PD-AAR-764

Annual Budget Submission

FY 1984

NIGER

BEST AVAILABLE

June 1982

Agency for International Development
Washington, D.C. 20523

FY 1984

ANNUAL BUDGET SUBMISSION

USAID/Niger

May 1982

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ABS SUMMARY STRATEGY STATEMENT

In recent years, Niger has made exceptional development progress relative to other Sahelian and African countries. This progress has resulted from judicious use of both uranium-derived revenues and external donor assistance. The Government of Niger (GON) has accorded priority to economic development, particularly toward achieving food self-sufficiency, and has brought noteworthy improvement in living standards to its people. Revenues from mineral exploitation and foreign assistance have been almost completely devoted to investments in national economic development and to the most pressing needs of the Nigerien people, 90 percent of whom live in rural areas under conditions of extreme poverty.

Niger's government has demonstrated that it is responsible and pragmatic in both domestic and international affairs. For reasons beyond its control, Niger's macroeconomic prospects suffered a serious reversal in 1980 when the price of uranium, its principal export, declined substantially. Thus, Niger has entered a period of economic and budgetary difficulty with which it must cope for several years into the future. It is within the interests of the U.S. Government to provide increased support in this difficult period to a worthy Government which has demonstrated its commitment to economic progress and has exhibited responsiveness to external efforts and U.S. interests.

Analysis Section

After experiencing favorable economic growth over the years 1975 to 1980, Niger is currently confronted with the prospect of minimal growth in terms of GDP and declining budgetary revenues for the near-term future. Most of the growth of the 1975 to 1980 period (GDP growth averaged 7 to 10 percent) was due to investment and revenues from Niger's mining sector. The recovery of the agricultural and livestock sectors from the Great Drought was a secondary contributor to growth during this period. Favorable weather and GON policies led to resurgence in these sectors.

Uranium revenues enabled the GON to expand investment in all sectors of the economy. Unfortunately, this period of surge in prices and exploitation of uranium led to development planning based on assumptions of (1) continued stable or rising world prices for uranium, and (2) continued major expansion of its production and export. In the late 1970's, the GON prepared and issued an expansionist five year National Development Plan based on estimates made during the boom. The Plan underscored the GON's commitment to its people for an ambitious program of development and continued rapid economic growth. Two years later, the underlying

assumptions proved to be unrealistic. Although uranium prices remain at about their 1980 levels, price increase and output expansion prospects have vanished for the near future. Further, costs of production have increased and profits from the existing mines, from which the GON derives its tax revenue, have fallen drastically.

The GON investment budget which finances the Government's program for rural sector and other development activities has been singularly dependent upon revenues from uranium. The current revenue shortfall constrains the extent to which the GON can implement its investment program without increased foreign assistance or external borrowing on commercial terms. Further recourse to external borrowing has serious implications given that the GON debt service ratio has grown at an uncomfortably rapid pace, rising from 2.8 percent in 1979 to 9.2 percent in 1981. Niger must cope with its current revenue shortfall by restraining expenditures and obtaining increased foreign assistance. In addressing its economic situation, GON official policy is to maintain a posture of "pause and consolidation" for the next few years. This means that the national investment program will not be expanded as planned, expenditures will be restricted and priority will be given to the maintenance and effective utilization of ongoing projects and programs.

Rural sector production contributed to Niger's favorable economic improvement during the period 1975 to 1980 with an average growth contribution of 11 percent per year. By 1980, Niger seemed to be approaching self-sufficiency in cereals production. The sustained improvement in agricultural and livestock production was due to investments deriving from uranium revenues and favorable weather conditions. A setback to attaining the GON goal of food self-sufficiency occurred in 1981 when poor rains caused the cereals harvest to be less than the preceding year and well short of the national requirement. As a result, the GON has imported over 100,000 tons of cereals in 1982, including 15,000 tons of U.S. supplied P.L. 480 Title II grain. The recent shortfall in cereals availability, combined with macroeconomic setbacks and external agencies' advice, have focused GON attention on the need to examine price, marketing and subsidy issues related to agricultural production.

The GON and the donor community have recognized that with the reduction of uranium revenues Niger's economy must be structurally adjusted. Although the GON has been fiscally conservative and its macroeconomic policies generally sound, the Government must now scale back its investment targets, restrain expenditures and carefully control the growth of external indebtedness. Structural adjustment should include some policy measures to generate greater efficiencies and a reordering of investment priorities. Sectoral level policies must be adjusted to minimize budgetary drain, to create new sources of revenues and to expand outputs and exports from other than the uranium sector. The agriculture sector must become less

dependent upon budgetary support and make a greater contribution to the country's revenue base. The contribution of the livestock sector also must be maximized in a rational fashion.

The fragility of the country's natural resource base and a weak human resource base are among the most important constraints to development efforts in Niger. The country is landlocked and approximately two thirds of its territory is desert or near desert. Rainfall is minimal, soils are poor, there is little forest and, except for the Niger River, water resources are not widespread, although groundwater resources may offer important potential for assessment and future development action. The country's agricultural resource base is being stretched as more and more marginal lands are put into production in some areas of Niger. Farmers and pastoralists are often in competition for the same land in these areas. More than 90 percent of Niger's 5.8 million population is dispersed throughout the rural areas of the country. A grinding poverty is widespread among the population; illness, disease and high mortality rates are all too prevalent; and very few persons have formal education or training. Skilled manpower shortages are very much in evidence in the public and private sectors, and in rural areas. Niger's human resource base is weak even when compared to other Less Developed Countries, and intensive efforts must be made in education, training, institutional development and extension to overcome Niger's comparative disadvantage in this regard.

Other important constraints to development are found at the sectoral level. In agriculture, GON pricing and marketing policies have served as disincentives to overall production. Agricultural research, particularly adaptive research, has not received sufficient emphasis or resources and the country's farmers have not benefitted from effective extension programs delivering significant technological improvements. The role of its private sector has been limited by Government agencies' activity in the supply of agricultural inputs and marketing of cereals production. The livestock sector has the potential to contribute substantially to Niger's economy both in terms of producers' incomes and in terms of national revenues (at present livestock is second only to uranium). GON policies, deriving from the devastation of the national herd during the Great Drought, need to be re-examined in view of their effects on livestock marketing and exports. Technical and organizational solutions to production and management of rangelands also need to be developed and delivered to the herder population.

The GON has recognized the need for economic and policy reform. Over the last year, official farm-gate prices for cereals were increased by over 50 percent and government subsidies on agricultural inputs were reduced and, in some cases, eliminated. The GON is committing itself to continued progress in these areas. Official policy was modified after the 1981

harvest to allow for private sector intervention in the domestic distribution and marketing of cereals. The GON has recently demonstrated greater willingness to engage in dialogue with donors on economic policy and, significantly, has commissioned an IBRD study on the reform and restructuring of Niger's parastatal organizations. The GON has also undertaken a reform in the sensitive area of education, including considering the institution of tuition fees for those capable of paying and re-examining the appropriateness of the current curriculum for Niger. At the same time, greater emphasis is being given to creating more opportunities for vocational and practical training.

USAID/Niger assistance is directed toward rural development in Niger with an emphasis on agricultural and livestock development. This focus is in solid accord with GON stated goals and resource allocations. The target group or primary beneficiaries of AID assistance are the rural dwellers and pastoralists who total approximately 90 percent of the country's total population and who are engaged in basic food production activities. The GON is genuinely committed to improving the quality of life for its rural inhabitants and to enhancing the rural sector's contribution to the economic growth of the country.

Niger's preoccupation with the creation of a "Development Society" is avowedly based on the concept of broad participation and cooperative development by all elements of its population. The full implications and likely final form of this nascent process are not yet clear. It is certainly a socio-political undertaking aimed at strengthening the sense, among diverse groups, of a national entity--Niger. Interwoven with the socio-political aspects are economic elements of participation--cooperatives in agricultural areas and herders associations in the pastoral zone. The GON seems to intend these organizations as increasingly self-reliant engines for economic growth, receiving initial support from public agencies. The GON has recognized that it cannot continue the level of public sector support that it has attempted to provide for its institutions and citizens. The "Development Society" is one way for Government to promote local level cooperative groups and institutions and to make them more self-sustaining.

Strategy Section

The goal of AID assistance to Niger is to build upon the bilateral political and economic interests which Niger and the U.S. share and to support the Government's sustained commitment to development. In supporting Niger's principal development goals we will seek to apply our assistance resources to attacking constraints to long-term development while being flexible in choosing appropriate forms of assistance during a period of serious budgetary strain. Additional funds above the current AAPL levels may be required to assist the GON accomplish the structural changes and budget stabilization which will be necessary over the next five years.

USAID/Niger program strategy is to assist the GON obtain and sustain its goal of food self-sufficiency by focusing AID assistance on those activities which promote increased productivity and economic viability in the agriculture and livestock sectors. The USAID portfolio is structured to support the development of critical institutions; to introduce improved technologies and forge efficient delivery systems (including private sector alternatives) for transfer of these technologies; build Niger's human resource base; and improve Niger's capability to plan and manage its own development programs. USAID support to improving rural health services and the efficiency of delivering those services is viewed both as complementary to achieving our agricultural/livestock production goals and as a program viable in its own merits--i.e., its contribution to the well-being of the vast majority of Niger's people.

The GON's current economic situation and budgetary condition has caused the Mission to re-examine its strategies for assisting Niger's development. Next year the Mission will submit a revised CDSS, more fully elaborating these strategies. The Mission is now undertaking (1) to jointly identify with the GON those constraints and to explore options for removing them; and (2) to promote a continuous policy-level dialogue with the GON for planning and developing a policy framework for the agriculture and livestock sectors which promotes production, is economically viable and proves to be revenue generating.

USAID/Niger will devote greater emphasis to addressing the important issues of export development/marketing (including importantly livestock), cash crop vs. food crops, irrigated agriculture, recurrent costs and private sector development. USAID/Niger has proposed to undertake a long-term Joint Program Assessment (JPA) with the GON which will serve as a forum to stimulate continuous high-level planning and policy dialogue with respect to GON, U.S. Government and other donor development strategies for the country. Through the JPA, more attention will be directed toward the private sector and its potential for national development. USAID will also use the JPA structure for planning and designing assistance programs which are linked to GON structural change and policy reform in the agricultural and livestock sectors.

New Emphasis

The GON is experiencing an economic and financial pinch which has forced it to search for new alternatives to its existing economic policies and development strategies. AID's new emphases provide the basis for which USAID/Niger can propose to work with the GON toward necessary policy reform.

It must be recognized that there are major problems related to the development of the private sector in Niger. The size of the domestic market, the high costs of transport and energy and ecological fragility place limits on the potential that does exist. Niger's indigenous private sector is weak and not well organized. However, there are existing commercial activities and would be entrepreneurs which have potential for involvement in development activities, and the GON has recognized the need to encourage and support greater private initiative. USAID/Niger will concentrate on the training and development of entrepreneurial talent and the identification of rural sector activities which can be more efficiently managed by the private sector. Our approach will likely include pilot initiatives to test new concepts for subsequent expansion. Rural enterprises which increase incomes and generate employment opportunities, such as the production and repair of simple farm implements, will receive special attention in the formulation of AID-financed projects. In fact, technology development, transfer and dissemination activities will form a major part of USAID/Niger's assistance package. Traditional market and supply systems will be examined as possibly more cost effective means of providing some of the services required for Niger's development needs.

USAID/Niger will continue to give high priority to the development of human resources and institutional capacity. Human resource development activities are currently an integral element of each AID-financed project in Niger. Broad areas of human resource improvement need will be addressed in projects proposed for FY 1984 and FY 1985. Greater emphasis will be given to the development of private sector human resources and institutions within this context. Three major projects involving cereals research, livestock production and rural health delivery systems will develop institutional relationships with U.S. universities with the objectives of utilizing appropriate technology transfer to promote local development solutions, strengthening Nigerien intentions and enhancing their capacity to plan and manage their programs.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT ($ Thousands)

Country/Office Niger 683

DEVELOPMENT ASSISTANCE	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	PLANNING PERIOD 1985	1986	1987
Agriculture, Rural Dev't. & Nutrition	-	-	-	-	-	-
Population	-	-	-	-	-	-
Health	-	-	-	-	-	-
Education	-	-	-	-	-	-
Selected Development Activities	-	-	-	-	-	-
Sub-total Functional Accounts	-	-	-	-	-	-
Sahel Development Program	-	-	-	-	-	-
Grants	13,100	15,700	18,000	19,000	21,000	23,000
Loans	-	-	-	-	-	-
Economic Support Fund						
Grants	-	5,000	5,000	5,000	-	-
Loans						
Total DA & ESF	13,100	20,700	23,000	24,000	21,000	23,000
P.L. 480 (non add)						
Title I	-	3,000	3,000	3,000	3,000	3,000
(of which Title III)	-	3,000	3,000	3,000	3,000	3,000
Title II	2,120	-	-	-	-	-
Housing Guarantees (non add)	-	-	-	-	-	-
Total Personnel						
USDA (workyears)	26	26	*27	*27	*27	*27
FNDH (workyears)	14	14	14	14	14	14

* Increase of one additional full-time officer, to be recruited in FY 1983, is requested to manage Non-Project Assistance and private development activities being designed in FY 1983 and beyond.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1982 to FY 1984
($ thousands)

Country/Office Niger 683

APPROPRIATION ACCOUNT	FY 1982	FY 1983	FISCAL YEAR 1984
SAHEL DEVELOPMENT PROGRAM			
A. Bilateral Funding (Country Code 683)	-	-	-
0201 Niger Cereals (G)	-	-	-
0208 Rural Health Improvement (G)	-	2000	2000
0224 Shelter Sector Planning (G)	-	-	-
0225 Cereals Research (G)	4885	1050	2500
0226 Rural Human Resources (G)	1175	-	-
0229 Evaluation Assistance (G)	745	-	-
0230 Forestry/Land-Use Planning (G)	-	800	1355
0234 Agriculture Prod. Support (G)	5845	1600	3000
0237 Literacy Service (G)	-	-	-
0240 Niamey Dept. Development II (G)	-	3000	2500
0242 Integrated Livestock Prod. (G)	-	3500	2000
0243 Farm Implements Manufacturing (G)	-	1000	1000
0245 TARA II (OPG) (G)	-	750	-
0246 Agriculture Sector Grant	-	2000	2000
0247 Financial Management Training	-	-	645
0248 Irrigated Agriculture Development	-	-	1000
xxxx Joint Program Assessment	450	-	-
B. Centrally Funded (Code 625)			
0940 Sahel Water Data II	(1300)	(1250)	(1483)
0915 Niger River Development I	-	-	-
0944 Niger River Development II	(5567)	(700)	(1144)
TOTAL DEVELOPMENT ASSISTANCE	13100	15700	18000
ECONOMIC SUPPORT FUND	-	5000	5000
TOTAL D.A. AND ESF	13100	20700	23000

TABLE IV PROJECT BUDGET DATA

Country/Office: Niger 683

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	LIFE OF PROJECT COST AUTH	LIFE OF PROJECT COST PLAN	ESTIMATED U.S. DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/81	FY 1982 OBL	FY 1982 EXP	FY 1983 OBL	FY 1983 EXP	FY OBLIGATIONS 1984 AAPL	FUNDED TO MO/YR	1985	1986	1987	FUTURE YEAR	ITEM #
Agriculture, Rural Development & Nutrition																		
683-0201	Niger Cereals Production	G	77	80	2100	2100	26	-	26	-	-	-		-	-	-	-	7968
683-0202	Niger Range & Livestock Mgt (PC)	G	76	77	1582	1582	246	-	150	-	96	-		-	-	-	-	7970
683-0205	Niamey Dept. Development (PC)	G	77	80	2673	2673	32	-	32	-	-	-		-	-	-	-	7973
683-0228	Rural Integrated Agr. Dev't. (PVO-U-R)	G	78	78	300	300	167	-	167	-	-	-		-	-	-	-	7985
	Appropriation Total--Grant				6655	6655	471	-	375	-	96	-		-	-	-	-	
Health																		
683-0208	Rural Health Improvement	G	78	83	2000	2000	765	-	765	-	-	-		-	-	-	-	7975
	Appropriation Total--Grant				2000	2000	765	-	765	-	-	-		-	-	-	-	
International Disaster Relief Assistance																		
683-0201	Niger Cereals Production	G	75	75	5966	5966	223	-	223	-	-	-		-	-	-	-	7967
	Appropriation Total--Grant				5966	5966	223	-	223	-	-	-		-	-	-	-	

TABLE IV PROJECT BUDGET DATA

Country/Office: Niger 683

PROJECT NUMBER	PROJECT TITLE	OBL	OBLIGATION DATE: INITIAL	OBLIGATION DATE: FINAL	LIFE OF PROJECT COST: AUTH	LIFE OF PROJECT COST: PLAN	ESTIMATED U.S. DOLLAR COST ($000): CUM PIPELINE AS OF 9/30/81	FY 1982: OBL	FY 1982: EXP	FY 1983: OBL	FY 1983: EXP	FY OBLIGATIONS: 1984 AAPL	FY OBLIGATIONS: FUNDED TO MO/YR	FY OBLIGATIONS: 1985	FY OBLIGATIONS: 1986	FY OBLIGATIONS: 1987	FY OBLIGATIONS: FUTURE YEAR	ITEM #
Sahel Development Program																		
683-0201	Niger Cereals Production	G	75	81	8038	8038	1864	-	1864	-	-	-		-	-	-	-	7969
683-0202	Niger Range & Livestock Mgt (PC)	G	76	80	3829	3829	2389	-	1723	-	666	-		-	-	-	-	7971
683-0205	Niamey Dept. Development (PC)	G	77	80	2025	2025	5	-	5	-	-	-		-	-	-	-	7974
683-0208	Rural Health Improvement	G	78	85	12029	12029	5369	-	3582	2000	3069	2000	09/84	856	-	-	-	7976
683-0214	Basic Health Services Delivery (PVO-U-R)	G	78	80	1468	1468	161	-	161	-	-	-		-	-	-	-	7979
683-0224	Niger Shelter Sector Planning	G	78	80	571	571	423	-	261	-	162	-		-	-	-	-	7982
683-0225	Niger Cereals Research	G	82	85	10600	10600	-	4885	1500	1050	2000	2500	02/86	2165	-	-	-	7983
683-0226	Rural Sector Human Res. Dev't.	G	79	82	5030	5030	3368	1175	2000	-	1368	-		-	-	-	-	7984
683-0228	Rural Integrated Agr. Dev't. (PVO-U-R)	G	79	79	200	200	42	-	42	-	-	-		-	-	-	-	7986
683-0229	Eval. Asst. to Min. of Planning	G	81	82	2000	2000	1255	745	350	-	1000	-		-	-	-	-	7987
683-0230	Forestry & Land-Use Planning (PC)	G	80	84	3839	3839	1595	-	1000	800	1395	1355	12/84	-	-	-	-	7988

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

Country/Office: Niger 683

PROJECT NUMBER	TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	LIFE OF PROJECT COST AUTH	LIFE OF PROJECT COST PLAN	ESTIMATED U.S. DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/81	FY 1982 OBL	FY 1982 EXP	FY 1983 OBL	FY 1983 EXP	FY OBLIGATIONS 1984 AAPL	FY OBLIGATIONS FUNDED TO MO/YR	FY OBLIGATIONS 1985	FY OBLIGATIONS 1986	FY OBLIGATIONS 1987	FY OBLIGATIONS FUTURE YEAR	ITEM #
683-0234	Agriculture Prod. Support (PC)	G	82	86	19990	19990	-	5845	3400	1600	3500	3000	11/84	4500	5045	-	-	7990
683-0235	Niger Solar Energy	G	78	78	500	500	260	-	260	-	-	-		-	-	-	-	7991
683-0237	Literacy Training	G	81	81	1810	1810	1810	-	500	-	810	-		-	-	-	-	7993
683-0240	Niamey Dept. Development II (PC)	G	81	85	13582	13582	5682	-	5000	3000	3000	2500	03/85	2378	-	-	-	7994
683-0242	Integrated Livestock Prod. (PC)	G	83	87	15000		-	-	-	3500	1000	2000	03/85	3000	4000	2500	-	7996
683-0243	Farm Implements Mfg. (CDARMA)	G	83	84	3000		-	-	-	1000	450	1000	03/85	1000	-	-	-	7997
683-0245	TARA II (OPG)	G	82	84	750		-	-	-	750	350	-		-	-	-	-	7999
683-0246	Agriculture Sector Grant	G	83	88	7000		-	-	-	2000	1000	2000	05/85	2000	1000	-	-	8000
683-0247	Irrigated Agriculture Dev't.	G	84		10000		-	-	-	-	-	1000	03/85	2000	2451	4549	-	
683-0248	Financial Management Training	G	84		2500		-	-	-	-	-	645	03/85	1101	754	-	-	
xxx-xxxx	Joint Program Assessment	G	82	82	450	450	-	450	100	-	350	-		-	-	-	-	
625-0915	Niger River Development Plng.	G	77	81	(1912)	(1912)	(1702)	-	(1000)	-	(702)	-		-	-	-	-	
625-0917	Sahel Water Data & Mgt.	G	76	80	(6268)	(6268)	(1996)	-	(1996)	-	-	-		-	-	-	-	

TABLE IV PROJECT BUDGET DATA

Country/Office: Niger 683

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	LIFE OF PROJECT COST AUTH	LIFE OF PROJECT COST PLAN	ESTIMATED U.S DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/81	FY 1982 OBL	FY 1982 EXP	FY 1983 OBL	FY 1983 EXP	FY OBLIGATIONS 1984 AAPL	FUNDED TO MO/YR	1985	1986	1987	FUTURE YEAR	ITEM #
625-0937	Maternal Language Texts (AIP)	G	80	80	(400)	(400)	(319)	-	(200)	-	(119)	-		-	-	-	-	
625-0940	Sahel Water Data & Mgt II	G	82	86	(7000)	(7000)	-	(1300)	(200)	(1250)	(2000)	(1483)	04/85	(1484)	(1484)	-	-	
625-0944	Niger River Basin Planning	G	82	86	(11200)		-	(5567)	-	(700)	(2500)	(1144)	03/85	(1644)	(1645)	-	-	
	Appropriation Total--Grant				65971	124211	24223	13100	21748	15700	20120	18000		19000	21000	23000	-	
	Country Development Assistance Total—Grant				80592	138832	25682	13100	23111	15700	20216	18000		19000	21000	23000	-	
Economic Support Fund																		
	Commodity Import Program	G	83	85	15000		-	-	-	5000	2500	5000	06/85	5000	-	-	-	7963
	Appropriation				15000		-	-	-	5000	2500	-		-	-	-	-	
P.L. 480																		
	Title II				(2120)	(2120)	-	(2120)	(2120)	-	-	-		-	-	-	-	
	Title III				(15000)		-	-	-	(3000)	-	(3000)		(3000)	(3000)	(3000)	-	
	P.L. 480 Total				(2120)		-	(2120)	(2120)	(3000)	-	(3000)		(3000)	(3000)	(3000)	-	
	TOTAL DA AND ESF				80592	153832	25682	13100	23111	20700	22716	23000		24000	21000	23000		

PROJECT NARRATIVE

Title	Farm Implements Manufacturing (CDARMA)
Number	683-0243
FY 1984 Obligation	$1,000,000
LOP Cost	$3,000,000
Appropriation Account	Sahel Development Program

Purpose:

To improve agricultural production in Niger by assisting in the establishment of facilities and systems for the private fabrication, finishing, and distribution of appropriate farm implements and tools to farm areas principally in Western Niger.

Background:

In the past, many efforts have been made to introduce animal-drawn farm implements to Sahel farmers as a means of easing their labor burden, increasing their efficiency, especially during critical periods, and increasing crop production. The Sahel, with an abundance of suitable animals, and light soils which can be easily worked, seems to possess many advantages which would ease the task of encouraging farmers to adopt animal traction practices. Unfortunately, without access to affordable implements and well-established local support services to provide the required technical advice and implement maintenance, these different efforts have failed. It has been concluded that the only way to provide these services in a timely and efficient way is through the firm establishment of a local capacity for manufacturing and repairing farm implements. USAID/Niger has reviewed a number of alternative approaches currently being undertaken in Niger and elsewhere--and the Mission concludes that a manufacturing facility could be established which would provide private equipment dealers, finishers and equipment repair shops with a means of sustained private enterprise activities which would extend this appropriate technology to Nigerien farmers and provide them with ready access to equipment maintenance, spare parts and repair facilities. As production facilities emerge, additional goods, such as those consumer products needed by rural dwellers, may be produced as well.

Following the famine caused by the Sahel drought of 1968-74, the Niger government decided that as part of its effort to attain food self-sufficiency

it would create farm implement production centers at strategic locations through the country. The need for these centers was especially felt as Niger began implementing its strategy for increasing crop production and improving rural living standards in its cultivated areas. This strategy aimed at creating regional "productivity" capacity. All these projects (there are currently seven financed by different donors, including AID) focus primarily on the widespread introduction of improved cultivation practices which include the use of animal-drawn implements. The implementation of these projects rapidly increased the demand for farm implements and hand tools. This demand should continue to increase.

The Farm Implements Manufacturing Project will create a farm implement manufacturing center and enterprise training and promotion center near the capital city of Niamey and will provide loans and equipment necessary to help individuals to establish associated private finishing, distribution, sales, parts and repair facilities to extend the appropriate equipment technologies to Nigerien farmers. It is expected that the facility and its private enterprise extensions will provide most of Western Niger with the farm tools and animal traction implements needed to improve agricultural productivity. The central center will sell or loan to associated businessmen the unfinished components which they will assemble into finished products. Training programs, based on a U.S. private industry training model, primarily in metal smithery and carpentry, will be established to develop equipment sales, spare parts and repair capability throughout the region. This project is an important complement to similar public enterprise efforts already underway in other parts of Niger and will work in concert with these other projects to assist Niger in achieving a more economical and more widely available supply of animal traction equipment.

Beneficiaries:

The immediate project beneficiaries will be the private equipment dealers, finishers and repairmen whose trade will be established or augmented by the equipment manufacturing and distribution enterprise. Subsequent beneficiaries will be farm families who will buy animal traction equipment produced and distributed by the center and its private enterprise extensions. In addition, farm families will also benfit from the parts and repair services offered by this system.

AID Financed Inputs:		($000)
Personnel:		
Long-Term T.A.	48 person/months	440
Short-Term T.A.	18 person/months	180

	($000)
Training: Local	120
Construction:	1,260
Commodities/Loans:	1,000
	3,000

PROJECT NARRATIVE

Title	Agriculture Sector Grant
Number	683-0246
FY 1984 Obligation	$2,000,000
LOP Cost	$7,000,000
Appropriation Account	Sahel Development Program

Purpose:

To assist the GON in developing its agriculture and livestock sectors through U.S. financing of U.S. commodities and equipment imported into Niger for sale and generation of local currencies to be used to finance costs of critical activities in those sectors.

Background:

The decline of the world market price for uranium has had a serious negative effect upon a Nigerien development budget supported by funds derived from uranium export revenues. As those funds and, hence, development budget resources have been reduced, the GON has been forced to cut back on planned development activities and has begun to feel the pinch of having to finance recurrent costs generated by ongoing development programs while restraining further growth of its external debt. As it takes on more and more budget responsibility for the costs of earlier development program initiatives, the GON is confronting an overburdened general operating budget, with limited options, and the potential of serious consequences--economically and politically. The GON is placed in the uncomfortable position of having either to reduce the flow of funds to ongoing projects (as well as sharply curtailing planned new investments) thus insuring loss of momentum in development areas in which large investments have already been made, or of continuing to support those investments at the risk of incurring uncomfortably large external debts. Since in many cases the development programs initiated earlier must not only be sustained, but expanded before they become cost effective, even larger new investments are often required.

A fiscally conservative GON has responded to the current budgetary crisis by cutting back on new expenditure. It is now also seeking grant and

concessional financing (1) to support recurrent costs associated with programs in which progress achieved to date might be jeopardized by cutbacks and (2) to help carry through with development activities, like those in the agriculture sector, which are critical to the achievement of long-term budgetary self-sufficiency.

The Agriculture Sector Grant Project is designed, along with proposed P.L. 480 Title III and Economic Support Fund activities, to offer the GON both balance of payments and internal budget support necessary to permit continuation of progress toward vital development goals. It will also provide local and recurrent cost support to current and future projects which contribute to sustained increases in agriculture and livestock sector production. These projects will include activities which, as individual, replicable, economically viable, self-supporting elements of a development economy, affect development by multiplication and self-generation. They will also serve, as part of a larger package of support to the agriculture sector, to influence policies which will insure their continued economic viability and the sustained development of the rural agriculture and livestock sectors as a whole.

The Agriculture Sector Grant Project will consist of two major components: a Commodity Import Program (CIP) which will import equipment and commodities and generate local currencies for a joint GON/USAID counterpart fund account, and a counterpart fund-financed agriculture and livestock development program designed to support ongoing or proposed new AID-supported projects in these sectors. Imported commodities or equipment will, to the extent possible, also be of a kind which will contribute to increased productivity or improved marketing, transport and processing in the agriculture and livestock sectors. This assistance will be designed to help the GON and private sector importers to understand the terms and conditions for importing specific grant-financed commodities and to identify promising opportunities for Nigerien entrepreneurs to initiate and profit from U.S. trade opportunities.

Beneficiaries:

GON development plans will benefit from the balance of payments and budget relief provided by the free acquisition of commodities related to development of Niger's agriculture or livestock sectors, and from the generation of local currencies to support program activities which would otherwise have to be provided from already overburdened GON investment and operating budgets. Rural farmers and herdsmen will benefit from the improvements in their incomes which will derive from projects supported by the counterpart fund-supported agriculture sector projects, and Nigerien entrepreneurs will benefit from the business opportunities which are created by the

special access which the Grant will provide to U.S. source/origin equipment and commodities in demand in Niger. U.S. businesses will benefit from the sale and export of their manufactures and from the potential new market of which they will become aware.

AID Financed Inputs: (FY 84-86)		($000)
Technical Assistance:		
Long-Term T.A.	36 person/months	330
Short-Term T.A.	12 person/months	120
U.S. Commodities and Equipment:		6,550
		7,000

PROJECT NARRATIVE

Title	Financial Management Training
Number	683-0247
FY 1984 Obligation	$645,000
LOP Cost	$2,500,000
Appropriation Account	Sahel Development Program

Purpose:

To improve the capabilities of mid-level GON and private sector personnel in accounting, management and business administration in order to increase the efficiency and effectiveness of public and private entities in Niger.

Background:

Various donor organizations, design missions, AID project evaluations and U.S. Government audits have highlighted the very weak capabilities of Sahelian governments, institutions and individuals in basic management functions. In Niger, the problem is not so much that managerial functions are neglected, but that the concepts of sound management do not extend down beyond the highest level officials and that personnel below those levels are not well prepared in these respects. The problem and its consequences are pervasive in both the public and private sectors. Most accountants and financial personnel are not trained for their jobs and, consequently, financial management reporting systems are weak and ineffective. Managers are not trained in purchasing, inventory management or basic business practices. Public sector middle managers are likewise not trained in basic management skills necessary to organize their tasks and the tasks of units for which they are presumably responsible. In fact, authority tends to cluster at the very top in both the public and private sector organizations and is rarely delegated or shared with middle level managers. Top managers are probably right not to delegate to unprepared middle managers, but, unfortunately, the results are calamitous for the efficiency of the organization.

Management training in Niger has been directed toward those few individuals who will ultimately hold high-level administrative positions in the public

sector. Curricula in this subject area have been very theoretical in content, rarely containing practical material. Very little organized training, by the National School of Administration or private groups, has been directed towards private sector needs.

In January 1982, USAID sponsored a financial management improvement workshop for GON project directors and accountants for projects receiving AID support. The workshop introduced basic accounting systems to be utilized in the financial management of projects. The GON response to the workshop was a request for USAID assistance in a discipline which is woefully undeveloped in Niger. There is no institution in Niger which provides basic accounting and financial management training to mid-level personnel. Further discussions have indicated recognition of a broader problem extending beyond financial management to other areas of management which are equally undeveloped.

USAID proposes to work with the Ecole National d'Administration (ENA - National School of Administration) to develop the capability within that institution, initially for practical accounting, bookkeeping and audit training. As the project proceeds, a similar capability will be introduced for additional areas of management techniques. The training will be available to individuals working within both the public and private sectors. ENA will conduct courses, workshops and seminars for personnel from government organizations and private firms. AID will provide institutional and curriculum support, technical assistance and training of instructors.

Host Country Contribution:

The GON's contribution to the project is projected at the equivalent of $375,000 over the three year life of the project. After AID financing is terminated, it is expected that the GON will continue and totally finance the costs of the training facility initiated with AID funds. In developing the project, USAID proposes to design a system of user charges for private sector beneficiaries to reduce the cost burden to the public sector.

Beneficiaries:

The primary beneficiaries of the financial management training project will be both the GON agencies and private sector firms whose personnel participate in the training. In an overall sense, an improved capability will exist in Niger for the financial and management operations of institutions and businesses. More efficient and effective use of Niger's

financial resources and external assistance will generate more rapid economic growth. It is anticipated that 330 persons will receive training under the facility over the three year period of AID assistance.

AID Financed Inputs: (FY 84-86)		($000)
Personnel:		
Long-Term T.A.	4 person/years	440
Short-Term T.A.	20 person/months	200
Facilities:		750
Curriculum and Materials:		75
Training:		
Long-Term - U.S. (estimates)	12 person/years	720
Short-Term - Local Workshops, Seminars		315
		2,500

PROJECT NARRATIVE

Title	Irrigated Agricultural Development
Number	683-0248
FY 1984 Obligation	$1,000,000
LOP Cost	$10,000,000
Appropriation Account	Sahel Development Program

Purpose:

To increase agricultural production via appropriate and affordable irrigated agriculture systems encouraging private initiative utilizing the experience, traditions and organizations of rural farmers.

Background:

The Government of Niger (GON) has placed high priority on the development of irrigated agriculture to increase food production and to provide a strong hedge against the hazards of unpredictable rainfall. The need for irrigated agriculture is fundamental because the unreliability of rainfall in Niger serves as a major constraint to increased production, even in the one-third of its total land area falling in the "semi-arid, crop zone." The GON approach to the irrigated agriculture sub-sector has concentrated on the development of costly capital-intensive irrigated perimeters which demand intensive maintenance and administrative inputs and expatriate technical assistance to keep them going. In Niger, the cost per hectare for development of irrigated perimeters is extremely high--estimates range from $13,000 to $25,000 per hectare at current prices. Part of this high cost is attributed to the cost of transporting materials to the landlocked country and the concomitant high costs of construction in Niger. The number of farmers who have benefitted from the development of irrigated perimeters and the contribution of these projects to the national food production has been sharply limited. Only 5,000 hectares are presently irrigated out of the vast potential which exists in the Niger River basin, not to mention the possibilities for the almost untapped, significant groundwater resources of Niger.

To date, USAID/Niger has not financed any activities relating to infra-structural development in the irrigated agriculture sector, although

AID has indicated at international donor conferences for the Kandadji Dam project its intention to consider financing for downstream irrigation works. The Mission recognizes the critical need assistance in this area based on a rational scheme for those investments. The IBRD has recently completed a study for the GON which comprehensively defines investment needs and priorities for the sector. This and other analyses have convinced USAID/Niger of the necessity and viability of undertaking low-cost, appropriate technology activities in irrigation. Recent studies have also indicated that many small-scale irrigation activities, particularly for cash crops, have great potential to generate significant revenues for rural dwellers.

The Irrigated Agriculture Development project will finance five to ten of these small irrigation projects over five years. Means of irrigation for these activities may be pumps, wells, canals, small dikes, windmills or solar energy devices. These activities will have as their primary objectives the following: (1) to demonstrate to the GON that a policy of promoting small-scale irrigation activities can be an appropriate means for developing the irrigated agriculture sector; (2) to include local private enterprise efforts in irrigated agriculture efforts; (3) to generate rural employment; and, (4) to introduce and transfer appropriate technologies to make greater use of Niger's largely untapped water resources for agriculture.

Three activities which already have been identified for financing and have the potential to fulfill the objectives stated above are:

A) Improved traditional rice cultivation in the Niger River Valley,
B) Onion cultivation with ox-driven pumps in the Maggia Region, and
C) Dry pepper production in the Komadougou River Valley based on water traps and small pumps.

Beneficiaries:

Rural farmers will directly benefit from the activities planned under the project. Benefits will include increased incomes, increased employment opportunities and the adoption of new and appropriate technologies which will serve to improve per capita and per hectare productivity.

AID Financed Inputs: (FY 84-88)	($000)
Technical Assistance:	1,750
Equipment: (Various appropriate technology devices.)	2,250

	($000)
Infrastructure/Construction Costs: (wells, canals, foundations, small warehouses, etc.)	5,500
Training and Community Development:	500
	10,000

TABLE V - FY 1984 PROPOSED PROGRAM RANKING					Country/Office Niger 683	
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000) INCR	CUM
	NEW AND ONGOING PROJECTS					
1	683-0234 Agriculture Production Support	O	G	SH	3000	3000
2	683-0242 Integrated Livestock Production	O	G	SH	2000	5000
3	683-0225 Niger Cereals Research	O	G	SH	2500	7500
4	683-0246 Agriculture Sector Grant	O	G	SH	2000	9500
5	xxx-xxxx Economic Support Fund	O	G	ESF	(5000)	9500
6	683-0226 Rural Human Resources	N	G	SH	- 1/	9500
7	683-0240 Niamey Dept. Development II	O	G	SH	2500	12000
8	683-0208 Rural Health Improvement	O	G	SH	2000	14000
9	683-0248 Irrigated Agriculture Development	N	G	SH	1000	15000
10	P.L. 480 Title III	O			(3000)	15000
11	683-0230 Forestry & Land-Use Planning	O	G	SH	1355	16355
12	683-0243 Farm Implements Manufacturing	O	G	SH	1000	17355
13	683-0247 Financial Management Training	N	G	SH	645	18000
	625-0940 Sahel Water Data II	O	G	SH	(1483)	18000
	625-0944 Niger River Development II	O	G	SH	(700)	18000
	1/ See Program Priority & Ranking Narrative					

PROGRAM PRIORITY AND RANKING NARRATIVE

Country/Office: USAID/Niger

The FY 1984 USAID/Niger program is consistent with the Mission strategy to concentrate its efforts on agricultural sector development with the primary goal of achieving sustained food self-sufficiency in Niger. A mix of resources including non-project assistance, ESF, P.L. 480 Title III and development assistance grants will be employed to assist the GON during a difficult period for Niger's economy and to promote joint efforts in developing improved sector policies. The ensemble of these activities in Niger is directed toward removing constraints which prevent a maximal contribution by the agricultural sector to the country's economic welfare. The promotion of economic efficiency, increased production, institutional development and human resource development are the major areas of program focus.

The program portfolio is structured so as to provide the Mission with some flexibility in channeling assistance to a Government which has demonstrated sincerity and commitment in its development efforts and in its international relationships. The portfolio will increasingly be shaped by both new U.S. policy directions and the policy level dialogue with the GON formalized through the proposed Joint Program Assessment (JPA).

In addition to the bilateral projects which are ranked in Table V, the Mission will be actively engaged in local-currency financed activities and projects which will result from commodity sales under the Agriculture Sector Grant, ESF and P.L. 480 programs. A counterpart fund will be established for the management of the local currencies, and programming for the selected activities will be jointly accomplished between USAID and the GON. The local currency activities will be related to agricultural sector development, and they will primarily be utilized for budgetary support related to key projects and policy reform as well as for well-conceived small, localized project activities.

A requirement for one additional direct-hire AID officer is anticipated for the implementation of the FY 1984 program, specifically for the management of new non-project activities in FY 1983 and FY 1984. Technical assistance requirements for the program will be met by project-funded contractors or through PVO organizations operating in Niger.

Program Priorities

The Agriculture Production Support Project continues to be the key element of the USAID agricultural assistance effort. This project is directly linked to policy reform in the sector. Its successful implementation will initiate a role for Niger's private sector in the supply and distribution of agricultural inputs and create policy change relating to prices, subsidies and marketing of cereals production. Components of the project address essential elements of the agriculture support system which include seed multiplication/distribution, extension, input planning/procurement/delivery, cooperative development and infrastructure development. The Integrated Livestock Production Project builds upon the extensive socio-economic studies, technical research and pilot activities of the Niger Range and Livestock Project in assisting the GON to realize the economic and revenue generating potential of the livestock sector. The project will focus on herd production, range management, marketing and the cooperative organization of livestock herders. The Niger Cereals Research Project (a Title XII collaborative assistance effort with Purdue University) is an integral part of the GON's national program for cereals production. The project is complementary to the Agriculture Production Support Project and will serve to strengthen the institutional capabilities of Niger's National Agriculture Research Institute (INRAN) in managing and carrying out adaptive research. The Agriculture Sector Grant Project is to generate local currencies which can be used as budgetary support to Niger's agriculture sector and will serve to facilitate the supply of necessary agriculture production inputs to the country. The Economic Support Fund Project will also provide needed budgetary support during the period in which Niger's diminished revenue base has created a financial and budgetary crisis. Activities to be defined under the ESF Grant will be linked to policy reform in the agricultural sector. The Rural Human Resources Development Project which assists the GON effort to train mid-level agricultural personnel is scheduled to conclude in FY 1984. However, rural human resource development activities are critical to the overall success or improvement in the agriculture sector. The Mission will propose that human resource development assistance be continued under a new human resource project to be initiated upon termination of the present one. If funds are available beyond the AAPL level, an additional amount will be requested for the continuation of the Rural Human Resource Development Project in FY 1984. The Niamey Department Development II Project is the major AID-assisted effort to achieve an integrated rural development program at the regional level by addressing local and village level constraints to increased production. Elements of the project include farmer couple training, cooperative development, delivery of agriculture input services and local level testing and modification of the improved agricultural technology package. The Rural Health Improvement Project

is a major contributor to the GON program of rural health care delivery. USAID and the GON have recently completed a revised Implementation Plan for the project which should improve project management and overall implementation. Village level health services under this project are complementary to agricultural production efforts in that they reduce the effects of debilitating disease so prevalent in Niger. The Irrigated Agriculture Development Project will finance several small-scale irrigation and well development projects which require a minimum of technical assistance, but demonstrate high economic viability. The activities will be income generating at local levels and serve to test appropriate technology approaches to irrigated agriculture as an alternative to high cost capital intensive irrigation schemes. The P.L. 480 Title III Program is a part of the overall agricultural package linked to policy reform in the sector and is a tool to assist the GON in improving food supply through activities designed to improve the production, protection and utilization of food. The Forestry and Land-Use Planning Project is an intersectoral planning project which addresses the GON's need to protect and rehabilitate Niger's natural resource base and attempts to integrate agricultural development with environmental concerns. The Farm Implements Manufacturing Project will assist the GON to reduce supply and demand constraints in the delivery of agricultural implements to rural farmers at reasonable prices, and will train rural personnel and involve local entrepreneurs in the manufacture and distribution of small-scale farm equipment. The project introduces private sector participation in an area that heretofore has fallen to the public sector. The Financial Management Training Project will increase the capabilities of mid-level GON and private sector individuals in accounting, management and business administration. The project will provide extensive practical training in an area which has not been emphasized in Niger.

In addition to its bilateral program, USAID/Niger has significant project management responsibilities for two regional projects, Sahel Water Data II (AGRYHMET) and Niger River Basin Development. Both of these projects contribute to the long-term agriculture development of the Sahel Region of West Africa. The AGRYHMET Project benefits from the physical infrastructure and modest human resource base established in Phase I and is now focusing its efforts on developing and delivering meteorological and hydrological information to agricultural users throughout the Sahel. The Niger River Basin Development Project will provide planners in all countries of the Basin with basic information on the dynamics of the River to permit the rational and shared development of that valuable water resource.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,437	-0-	1,437	26[1/]	1,611	-0-	1,611	27[2/]
F.N. DIRECT HIRE	73	-0-	73	14	97	-0-	97	14
CONTRACT PERSONNEL	336	-0-	336	XXXXX	346	-0-	346	XXXXX
HOUSING EXPENSES	545	-0-	545	26	653	-0-	653	28
OFFICE OPERATIONS	1,523	-0-	1,523	XXXXX	2,623	-0-	2,623	XXXXX
TOTAL	3,914	-0-	3,914	XXXXX	5,330	-0-	5,330	XXXXX
FAAS	880	-0-	880		1,012	-0-	1,012	
RECONCILIATION AID/W	1,184	-0-	1,184	XXXXX	1,548	-0-	1,548	XXXXX
MISSION ALLOWANCE	1,850	-0-	1,850	XXXXX	2,770	-0-	2,770	XXXXX

1/ Ref State 132882

2/ Ref State 131745

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,186	-0-	1,816	24	2,018	-0-	2,018	27[1/]
F.N. DIRECT HIRE	95	-0-	95	13	105	-0-	105	14
CONTRACT PERSONNEL	320	-0-	320	XXXXX	335	-0-	355	XXXXX
HOUSING EXPENSES	625	-0-	625	25	694	-0-	694	28
OFFICE OPERATIONS	1,583	-0-	1,583	XXXXX	1,759	-0-	1,759	XXXXX
TOTAL	4,439	-0-	4,439	XXXXX	4,931	-0-	4,931	XXXXX
FAAS	1,093	-0-	1,093		1,214	-0-	1,214	
RECONCILIATION AID/W	1,171	-0-	1,171	XXXXX	1,301	-0-	1,301	XXXXX
MISSION ALLOWANCE	2,173	-0-	2,173	XXXXX	2,416	-0-	2,416	XXXXX

1/ Ref State 131745

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1984 PROPOSED			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	2,200	-0-	2,200	28
F.N. DIRECT HIRE	125	-0-	125	15
CONTRACT PERSONNEL	355	-0-	355	XXXXX
HOUSING EXPENSES	714	-0-	714	28
OFFICE OPERATIONS	1,764	-0-	1,764	XXXXX
TOTAL	5,158	-0-	5,158	XXXXX
FAAS	1,214	-0-	1,214	
AID/W	1,370	-0-	1,370	
RECONCILIATION		XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	2,574	-0- XXXXX	2,574 XXXXX	XXXXX

EXPLANATIONS FOR OPERATING EXPENSE BUDGET INCREASES IN FY 1983/1984

I. FY 1983

USAID/Niger has budgeted for 27 workyears in FY 1983 including one IDI and one part-time position in accordance with the limits on authorized planning levels established by AID/W (ref State 131745). The Mission has also included two additional sets of furniture and four additional vehicles to replace as quickly as possible vehicles which have already been deadlined. The FY 1983 budget also includes $450,000 for equipping the new AID office building which is planned for completion in May/June and $400,000 for the proposed computer system to be installed in the new building.

II. FY 1984

To effectively manage the bilateral and regional programs, as planned, the Mission proposes to increase the workyear equivalent units from 27 now authorized fy FY 1984 (ref State 131745) to 28 by commencing recruitment in FY 1983 of a project manager to be responsible for proposed Non-Project Assistance activities. The Mission also proposed to retain all other full-time regular employee workyears, in lieu of substituting an additional IDI for one of them as proposed by AID/W. The Mission already is confronted with an existing imbalance of inexperience to experience and believes it is injudicious to further distort the mix.

USAID/Niger is currently short of housing for both its regular employees and those visiting Niamey on TDY from other countries and from remote areas of Niger. There are a few good hotels in town but they are occasionally fully booked. More importantly, in-country contractor technicians come to Niamey frequently and having one additional house would greatly reduce costs to the U.S. Government. This same transient unit would also help to cover contingencies such as overlap in assignments and very long TDYs.

AUTOMATED DATA PROCESSING/WORD PROCESSING REPORT

Introduction:

USAID/Niger submitted a detailed proposal for the acquisition of a Minicomputer System in February 1982. An M/DM/PSE representative reviewed the proposal and visited the Mission in April 1982 to make an assessment of our requirements. The following summarizes in part the Mission's proposal.

Current Needs:

The Mission has only a very limited capacity to handle the ever increasing quantities of data coming available to it. In particular, the inability of Mission staff and technical personnel to analyze data is affecting their ability to design programs, evaluate impact and carry out required essential economic and project analyses. The level of analysis required can only be achieved through the use of a computer. A project-by-project analysis of this situation demonstrates the necessity to come to grips with the situation in a rational, consistent and comprehensive manner.

USAID staff, contractors and visiting field project personnel currently use the AGRYHMET Center's equipment to advantage as time permits. Since the AGRYHMET administrative operations are already making use of the Center's ADP capability and meteorological data analysis and reporting to the eight member countries will begin shortly, computer time will be unavailable to us within nine months. Other projects, borrowing time from the center, such as Niger River Range and Livestock, will also need to (1) pursue alternative processing capability locally; (2) do without; or (3) transport the data to and from the U.S. locations, suitable to contractor staff and the Mission managers.

Moreover, the Mission is attempting to meet its management objectives through a more effective use of its available manpower. AID is interested in information management systems which will increase efficiency and thereby reduce costs, some of which may be shared with the State Department.

The immediate need is, therefore, manifested in all of the following areas:

1) Word Processing
2) Data Processing
3) Financial Management
4) Inventory Control

Planned Uses

USAID/Niger is a growing and important Mission in the Sahel with a growing portfolio of varied projects for which it is responsible. It is expected that within the next two years the above four areas of usage will be expanded as well. These areas will include, but not be limited to:

1) Statistical Analysis
2) Economic Analysis
3) Project Monitoring
4) Accounting Systems

The following are specific uses we foresee in various elements of the USAID organization:

1) Director's Office

Programs will be developed to maximize the Director's Office utilization of the management information capability of the equipment. Systems to monitor correspondence and cable traffic, schedule activities and meetings and "tickler" systems will be employed. The Director's Office will also have constant access to all of the Mission's analytical data and other stored information through an "inquiry" utility which is currently available.

2) Program Office

The Program Office will use the computer for the following management tasks:

a) Operational year and future year budget tracking;

b) Pipeline analyses;

c) P.L. 480 monitoring (quantities, timing, location of food imports);

d) Monitoring of participant training (location, area of study, dates of departure and return, etc.);

e) Monitoring of commodity purchases (description, cost, location) by project.

As computer programs are developed, the following special analytical activities will be carried out by the Program Office:

a) Budget analyses of GON revenues and expenditures, and a constant monitoring of the recurrent cost impact of AID and other donor projects in Niger;

b) Monitoring and analysis of Niger's subsidy programs and their effect on the agriculture budget and programs;

c) Following the arrival of a newly-assigned Program Economist, a constant monitoring of the economic growth variables of the Nigerien economy, including balance of payments and trade, inflation and prices, and population trends, etc.;

d) To the extent that it will not duplicate analyses being done by the individual projects, sectoral studies of the agriculture, health and education fields.

In addition, there will be a special requirement in the coming year for a Joint Program Assessment which will move AID into the area of policy impact of its programs. In order to understand this impact, a higher level of analysis will be required--a level that cannot be attained without the advantages that an information processing system offers.

3) Project Design and Evaluation Office

The following management tasks will be enhanced through the use of the computer:

a) Scheduling of evaluation, PID and Project Papers, including ETA's and ETD's of the teams and their individual members;

b) Monitoring the PM&R budget;

c) As all Mission evaluations, PID's and Project Papers are produced under the sponsorship and control of the PDE office, this office is expected to be the heaviest user of the word processing facility.

4) Engineering Office

For the next two years at least, AID projects will be undertaking construction programs of warehouses, offices, dispensaries and utility buildings in every department of Niger. The Engineering Office (currently consisting of one engineer) can barely keep up with the supervision and inspection requirements of these widely dispersed activities. The two-person Engineering Office will be taking maximum advantage of the computer's abilities in order to handle this increasing workload more efficiently through the use of scheduling and monitoring programs.

5) Agriculture Office

Although much of the work of this office concerns the projects discussed earlier, there are requirements involving the analysis of crop production and agricultural development programs which impose a considerable burden upon the staff of the Agriculture Office. To the extent that the more routine reporting and management chores can be alleviated through the use of automated equipment, the more time that can be spent on professional analytical activities. A major new program activity will be the Agricultural Sector Grant which will require a continuous analysis of the agricutlure sector. The newly assigned agriculture economist already has a number of analytical programs which he would like to incorporate into the computer programs to be used on the Wang.

6) Controller's Office

The special requirements in the Sahel for financial certification of projects means that in the future Controller Office personnel must be released from their more routine tasks in order to provide direct assistance to projects. The automation of routine tasks by the computer will provide the time for employees to pursue more professional tasks. The present Controller has come from Nairobi where an automated accounting system was recently installed. He is thus familiar with the process and is urgently interested in incorporating a computer capacity into the accounting system in Niamey. The Controller Office is already using the AGRYHMET computer's word processing capability to furnish a number of regular accounting reports to the Mission. Due to the unavailability of AGRHYMET's facilities during regular working hours, this work is being done at night and on weekends. When the Master Accounting and Control System (MACS) currently being tested in Honduras for controller shop operations has been authorized for utilization elsewhere by AID/W's Financial Management Office, this system will be installed here. Two separate programs will need to be established, one for the Operating Expenditures and the other for project applications.

7) Communications & Records

C&R prepares a cable delinquency list for each AID office. This list will be computerized and updated weekly. A reports index will be established and a list of publications available in the Mission library will be developed.

Finally, the Mission is designing a new office building to contain all of the offices which are presently situated at several locations around

Niamey. Funds have been made available for the construction of the building on U.S. Embassy grounds this calendar year. We have signed a contract with a local architect for final building plans. We have already instructed him to include special environmentally controlled space for the central computer facility and space for work stations, cable conduits, hookups for the UPS and generator, etc. Installation of the computer system should occur nearly simultaneously with the Mission's occupancy of the new building.

Issues Affecting USAID/Niger ADP and Related Financial Requirements

The issues are related to system, configuration and possibly hidden costs. The AID/W M/DM/PSE representative's recommendation in his trip report dated 04/29/82 regarding our computer proposal supports the Mission's acquisition of Wang vs. minicomputers provided we have vendors' support.

The vendors' support will be procured in the form of a functioning service/maintenance agreement under a worldwide contract with the State Department. The issue has to do with the vendor's ability to provide adequate support services under the existing contract terms or some modification thereof to cover rather remote Niamey. It was the M/DM/PSE representative's view, which we share, that a vendor support arrangement can be negotiated especially in view of prospective sales of similar equipment from this vendor in several nearby countries.

Utilization is another issue that needs to be briefly addressed. Though USAID, based on a range of needs fully justifying the acquisition of a VS-80 System, seeks to procure the equipment, other U.S. Government agencies in Niamey, the Embassy (Office of the Ambassador, JAO and ECON sections), ICA and Peace Corps (by order of need) have expressed support for the system and their desire to tap its capability. USAID's requirements are clearly predominant in terms of both volume and scope. While none of the other agencies has needs approaching AID's or justifying separate systems, their operations can benefit from access to the proposed AID system. The extent to which the respective agencies will finance add-on equipment to provide direct access to the system is, of course, dependent on each of their agency's own determination.

Hidden Costs

Additional software costs are likely to be incurred on an ongoing basis as dictated by needs. While certain software packages will be necessary for start-up (and are included in the budget), other software packages can be expected to be financed largely by projects.

Word Processor

USAID/Niger is producing a considerable quantity of major reports, analyses, Project Papers, Project Agreements, contracts and other documents with a very limited supply of qualified secretarial services. Overburdened drafting officers are spending significant amounts of time proofreading documents that have been typed and retyped. A word processing system is the only way the Mission can cope with these growing documentation requirements. There are no issues specifically applying to word processing that do not apply to the configuration as a whole.

Obligations of ADP Systems

($000)

	Fiscal Years		
	1982	1983	1984
Purchase of U.S. minicomputer system with word processor, software and maintenance through FY 1984.	--	400	--

P.L. 480 NARRATIVE

The GON is experiencing a financial and budgetary crisis caused by decline in uranium revenues which is expected to last for the next several years. USAID's strategy over this period is to muster a program focusing on the agriculture sector which will address policy reform and provide fiscal stability and budgetary support. The P.L. 480 Title III Program which the Mission proposed to initiate in FY 1983 is an essential component and an integral part of the package for providing grain stabilization, foreign exchange relief, local currency generation and development project support. The Title III Program will also serve as a link to effecting policy change in the agriculture sector.

While Niger has made demonstrable progress toward its goal of food self-sufficiency, it has become evident that food production is ultimately dependent upon adequate rainfall. In Niger, this is an unpredictable element in the food production program. Following an early warning from the GON that the 1981 harvest was likely to fall short due to poor rain, an appeal was issued to the donor community requesting assistance in meeting a projected 100,000 MT food deficit which was expected to materialize during the 1982 dry season. USAID/Niger, which had been periodically monitoring the crop during the growing season, had developed its own estimates which showed an even greater deficit. The U.S. and five other donor countries and organizations contributed a total of 51,000 MTs of cereals, and GON and private commercial import purchases closed the gap on the projected deficit. In January 1982, before food assistance began to arrive, GON security stocks were reduced to such a level (12,000 MTs) that dry season demand would have depleted those completely, resulting in both immediate and potentially long-term food shortages.

A P.L. 480 Title II Emergency Food Assistance Program was initiated and a Title II Food Transfer Agreement was signed on March 1, 1982. Fifteen thousand (15,000) tons of P.L. 480 sorghum began arriving in May 1982, just as reports of food shortages in Central Niger were coming in. This and other donor food assistance arriving in Niger in April and May helped avert a possible disaster this year.

Increased food production has been the priority goal of all of the recent GON development plans. At least partly because of GON policies, i.e., higher producer prices, increased availability of production inputs and improved extension through "productivity" projects, rainfed cereals (sorghum and millet) have steadily displaced cash crops on large portions or Niger's arable land area since the drought. As a result, between 1976 and 1979, annual cereals production steadily increased and in 1980 Niger produced enough food to satisfy domestic consumption needs under "normal" rainfall conditions for the first time since the Great Drought. Unfortunately, in 1981, poor rains resulted in another poor harvest.

The fact is that even minor reductions or spatial variation in "normal" rainfall have such marked effects upon cereal production in Niger that simple prudence demands that the GON maintain regular and secure sources of food supply. The GON plans that a part of this supply in the future will come from land along the Niger River which it aims to put under controlled irrigation. A major portion will, however, inevitably have to come from outside of Niger. Though the long-term statistics for Niger might indicate an almost balanced production/consumption equation, and though irrigation offers a potential for significant increases in food production, the GON is currently forced by the irregular and unreliable nature of its climate, and the consequent fluctuation in food production capability, to attempt to moderate the effects of that fluctuation through a conscientious food import and security storage program. It is for this reason that the GON has adopted a food self-sufficiency policy and has gradually put into place over 115,000 MTs of food storage capacity which serves as the basic physical structure of a food security system.

As noted above, periodic food shortages are the inevitable result of inconsistent weather patterns and poor moisture retention capacities of Nigerien soils. When these shortages occur during a particularly trying period of economic strain like that which is currently affecting Niger's economy, the potential for both economic disaster and developmental set-back increases. For this reason, USAID/Niger is anxious to continue its policy dialogue with the GON through the Joint Program Assessment while also providing the resources necessary to undertake new policy directions. The Title III Program will represent part of a package of resources which USAID/Niger will bring to bear in encouraging implementation of jointly agreed upon AID/GON policy initiatives.

The Title III Program will serve the goal of increased and assured food availability in four ways. First, the food will provide a portion of the guaranteed annual food imports which must serve as a basic security net for a country which cannot practically and confidently rely upon sustained predictable cereal yields over the short term. Second, it reduces the level of foreign exchange which the GON would otherwise be forced to expend for food purchases, while also creating local currency resources which can be directed toward achievement of long-term food self-sufficiency goals. Third, the Program will complement and bolster, through associated, local project funding, other AID-financed agriculture sector projects which help provide for development and transfer of the technical means and inputs by which Nigerien farmers can achieve maximum potential production yields. Fourth, the proposed P.L. 480 Program, together with other major agriculture sector projects, will provide the tool by which USAID/Niger may influence GON adoption of policies which will encourage farmers to employ all of the means available to them to increase production and marketing of cereal grains. Finally, by the means above, a Title III Program will help the GON to avoid the necessity of costly emergency food imports which would put additional pressure on an already very strained budget.

Country/Office Niger 683

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1982						Estimated FY 1983						Projected FY 1984					
	Agreement		Shipments		Carry into FY 1983		Agreement		Shipments		Carry into FY 1984		Agreement		Shipments		Carry into FY 1985	
	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT
Title I																		
Sorghum	-	-	-	-	-	-	1	6.8	1	6.8	-	-	1	6.9	1	6.9	-	-
Rice	-	-	-	-	-	-	2	4.5	2	4.5	-	-	2	5.1	2	5.1	-	-
Total																		
Of which Title III																		
Sorghum	-	-	-	-	-	-	1	6.8	1	6.8	-	-	1	6.9	1	6.9	-	-
Rice	-	-	-	-	-	-	2	4.5	2	4.5	-	-	2	5.1	2	5.1	-	-
Total	-	-	-	-	-	-	3	11.3	3	11.3	-	-	3	12.0	3	12.0	-	-

COMMENT:

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XII

Country/Office Niger 683

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

STOCK SITUATION	FY 1983	Estimated FY 1984
Commodity - Sorghum		
Beginning Stocks	17	22
Production	375	382
Imports		
Concessional	7	7
Non-Concessional	42	49
Consumption	419	430
Ending Stocks	22	30
Commodity - Rice		
Beginning Stocks	5	5
Production	20	22
Imports		
Concessional	8	8
Non-Concessional	15	15
Consumption	43	50
Ending Stocks	5	10
Commodity -		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment:

At the present time, only about 5,000 hectares of land are under managed irrigation in Niger. These lands produce about 20,000 tons of rice annually. The GON encourages rice consumption and has proposed the acceleration of irrigated production. A growing demand for rice, among the Nigerien population, however, seems to be outpacing production and imports.

ADDENDUM--NON-BILATERAL FUNDED ACTIVITIES IN NIGER

Country/Office: Niger 625

Project Title	Project No.	Date Started	Terminal Date	Responsible AID Office	$ LOP	Priority
Niger River Development Planning	625-0915	FY 76	FY 83	USAID/Niger	1,912,000	Medium
Sahel Water Data Network	625-0917	FY 76	FY 82	USAID/Niger	6,268,000	High
Sahel Manpower Development	625-0936.6	FY 79	FY 85	AID/W	979,500	High
Sahel Accelerated Impact Program (Maternal Language Text Project)	625-0937.6	FY 80	FY 82	USAID/Niger	400	Medium
Sahel Water Data & Management II	625-0940	FY 82	FY 86	USAID/Niger	7,000,000	High
Niger River Basin Planning	625-0955	FY 82	FY 86	USAID/Niger	11,200,000	High
Regional Food Crop Protection	625-0928	FY 78	---	USAID/Upper Volta		High
Demographic Data Collection	625-0927.2	FY 78	FY 83	USAID.Mali		Medium
Planning, Management & Research	625-0929.6	FY 78		USAID/Niger	775,000	High