in the Federal Ministry of Agriculture and Natural Resources and in State Ministries of Agriculture and Natural

Resources (in cooperation with the FAO) which will be capable of providing effective guidance to the top decision makers in articulating agricultural policy choices, program planning, project development, implementation and evaluation. The planning units will enable the government decision makers to guide directly deployment of public resources and influence indirectly use of small holders' and other private resources, thereby contributing to the sector goal of more rapid rural development.

B. End of Project Conditions - There will be a Nigerian staffed Planning Unit in each state (AAR) providing effective planning advice and service which places particular emphasis on general agricultural development and marketing. The State MANRs will have a rather wide range of capabilities in planning owing to substantially different start-of-project positions and availabilities of potential planning personnel. The contract advisors will be posted to the following units (one person will be seconded to each, although they all will be formally assigned to FMANR):

1. Federal Department of Agriculture is a new post for USAID. (There may be three FAO planners assigned to this planning unit). At present only the Chief Planning Officer is on board but 4 other positions are being advertised and will be filled by the start of USAID's contract. This unit probably will have about 10 professionals by 1975 and will be capable of a very wide range of planning activities.
2. Federal Department of Livestock/Livestock and Meat Authority (at Kaduna). This will be a new post for a USAID financed economist, although LMA has a geneticist and poultry husbandryman as USAID advisors; there has been some help on statistics. Nigerian staff include a Veterinary Officer as Chief Planning Officer and 3 relatively recent ABU graduates one of whom has received participant training in marketing. The Planning Unit will probably number 5-6 professionals four years from now.
3. North Western State - Planning in this state will be starting from almost zero, since the counterpart of the USAID economist (who departed 2/71) became Deputy Permanent Secretary and his replacement is inexperienced and untrained in planning. By the end of the project, the Planning Unit should have three or four Nigerian professionals.
4. North Central State - A direct hire planning advisor ends his two year tour in November 1971. (USAID has requested his extension to 6/72). His counterpart has only recently been assigned and no participants have completed training. This planning unit will probably have at least four professionals by 1975.

5. North Eastern State - A direct hire planning advisor is at post (November 1970 - June 1972), and an Acting Planning Officer was on board before his arrival. The incumbents in remaining four positions are untrained and inexperienced, but two of them are scheduled for participant training beginning this year. The unit will have five professionals in all.
6. Kano State - The Ministry has just recently become very interested in planning. Kano State has not received any previous agricultural planning assistance from the FAO or USAID. A 1967 University of Nigeria B.Sc. economics graduate is the only economist in the planning unit but they may achieve a 5-man staff by end of this project.
7. Benue Plateau State - The Direct Hire USAID advisor began his two year tour in February 1971; there were two Nigerians on board at that time. The planning unit will probably have eight professionals, four of them on loan from operating divisions of the Ministry. This planning unit has strong potential.
8. Western State - U.S. Direct Hire or PASA advisors were assigned for two year tours beginning February 1969 and August 1970, and a three year assignment beginning October 1969. The present three FAO advisors will complete their tours by mid-1972. Two replacements are being sought. The Nigerian professional staff numbers 14, half of whom have advanced degrees (1 Ph.D.). Almost all of them are young and inexperienced, but have good potential. One participant is in this year's Bureau of the Census statistics course. The Planning Unit has reached nearly its full size and should, upon project completion, be able to do sophisticated and detailed planning work.
9. Mid Western State - The MAIR has a fledgling unit with two young B.Sc. holders on board. Upon project completion, this would be a four or five man planning unit. The USAID planning advisor has been attached to Ministry of Economic Development.

C. Assumptions - Among the basic assumptions are the following:

1. A commitment on the part of the top decision makers to use resources efficiently to promote development and a willingness to use economic advice in developing policies and programs and deploying resources.
2. A dedication by top decision makers to establish responsibilities and grant authorities, particularly in making explicit to all operating units (including outside ministries and agencies) the

role of the planning division and cooperation needed to effectively plan and to utilize planning results.

3. The CON Ministries will allocate personnel and other resources in line with the high priority accorded the planning function.
4. The CON will compensate incumbents according to demonstrated ability and will not rotate them out unless replacements are fully trained.

### III. Outputs

A. Statement - The outputs will take several forms, and will range from the services of the advisor in newly established planning units to progressively greater involvement by a larger staff as the organization takes shape. All advisors and Planning Units will cover the first three points discussed below. It will be some years, however, before a Planning Unit can deal in depth with all points in 4 and 5. Based on experience to date, the Planning Officers almost from the start will be pressed for quick advice on a wide variety of problems. To handle many of these they and their counterparts will have to draw on principles from academic experience and research results from elsewhere. But, the depth of pursuit in other phases such as areas 4 and 5 will depend upon the nature and urgency of the problem and availabilities of basic data and staff. There will be capability to deliver creditably on any aspects of the outputs cited; size of staff will determine how many can be covered in any depth. It is anticipated that the Federal and Western State Planning Units will be able to produce virtually all outputs, including 4 and 5, by the end of the project. Smaller Planning Units, such as Kano and North Central States, will have to rely upon outside consultants, other donors, universities, the Federal Ministries, etc., to implement detailed formal feasibility studies, etc. However, by the end of the project the Nigerian planning staffs will be able to take the detailed studies, advise their principals on priorities, resource allocation and course of action, and then prepare a request for financing.

The major outputs of this project will be:

1. Develop among top decision makers a thorough appreciation for the role of an effective Planning Unit.
2. Organize the office and establish certain minimum methodologies and flows of work so that it can function as a key unit in the Ministry.
3. Train Personnel:
  - a. Develop formal training programs for Division staff (e.g. participant trainees) or prospective employees.

- b. Provide on-the-job training. This will include guidance for special readings but will consist primarily of shoulder-to-shoulder work with, or close supervision of Nigerian staff by the USAID financed advisor in the activity areas which follow in this section.
4. Provide planning advice ranging from simple informal oral statements to formal (published or unpublished) reports. To achieve this objective will entail the following intermediate targets, though not necessarily in the exact sequence given:
    - a. Interpret policies applicable to the state (or nation) and identify problems which inhibit rural development. In order to do so, the planning unit staff must strive to understand the economy in which they work, including such areas as available natural resources, human resources (population, education, training), nature and organization of farmers, farm service institutions, the nature of the non-agricultural sectors, foreign trade, etc.
    - b. Devise strategies for directing or influencing resource deployment among the subsectors and/or through time. They will advise top level officials with respect to reconciliation among possible conflicting policies or programs, particularly on such issues as prices and related matters; development of natural and human resources; and research priorities (in both the natural and social sciences).
    - c. Formulate programs consistent with chosen policies and strategies which will effectively cope with problems identified. This involves:
      - (1) Basic Research (provided by others or conducted cooperatively with the planning units);
      - (2) Determining alternative investment levels;
      - (3) Determining a balance among investment categories (training, physical facilities, etc.);
      - (4) Balancing manpower requirements with availabilities;
      - (5) Determining private and social costs and benefits;
      - (6) Interacting with decision makers to choose "most appropriate" investment package; and
      - (7) Establishing implementation plans and a procedure for monitoring progress.

- d. Design projects to carry out programs. This includes feasibility surveys (which may be carried out by outside consultants) and formulating specific requests for financing. It is a logical outgrowth of c. above.
  - e. Monitoring and evaluation of program/project implementation, i.e., devise procedures, schedules and control mechanisms for evaluating progress towards program goals. This is a continuous process, which is described in Circular AIDTO A-1627 "Development Administration - Focus, Strategy and Action Program for the Africa Bureau" (31 July 1971). This output also includes a substantial degree of coordination and liaison within the Ministry, with other ministries and institutions involved in development assistance (universities, other domestic agencies, and international organizations).
5. Collect Economic Information and Publish Data, Reports and Studies:
- a. Assemble relevant data and serve as a central depository for economic intelligence information concerning:
    - (1) economic data - primary and secondary;
    - (2) Natural science data having particular economic implications;
    - (3) Special economic studies;
    - (4) Permanent documentation of descriptions, analyses and data pertaining to policies, programs and other details of MANR activities and, to the extent possible, of similar programs applied elsewhere.
  - b. Disseminate results of special studies as well as regular periodical reports for general enlightenment of Government employees and public-at-large.

B. Measurement - The start-of-project situation varies widely among the State MANR's, as indicated in II-B, above. With appropriate allowances for differences in staffing, progress of the Planning Units at any given time may be judged on the basis of accomplishments in the following respects:

1. Steps taken by the Permanent Secretary to establish the Division, allocate positions to it and inform other offices of the role and responsibilities of the Planning Unit. (This will be a precondition for the assigning of advisors under this project.)
2. Progress in recruiting and training people for these positions.

3. Extent institutionalised, i.e., degree to which the Unit is used routinely by top decision makers to clear correspondence and reports, advise on capital and recurrent expenditures and, with respect to new directions, develop and/or approve major programs/projects and evaluate ongoing projects.
4. Initiative shown by the Planning Units in identifying development bottlenecks and recognizing implementation problems and recommending appropriate remedial measures.
5. Foresight in identifying crucial researchable problems and either initiating cooperative programs to do the research or arranging for some other institution to do it.
6. Specific steps taken by the Division staff to make it a respected source of economic intelligence for the MANR, especially:
  - a. Documentation of policies, programs and other details of MANR's activities;
  - b. Depository for relevant economic data:
    - (1) Economic data - primary and secondary;
    - (2) Natural science data with planning/programming implications;
    - (3) Special analyses.
  - c. Dissemination of studies and periodical reports.
7. Concrete evidence as to the degree of coordination achieved both within MANR, with other Ministries/Agencies/Universities.
8. Judgment of the use of the unit by various operating divisions of MANR and other Ministries.

### C. Assumptions

1. That the Federal and State planning units are staffed with competent, well trained CON technicians in the time frame shown in the staffing charts attached to this PROP.
2. That competent technical advisors are provided by the donors (USAID and FAO) on a timely basis, and that the Nigerian professional staff members receive sufficient formal and informal training in economics, statistics and agriculture.

3. That the planning units have established links with other institutions, (public, private, universities - domestic and foreign) which provide consultancy services to do background economic studies and prepare the feasibility analyses and project proposals which are beyond capability of the Division.
4. That CON officials will not divert efforts of Planning Advisors to non-planning activities.

#### IV. Inputs

##### A. U.S. Inputs:

1. Direct Hire and PASA Personnel: As of 1 September 1971 this project had the following field personnel:
  - a. Agricultural Economics Advisor, Western State (ETD - 9/72).
  - b. Agricultural Economics (Statistics) (PASA) Advisor, Western State (ETD - 8/72).
  - c. Agricultural Advisor, North Central State (ETD - 11/71).
  - d. Agricultural Advisor, North Eastern State (ETD - 6/72).
  - e. Agricultural Advisor, Benue Plateau State (ETD - 1/73).

These positions will phase out as the incumbents complete their tours. One direct hire project officer will be assigned monitoring responsibilities for this project along with other duties.

2. Contract Personnel - Staffing of this project will be under a host country contract. It is assumed that the Planning Units need a minimum four years of assistance, to be able to stand on their own. (See section VI for further discussion on this point and other aspects of the contract, personnel qualifications, etc.) The proposed project staffing and tours of duty are as follows:
  - a) FMANR Lagos (Team Leader) (5/72 - 6/76) (excludes TDY for project design and contract negotiation).
  - b) Advisor Federal Department of Livestock/IMA (7/72 - 6/75) (Direct hire advisor doing some work on statistics 11/69 - 11/71.)
  - c) North Western State (7/72 - 6/75) (Direct hire advisor 7/69 - 2/71.)
  - d) North Central State (7/72 - 6/75) (Direct hire advisor on board 11/69 - 11/71.)

- e) Kano State (7/72 - 6/76) (No previous assistance in this area.)
- f) North-Eastern State (7/72 - 6/74) (Direct hire advisor 11/70-6/72.)
- g) Benue-Plateau State (1/73 - 1/75) (Direct hire advisor 1/71-1/73.)
- h) Western State (7/72 - 6/74) (Direct hire/PASA advisors 4/69 - 4/71, 8/69 - 9/72, 8/70 - 8/72.)
- i) Mid-Western State (7/72 - 6/76) (No previous assistance to MANR in this area.)

- 3. Participant Training - As much participant training as possible should be done in Nigeria. The University of Ife with assistance of Wisconsin contract personnel plans to inaugurate a course for planning officers beginning in January 1972. This should go a long way toward meeting the training needs for all States and part of FMANR. However, it is expected that five participants with high potential in planning will be sent overseas for training during FY 1973 and three new ones will be sent each year thereafter. All but one of the participants will be at the post-graduate level.
- 4. Commodities and Logistic Support - Commodity assistance to this project will be limited to \$25,000 for the life of the contract to cover certain office equipment, books, and manuals as working tools. The contract will also fund some supplemental household equipment and furnishings at the rate of \$3,000 for each of the nine advisors. The contract team will also require 8 vehicles if agreement for this is not reached in C below.

B. Other Donors - The Food and Agriculture Organization (FAO) has been providing three advisors in the Western State. FAO has shown an interest in expanding this activity to assist both state and federal MANR's in developing planning units for agriculture. The tentative allocation of FAO staff would be:

- 1. FMANR/Lagos - 3 advisors
- 2. Kwara - 1 advisor
- 3. Western - 2 advisors
- 4. South-Eastern - 1 advisor
- 5. Rivers - 1 advisor
- 6. East Central - 1 advisor

The reason for the donors' splitting assistance to the larger planning units is that FAO finds it easier to recruit for some types of agricultural economics/planning expertise than AID does, while the reverse exists for other skills. The single FAO advisors are posted to individual states so that each state (except Lagos) is covered by one expatriate advisor.<sup>1/</sup>

The USAID will encourage Nigerians in agricultural planning to attend the IBRD course in development planning, whenever possible.

C. GON Contribution<sup>2/</sup> - The Nigerian Government will provide counterparts in the planning units, the smaller ones having at least three professionals assigned to it (a general agricultural economist, a marketing economist and a junior statistician). Other state units will be larger. In some states the Planning Unit will have a number of personnel seconded (detailed) to it from operating divisions (e.g., Veterinary, Irrigation) to the planning unit. The States will also have federal economic advisors seconded to them.

The Mission will undertake to negotiate an agreement with the Federal and State Ministries concerned covering local support as well as offices and most office equipment. Under such an agreement the Nigerian organizations would pay ₦1,500 per advisor into a trust fund. From this the contractor would meet local travel cost, per diem, utilities, housing and automotive maintenance, etc. It would also be requested that the Trust Fund device be used to cover international travel to and from assignments on tours (not R & R) and the purchase of vehicles. As in the past, the Nigerian Government will provide housing and hard furnishings for the U.S. advisors. They will pay salaries and international transportation of participants sent to the U.S. for training.

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<sup>1/</sup> Premised on current FAO costing of approximately \$32,000 per man year, we estimate the total FAO contribution to be \$1,175,000.

<sup>2/</sup> Estimated by USAID to total \$2,370,000 for FY 1969-76, assuming build-up to end-of-project staffing of 62 professionals and 24 in clerical categories with per person total costs of \$5,600 and \$1,300, respectively, and \$918,000 general support and proposed payment to USAID trust fund.

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D. Contract Funding

FY 1972

1973

1974

1975

1976

Direct Hire Personnel

Project Manager <sup>1/</sup>	40	42	42	44	44
Advisor, Western State	31	4			
Advisor, North Central <sup>2/</sup>	44				
Advisor, North Eastern	48				
Advisor, Benue-Plateau	35	20			
Sub-Total	198	66	42	44	44

PASA Personnel  
Western State

45

4

Contract

Team Leader, including TDY design	25	42	44	44	46
Advisor, Livestock		34	36	36	
Advisor, Western State		34	36		
Advisor, North-Western		34	36	36	
Advisor, North Central <sup>3/</sup>		34	36	36	
Advisor, Kano		34	36	36	36
Advisor, North-Eastern		34	36	36	
Advisor, Benue-Plateau		18	36	18	
Advisor, Mid-Western		34	36	36	36

Consultancies100<sup>3/</sup>

30

30

10

Sub-Total Contract

170

332

362

288

118

Participants - Direct

69

48

22

41

12

Commodities (Contract)

10

10

10

5

Other Costs

Direct and Local Hire  
Contract Overhead

35

8

5

5

5

812011011010

Total

490

584

551

493

189

<sup>1/</sup> Would be assigned additional duties in USAID/Lagos.

<sup>2/</sup> Assuming ETD for Mr. Gill will be delayed from 11/71 to 6/72 as requested of AID/W on 9-7-71.

<sup>3/</sup> Includes about 2 man years worth TDYers to meet probable GON requests for follow-up work to Policy Conference and similar matters.

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## V. Rationale

A. Current Nigerian Emphasis on Planning Agricultural Development - The Nigerians themselves have emphasized the need for greatly strengthening the agricultural planning capability. Thus, in the "Second National Development Plan 1970-74", page 112, the following statement appears:

During the formulation of the present Plan, it was found that most of the agricultural projects submitted at both the State and the Federal levels were not sufficiently articulated to lend themselves to easy appraisal. In order to remove this difficulty in future, agricultural planning units will be set up at the Federal and State levels during the Plan period to facilitate the identification, preparation and evaluation of development projects in the agricultural sector. The sector planners, after due training, will have responsibility for generating and articulating the developmental projects urgently required in this vital sector of the economy.

The responsibility for formulating programs and designing, implementing, and monitoring projects falls primarily to the States, under the present Federal/State relationships, although support in part is from Federal funds. For example, during the 1970-74 plan period the Federal Ministry of Agriculture and Natural Resources will provide only ₦3 million directly to production schemes, while an additional ₦17 million will be granted to the states upon submission of approvable projects. (Allocation basis among states: 70 percent by population, balance equally divided.) FMANR will disburse another ₦10 million for research and related purposes. The states, on the other hand, will disburse an estimated ₦77 million in support of agricultural services and production-related activities.

The smallholder will continue for some time, at least, as the predominant form of production unit in Nigeria. The major exceptions will be plantations for crops such as sugar (due to irrigation and processing requirements) and oil palm (as a demonstration and for processing services). To achieve optimum agricultural development with a multitude of smallholders requires government assistance or influence in three general areas:

1. Providing adequate incentives.
2. Supporting research and training, including extension services, to assure an effective flow of information on improved techniques and services to farmers and operators of infrastructural services.

3. Helping to assure effective and efficient operation of all infrastructural components, particularly the flow of both products and non-farm produced inputs into agriculture.

These three major areas require wide spectrum economic planning and advice to assure policy articulation, problem identification, program formulation and project development, implementation and evaluation.

B. The Efforts to Date and Limitations on Promotion of Agricultural Sector Growth - Although agriculture is recognized as the main basis for broadly-based economic development in Nigeria, measures to promote growth in this sector have suffered from three limitations:

1. The absence of comprehensive policy for agricultural development;
2. Inadequate data on the nature of farms and behaviors of farmers as producers, investors and consumers on which to provide sound policies, plans and programs; and
3. Inadequate number of economic analysts and agricultural planners to develop programs and projects which implement the policies.

The Federal Ministry of Agriculture and Natural Resources has taken steps to overcome limitation No. 1. Although the FMANR is a relatively new ministry (established 1966) and still has a skeleton staff, a Chief Planning Officer was assigned to each department (Agriculture, Livestock, Forestry and Fisheries) during FY 1971.

A second very significant step in policy leadership was taken with the FMANR sponsorship of the National Agricultural Policy Conference, July 26-August 5, 1971. Twenty two ad hoc committees prepared documents for this conference. These will provide a basis for formulating the National Agricultural Perspective Plan 1972-85, which is scheduled for submission to the Federal Executive Council by mid-1972. A number of the recommendations will be immediately applicable, particularly in the general policy area (e.g., price). It is anticipated these will be vigorously pursued. Documents which supplied background and suggested approaches for the conference were: 1) "Agricultural Development in Nigeria, 1965-80" (OAO, 1966) and "Strategies and Recommendations for Nigerian Rural Development, 1969-85" (CEREID, 1969). The FAO report provided a benchmark description of ~~commitments~~ commitments, problems and development opportunities, as well as suggested courses of action. The CEREID report dealt in depth with basic agricultural policies, including the very important element of incentives.

Limitation No. 2 can be overcome only by a rather comprehensive survey of farms and farmers in all ecological zones and/or type of farming areas throughout Nigeria, although impressive results have been obtained by IAR for a small group of villages. Plans for such a survey to be conducted primarily with Nigerian resources are now under way.

The purpose of this project is to help overcome limitation No. 3. Nigerian agricultural leadership now generally place a very high priority on planning. The critical need was underscored by the Permanent Secretary of the Federal Ministry of Finance in his address to the July 1971 agricultural policy seminar. His challenge was that with better quality proposals there would be no problem of obtaining support for agricultural development. There is a distinct possibility, in fact, that funds will be pushed into agriculture even with inadequate plans. There will be opportunities and needs for planners to caution against certain proposals, as well as to prepare positive actions.

C. Interrelationships with the USAID's Agricultural Programs - USAID's tactics for helping to implement Nigerian agricultural development involves limited assistance in three major areas. These are (1) developing improved GON capability for managing focused agricultural production projects; (2) supplying expertise to build effective analytical and planning units; and (3) supporting selected components of the institutional infrastructure. The transition from institution building to production programs increases the role of effective program/project formulation, implementation and evaluation.

The universities, extension services, planning bodies, research organizations and other institutions must develop ways of working together with other non-agricultural governmental authorities and with farmers in an effort to develop new policies and techniques and to speed the flow of new knowledge to the field. Then, there must be a feedback from the farmer level to these institutions about farmers' problems so that solutions can be developed and applied at the working level. The planning units are key entities in this process.

The production projects are designed to instill this type of organizational/managerial skill and apply it to particular crops. To get the right inputs to the right place at the right time is the essence of a production project. Similar logistic problems come into play with the marketing, transporting, storing and processing. For example, provision for fertilizer and gasoline must be locked into the state budgets which come into effect up to one year before any fertilizer is actually delivered to farmers. Seed multiplication and distribution has even a longer lead time. The Planning Units are scheduled to be inextricably involved in development and evaluation of all production projects.

D. USAID Experiences in the Agricultural Planning Project to Date - The experience in Agricultural Planning to date has clearly demonstrated the planning services projected in this PROP are feasible within the present Nigerian operational environment. The joint USAID/FAO effort in Western State has resulted in detailed plans for rehabilitating a half million acres of cocoa. The World Bank has virtually accepted the procedural elements for the pilot cocoa loan. The Permanent Secretary of Western State has given top priority to logistic support of planning surveys and has indicated no new projects will be undertaken without clearance by the Planning Officer. The Advisor in Benue-Plateau single-handedly persuaded the Permanent Secretary to cut back a kenaf proposal from 1,000 acres to a pilot project of 50 acres. The other northern states have enthusiastically accepted proposed organizational structures and staffing plans for Planning Units and have adopted aggressive recruiting measures. The National Agricultural Policy Conference attributed lagging growth in agricultural output primarily to inadequate planning.

#### VI. Course of Action

A. General - Funding under this project will support direct hire and PASA personnel until they complete their tours of duty. It will also finance a direct hire project manager who will have other duties as well.

Upon approval of the PROP, the Mission will negotiate a Project Agreement and PIO/T which will permit a contract team leader to come to Nigeria. He will develop the final specific design of the project and negotiate a contract (with FMANR) to provide a 9-man planning team. (The USAID will help prepare preliminary Federal and State work plans in order to assist the team leader.) It is projected that the first contract advisors (besides the team leader) will arrive in July 1972.

This project will be implemented under a "best efforts" type contract. Crucial to the success of the project will be (1) careful choice of contractor and (2) rigid screening of nominees for the assignments. The nominees should have at least the qualifications indicated below.

The Mission recognizes that assembling a team of nine economists will be a formidable task. Contracting with a firm which provides technicians only would not provide as much continuity or research base as would a consortium of universities such as the Mid-West Consortium (Wisconsin, Illinois, Indiana, Michigan State), the Agricultural Development Council, or possibly, a professional entity such as the American Association of Agricultural Economists. Either a Consortium or the Association would have close contact with sources of talent, would be interested in continuity, and, with a respectable research base, would be in a position to provide knowledge of up to date working tools and new research findings.

from elsewhere in the world. The PROP provides funding for a limited number of short term consultants to assist FMANR with special problems.

The Team Leader should be a well trained and broadly experienced senior agricultural economist with a minimum of 15 years of professional experience, including five years as an advisor to senior government officials in less developed countries. He must bring to the FMANR position skills as an economist, a policy advisor, a negotiator and as a provider of stimulating, coordinated leadership to the team members deployed among the states. Since the field advisors report to the Permanent Secretary of the Ministry to which they are assigned, he will provide some professional guidance on specific issues, but will not act as a direct supervisor. He will receive some assistance from the direct hire Project Manager in organizing administrative support.

The Economic Advisors in State MANR's should have completed the preliminary examinations to the Ph.D. level in agricultural or some other appropriate field of economics or have received a Masters degree from a strong institution. All appointees should have had at least 5 years of effective research or advisory experience including 2 years in less developed countries. Particularly effective experience (research or advisory) may be substituted in part for academic requirements on an individual basis. All appointees should take a special course in program and project development and evaluation before arrival at post, if they have not had thorough academic training and/or practical experience in these areas. All appointees should receive a minimum of 3 days instruction (preferably at Michigan State University) in the development and application of simulation techniques. GON Ministries are working with M.S.U. to operationalize, improve and regularly apply this new technique (developed under AID/afr 786) looking to institutionalizing it in either a Federal institution or a University.

The advisor to the Planning Unit of the Federal Livestock Department (now stationed at Kaduna), will work in the areas of marketing and devising market reporting procedures on livestock. He will also be concerned with livestock production activities. He should have strong academic training in economics and at least a decade of experience in research and/or staff roles (three years of which is in less developed countries).

A particularly valuable asset of the nominees will be the ability to provide concrete practical applications of basic economic principles to problems in terms with which the officers are thoroughly familiar, using actual data from local situations. They should have high capability to achieve empathy with top officials and to demonstrate the importance of such basic concepts as "economic equilibrium" and "opportunity costs" and the need to view any economic process as a segment of a total "system".

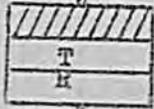
The length of tours of contract advisors will vary among states. The project will remain active until June 1976. The reason for this is that the estimate of inputs is based upon the assumption that establishing a planning unit requires a minimum of four years of assistance (direct hire or contract). In some cases more will be required. Since the main task of the contract team is to build planning capability, rather than draw up detailed development plans, most State MANRs at present will not be able to absorb more than a single FAO or USAID financed advisor.

### B. Implementation Plan

- |   |                            |
|---|----------------------------|
| 1. PROP approval  | September 30, 1971         |
| 2. Approval of Pro-Ag and PIO/T for project design/recruitment  | October 15, 1971           |
| 3. Selection of Contractor  | November 1, 1971           |
| 4. Signature of Contract for design/recruitment phase   | December 1, 1971           |
| 5. Visit of Team Leader Designate to Nigeria to establish firm design and negotiate final contract  | January 15, 1972           |
| 6. Detailed project design completed, signature of Pro-Ag and PIO/T for full project  | March 15, 1972             |
| 7. Signature of over-all contract   | April 1, 1972              |
| 8. Return of team leader to Nigeria   | May 15, 1972               |
| 9. Arrival of all contract advisors <u>except</u> Benue-Plateau (January 1973) and Western State (September 1972)   | July 1972                  |
| 10. Evaluation of progress to date  | January 1973               |
| 11. Pro-Ag and PIO/T for second year of operations signed   | February 1973              |
| 12. In depth project evaluation. (This will permit time to recruit new people if project continues until 1976 or for orderly phase out if it is decided not to continue the project.) | September/<br>October 1973 |

  
MULCAHY

WESTERN STATE 1/  
Fiscal Years ended June 30

STAFF POSITION	1970	1971	1972	1973	1974	1975	1976
<b>ANALYSIS BRANCH</b>							
Dr. J.K. Olayemi, Ph.D. Ag. Econ		R					
Mr. A. Jones, B.Sc. Ag. Econ	R						
Mr. A.O. Jekayinfa, B.Sc.							
Mr. M.B. Oshuntokun, B.Sc.				T			
<b>MARKETING BRANCH</b>							
Mr. O. Odunladi, M.Sc.	R						
Mr. A.O. Adubi, M.Sc.							
Mr. H.B. Olufolaju, B.Sc.							
<b>FARM MANAGEMENT BRANCH</b>							
Mr. T.A. Olotu, M.Sc.	R						
Mr. S.A. Olowude, M.Sc.							
Mr. G.O. Olasegba, M.Sc.	R						
Mr. E.T. Akimiyi, Ag. Supt.							
Mr. P.A. Adio, Ag. Supt.							
<b>STATISTICS BRANCH</b>							
Mr. S.O. Salami, B.Sc.	R						
Mr. S.O. Sonola, Accountant							
Miss S.O. Akinrosotu, B.Sc.							
Mr. O.A. Ebeloku, M.Sc.	R						
<b>DIVISION OFFICERS</b>							
Chief Planning Officer							
Deputy Chief Planning Officer							
1/ Excludes 6 FAO/USAID advisors posted for 2 years each, 1969-72.							
			On board				
			Training				
			Under Recruitment				

BENUE PLATEAU STATE  
Year Ending June 30

STAFF POSITION	1970	1971	1972	1973	1974	1975	1976
Planning Officer Econ				T			
Asst Planner Econ (Marketing)			T				
Junior Statistician	R	T					
Junior Statistician	R		T				
* Asst Planner (AGRIC)		R	T				
* Asst Planner (VET)		R		T			
* Asst Planner (COOP)		R		T			
* Asst Planner (FORESTRY)		R			T		
USAID Economist	R						

On board

T

In Training

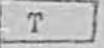
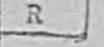
R

Under Recruitment

\* Under secondment from other staff Divisions of Ministry of Natural Resources.

NORTH EAST STATE

Fiscal Years Ending June 30

STAFF POSITION	1970	1971	1972	1973	1974	1975	1976
Planning Advisor ATD	R						
Principal Planning Officer		T					
Planning Officer (Mktg)	R			T			
Planning Officer (Prodn)	R			T			
Planning Officer (Statistics)		R		T			
Manpower and Training		R		T			
			On Board				
			In Training				
			Under Recruitment				





Department of State

TELEGRAM

*John*

*Allen Marshall*

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*please file*

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11  
ORIGIN AID-50

INFO OCT-01 AF-05 E-03 L-03 INR-06 /068 R

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DRAFTED BY: CFVANHAEFTEN:CE AFR/CWA  
APPROVED BY: SCHRISTMAS, DDIR, AFR/CWA  
AFR/CWA:JDWILSON AFR/MGT/FO: JBANYAS  
AFR/MGTNASHTON AFR/DP:EHOGAN  
DISTRIBUTION: 4D

ACTION: AFR  
INFO: PA, OA, ACONT, AAPC 4, TAB, AGR, COM, 50P  
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AIDAC

SUBJECT- AMENDMENT TO NON-CAPITAL PROJECT PAPER;  
AGRICULTURAL ECONOMICS AND MARKETING (620-11-140-768)

REFERENCE- A) TOAID A-344 B) AIDTO CIRCULAR A-1850

1. WE HAVE REVIEWED SUBJECT PROP AS SUBMITTED PER REF (A) AND WE CONCUR GENERALLY WITH THE PROPOSAL TO CONTINUE AND EXPAND ASSISTANCE TO BOTH FEDERAL AND STATE MINISTRIES OF AGRICULTURE TO ESTABLISH OR STRENGTHEN PLANNING UNITS.

2. AS STATED IN THE INTRODUCTION TO THE PROP AND AS DISCUSSED WITH FURST DURING HIS RECENT CONSULTATIONS AT AID/W WE ALSO AGREE THAT THE USAID ROLE BE MINIMAL WITH CENTRAL CONTROL OF THE PROJECT VESTED IN THE FEDERAL MINISTRY OF AGRICULTURE. THE NEW PROP REPRESENTS A WELL PREPARED DOCUMENT IN TERMS OF A REGULAR AID PROJECT, BUT APPEARS MORE CATEGORICAL AS TO DETAILED INPUTS AND RESULTS THAN THE TYPE OF ACTIVITY NOW ENVISAGED.

3. WE WOULD PREFER A MUCH CONDENSED AND STREAMLINED PROP TO

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REFLECT THE DIMINISHING ROLE FOR AID AND TO GIVE RECOGNITION TO THE GENERAL PAUCITY OF VERIFIABLE QUANTITATIVE INDICATORS TO EVALUATE THE SUCCESS OR FAILURE OF THE PROJECT. THE PROP SHOULD BE RESUBMITTED ON THE NEW FORMAT WITH THE NEW FACESHEET AID 1025-1 (7-71) AND IN ACCORDANCE WITH REF (B) USAID SHOULD ATTACH THE LOGICAL FRAMEWORK MATRIX AID 1025-3 (7-71).

4. WE CONCUR WITH THE PLAN CONCERNING DIRECT HIRE AND PASA ADVISORS, I.E., TO FUND THEM THROUGH THEIR CURRENT TOURS.

5. WE WOULD VISUALIZE A CONTRACT BETWEEN THE GOVERNMENT OF NIGERIA AND A SUITABLE U.S. INSTITUTION TO PROVIDE ADVISORS OR AN OPEX ARRANGMENT TO RECRUIT OPERATIONAL STAFF TO SERVE IN FEDERAL OR STATE PLANNING UNITS. THE OPEX ARRANGMENT WOULD APPEAR MORE DESIRABLE.

6. IN ANY EVENT USAID LOGISTICAL AND OTHER SUPPORTING SERVICES SHOULD BE ELIMINATED FOLLOWING DEPARTURE OF DIRECT HIRE AND PASA STAFF. THE U.S. DOLLAR GRANT TO BE NEGOTIATED UNDER THE PROJECT WOULD PROVIDE FUNDS TO BE USED TOWARD PERSONNEL TYPE COSTS ONLY SUCH AS SALARY, TRAVEL AND ALLOWANCES. ALLOWANCES COULD INCLUDE COSTS OF CERTAIN ITEMS SUCH AS REFRIGERATORS, STOVES OR AIR CONDITIONERS WHICH GOV OR STATE MINISTRIES MIGHT OTHERWISE BE RELUCTANT TO SUPPLY.

7. NO VEHICLES OR OTHER COMMODITIES SHOULD BE FUNDED UNDER THIS PROJECT.

8. ALTHOUGH MOST TRAINING SHOULD BE IN-COUNTRY, WE WOULD SUPPORT A PARTICIPANT TRAINING ELEMENT, PARTICULARLY NIGERIAN PARTICIPATION IN POLICY SEMINARS AND SIMILAR ACTIVITIES.

9. SHORT TERM CONSULTANT SERVICES AS PROPOSED MAY BE INCLUDED.

10. IN ACCORDANCE WITH ABOVE, FUNDING WOULD BE ROUGHLY AS FOLLOWS:

	FY 72	FY 73	FY 74	FY 75	FY 76
PROJECT MANAGER	40	42	42	44	44

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OTHER DIRECT HIRE	158	24	0	0	0
PASA	45	4	0	0	0
CONSULTANTS	100	30	30	10	0
PARTICIPANTS	69	48	22	41	12
CONTRACT	25	450	450	400	130
	-----	-----	-----	-----	-----
TOTALS	437	598	544	495	186

11. FROM STANDPOINT PROJECT MANAGEMENT, CONSULTANTS, PARTICIPANTS AND PROJECT MANAGER WOULD BE HANDLED THROUGH REGULAR USAID PROCEDURES, BUT CONTRACT WOULD BE HANDLED ENTIRELY BY GON. USAID WOULD MAKE FUNDS AVAILABLE TO GON THRU PROAG AND LATTER WOULD CONTRACT FOR SERVICES OF CONTRACT PERSONNEL. PROJECT WOULD NOT BE UTILIZED AS PROPOSED IN PROP. INSTEAD, MR. EWEKE OR SOME OTHER SENIOR NIGERIAN OFFICIAL MIGHT VISIT THE U.S. TO CONSULT WITH VARIOUS INTERESTED CONTRACTORS AND ULTIMATELY NEGOTIATE A CONTRACT TO OBTAIN THE SERVICES DESIRED.

12. IF USAID CONCURS ABOVE PROCEDURE SUBMIT REVISED PROP FOR FORMAL APPROVAL. ROGERS

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