

UNCLASSIFIED

**Annual Budget
Submission**

FY 1985

NIGER

BEST AVAILABLE



JUNE 1983

Agency for International Development
Washington, D.C. 20523

UNCLASSIFIED

FY 1985 ANNUAL BUDGET SUBMISSION

Table of Contents

1. Mission Action Plan	pp. 1-6
2. Table I - Long Range Plan by Appropriation Account: FY 1983-89	p. 7
3. Table III - Project Obligations by Appropriation Account: FY 1983-85 ..	p. 8
4. Table IV - Project Budget Data: FY 1982-89	pp. 9-13
5. New Project Narratives	pp. 14-15
6. Table V - Proposed Project Ranking and Narrative	pp. 16-18
7. Evaluation Plan	pp. 19-27
A. Issues Narrative	
B. Table VII - List of Planned Evaluations	
8. Overseas Workforce and Operating Expenses	pp. 28-38
A. Table VIII - Operating Expense Summary	
B. Table VIII - Narrative	
C. Table VIII(a) - Automatic Data Processing (ADP)	
D. Table VIII(b) - Word Processing (WP) Report	
E. Table IX(a) - US Direct Hire Staffing	
F. Table IX(b) - FN Direct Hire Staffing	
9. P.L. 480	pp. 39-46
A. P.L. 480 Title II, Section 206 Narrative	
10. Estimated Budget- Planning, Management and Research (PM&R) for FY 1984 and FY 1985.....	pp. 47-48

ACTION PLAN

The Mission's approved CDSS has a short-term focus which proposes financial and economic stabilization support to assist the Nigerien government prevent further deterioration of the economy. A second focus of this strategy is to aid the country in its efforts to increase food production and to contribute to Niger's goal of food self-sufficiency. Project activities during this phase will be concentrated in the agriculture and livestock sectors and aimed at promoting institutional strengthening and technology transfer as well as attempting to shift increasing portions of the development financial load from the public sector to the private sector. A third focus is the Mission's long-term objective undertaking a major initiative in human resource development and continuing efforts to improve agricultural and livestock production technology.

In view of Niger's serious balance of payments, deficit fiscal difficulties, critically high level of debt service obligations and cutbacks in planning government spending, the Mission and the GON place high priority on its stabilization support which will involve non-project assistance in the form of a Rural Sector Development Grant (RSDG) and P.L. 480. This effort will provide immediate balance of payment support, generate necessary local currency proceeds which will be committed to GON to meet recurrent costs for priority projects. The non-project assistance will be conditioned by the GON implementation of key policy reforms and the maintenance of a continuing policy dialogue.

The RSDG will be the most important component of the stabilization effort and will be used to facilitate negotiation and implementation of certain policy reforms. The disbursement of the grant will be strictly tied to the implementation of certain vital policy reforms which the Mission and the GON have identified as: the reduction or elimination of subsidies and price controls on agricultural products and inputs; encouragement of private sector involvement in the supply and delivery of agricultural inputs by limiting the extent of public or semi-public enterprise domination; and the liberalization of cross-border trade in livestock and other agricultural produce between Niger and Nigeria.

USAID/Niger is well aware of the importance of the conditionality issue in non-project assistance. The success of the program depends on the existence of a framework through which policy changes and structural adjustments will be carried out effectively. It is the Mission's judgment that such a framework exists. Indeed, based on PID-level discussions, the GON has already agreed to address those policy concerns noted above as identified in the proposed rural development sector grant. Some portions of the policy changes in the direction envisioned by the grant, in fact, already have been implemented, for instance: substantial, incentive-oriented increases in the producer prices of Nigerien major food and export crops in each of the three most recent crop years.

The proposed sector grant of \$15 million is to be programmed for a four year period (1983-86) and will be DA funded. Up to an additional \$12 million may be received from ESF during this period. Disbursement is tentatively projected among four categories: direct budgetary support; commodity imports; technical assistance; and policy studies. The counterpart funds generated by the sector grant are

seen not only as essential to the GON in implementing the reforms effectively, but will also help stabilize the economy and provide resources to finance present worthwhile development activities. Counterpart funds generated by the grant, therefore, will be earmarked for support of local cost components or recurrent costs for present projects as well as selected high priority GON development projects to include new and improved access for small farmer marketing and distribution and access route maintenance.

Education/Human Resources

USAID's education/human resources sector strategy seeks to reduce the critical range of manpower shortages, particularly at mid and higher levels, as a means of overcoming a major constraint in Niger's development plans. This goal is in phase with the GON's national objectives and the Mission accordingly has structured its program targets as well as the means for achieving this strategy within a ten-year time frame.

First, a major initiative in education and human resources development will be undertaken in late FY 1983 to provide the basis for structuring a program in FY 1984 and FY 1985 and beyond. The initiative will be composed of three elements namely; (a) a detailed analysis of major constraints and impediments to rapid and effective human resource developments in Niger; (b) a resulting comprehensive plan that identifies specific goals with the most relevant and viable programs to meet those goals; and (c) carefully designed technical assistance projects which collaborate as much as possible with other donors, for meeting the planned goals.

The detailed analysis of Niger's education and human resources sector should be completed within the first quarter of FY 1984, thereby setting the stage for the formulation of a comprehensive human resources development plan which should be completed by mid FY 1984.

Project design will follow from the sector analysis and the development plan. However, in order to conform with present planning requirements, the Mission will have to anticipate the likelihood of possible new projects in the education and human resource analysis. For example, the restructuring of primary education to make it more relevant to Niger's development and financial realities seems a likely conclusion.

In addition, the Mission will concentrate in another area which the sector analysis will treat, namely, the lack of a real planning capability for human resources development within the GON's key development ministries. A new project activity in FY 1985, "Training for Human Resources Planning," will address that need.

Finally, the Mission will do a thorough review of the current participant training programs in our project portfolio. The review will seek to determine whether or not the significant investments the Mission is now making and plans to make in FY 1985-89 will result in assisting the GON in reducing human resources constraints. The review will be accomplished by mid-FY 1984 and restructuring, if required, of the participant training portfolio will be completed by mid-FY 1985.

In order to implement the plans proposed USAID will require the following staff in the education/human resources division: human resources development officer, assistant human resources development officer, a training specialist and secretary.

Agriculture

The Mission is committed to a two prong strategy for the agricultural and livestock sectors which has mid-term objectives of food production increases and has long-term objectives of striving for food self-sufficiency. The programmatic concerns of technology transfer, institutional building and private sector initiatives are present in this strategy which is consistent with the regional statement. In the projects planned for FY 1984 and FY 1985, research will play an important role. Existing research components will be expanded. Closer collaboration between research components of USAID projects as well as integrating research priorities of USAID, GON and other donors will be effectuated. Research protocols will be signed to formalize closer ties. The following specific research programs will be carried out: an interdisciplinary team will conduct research on food crops improvement, a second to undertake farming systems research study to better understand the small farm enterprise, and a third approach will be undertaken to develop systems of cultural practices appropriate to a host of ecological regions.

Specifically, the Mission is proposing that, the Niger Cereals Research effort be **reviewed** in FY 1984 in order to permit expansion of its research activities in light of the current GON budgetary crisis. The redesign will enable key research activities in the areas of ecology, forestry, livestock (studies not covered in Integrated Livestock Production) and irrigation which will provide data for the design of new irrigation project to be carried out.

A one year study will be begun in FY 1984 to look at the government system of agricultural inputs supply acquisition and distribution, USAID will develop recommendations concerning those elements of the system to be eliminated, reduced and transferred to the private sector. These recommendations will be critical for initiation of policy reforms leading to private sector handling of agricultural inputs. With the implementation of Farm Equipment Enterprise Development in FY 1984, the private sector participation will be strengthened in the area of farm equipment manufacturing and distribution. A network of self-managed village groups will be developed to acquire and distribute agricultural inputs and 13 village groups will be established to manage storage warehouses by FY 1985. Further, appropriate cadre will be trained in financial and management techniques to permit them to function independently of the GON in the acquisition and distribution of agricultural inputs.

As part of the medium-term strategy USAID will focus attention on pilot, small-scale irrigation projects. Small perimeters will be developed to afford ease of management, to become income generating and to be able to improve the quality of life for the participating farmers.

In FY 1984, USAID will (1) study all known existing irrigation schemes in Niger in order that appropriate baseline data are established for effective design and implementation of various programs, then appropriate small-scale pilot activities will be designed which will enhance output per unit of investment and will take into consideration farmers' available resources, managerial constraints, social-acceptance, and institutional constraints. In FY 1984-1985 USAID will assist the GON in establishing an effective irrigation research sector within INRAN and be responsible for the rehabilitation of existing infrastructure and for the construction of irrigation fields. Research programs will address soil fertilization practices, salinization of irrigated lands, erosion control, cropping schemes, sociological and cultural analyses, marketing and economic analyses.

USAID will begin in this planning period to assist the GON in designing programs to synchronize rainfall and irrigated agriculture to ensure continual high levels of food production despite irregular rainfall which is characteristic of Sahelian climates. As a result an appropriate food model will be developed in FY 1985. Studies of the trade offs in food output which will determine the level of investment in either rainfall or irrigated agriculture to afford food security will be done in FY 1985. This program approach is consistent with the long-term strategy of both the Bureau and the Mission.

As a result of a recent audit report of the Niamey Department Development project (NDD), that project credit program is being overhauled and beginning in FY 1984, a long-term technical assistant person will be working directly in the GON credit agency to manage the program. Improvement of the fund will result in the requirement of monthly status reports. Through the Rural Sector Grant in FY 1984-85, the Mission will assist the GON address sectorial constraints in agricultural credit by providing technical assistance, budgetary support for training, and workshops.

To increase greater technology transfer within the NDD project, follow-up extension agents will receive additional training and will concentrate their efforts in securing higher adoption rates of improved agricultural practices by the farmer couples recently graduated from NDD project training courses. These agents will extend technical packages suitable to the appropriate agro-climatic zones within the project area.

In the livestock sector, the Mission will assist the GON to use its material resources more effectively and to increase livestock production. Mid-term objective will be to strengthen the independence of now nascent herder associations to undertake a series of self-managed activities external to the official GON public sector to improve the immediate welfare of herder families. In the first year, besides the establishment of the project's infrastructure, 20 herder associations will be created. An additional 30 associations are to be operational by the end of year two. In each association a trained health worker will provide basic services while a trained veterinarian assistant will treat common livestock diseases. Each association will manage a credit fund to provide loans to herders for productive purposes, such as to permit the timely purchase of cows of reproductive age and to purchase vitamin, protein and mineral supplements. In the first year improved production results from these efforts are expected to be seen in as many as 40 present herds and in 70 additional herds at the end of the second year.

Loans will also be used to purchase livestock for the feeder fattening program as conditions permit.

Interdisciplinary field research in animal productivity, animal nutrition, habitat utilization, marketing and veterinary epidemiology will be conducted in FY 1984 and 1985. Studies will be done on range water utilization and constraints, natural resources, inventory resource use, population data, and the compilation of baseline data for use in establishing an early warning drought reporting system. The system will be completed in FY 1985.

By the end of FY 1985, projected results include: reasonable production gains in the livestock sector, greater use of the private sector to procure livestock inputs and to market animals, and stronger local autonomous institutions able to assume more responsibility in the management of their own affairs.

Health

The Mission health strategy is consistent with the 1985 CDSS which aims at improving the overall health status of the Nigerien population and specifically increasing productivity in the agricultural and livestock sectors. Through the rural health improvement project, the Mission will continue activities that improve the quantity and quality of health coverage in the country: the number of village health workers in villages by the end of FY 1985, for example, will increase to 4,500 over half the total number of villages of Niger; special training in public health for high-level health professionals is projected--one student will be working for the M.P.H. in health administration while two others will be working for B.S. in sanitary engineering and a third will begin studies at the Master's level in epidemiology and health information systems. Management and health planning at the ministerial level for the primary health care delivery system will be improved with the creation of a first-time national health planning unit in collaboration with a major U.S. school of public health.

A major health initiative in FY 1985 will involve improved primary health care in the village as one of the objectives of the new livestock sector project: 50 herder associations by end of FY 1985 will each have a village health worker able to provide rudimentary health care. Medical supplies for the associations will be purchased in bulk at cheaper prices and each health worker will charge for services given which will be priced to cover commodity purchases, plus a small profit for the workers' services.

Policy Dialogue

As part of the short- and medium-term strategy, the Mission will continue promoting and supporting efforts in policy dialogue. Because meaningful and effective policy discussion requires a good understanding of the issues, and persuasive recommendations must have sound analytical and empirical underpinnings, a series of policy studies are being carried out jointly by the GON and the Mission under the Joint Program Assessment project (JPA). The findings of the JPA studies will serve as an important input in policy dialogue and

implementation of policy reforms. Presently, the project is financing two studies: the cereals marketing and price policy and the economics of agricultural technical packages. Other likely studies for FY 1984 which the GON has expressed support include: the assessment of the ability of the rural population to pay user charges for public services in order to defray their recurrent costs and the study of policies to promote private sector activities.

The JPA will also be used to finance seminars or workshops which bring different donors and the GON together to discuss policy related questions. Recently, the JPA financed a conference bringing all partners together to address a wide range of policy concerns in agriculture and rural development and a national recurrent cost workshop which examined the recurrent cost problem of development projects in light of the deteriorating economic situation, and proposed means to manage the problem. These conferences provide opportunities for donors and the GON to exchange their views on a number of policy concerns.

In order to bring about policy changes, the JPA by itself will not be adequate; additional resources will be needed both as leverage and to help implement desirable policies. At the sector level, RDSG and P.L. 480 will contribute directly to the policy changes in the agricultural and livestock sectors as described above. This will be complemented at the project level by the Agricultural Production Support project (APS) and the Integrated Livestock project (ILP). The APS calls for policy changes in agricultural input subsidies and delivery system before further project finding can be authorized. Similarly the ILP will address the policy of restrictive marketing practices in the livestock sector.

Although it is appropriate for the Mission to concentrate its effort in policy dialogue at the sectoral level where it is more effective, it has also worked closely with multilateral donors like the IMF and the IBRD to ensure that suggested policy changes are consistent with the IMF and IBRD proposed policy reforms at the macro level. For example, policy reforms as outlined in the RDSG (subsidies and price control on agricultural products and inputs, encouragement of private sector involvement in the supply and delivery of agricultural inputs, and liberalization of border trade in livestock and grains) are consistent with the proposed IMF austerity measures and export promotion recommendation. It is part of the Mission's action plan to continue and strengthen its policy dialogue effort in concert with the IMF, the IBRD, and other donors.

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

COUNTRY/OFFICE Niger 683

	FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
	ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
<u>Development Assistance</u>								
Agriculture, Rural Dev't & Nutrition	--	--	--	--	--	--	--	--
Population	--	--	--	--	--	--	--	--
Health	--	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--	--
Selected Development Activities	--	--	--	--	--	--	--	--
Sub-Total Functional Accounts	--	--	--	--	--	--	--	--
Sahel Development Program	16,000	18,000	16,000	18,000	20,000	21,000	22,000	23,000
Grants	16,000	18,000	16,000	18,000	20,000	21,000	22,000	23,000
Loans	--	--	--	--	--	--	--	--
<u>Economic Support Fund</u>								
Grants	2,000	5,000	5,000	5,000	5,000	--	--	--
Loans	--	--	--	--	--	--	--	--
Total DA and ESF	18,000	23,000	21,000	23,000	25,000	21,000	22,000	23,000
<hr/>								
P.L. 480 (non add)								
Tital II, 206	--	--	3,600	3,820	4,000	4,180	--	--
<hr/>								
Housing Guarantees (non add)	--	--	--	--	--	--	--	--
<hr/>								
Total Personnel								
USDA (workyears)	22.21		23.91	21.58	22			
FNDH (workyears)	12		13	13	13			
IDI	-		3	3	3			

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1983 to FY 1985 (\$ thousands)

		Country/Office <u>Niger</u> <u>683</u>		
<u>APPROPRIATION ACCOUNT</u>		<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
DEVELOPMENT ASSISTANCE				
Sahel Development Program				
683-				
0208	Rural Health Improvement (G)	750	2,000	2,106
0225	Cereals Research (G)	1,050	3,000	2,500
0230	Forestry Land Use Planning (G)	800	--	1,355
0234	Agricultural Prod. Support (G)	--	2,600	1,000
0240	Niamey Dept. Development II (G)	2,500	1,900	2,205
0242	Integrated Livestock Prod. (G)	4,900	--	1,100
0243	Farm Equipment Enterprise Dev. (G)	--	2,000	1,659
0245	TARA II (G)	750	--	--
0246	Rural Development Sector Grant (G)	5,210	4,460	2,890
0247	Irrigated Agricultural Dev. (G)	--	--	2,000
0248	Financial Management Training (G)	--	--	645
0249	Small Project Asst. (AID/PC) (G)	40	40	40
	0252 Training for Human Resources Planning (G)	--	--	500
Sahel Regional Program (non-add)				
625-				
0929	PM&R	(710)	(500)	(500)
0940	Sahel Water Data & Mgmt II	(-)	(1739)	(1738)
0960	SMDP II	(-)	(150)	(300)
683-9901	Special Self-Help	(40)	(75)	(75)
TOTAL DEVELOPMENT ASSISTANCE		16,000	16,000	18,000
ECONOMIC SUPPORT FUND		2,000	5,000	5,000
TOTAL D.A. and ESF		18,000	21,000	23,000

TABLE IV PROJECT BUDGET DATA

PROJECT TITLE	OBL. #	OBLIGATION DATE		LIFE OF PROJECT COST	CUM. PIPELINE AS OF 9/30/82	ESTIMATED U.S. DOLLAR COST (\$000)						1989 FISCAL YEAR	ITEM #	
		INITIAL	FINAL			FY 1983		FY 1984		FY OBLIGATIONS				1988
						OBL	EXP	OBL	EXP	1985 AAPP	FINDED TO MO/TA			
683-0235 Niger Solar Energy	G	78	78	500	260									
683-0237 Literacy Training	G	81	81	1810	1726		1046							
683-0240 Niamey Depart. Dev. (PC) #2	G	81	86	13582	3696	2500	2645	1900	2531	2205	06/86	941		
683-0-2 Niamey Depart. Dev. (PC) #3	G	87		13582										
683-0-2 Integ. Livestock Prod. (PC) #1	G	83	89	17500	4900	4900			2170	1100	11/86	3000	2500	3000
683-0-23 Integ. Livestock Prod. (PC) #2	G	89						2000	400	1659	09/86	2000	3059	3500
683-0-23 Farm Equipment Enterprise Development	G	84	87	6000										1559
683-0-25 IARA II (OPC)	G	83	83	750	75	750			300					
683-0246 Rural Development Sector Grant	G	83	86	15000	5210	5210		4460	3000	2890	06/86	2480		
683-0247 Irrigated Agriculture Development	G	85	89	10000						2000	11/86	1659	1750	1000
683-0248 Financial Management Training	G	85	88	2500						645	09/86	500	700	655
683-0249 Small Project Assistance	G	83	87	200	40	40	20	40	50	40	03/86	40	40	

Country/Office
Niger . 683

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	OBLIGATION DATE		LIFE OF PROJECT COST	CIR PIPELINE AS OF 9/30/82	FY 1983		FY 1984		FY OBLIGATIONS				ITEM			
		INITIAL	FINAL			OBL	EXP	OBL	EXP	1985 AAPT.	FUNDED TO MO/YR	1986	1987		1988	1989 FIVE YR.	
625-0917	Agriculture, Rural Development & Nutrition in Sahel Water Data and Management	G	76	80	(2290)	2000	250	5000	2500	5000	06/86	5000					
	Appropriation Total - Grant				(2290)	2000	250	5000	2500	5000		5000					
	Economic Support Fund				(2290)												
	Rural Development Sector Grant	G	83	86	-0- 17000	2000	250	5000	2500	5000	06/86	5000					
	Appropriation Total - Grant				-0- 17000	2000	250	5000	2500	5000		5000					
P.L. 480	(non-add)																
	Title II, Section 206		84	87	(-0-)	18000	10943	(3600)	(3600)	(3820)		(4000)	(4180)				
	TOTAL DA AND ESF				84153 169903	18000	10943	21000	23825	23000		25000	21000	22000	23000		

PROJECT NARRATIVE

Title Training for Human Resources Planning
Number 683-0252
FY 1985 Obligation \$500,000
LOP Cost \$5,000,000
Appropriation Account Sahel Development Program

I. Background

The four major intersectoral constraints to development in Niger, as described in the Mission's FY 1985 CDSS center on: transport, energy, human resources and the policy environment. With regard to the human resources issue, the Mission has just created an education and human resources division which will seek to alleviate the stress caused by both the shortage and the improper utilization of manpower. Although shortages of manpower are acute, the present dysfunctional use of manpower is causing added stress on scarce resources. For example, the Ministry of Rural Development has no overall plan for maintaining its agricultural equipment in operational condition; no plan for relating the output from its nine training institutions to its overall goals; no real plans for maintaining some of its commercial farms, such as rice, in effective order.

The situation in the Ministry of National Education is equally serious. Schools are built and there are no teachers to staff them; teachers are assigned to schools in a haphazard manner which further exacerbates the equity issue in education. In these Ministries and in the Ministry of Health, the established planning units do not take into proper consideration the human resources issues when planning its technical activities. Consequently, many activities are launched and they fail. It is USAID's view that a technical assistance intervention is required to provide the GON with a strong planning capability within its two key social development ministries, Education and Health, and the Ministry of Rural Development, in order to overcome its poor utilization of human resources.

II. Project Purpose

To strengthen the institutional capacities of the planning units within the Ministries of Rural Development, National Education, and Public Health to conceive and plan for the proper inclusion of human resources requirements in its technical development program.

III. Project Description

The project would center on providing U.S. technical assistance, in the form of U.S. advisors to each of the planning units within the Ministries of Rural

Development, National Education and Public Health. The advisors would work with available staff in order to improve the organization and functioning of the planning units.

Second, a participant training program would be structured for U.S., third- and in-country training. The U.S. advisors would be responsible for selecting personnel for training in the three training categories and arrange for the training programs. Some commodities would be made available such as machine calculators, word processors, and the like.

The major issue confronting the implementation would be locating qualified Nigeriens for participant training. A very careful search will have to be undertaken, and/or pre-project training would have to be undertaken to guarantee the availability of participants.

During the life-of-project, the in-country training program will consist of two seminars per year for four years with 60 persons per seminar at a cost of \$150 per person. In-country training will cost \$72,000. Third-country training will be in France and six persons will be sent for two years each at a yearly cost of \$18,000. Third-country training will cost \$216,000. Long-term training in the U.S. will involve 10 persons who will work for M.A. degrees for 2-1/2 years each at \$20,000 a year. This cost will be \$500,000. Total cost for participant training for this project will be \$788,000.

This purpose is in keeping with the CDSS' concern with the production of skilled and educated manpower but the project's focus will be on improving the qualitative aspect of the human resources problem in Niger.

The proposed activity is tied to AID's basic policy for rural development, health and education in that it stresses the importance of institutional strengthening of the planning units with the three ministries is in phase with that policy.

No research is envisioned.

TABLE V - FY 1985 PROPOSED PROGRAM RANKING			Country/Office Niger 683			
RANK	PROGRAM ACTIVITY	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION				INCR	CUM
	NEW AND ONGOING PROJECTS					
1	683-0246 Rural Development Sector Grant	O	G	SH	2,890	2,890
2	683-0225 Niger Cereals Research	O	G	SH	2,500	5,390
3	683-0234 Agricultural Production Support	O	G	SH	1,000	6,390
4	683-0252 Training for Human Resources Planning	N	G	SH	500	6,890
5	683-0242 Integrated Livestock Prod.	O	G	SH	1,100	7,990
6	xxx-xxxx Economic Support	O	G	ESF	(5,000)	7,990
7	683-0240 Niamey Department Development, Phase II	O	G	SH	2,205	10,195
8	683-0247 Irrigated Agricultural Development	O	G	SH	2,000	12,195
9	683-0208 Rural Health Improvement	O	G	SH	2,106	14,301
10	P.L. 480, Title II, Section 206	N	G		(3,820)	14,301
11	683-0243 Farm Equipment Enterprise Development	O	G	SH	1,659	15,960
12	683-0248 Financial Management Training	N	G	SH	645	16,605
13	683-0230 Forestry and Land Use Planning	O	G	SH	1,355	17,960
14	683-0249 Small Project Assistance (PC)	O	G	SH	40	18,000
15	625-0929 Planning, Management and Research	O	G	SH	(500)	18,000
16	625-0960 Sahel Manpower Development II	N	G	SH	(300)	18,000
17	625-0940 Sahel Water Data II	O	G	SH	(1,738)	18,000
18	625-0944 Niger River Basin Planning II	O	G	SH	--	18,000
19	683-9901 Special Self-Help	O	G	SH	(75)	18,000

TABLE V NARRATION

The proposed program ranking is consistent with the Mission's approved 1985 CDSS and reflects the objectives as outlined in the Action Plan. The Rural Sector Development Grant is the highest priority project because it represents the heart of the Mission's short-term stabilization effort. This project will generate local currency which will be used by agricultural projects to finance a host of local costs needs. Grant money will also be used to purchase the supply of essential agricultural production inputs. The Niger Cereals Research project will be expanding its research efforts in light of the present GON budgetary crisis. Closer collaboration with GON research institutions and other donors will result in less duplication of effort, more effective research program, and results that will yield production gains for the farmers' fields. Project efforts will result in strengthening institutional capacity of the National Agriculture Research Institute to do adaptive research. Agricultural Production Support project will undertake a major study of the country's agricultural inputs system of acquisition and distribution. Study recommendations will lead to a policy dialogue with the GON and the role of the private sector in the agricultural inputs system will be a major item. Other components of this support project that will become part of a greater policy discussion of the role of the private sector will be seed multiplication and distribution, and cooperative development. This project will also affect policy change relating to prices, subsidies, and marketing of cereals production. Finally, this project will contribute to increase capacity of the infrastructure of agricultural support system. Training for Human Resources Planning project will address the problem of developing the planning capability for human resources development within key GON ministries. This capability is needed to make more effective use of the existing human capital of the GON and make better decisions on how to enlarge this base by developing long-range training needs and priorities. This new project receives high priority in the Mission's portfolio because of the important part human capital must play to achieve the development goals set by the government. The Integrated Livestock project will build on the knowledge base developed by the previous livestock project. The livestock sector is an important revenue earner for Niger. The project is designed to create greater income for the herders and develop the sector's potential for greater revenue to the GON. The creation of herders' associations will provide greater opportunity to self-initiative and less government involvement in the supply of agricultural inputs to herders. Research activities will play a role in this project. A human health component has been designed to improve the health conditions of herders and to create the conditions for herders to have access to health services. The Economic Support Fund will supply non-project assistance for needed budgetary and balance of payment support, to generate local currency proceeds for priority agricultural projects and to link activities under the grant to policy reform in the agricultural sector. This grant fits into the Mission's short-term strategy of stabilization effort and will be closely tied to the rural sector development grant. Niamey Department Development II is a major effort in integrated rural development which fits into the Mission's mid- and long-term strategy for greater agricultural productivity and institutional development. With greater follow-up by the extension agents of the trained farmer couples, there will be greater utilization of the technical packages. These packages will be adapted to the different ecological conditions in the

project zone. An improved credit program will be functioning and the government credit agency will have long-term technical assistance to strengthen its operations. There will be greater efficiency in the delivery of agricultural inputs to the project area as a result of the AID study and the expected GON policy reforms of this system. Irrigated Agricultural Development will finance several small-scale irrigation projects. This effort will involve the Mission in activities that will have mid- and long-term implications for food production. The vagaries of rainfall compel the Mission to participate in agricultural investments that will provide a reliable output in poor rainfall years and give the country added grain in good years. Rural Health Improvement project plays a major role in the GON program of rural health care delivery. Village health services under this project will complement agricultural and livestock production efforts by reducing the debilitating effects of diseases so prevalent in rural Niger.

The P.L. 480 Title II, Section 206 program is part of the Mission's short-term stabilization effort by providing non-project assistance to help the GON overcome immediate financial and economic ills. Local currency sales proceeds will be used to finance present agricultural activities considered high priority, thus reducing government budgetary pressures (through financing recurrent costs). This type of assistance will be tied to policy reforms which will include divestiture by GON agencies of inappropriate interventionist role in the economy and the continued removal of obstacles to market-oriented operations. Under Farm Equipment Enterprise Development a farm implement manufacturing center will be operational and will supply equipment and provide loans to village blacksmiths and farm tool assembly shops. A network of private metalworking enterprises will be developed to better meet the unmet demand of farmers. The training component, based on a U.S. private industry training model, will be used to develop equipment sales, spare parts and repair capability. Financial Management Training is aimed at mid-level personnel and will improve the knowledge and increase their understanding of accounting, management and business administration. Evaluations, audit results and studies all show that mid-level personnel are lacking understanding of the basic concepts of management and accounting systems. Both GON agencies and private sector firms will send participants for training. This project will help increase the value of Niger's human capital and will strengthen a GON training institute. Forestry and Land Use Planning's resource inventories will be completed and models for long-term land resource plan will be finished. The data base and models will serve as useful instruments in the Mission's future designs of agricultural projects and for the GON's need to protect and rehabilitate the country's natural resource base and to integrate agricultural development with environmental concerns. Small Project Assistance will provide funds to the Peace Corps to identify and implement small projects of short duration in villages. Criteria for projects are consistent with the Mission's development strategy.

EVALUATION ISSUES AND PLANS

Evaluation remains an integral part of AID/Niger's project planning and management system. The Mission has utilized the evaluation process for four primary purposes:

1) To Improve Project Implementation

A high priority of the Mission is accorded to assuring that project resources are utilized effectively and efficiently to attain the specified outputs and ultimately to achieve the project purpose. As it is unlikely that every conceivable eventuality can be anticipated in the advance planning for a project, a mid-course correction of some sort is often necessary. Thus, the evaluation process can be extremely useful to project officers who approach the prospect of an evaluation in a positive manner. The evaluation process should be considered an opportunity to make timely adjustments in the implementation of a project and a handy, objective mechanism to correct problems that have arisen since the initiation of project activities.

Project evaluations also serve the highly useful function of assigning responsibility for corrective actions. As a matter of Mission policy, evaluations are always joint endeavors of the USAID and the GON. Host-country officials are members of all evaluation teams and take equal responsibility with the American team members for the evaluation. This participation has meant not only the acceptance of the evaluation's recommendations but also the acceptance of responsibility for carrying them out. The evaluation of Literacy Service Training Center and Maternal Languages Texts projects revealed, for example, that the two projects were largely achieving their objectives but that certain, relatively minor adjustments in the implementation plan were advisable. Because the GON had participated actively in the evaluation, there has been no difficulty in gaining acceptance of the recommendations.

2) To Provide Sector Evaluations

The Mission has used the opportunity presented by certain project evaluations to provide a broad perspective of the sector to which that project is contributing. This was the case last year with the evaluations of the Niger Range and Livestock project and the Rural Health Improvement project (PES 82-4, PES 82-2). Each of these evaluations took a sectoral approach rather than a more narrow and strictly project-oriented view. In our recent evaluation of the Niamey Department Development project, national level questions on the appropriateness of current technical packages and the effectiveness of agricultural credit were addressed. The Forestry and Land Use Planning project evaluation reviewed the entire scope of natural resource planning in Niger. The Mission intends to continue this approach where it is warranted and when host-country officials agree that it would serve a constructive purpose.

An Education Sector Assessment will be carried out this fiscal year. The Assessment will review the current education system in Niger, evaluate the degree to which it is meeting human resource development requirements, analyze the costs of the system and make recommendations as to appropriate courses of action. This sector assessment will provide the basis for future Mission project planning in the field of education and human resources development.

3) To Support Project Design

A major function of the evaluation exercises undertaken by the Mission is that of contributing to follow-on project design. Evaluations not only provide an historical record, limited baseline data, and an exposition of the problems of a particular activity, no doubt useful to the subsequent project designers, but, more importantly, they can reappraise the rationale behind the original project and explore alternative courses of action within a framework that includes host-country participation.

Evaluations in the recent past have led to the design of the following second phase projects: Niger Cereals Research, Agricultural Production Support, Niamey Department Development II, and Integrated Livestock Production. The evaluation of the Rural Health Improvement project led directly to the preparation of a revised implementation plan for that project. The evaluation of the Solar Energy project demonstrated the inadvisability of undertaking any follow-on project until such time as Niger has strengthened its technical manpower base sufficiently to handle such projects in the energy sector.

4) To Reinforce Policy Dialogue

A significant evaluative activity has been programmed by USAID/Niger under the Joint Program Assessment. The project consists of a series of studies in the agricultural sector aimed at promoting appropriate policies for agriculture and rural development. Six studies have been identified and agreed by the GON as candidates for the Joint Program Assessment funding. The six studies are: (1) cereals marketing and price policy, (2) the economics of agricultural technical packages, (3) an analysis of the pattern of cereals consumption, (4) a study of the potential for increasing agricultural exports, (5) a study of agro-industrial activities, and (6) an assessment of the rural sector's financial capacity to support recurrent costs of public services or production facilities.

The first two studies have already begun. Other studies to be financed by the Joint Program Assessment are being formulated. The empirical findings and their implications of these studies will provide a basis for constructive policy dialogue between USAID/Niger and the GON. It is also expected that the dialogue will lead to policy modifications aimed at increasing the effectiveness of present as well as new development activities.

Key Issues to be Addressed in FY 1984 and FY 1985 Evaluations

The Mission will undertake evaluations of five projects in FY 1984 and six projects in FY 1985. These evaluations will continue to place emphasis upon the four objectives discussed above which relate to the Action Plan's objectives of improved internal management of projects and policy dialogue. The most important evaluations to be carried out in FY 1984 will be those of the Niger Cereals Research project (NCR) and the Agricultural Production Support project (APS), Numbers 2 and 3 respectively on the Table 5 priority project ranking. (The Number 1 project, Rural Development Sector Grant (RDSG), will not be evaluated before FY 1986.)

NCR and APS will be evaluated simultaneously and will measure the extent to which national level constraints on food production and agricultural research are being alleviated as a result of the two projects. NCR is directed toward improving

Niger's agronomic research through farming systems research programs and institutional development using the Title XII Collaborative Assistance mode with Purdue University. The evaluation will review both the effectiveness of this collaboration and the impact of such research on agricultural production. The evaluation of the APS project will review two of the project's five components: the cooperative training activity and the input delivery system. With regard to the former, the evaluation will review (1) the level of field performance of agents trained by the National Center for Cooperative Training (NCCT), (2) the participation of cooperative members, (3) the participation of cooperative officials in the management of cooperatives, and (4) the range of activities undertaken by the cooperatives. The evaluation of the input delivery system, through the "Central d'Approvisionnement" (CA), will measure improvements in the delivery of agricultural inputs in Niger and assess the long-term viability of the CA as an institution.

The Mission will also evaluate two regional projects in FY 1984: the Niger River Basin Planning project and the Sahel Water Data II (AGRHYMET) project. The evaluation of the Niger River Basin Planning project will review progress made by the socio-economic and environmental studies teams in terms of (1) the gathering and assessing of secondary literature relating to Niger Basin, (2) the understanding gained on the areas of the Niger Basin where impacts of development works would be greatest, and (3) the degree of complementarity and linkage between the two teams concerning the exchange of information and the development of detailed work plans. The evaluation will also review progress in alleviating a number of management difficulties which have slowed implementation and reduced effectiveness.

The evaluation of the AGRHYMET project, a multi-donor effort, will be conducted by the World Meteorological Organization (WMO). USAID will participate in this evaluation by contributing a specialist in a field to be agreed upon with the Coordinating and Advisory Committee (CAC). The evaluation will analyze implementation progress, future data needs and management considerations such as administrative structure and the functioning of the Executive Committee and the CAC as well as the project's relations with the WMO. The evaluation will also review AGRHYMET's plans for greater dissemination of agro-meteorological information.

There will be a review of the Rural Sector Human Resources Development project (INDRAP/Kolo) early in FY 1984. This project is also part of a multi-donor effort in which USAID is participating. USAID will provide a Human Resources Development specialist who will help review the extent to which the project is achieving its objectives, particularly in the area of technical assistance, to determine whether there is a need to modify planned inputs and/or outputs in order to fulfill the project purpose. The evaluation will benefit from the above mentioned AID-sponsored education sector assessment which should have been completed just prior to this evaluation.

There will be six regularly scheduled project evaluations in FY 1985. The APS project will have two evaluations: the first, an interim evaluation of two of the project's components, the Extension Support Center and the Seed Multiplication Program; the second to take place half a year later will once again review the progress of the NCCT. This latter evaluation will review the progress made since the first evaluation of the NCCT in early 1984, in particular, whether the Center is providing effective training for cooperative officials, agents,

and accountants and whether the responsibility for management of the cooperative network is being shifted to the cooperatives themselves from the national structures.

A second interim evaluation of the Niamey Department Development II project will also take place in FY 1985. This evaluation will focus on the extent to which the recommendations of the first evaluation were carried out and measure the success of the revised implementation plan. This evaluation will review the effectiveness of the increased technical assistance activities, refinements in the technical package of agricultural inputs, improvements in the delivery system for inputs and services, the effectiveness of the strengthened follow-up system, and improvements in the credit program.

The Integrated Livestock Production project will undergo its first evaluation to review progress in meeting planned project objectives, particularly those involving the herders association. The emphasis will be placed upon the quality and effectiveness of the assistance offered rather than upon the quantitative targets (of herders associations), attained.

There will be a final evaluation of the Rural Health Improvement project focusing on the progress the project has made since revising the implementation plan in 1982. There will also be a final evaluation of the Evaluation Assistance project.

TABLE VII. - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE Niger 683

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To AID/M (Qtr)	Start To AID/M (Qtr)	To AID/M (Qtr)				
1. Agricultural Production Support 683-0234	None	2nd	3rd		This interim evaluation will be carried out in conjunction with the Niger Cereals Research (683-0225) interim evaluation. The APS evaluation will focus on two of the major project components, the National Center for Cooperative Training (NCTT) and the Central d'Approvisionnement (CA). With regard to the former, the evaluation will review (1) level of field performance of NCTT-trained agents, (2) the participation of cooperative members, (3) participation of cooperative officials in the management of cooperatives, and (4) range of activities undertaken by the cooperatives. Evaluation of the CA component will measure improvements in the delivery of agricultural inputs in Niger and assess the long-term viability of the CA as an institution.	35	30	Rural Development Specialist Cooperative Training Specialist
2. Niger Cereals Research 683-0225	None	2nd	3rd		To be evaluated concurrently with the APS (683-0234), the evaluation will measure the extent to which national level research constraints to improving agricultural productivity and farm incomes are being alleviated.	40	30	Rural Development Specialist Institutional Analyst
3. Niger River Basin Planning 625-0944	None	3rd	4th		This evaluation will review progress made by the socio-economic and environmental studies teams in terms of (1) gathering and assessing of secondary literature relating to the Niger Basin, (2) understanding gained	50	30	Planning Specialist Environmental Engineer Socio-economist

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE Niger 683

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start (Qtr)	To (Qtr)	To (Qtr)				
4. Rural Sector Human Resources Dev. 683-0226	None	1st	2nd		on areas of the Basin where impacts of development works would be great- est, and (3) degree of complemen- tarity and linkage between the two teams concerning the exchange of information and the development of detailed work plans. This mid-project evaluation will re- view the extent to which the project is achieving its objectives, parti- cularly in the area of technical assistance, to determine whether there is a need to modify planned in- puts and/or outputs in order to attain the project purpose.	PMCR 10	20	Human Resource Development Specialist
5. Sahel Water Data Network II (AGRYMET) 625-0940	None	1st	2nd		This evaluation will analyze imple- mentation progress, future data needs and management considerations such as administrative structure, functioning of the Executive Committee and the Coordinating and Advisory Committee as well as their relations with WHO. In addition, the evaluation will re- view AGRYMET's plans for greater dissemination of agro-meteorological information.	Proj. 10	20	To Be Determined

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE Niger 683

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To Start To (Qtr) AID/M (Qtr)	Start To Start To (Qtr) AID/M (Qtr)	Start To Start To (Qtr) AID/M (Qtr)				
1. Rural Health Improvement 683-0208	May '82 (82-2)		1st	2nd	This final evaluation will assess the progress of the project in attaining its planned targets and objectives as set out in the revised implementation plan, particularly the number of health workers trained and the extent of their coverage of the population. The evaluation will review the effectiveness of the information system including new management and the utilization of the microcomputers and the information they are designed to provide. The evaluation will also assess the health and socio-economic benefits (impact) of the project.	50	50	Public Health Specialist Management Information Specialist Sociologist (with Ph. spec.)
2. Niamey Department Development 683-0250	Jan. '83 (83-1)		1st	2nd	The second interim evaluation will focus upon progress made since the last evaluation and the establishment of a revised implementation plan. The evaluation will review the effectiveness of the increased technical assistance in achieving project objectives, refinements in the technical package, improvements in effectiveness in the delivery system, the effectiveness of the follow-up system and improvements in the management of the credit program.	50	50	To Be Determined
3. Integrated Livestock Production 683-0242	None		2nd	3rd	This first major interim evaluation will review management performance in supplying project inputs and producing preliminary outputs, particularly those involving the herders association. Beside reviewing the quantitative targets to be achieved,	60	60	To Be Determined

25

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE Niger 683

List No.	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start To	Start To	Start To	Start To				
		(Qtr)	(Qtr)	(Qtr)	(Qtr)				
683-0234	2nd qtr FY '84			1st	2nd	<p>special focus will be placed on qualitative aspects such as level of participation, quality of training, income and production effects and extent of spread effects.</p> <p>This evaluation will review progress in two of the project's components, the Extension Support Center (ESC) and the Seed Multiplication Program (SMP). With regard to the ESC, the evaluation will focus on:</p> <p>The Documentation Center--functioning of the center, quality of materials being produced and the delivery and use being made of the materials;</p> <p>The Training Unit--relevance of subjects being taught and ability of field agents to apply the information in their daily work; and</p> <p>The Extension-Research Liaison Office--evaluate effectiveness of the program set up by the Ministry of Rural Development (MDR) and the National Institute for Agronomic Research (INRAN) for extension and research liaison.</p> <p>With regard to the Seed Multiplication Center, the evaluation will focus on the effectiveness of the National Seed Office; the linkage between the SMP and INRAN on one hand and with the Extension program on the other; the efficiency and cost-effectiveness of the SMCs and the contract farmer network; and the receptivity of farmers to the varieties being multiplied.</p>	50	50	To Be Determined

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE Niger 683

Project List (Project No. & Title)	Last Eval Completed Start To (No./Yr.) (Qtr) AID/W (Qtr)	FY 1984		FY 1985		Reasons/Issues	Funding		Collateral AID Assistance	
		Start To (Qtr)	End To (Qtr)	Start To (Qtr)	End To (Qtr)		Source (\$000)	USAID Person Days		
5. Agricultural Production Support 683-0234	2nd qtr			4th FY86	1st FY86	This second evaluation of the National Center for Cooperative Training (NCCT) component will examine (a) levels of field performance of NCCT-trained agents; (b) participation and performance of cooperative members at continuing education centers; (c) degree of participation of cooperative officials in the management of cooperatives; and (d) range of activities undertaken by cooperatives including marketing, input distribution, credit, agricultural extension, literacy training and production activities.	Proj.	50	30	To Be Determined
6. Evaluation Assistance to Ministry of Plan 683-0229	4th qtr FY '83			4th FY85	1st FY86	This second evaluation will review progress toward attainment of project objectives and will also include an impact analysis. Based on these findings and perceived future needs and interests, the evaluation team may write a PID or concept paper for a follow-on project.	PMGR	25	30	To Be Determined

TABLE VIII - FY 1984

28

ORGANIZATION Niger 683

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				1,791.8	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			962.3	25
PT/TEMP U.S. BASIC PAY	U102	112			13.4	1
DIFFERENTIAL PAY	U103	116			179.6	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126			121.2	16
RETIREMENT - U.S.	U107	120			85.3	XXXXX
LIVING ALLOWANCES	U108	128			50.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129				XXXXX
OTHER MISSION FUNDED O.C.12	U110	129			9.9	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			44.1	8
POST ASSIGNMENT - FREIGHT	U112	22			168.0	8
HOME LEAVE - TRAVEL	U113	212			20.0	6
HOME LEAVE - FREIGHT	U114	22			5.4	6
EDUCATION TRAVEL	U115	215			17.1	12
R AND R TRAVEL	U116	215			100.5	98
ALL OTHER CODE 215 TRAVEL	U117	215			15.0	6
<u>FOREIGN NATIONAL DH</u>	U200				61.8	XXXXX
BASIC PAY	U201	114			41.9	11
OVERTIME, HOLIDAY PAY	U202	115			6.3	11
ALL OTHER CODE 11 - FN	U203	119			2.1	XXXXX
ALL OTHER CODE 12 - FN	U204	129			11.5	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300				891.5	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113			369.5	9.0
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113			522.0	30.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400				678.2	XXXXX
RENT	U401	235			214.3	25
UTILITIES	U402	235			128.6	XXXXX
RENOVATION AND MAINT.	U403	259			18.3	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311			122.2	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			122.2	XXXXX
SECURITY GUARD SERVICES	U407	254			66.1	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254			4.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252			2.5	XXXXX

ORGANIZATION Niger 683

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500				1,428.4	XXXXX
RENT	U501	234			160.3	XXXXX
UTILITIES	U502	234			38.5	XXXXX
BUILDING MAINT./RENOV.	U503	259			13.0	XXXXX
OFFICE FURN./EQUIP.	U504	310			20.0	XXXXX
VEHICLES	U505	312			93.0	XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22			22.5	XXXXX
COMMUNICATIONS	U508	230			32.5	XXXXX
SECURITY GUARD SERVICES	U509	254			11.9	XXXXX
PRINTING	U510	24			4.5	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210			45.0	72
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210			50.0	7
CONFERENCE ATTENDANCE	U515	210			26.5	9
OTHER OPERATIONAL TRAVEL	U516	210			40.0	16
SUPPLIES AND MATERIALS	U517	26			41.4	XXXXX
FAAS	U518	257			822.3	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259				XXXXX
TOTAL O.R. BUDGET					4,851.7	XXXXX
RECONCILIATION					2,062.9	XXXXX
OPERATING ALLOWANCE REQUEST					2,788.8	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs					726.2	
Exchange rate used (as of May 1, 1983)					350	
Estimated Wage Increases - FY 1983 to FY 1984					5%	
Estimated Price Increases - FY 1983 to FY 1984					7.5%	

TABLE VIII - FY 1985

ORGANIZATION Niger 683

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				2,155.1	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			1,040.5	25
PT/TEMP U.S. BASIC PAY	U102	112			14.5	1
DIFFERENTIAL PAY	U103	116			243.7	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126			127.2	18
RETIREMENT - U.S.	U107	120			89.9	XXXXX
LIVING ALLOWANCES	U108	128			55.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129				XXXXX
OTHER MISSION FUNDED O.C.12	U110	129			10.4	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			63.7	9
POST ASSIGNMENT - FREIGHT	U112	22			325.0	18
HOME LEAVE - TRAVEL	U113	212			87.5	30
HOME LEAVE - FREIGHT	U114	22			17.1	19
EDUCATION TRAVEL	U115	215			18.3	12
R AND R TRAVEL	U116	215			47.3	22
ALL OTHER CODE 215 TRAVEL	U117	215			15.0	6
<u>FOREIGN NATIONAL DH</u>	U200				64.7	XXXXX
BASIC PAY	U201	114			43.8	11
OVERTIME, HOLIDAY PAY	U202	115			6.6	11
ALL OTHER CODE 11 - FN	U203	119			2.2	XXXXX
ALL OTHER CODE 12 - FN	U204	129			12.1	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300				726.8	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113			252.8	8
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113			474.0	25
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400				602.1	XXXXX
RENT	U401	235			245.1	26
UTILITIES	U402	235			147.1	XXXXX
RENOVATION AND MAINT.	U403	259			20.1	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311			55.3	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			55.3	XXXXX
SECURITY GUARD SERVICES	U407	254			72.7	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254			4.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252			2.5	XXXXX

ORGANIZATION Niger 683

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500				1,516.5	XXXXX
RENT	U501	234			176.3	XXXXX
UTILITIES	U502	234			44.4	XXXXX
BUILDING MAINT./RENOV.	U503	259			14.3	XXXXX
OFFICE FURN./EQUIP.	U504	310			11.0	XXXXX
VEHICLES	U505	312			90.0	XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22			19.0	XXXXX
COMMUNICATIONS	U508	230			8.0	XXXXX
SECURITY GUARD SERVICES	U509	254			13.1	XXXXX
PRINTING	U510	24			5.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210			49.5	
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210			55.0	
CONFERENCE ATTENDANCE	U515	210			29.2	
OTHER OPERATIONAL TRAVEL	U516	210			44.0	
SUPPLIES AND MATERIALS	U517	26			53.3	XXXXX
FAAS	U518	257			904.5	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259				XXXXX
TOTAL O.E. BUDGET					5,065.2	XXXXX
RECONCILIATION					2,293.1	XXXXX
OPERATING ALLOWANCE REQUEST					2,772.1	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs						
Exchange rate used (as of May 1, 1983)					350	
Estimated Wage Increases - FY 1984 to FY 1985					5%	
Estimated Price Increases - FY 1984 to FY 1985					10%	

Section A: Management Improvements

USAID/Niamey could experience difficulty in attaining any major improvement due to workyear reductions.

USAID/Niamey has budgeted for 25 U.S. Direct Hire workyears and 11 foreign national workyears as authorized by State 135503 and the ABS guidance memorandum. Mission recruiting forecasts indicate that during FY 1984 we will have 24 Direct Hire personnel assigned and on board throughout the fiscal year. If restricted to ceilings imposed by State 135503, Mission will not be able to accept any IDI assignments and will be forced not to fill other positions which are critical to our program. The FY 1984 budget includes \$150,000 for rent and moving costs to be incurred while the Mission is occupying interim facilities during the construction phase of the new AID office.

Major management improvements are expected in FY 1984, however, with the introduction of our Wang W/P unit and two IBM personal computers. This equipment will enable us to analyze and process data more efficiently with the ultimate goal of improved management decision making.

Section B: Justification for Funding Changes

Summary Function Code U300 "Contract Personnel" has increased more than 10 percent between FY 1983 and FY 1984 due to the creation of an improved management structure within the Mission. USAID/Niamey has created functioning ADO, GDO, and Human Resources Development offices which need to be staffed with contract staff assistance, secretaries, and accountants. Every effort is being made to train Nigeriens to assume increased management positions within the Mission.

Summary Function Code U500 "Office Operations" has increased more than 10 percent due primarily to the rental of new office space.

Section C: Trust Funds

Niger's program does not generate local currency in amount sufficient to establish a Trust Fund.

AUTOMATED DATA PROCESSING/WORD PROCESSING REPORTAutomatic Data Processing

The Mission has only a 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 effects, and carry out required essential economic and project analyses. The level of analysis required can only be achieved through the use of computers. Mission analysis of this requirement demonstrates the necessity to come to grips with the situation in a rational, consistent, and comprehensive manner.

Moreover, the Mission is attempting to meet its management objectives through a more effective use of its available manpower. Proposed reductions in staffing levels make this all the more imperative. AID is interested in information management systems which will increase employee effectiveness and thereby reduce costs.

The Mission is taking two approaches to meeting these objectives: (1) through the immediate purchase of two microcomputers (IBM Personal Computer) and (2) the eventual purchase of a Wang VS-80 minicomputer. The two microcomputers will be used in the Program Office and the Agricultural Development Office for economic and statistical analyses of economic growth variables of the Nigerien economy, including balance of payments and trade, prices and inflation, population trends, and budget analysis of GON revenues and expenditures including the effect of the recurrent costs of AID and other donor projects in Niger. In addition, the micros will be used for numerous management tasks including operational and future year budget tracking, pipeline analyses, P.L. 480 monitoring, and commodity and participant training monitoring. Two additional IBM PC's will be purchased by the Mission in FY 1985 for use by the General Development Office and the Management Office. One of the major functions which the two microcomputers will have is that of training in the effective use of automated data processing systems before acquiring the significantly larger Wang VS-80.

USAID/Niger submitted a detailed proposal for the acquisition of a minicomputer system in February 1982. A representative of SER/DM (now SER/IRM) reviewed the proposal and visited the Mission to make an assessment of our requirements. The proposal for the purchase of a minicomputer was subsequently approved by Data Management but as a result of the Africa Bureau's prioritization plan, the purchase has been deferred. Nevertheless, the design of the Mission's new office building to be constructed next year incorporate special features for the installation of automation capacity. The building plans include environmentally controlled space for the central computer facility and space for work stations, internal wall conduits for cabling, hookups for the UPS and generator, etc. The Mission intends to proceed with the purchase of a Wang VS-80 following (1) the development of the Mission's capacity and experience in the utilization of the IBM microcomputer system, (2) the start of construction on the new building, and (3) the attainment of priority in the Africa Bureau's ADP plan.

TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

	Fiscal Year		
	1983	1984	1985
A. Capital Investments			
1. Purchase of ADP Equipment	--	400	--
2. Purchase of Software	--	20	10
3. Purchase of IBM Personal Computers	30	--	30
Subtotal	30	420	40
B. Personnel			
1. Compensation, Benefits, Travel	--	--	--
2. Workyears	--	--	--
3. Contract Systems Manager	--	100	100
Subtotal	--	100	100
C. Equipment Rental and Other			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	--	--	--
2. Supplies and Leased Software	--	--	--
Subtotal	--	--	--
D. Commercial Services			
1. ADP Service Bureau	--	--	--
2. Systems Analysis and Programming	--	--	--
3. ADPE Maintenance (If separate from item C.1.)	--	--	--
Subtotal	--	--	--
E. Total Obligations (A-D)	30	520	140
F. Interagency Services			
1. Payments	--	--	--
2. Offsetting Collections	--	--	--
Subtotal	--	--	--
G. Grand Total (E+F)	30	520	140

Amount included in Mission allowance
for existing systems

Amount included in Mission allowance
for new/expanded systems

Word Processing Systems

USAID/Niger produces a considerable quantity of major reports, analyses, evaluations, 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 sophisticated word processing system is the only way the Mission can cope with these growing documentation requirements.

Thus, the Mission has purchased and is in the process of receiving a Wang OIS-140, funded from 1982 funds. This inter-active word processing system will be installed in the new temporary USAID offices in November 1983. The system consists of two CPUs (one is redundant), four archiving work stations, six keyboard work stations, two line printers and seven daisy wheel printers, including redundancy for all components. Expendable supplies, spare parts and a few tools have been purchased for the system in FY 1983. Twenty thousand dollars (\$20,000) per year will be set aside to support the OIS in FY 1984 and 1985. American secretarial and professional employees of the Mission have received training on Wang word processors. Following installation of the system, a program of training for local employees will be initiated.

98-36

TABLE VIII(b)
OBLIGATIONS FOR WP SYSTEMS
(\$000)

	-----Fiscal Year-----		
	1983	1984	1985
A. Capital Investments in W/P Equipment	--	--	--
B. W/P Equipment Rental and Supplies	16.0	20.0	20.0
C. Other W/P Costs	--	--	--
Total	16.0	20.0	20.0

Amount included in Mission allowance for existing systems

Amount included in Mission allowance for new/expanded systems

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

29-37

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
34001	Mission Director	1	1	1	1
34002	Deputy Mission DIR	.66	1	1	1
30501	Com/Rec Supv	1	1	.08	
31801	Secretary	3	2.91	2	2
34501	Program Officer	.83	1	1	1
34503	Asst Program Officer	1.26	1	1	1
11001	Program Economist	1	1	1	1
34517	Program Analyst	.83	1	1	1
	Human Resources Dev	.5	1	1	1
34080	A/Human Resources Dev				
34081	Asst Project Dv/Off	1.67	1	1	1
50502	Controller	1	1	1	1
50401	Budget/Acctg Officer	1	1	.5	1
51017	Acctg Fin Analyst	1	1	1	1
31801	Secretary (PT)	(1)	(1)	(1)	(1)
34089	General Dev Officer	.83	1	1	1
68506	Health Dev Officer	.41	1	1	1
80101	Gen Eng Officer	1			
34060	Project Manager	1	1	1	1
40104	Agriculture Dev Off	.91	1	1	1
40115	Proj Mgr Agriculture	.75	2	2	2
34505	Program Assistant	1	1	1	1
34033	Proj Mgr Rural Dev (L/S)				
11035	Agriculture Econ	1	1	1	1
20301	Supply Management	.25			
34103	Management Officer	.41	1	1	1
		22.21	23.91	21.58	22
	IDI	-	3	3	3

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

40-38

<u>SKILL CODE</u>	<u>POSITION TITLE</u>	<u>WORKYEARS</u>			
		<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
	Program Specialist	1	1	1	1
	Training Assistant	1	1	1	1
	Civil Engineer		1	1	1
	Accounts Maint Clerk	5	5	5	5
	Financial Specialist	1	1	1	1
	Voucher Examiner	2	2	2	2
	Clerk Typist	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
		12	13	13	13

P.L. 480 NARRATIVE

USAID/Niger plans to implement a four-year Food for Development (FFD) program under P.L. 480 Title II, Section 206 beginning in FY 1984. The commodity value of the program may be as high as approximately \$15.3 million.

A. Update of Niger's Food Production Situation and Trends1) Introduction

Only about 24 percent of the land in Niger, lying along the southern frontier, is suitable for agriculture and livestock. Rainfed crops are grown by traditional means. Production levels are closely correlated to the volume and spacing of rainfall. Uncertain rainfall and fragile soils mean that many farmers are risk averters. Fear of crop failure retards the widespread use of more efficient but costlier cultivation techniques, such as improved seeds, fertilizer application and animal traction. The livestock sector, source of milk and meat which contribute in an important way to the diet, is still recovering from the great Sahelian drought.

Agriculture accounts for more than 50 percent of the output from the rural sector and 25 percent of GDP. Generally favorable weather since the great Sahelian drought of 1968-74, in addition to a conscious effort by the GON to attain "food self-sufficiency," have resulted in steady increases in food crop production. Despite this relatively good performance, population shifts and marketing bottlenecks have led to food grain deficits in some urban and pastoral areas.

2) Major Source of FoodFood Crops

Overall production of Niger's principal food crops, millet and sorghum, has increased at an average annual rate of 9 percent since the end of the drought to an estimated volume of 1.36 million tons in 1982. Millet and sorghum supply a substantial portion of the population's food energy in the form of complex carbohydrates. In years of favorable rainfall, Niger is said to be close to self-sufficiency in these two basic grains. The strong imprint of the drought experience has led farmers to shorten fallow periods and expand cultivation onto increasingly marginal lands. The result is a decline in average yields. A P.L. 480 food aid needs assessment team, which visited Niger during March-April 1983, believes that government figures considerably overstate actual levels of production. Thus, there may be a continuing need for millet and sorghum imports in years of "good" production.

Rice production, limited to irrigated perimeters along the Niger River, has also increased steadily by 48 percent since 1977/78 to about 33,500 tons per year. The GON plans to bring an additional 1,000 hectares into production annually and is evaluating the feasibility of a major dam at Kandadji which has the potential of adding another 140,000 hectares. Rice consumption has grown rapidly during the past five years, nearly doubling to about 100,000 tons. Official imports of relatively inexpensive Asian broken rice have averaged close to 30,000 tons per

year. Unrecorded imports, mostly transshipped through Nigeria, are estimated at about 33,000 tons annually. Food aid rice has averaged only 2,000 tons. During this current austerity period, the GON has cut back the volume of authorized rice imports to 13,000 tons during 1983.

Wheat production is negligible, limited to a small area in the extreme north. Niger now imports only wheat flour, rather than wheat, due to its low milling capacity. Annual consumption of wheat flour is growing as rapidly as that of rice, nearly doubling in the past five years to about 30,000 tons annually. Virtually all wheat flour is imported commercially.

Cash Crops

The most important cash crops grown in Niger are peanuts, cotton and cowpeas (niebé). Both peanuts and cowpeas are important sources of protein. Peanuts also contain a large percentage of fat. Peanut production has dropped sharply during the past 15 years, reflecting declining prices on world markets, plant/parasite diseases, as well as the GON's premium on food security. As a result, peanuts have lost their former pre-eminence as the leading export crop. The production of cowpeas, however, has followed the upward trend of grain production as cowpeas are frequently intercropped with millet and because the GON is actively promoting cowpeas as an alternative food crop. As a large part of the crop is exported, cowpeas may eventually replace peanuts as Niger's major cash crop.

Despite the drop in domestic peanut production, peanut oil production has slowly increased, thanks to peanut imports from Nigeria which are processed locally, usually by hand. However, peanut oil represents only about one-third of all edible oil consumption, the remainder comprised of vegetable oil. Preferred as the traditional edible oil, peanut oil costs about 25 percent more than vegetable oil. Consumers appear to like having the option of paying more for peanut oil for special occasions but also paying less for vegetable oil for everyday use. Annual consumption of vegetable oil is increasing slowly, presently estimated at 22,700 tons, of which some 2,500 tons are produced domestically, 19,500 tons imported unofficially, and the remainder comprised of food aid. P.L. 480 vegetable oil has been identified as the primary commodity for the FFD program.

Foods from Livestock

Herding is the principal activity of nomadic pastoralists. The farming systems of sedentary agriculturalists often include livestock as well. Like the legume crops, sheep, goats and cattle serve an alternating "cash/food function." These animals provide important quantities of milk to the diet and complement the complex carbohydrates of grain by contributing protein and fat. Milk availability is constrained primarily by variation of rainfall levels, seasonal activity and numbers of animals. An important residual effect of the Great Drought is that the necessary selling of animals by herders to meet cash needs impedes the rate of herd enlargement. As in crop production agriculture, techniques to enhance livestock production are complex.

3) The 1982/83 Harvest and Buying Campaign

Niger had a mediocre millet and sorghum harvest for the 1982/83 crop year. Yet, the national grain marketing board, OPVN, managed to exceed the 70,000 ton target for its official grain purchasing campaign by buying 88,000 tons. Several

reasons account for this record purchase level: (a) OPVN purchased only from producer cooperatives, ending its previous practice of also buying from traditional chiefs; (b) the price offered by OPVN often exceeded for the open market price; (c) OPVN was able to pay cash on the spot for all grain offered, thanks to a sizeable loan from the central bank (BCEAO) of the West African Monetary Union (WMOA); and (d) OPVN was authorized to purchase grain from Nigeria.

Counting these grain purchases plus OPVN reserves and late food aid arrivals, Niger was holding more grain as of mid-April (205,000 MT) than it had capacity to store (164,000 MT). Given this glut of grain, market consumer prices are considerably lower than the official OPVN/consumer price. The Government is concerned that OPVN may not be able to sell its grain fast enough to generate funds to repay the central bank loan. The GON has appealed to donors twice for financial support for OPVN's operations and temporary storage facilities for the 45,000 tons of grain stored outdoors before the start of the annual rains. Thus, the buying campaign exhibited elements of both success (enhancing the government's perception of food security) and poor management (exceeding storage capacity and incurring greater debt than necessary).

4) P.L. 480 Food Aid Needs Assessment

A P.L. 480 team^{1/} was to design a FFD program PID in March-April. Given the large government-held grain surplus, however, the terms of reference for the team were changed to assessing Niger's future need for P.L. 480 food aid. The team has recommended, first, that no P.L. 480 food aid be sent to Niger in FY 1983.

Second, the team identified lack of calories as the most important nutrition problem among pastoral and agro-pastoral groups in Niger. A major nutrition finding is the degree of fluctuation in the apparent percentage availability of protein, fat and carbohydrate over the course of the year. Protein availabilities may be adequate due to the complementarity between grain-derived protein and higher quality protein from milk. Depending on the season, calories from fat or calories from carbohydrates may be insufficient. The team has recommended that Niger implement a FFD program starting in FY 1984 based on an annual volume of 4,000 tons of P.L. 480 vegetable oil.

Although Niger holds sufficient grain stocks to meet the country's needs through 1984, this picture could change suddenly and drastically depending primarily on weather patterns. Third, therefore, the team is recommending that the FFD program be structured flexibly to allow the import of up to 4,000 tons of P.L. 480 sorghum annually starting in FY 1985, depending on need.

The rationale for proposing P.L. 480 vegetable oil and possibly sorghum is based on:

- a) a nutritional analysis which ranked commodities in terms of their per unit caloric density and cost per calorie;

1/ The team was comprised of a food for development specialist (AID/AFR), an agricultural economist (USDA/ERS), a nutritionist (AID/AFR) and P.L. 480 food aid monitor (USAID/Niger.)

- b) a demand analysis that identified possible commodities by the socio-economic level of their consumers;
- c) considerations of resistance to contamination or infestation during storage and distribution;
- d) GON food pricing policies and the ability of each P.L. 480 commodity considered to generate sufficient counterpart funds within the official price structure; and
- e) economic considerations presented below.

5) The Economic and Financial Situation

Niger cannot afford to import its residual food requirements on commercial terms. The decline in uranium export earnings since 1981 has caused a serious deterioration in the country's financial situation. Terms of trade have also deteriorated by more than 30 percent because of the rapid increase in import prices and practically no change in Niger's export prices, of which the price of uranium exports is weighted as at least 70 percent of the export price index. The overall balance of payments deficit in 1982 was estimated to be 29.4 billion CFA francs. It reflects an increase in external public debt servicing to 21 percent of export earnings and net capital inflows. The national budget for FY 1983 was reduced by the GON by 13.4 percent in nominal terms and by more than 20 percent in real terms, reflecting an anticipated decrease in overall government revenues. Actual receipts for 1982 fell short of projected receipts by about 15-18 billion CFA francs. The percentage contribution of uranium revenues to the national budget dropped from a high of 43 percent in 1979 to 12 percent in 1982. The possibility of widening the revenue base in real terms, however, is determined more by the overall level of activity in the economy. Economic growth in 1981 slowed to about 1 percent. The economy registered no growth during 1982. Even with possible access to an IMF stand-by agreement and compensatory financing facilities, real GDP is expected to grow by only 1 percent in 1983.

The GON, therefore, has been forced to drastically reduce investment expenditures and reassess its near term development strategies. An interim development plan for 1984-85 calls for a period of "pause and consolidation." In the face of tight budgetary resources, the GON has explicitly recognized the need for structural reforms and policy change. Among them are the stimulation of agricultural production, including cash crops which has fallen off in recent years, increased promotion of livestock and vegetable exports, and reconsideration of all subsidy policies.

6) Implications and Recommendations for the FFD Program

In view of the brief economic and financial overview above and compatibility with the USAID development strategy for Niger, a multi-year P.L. 480 FFD program requires that the following conditions be met:

- a) The food aid program should not entail net additional outlays of foreign exchange. This eliminates Title I from consideration due to its dollar repayment terms and commodity delivery costs borne by the recipient country. The appropriations of Title III is questionable under this

criterion, even assuming dollar loan forgiveness, unless there were firm assurances that the USG would pay the cost of commodity delivery. So far, this has never been done.

- b) The terms of a P.L. 480 program should be not less concessional than food aid arriving from other donors. All bilateral and multilateral food aid to Niger is a grant for market sales or direct distribution and the donor pays the cost of delivery.
- c) The food aid program should not engender consumer subsidies in food pricing but progressively help eliminate them. That is, food aid commodities should be sold at a price which is based on commodity value, delivery costs and handling and distribution charges. P.L. 480 wheat, for example, could not be sold within the official price structure without an implicit consumer price subsidy. The price structure for P.L. 480 rice may not fully cover OPVN's operational costs and should be re-examined yearly. On the other hand, P.L. 480 vegetable oil, sorghum and wheat flour would be financially viable commodities and not engender price subsidies.

Based on an analysis of such factors as Niger's economic status, financial capacity, the nature of its food problem, physical infrastructure, institutional, technical and administrative capabilities and required policy reforms, the food aid needs assessment team has recommended that the FFD program be implemented under terms of Title II, Section 206. (With the expected gradual recovery of the Nigerien economy, the question of the appropriate title of P.L. 480 can be re-examined.)

B. GON's Priority to Increasing Food Production and Import Capacity

The Government places top premium on the attainment of food security, a preoccupation growing out of the drought experience. GON policy emphasizes "food self-reliance," meeting all consumption needs at acceptable levels of nutrition from both production and trade within the context of comparative advantage. To encourage greater millet and sorghum production, the GON has steadily increased the official producer price from 25 CFA francs/kg in 1977/78 to 80 CFA francs/kg in 1982/83. During the recently concluded buying campaign, the official purchase price often exceeded open market prices. The GON is emphasizing the importance of revitalizing cash crop production and exports to help finance food imports on commercial terms. Similarly, there is a long-established trade pattern of cattle from Niger for grain from Nigeria.

Despite the GON's basically positive food policies, the natural resource base for Nigerien agriculture remains extremely fragile. The country has a history of recurring drought. There are several mechanisms to increase food supply and marketable surplus during time of food shortages: (a) recourse to farm-held reserves; (b) commercial grain imports (official and unofficial); (c) release of the 45,000 ton GON stock de reserve designed to cover interim food needs before arrival of food imports; and (d) appeals to donors for emergency food aid. Niger received about 193,885 tons of emergency food aid (mostly sorghum) from the U.S. alone over the ten year period 1973-82, or a yearly average of 19,389 tons. This average dropped to 5,000 tons per year during the period 1978-82.

The proposed FFD program under Title II, Section 206 is intended to replace these chronic emergency food aid shipments by regularizing delivery over a multi-year period and using the P.L. 480 resources--food commodities and sales revenues--in a planned and systematic manner to help remove the constraints to improve productivity in agriculture and livestock and to attain food self-reliance.

C. The FFD Program

1) Commodity Plan

The approximate value of the FFD program is shown as follows. Vegetable oil constitutes the core commodity to be delivered at the same volume (4,000 tons) during each year of the program. Sorghum may also be required, depending on need.

	<u>(\$000s)</u>				
	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>Total</u>
Vegetable Oil ^{1/} (4,000 tons)	\$3,040 *	\$3,220 *	\$3,360	\$3,500	\$13,120
Delivery Costs ^{2/}	560	600	640	680	2,480
Subtotal	\$3,600	\$3,820	\$4,000	\$4,180	\$15,600
Sorghum ^{3/} (up to 4,000 tons)	512 *	520 *	560	592	2,184
Delivery Costs	560	600	640	680	2,480
Subtotal	1,072	1,120	1,200	1,272	4,664
Totals (of which commodity costs)	\$4,672 (\$3,552)	\$4,940 (\$3,740)	\$5,200 (\$3,920)	\$5,452 (\$4,092)	\$20,264 (\$15,304)

Current USG guidance on Title II, Section 206 programs requires that the recipient country make available for development activities the local currency equivalent of the dollar value of the P.L. 480 commodity. This requirement does not take into account the cost of commodity delivery to Niger paid by the U.S. which, if not passed along to the consumer, understates the true economic value of the commodity. To the extent possible, therefore, we will encourage the GON to also deposit the CFA franc equivalent of commodity delivery costs paid by the

1/ Costs are estimated at \$760, \$805, \$840, and \$875 per ton (drum) for FY 84, 85, 86, and 87, respectively.

2/ Delivery costs to Niger for both vegetable oil and sorghum are estimated at \$140, \$150, \$160, and \$170 per ton for FY 84, 85, 86, and 87, respectively.

3/ Costs are estimated at \$128, \$130, \$140, and \$148 per ton for FY 84, 85, 86, and 87, respectively.

* Actual figures from State 129958 of May 11, 1983.

U.S. into the FFD account so that the FFD program does not pass along any indirect consumer price subsidies. For example, the four-year value of the FFD program, based on the cost of vegetable oil only, is equivalent to \$13,120,000, whereas the combined value of commodity and delivery costs would be equivalent to \$15,600,000, representing "extra" funds to finance the FFD program.

2) Uses of Local Currency Sales Proceeds

At this preliminary juncture, exact uses of the sales proceeds are not fully developed and, naturally are to be mutually agreed upon by the GON and USAID. Two specific projects are being considered in the following areas: (a) cooperative level cereals banks and (b) an intensive dietary survey to determine nutritional composition and needs. The budget of the FFD program will be structured so that all activities ultimately selected will be fully financed from proceeds from the sale of P.L. 480 vegetable oil but designed to expand and/or accelerate scope of operations financed from the sales proceeds of P.L. 480 sorghum for those years sorghum is required.

3) Policy Changes to be Supported

The food aid needs assessment team's final report will recommend key policy reforms which emphasize improving the management of official grain marketing operations in Niger in order to avoid the financial and storage problems encountered by OPVN in FY 1983. As discussed with the team, these reforms include: (a) improving the management of GON resources and production data to facilitate operations and decision-making by OPVN; and (b) giving priority of crop purchase to farmer cooperatives. Medium-term reforms include: (c) basing remunerative official millet and sorghum producer prices on a comprehensive study of production costs, differentiated by region; (d) rationalizing transport and storage costs by region; (e) developing a formula or model to determine the optimum level of OPVN market intervention to stabilize prices and supply where warranted; (f) carefully redefining the various function of OPVN, maintaining only those which can be performed on a sound economic and financial basis; and (g) within the policy framework of its revised mandate, granting the authority and autonomy for OPVN to set producer and consumer prices itself.

The Joint Program Assessment (JPA) being carried out in collaboration with the GON to look into economic policy questions has already begun to examine the Government's cereals marketing policy. It is expected that the JPA will discuss and reach agreement on most of the above marketing reforms proposed by the food aid needs assessment team. These policy reforms will take the form of annually incremental self-help measures or other binding agreement within the Transfer Authorization.

4) Integration with USAID Program and Strategy

The P.L. 480 FFD program will form an integral part of the USAID portfolio. The overall USAID strategy for Niger, as enunciated in its recently approved CDSS, is to assist the GON remove the broad constraints to increased productivity in agriculture and livestock and attain food self-reliance. USAID will use project assistance to make more efficient use of available public sector resources and strengthen existing investments in key rural development institutions. Non-project assistance, such as the Rural Development Sector Grant (ESF) and the FFD program (P.L. 480), is to reduce budget pressures by financing recurrent costs for worthy

present activities as well as financing new development initiatives. Proceeds from the sale of P.L. 480 commodities will be channeled back into new food sector activities. Both project and non-project assistance will be tied to the implementation of policy reforms supportive of greater efficiency in government operations in the rural sector and fewer restrictions for private sector participation. Policy reforms, as noted, will include (a) divestiture by GON agencies of inappropriate interventionist roles in the economy and (b) the continued removal of obstacles to market-oriented operations.

47
~~49~~

FY 1984

ESTIMATED BUDGET

FOR

PLANNING, MANAGEMENT AND RESEARCH

<u>Description</u>	<u>Amount</u> <u>(\$000)</u>
1. Evaluations of Evaluation Assistance Project (683-0229) and Rural Sector Human Resources Development Project (683-0226)	35
2. Project Designs	
a. Amendment to Niger Cereals Research Project (683-0225)	100
b. PP for Irrigated Agriculture Development Project (683-0247)	150
c. PP for Training for Human Resources Planning Project (683-0252)	150
3. Miscellaneous Studies required for Farm Equipment Enterprises Development Project (683-0243) and Rural Sector Development Grant Project (683-0246)	65
	<hr/>
<u>TOTAL</u>	<u>500</u>

48
~~50~~

FY 1985
ESTIMATED BUDGET
FOR
PLANNING, MANAGEMENT AND RESEARCH

<u>Description</u>	<u>Amount</u> <u>(\$000)</u>
1. Final Evaluation of Evaluation Assistance Project (683-0229)	50
2. Project Designs	
a. Second Phase of Rural Health Improvement Project (683-0208)	125
b. PP for Financial Management Training Project (683-0248)	100
c. Follow-on Project to Maternal Language Texts Project	75
d. Two Possible PPs in E/HR - Private Sector Training and Teacher Training	150
<u>TOTAL</u>	<u>500</u>