

**Annual Budget
Submission**

FY 1989

NIGER

BEST AVAILABLE

MAY 1987



Agency for International Development
Washington, D.C. 20523

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FY 1989 ABS

NIGER

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FY 1989 - ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

COUNTRY - NIGER

PROJECT NUMBER AND TITLE	OBLIG DATE	INIT FIN	TOTAL COST-AUTH PLAN	OBLIG THRU FY 86	PIPE LINE	ESTIMATED U.S. DOLLAR COST (\$000)				FY 89 AAPL	ITEM NO	
						FY 86 OBLIGATIONS	FY 87 EXPENDITURES	FY 87 MORTGAGE END OF FY 87	FY 88 EXPENDITURES			
683-0256 NIGER APPLIED AGRICULTURAL RESEARCH												
G 87 87			5,974				5,974	1,200			3,820	
683-0937 MATERNAL LANGUAGES TEXTS												
G 84 84		228	228	228	121			121(5)				
APPROPRIATION												
TOTAL		108,916	120,655	102,150	47,050	15,000	32,854			24,270		
GRANT		108,916	120,655	102,150	47,050	15,000	32,854			20,270		
LOAN												
CHILD SURVIVAL FUND												
683-0254 NIGER HEALTH SECTOR SUPPORT												
G 87 87		1,500	1,500			1,500				1,500		CS
APPROPRIATION												
TOTAL		1,500	1,500			1,500				1,500		
GRANT		1,500	1,500			1,500				1,500		
LOAN												
DEVELOPMENT FUND FOR AFRICA												
683-0246 AGRICULTURE SECTOR DEVELOPMENT GRANT												
G 88 88			7,000								7,000	PRZ

FY 1989 - ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

COUNTRY - NIGER

PROJECT NUMBER AND TITLE	OBLIG DATE	INIT FIN	AUTH	TOTAL COST-	PLAN	FY 86	OBLIG THRU	FY 86	PIPE-	LINE	ESTIMATED U.S. DOLLAR COST (\$000)				FY 1988	FY 89	ITEM	
											OBLIG- ATIONS	EXPEND- ITURES	MORTGAGE	END OF				OBLIG- ATIONS
ECONOMIC SUPPORT FUND																		
683-000A	LOCAL COST SUPPORT																	
G 87	87	---	---	95	---	---	---	95	---	---	---	---	---	---	---	---	---	---
683-0247	AGRICULTURAL SECTOR DEVELOPMENT GRANT I																	
G 83	87	14,373	16,278	14,373	4,323	1,905	---	---	---	---	---	---	---	---	---	---	---	---
683-0259	AEPRP																	
G 88	88	---	7,000	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
APPROPRIATION																		
TOTAL		14,373	23,373	14,373	4,373	2,000	---	---	---	---	---	---	---	---	---	---	---	---
GRANT		14,373	23,373	14,373	4,373	2,000	---	---	---	---	---	---	---	---	---	---	---	---
LOAN		---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
COUNTRY																		
TOTAL		139,047	221,142	118,523	51,554	18,500	---	---	---	---	---	---	---	---	---	---	---	---
GRANT		139,047	221,142	118,523	51,554	18,500	---	---	---	---	---	---	---	---	---	---	---	---
LOAN		---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

1. Includes \$1,000,000 deobligated early FY 87.
2. Represents early FY 87 deobligation.
3. Includes \$2,533,000 deobligated early FY 87.
4. Reobligation of \$3,765,000 in deob/reob funds also planned.
5. Represents early FY 87 deobligation.
6. Represents mortgage for all projects with funding under both the Sahel Development Program and the Development Fund for Africa. (Taken individually, no mortgage will exist on 9/30/87 under either appropriation account.)

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 1
FORESTRY

683 Niger Appropriation Account		L/G	Life of	FY87	FY88	FY89
<u>Project No.</u>	<u>Title</u>		<u>Project</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>
Sahel Development/Fund for African Development						
683-0296	SPA Afr.Food Syst.Init.	G	120	15	20	20
683-0256	Niger Applied Ag. Resch.	G	900	-	200	150 (research)
683-0340	Niger Dept. Devel.II	G	900	-	200	150 (agroforestry)
683-0527	Ag. Sect. Dev. Grant II	G	9,000	-	-	2,700
Regional/Sahel Development						
625-0929	PMR		150	150	-	-
625-0977	Sahel Human Res. Dev.III	G	111	54		
DA/Fund for African Development						
698-0467	Nat. Res. Mgt. Support	G	1,500	0	300	300
Country Total			12,681	291	520	3,020

Note: A number of projects are still on-going that have forestry components but are not listed as they will not have FY 1987 or later further obligations.

Soil conservation, watershed management, etc., type of activities are usually considered as forestry activities.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 2
INTEGRATED RESOURCE MANAGEMENT

683 Niger

Appropriation Account

L/G	Life of	FY87	FY88	FY89
	Project	Est.	Est.	Est.

Sahel Development/Fund for African Development

683-0296 SPA,Afr.Food Syst.Init.	G	120	15	20	20
683-0256 Niger Applied Ag. Resch.	G	900	-	200	150 (research)
683-0340 Niger Dept. Devel.II	G	900	-	200	150 (agroforestry)
683-0527 Ag. Sect. Dev. Grant II	G	9,000	-	-	2,700

Regional

625-0929 PMR		150	150	-	-
625-0977 Sahel Human Res. Dev.III	G	111	54		

DA/Funds for Africa Development

698-0467 Nat. Res. Mgt. Support	G	1,500	0	300	300
---------------------------------	---	-------	---	-----	-----

Country Total		12,681	291	520	3,020
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Note: Soil conservation, watershed management, etc. type projects are usually considered as forestry activities.

FY 1989 - ANNUAL BUDGET SUBMISSION
 TABLE IV - ATTACHMENT 4 - CHILD SURVIVAL

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 AAPL
Child Survival					
683-0254 - Niger Health Sector Sup. Grant		1,500	1,500	-	-
Oral Rehydration		(700)	(700)	-	-
EPI		(300)	(300)	-	-
Nutrition		(250)	(250)	-	-
Malaria		(250)	(250)	-	-
Development Fund for Africa					
683-0254 - Niger Health Sector Sup. Grant		5,050	-	2,000	2,000
Oral Rehydration		(1,300)	-	(900)	(900)
EPI		(1,200)	-	(300)	(300)
Nutrition		(1,050)	-	(450)	(450)
Malaria		(1,000)	-	(350)	(350)
683-0258 - Niger Family Health and Demography Family Planning		7,000 (7,000)	- -	1,524 (1,524)	1,500 (1,500)

Table IV Annex
Micro and Small Enterprise, including Cooperatives
(000 U.S. \$)

	<u>87</u>	<u>88</u>	<u>89</u>
a) ESF Dollar Commitments	-0-	7,000	-0-
b) DA	4,179	3,560	4,060

ESF and DA Local Currency Generations
Micro and Small Enterprise, including Cooperatives
(000 U.S. \$)

a) ESF Generations For micro/small enterprise and cooperatives	1,436	1,528	2,500
b) DA Generations For micro/small enterprise and cooperatives	976	2,250	3,000

1/ Assumes AEPRP is ESF funded.

2/ Includes estimates of amounts to be programmed later by joint Local Currency Management Committee.

Table IV Annex
Small Farmers
(000 U.S. \$)

	<u>87</u>	<u>88</u>	<u>89</u>
a) ESF Dollar Commitments ^{1/} , ^{2/}	-0-	1,000	1,000
b) DA Dollar Commitments ^{2/}	3,650	1,100	1,100

ESF and DA Local Currency Generations^{3/}
(000 U.S. \$)

a) ESF Generations For small farmers	1,646 ^{4/}	1,068 ^{4/}	1,500 ^{4/}
b) DA Generations For small farmers	1,327	1,012	1,800

1/ Assumes AEPRP is ESF funded.

2/ Policy reforms in AEPRP and ASDG I and II are assumed to have a direct impact on small farmer.

3/ There are no P.L. 480 Local Currency Generations at present in Niger.

4/ Includes estimates on amounts that will be programmed later by joint Local Currency Management Committee.

Table IV ANNEX
ESF and DA Direct Dollar Commitments for PVOs
(000 U.S. \$)

	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
a) ESF Dollar Commitments	-0-	-0-	-0-
b) DA (CLUSA/Co-ops only)	477	-0-	-0-

ESF and DA Local Currency Generations for PVOs^{1/}
(000 U.S. \$)

	<u>FY 87</u>	<u>FY 88^{2/}</u>	<u>FY 89^{3/}</u>
a) ESF Generations			
1) For use by PVOs	45	44	20
2) For indigenous PVOs-NGOs	---	---	---
b) DA Generations			
1) For use by PVOs	51	81	80
2) For indigenous PVOs-NGOs	---	---	---

1/ There are no P.L. 480 Local Currency Generations at present in Niger.

2/ Includes estimates of amounts that will be programmed later by joint Local Currency Management Committee.

NEW PROJECT NARRATIVE

A. Number and Title: 683-0258 Niger Family Health & Demography Project

B. Project Funding:

FY 1988	\$1,524,000
LOP Funding	\$7,000,000
PACD:	December, 1993

C. Appropriation Account: Development Fund for Africa

D. Problem

The proposed Niger Family Health and Demography Project (NFHDP) addresses two major problems. The first is the very high rates of infant and maternal mortality, which are estimated at 135/1000 and 7/1000, respectively. These high mortality rates are linked to a very high level of fertility (total fertility rate = 7.1). A.I.D.'s Child Survival Strategy emphasizes birth spacing as an essential method for fostering infant and maternal survival. Secondly, there is a severe paucity of basic demographic data for planning and policy making and few individuals trained in demographic analysis. The NFHDP would address both problems by expanding access to voluntary family planning services, increasing the institutional capacity to extend and manage such services and supporting demographic training and research.

Three service delivery strategies will be employed by the project. Integration of family planning services into existing clinical facilities will be the dominant strategy. Two pilot projects to test the feasibility of alternative service delivery strategies will also be launched. The first will be a community based distribution project using village health workers. The second will be a contraceptive social marketing project to encourage distribution of non-prescription contraceptives through private vendors.

E. Project Purpose and Relation to USAID Strategy

The project purposes are to: (1) build the institutional capacity to manage family planning and demographic analysis programs; (2) expand access to voluntary family planning services; and (3) increase the demographic data base so that such data may be integrated into development planning.

Increased access to health and population services is a key element of A.I.D.'s development strategy for Niger. At the conclusion of the project 120 health facilities throughout the country will be offering family planning services. The project components, described in detail below, mirror the domains for action set forth in the Country Development Strategy Statement and reflect A.I.D.'s goals of safeguarding maternal health and promoting child survival.

Moreover, the project will be responsive to the development strategy of the Government of Niger. The GON, with strong leadership from the President, clearly articulated its goal of greatly increased access to family planning services in the recently released Five Year Plan for 1987-1991. The Government's positive approach to family planning and population issues favors initiation of the project at this time.

F. Project Description and Beneficiaries

The project will consolidate, continue and expand A.I.D.'s population program in Niger, which to date has been supported through centrally funded projects and the regional Sahel Population Initiatives Project. The NFHDP will complete the Niger Health Sector Support Grant (NHSS). The NHSS sets forth a number of policy reforms to be achieved in the area of family planning, including reform of the statutory and regulatory framework, development of a plan for expansion of service delivery, development of a demographic research plan and revision of contraceptive pricing and importation regulations. These policy reforms will set the stage for expansion of service delivery and demographic analysis if the financial and technical resources are available. Hence, the NFHDP is a logical extension of existing activities in the health sector, which has been defined as one of the two priority sectors for A.I.D.'s development program in Niger.

Project Components: The project will consist of eight major components:

- (1) Population Policy Development, with particular attention given to the regulatory framework for service delivery to ensure quality control and integration of demographic factors into planning. This component will be coordinated with the policy reforms to be achieved under the NHSS.
- (2) Training, including intensive training of 10-15 persons who will provide program leadership, training of 330 health workers in family planning and training of 45 mid-level managers in family planning management. (LOP training budget tentatively set at \$1.5 million.)
- (3) Information-Education-Communication (IEC) - development of IEC materials and implementation of a national IEC campaign.
- (4) Management Development - technical assistance in the design and implementation of a family planning program management system.
- (5) Contraceptive Supply and provision of related equipment, as well as technical assistance in the establishment of a logistics system.
- (6) Operations Research - establishment of a system for continuing evaluation of program efficacy and efficiency. (AID/W has given high priority to the support of operational research projects to monitor program efficacy and test demonstration projects; most notably the Operations Research Project conducted by Columbia University.)
- (7) Demographic Research, including a national demographic survey and assistance in analyzing the 1987 census data. (AID/W has a long history of support for demographic research, notably through the PASA with BUCEN and the Demographic and Health Surveys Project. The research proposed herein would conform to the guidelines established for those research activities.)
- (8) Non-Governmental Service Delivery - the project will support demonstration projects to assess the feasibility and efficacy of community based delivery and commercial distribution of contraceptives.

Target Groups: The immediate target groups include the health workers to be trained and the government staff who will make use of the demographic data. The ultimate beneficiaries will be the families who will be afforded access to family planning services.

Implementing Agency and Other Donors: The implementing agency will be the National Family Health Center, a unit of the Ministry of Public Health and

Social Affairs. The Center is the lead agency for expanding family planning and has thus far integrated family planning into eleven maternal and child health centers in the city of Niamey. The Center will continue to train health workers, promote service utilization through IEC and extend family planning services to other provinces. UNFPA and UNICEF co-financed the first five years of Center operations (1983-1987), with the World Health Organization serving as the executing agency. A second cycle of UNFPA financing at reduced levels is likely to be approved. The World Bank initiated a health sector loan in 1986 that includes a population component. The International Planned Parenthood Federation is discussing a three year program of support with the Center.

Financial Plan: A.I.D. financing for the NFHDP will total approximately \$7 million dollars over the five year period 1988-1992. Obligation is expected during the first quarter of FY 1988, with a first year obligation of \$1.5 million.

G. A.I.D. Policy Factors

As described above, the NFHDP is fully consistent with A.I.D.'s development strategy for Niger and responsive to the priorities enunciated by the GON. The GON emphasizes that choices with respect to family planning are to be voluntary and there will be scrupulous adherence to A.I.D.'s population policy guidelines. A range of family planning methods are offered at all the facilities currently providing services. Abortion is illegal in Niger and not supported by any governmental or non-governmental agency. Private sector and "mixed" mechanisms will be included as part of the service delivery strategy (i.e., contraceptive social marketing and community based distribution), though they are not likely to predominate in the short run. An economic analysis conducted as part of the PID design showed a benefit-cost ratio of twenty. Assuming service delivery will be at the projected levels, recurrent costs are estimated at \$500,000 per year. This represents 2-3 percent of the Ministry of Public Health budget and appears well within the capacity of the Government to sustain.

H. Design Schedule

PID design is to be completed by June 15, 1987 and the PP is to be completed by September 30, 1987. Re-delegation of PID and PP approval to the Mission is in process; the proposed project includes no policy issues requiring AID/W resolution.

I. Workforce Implications

USAID management of the NFHDP will rest primarily with the Health Development Office, which currently has a staff of three Health and Population officers, including a PSC Population Program Coordinator. A local hire professional will assist in project administration. The project will include provision for long term advisors, which will help alleviate the technical and management burden on the Mission.

New Project Narrative

- A. Number and Title: 683-0246/0247: Agriculture Sector Development Grant
(Amendment)
- B. Project Funding: FY 1988 Amendment Only: \$7,000,000
LOP Funding: \$46,670,000
PACD: September 1989 (unchanged)
- C. Appropriation Account (FY 1988 Amendment) Development Fund for Africa
- D. Problem:

USAID/Niger will do a separate amendment for the FY 1988 ASDG funding increment. The original ASDG identified five subsectors where agriculture sector policy reforms were needed in order to permit effective implementation of development efforts. Among these was agricultural credit.

The formal agricultural credit system in Niger has collapsed. Its future existence will be important to agricultural diversification which is viewed by the GON and all major donors as important to economic growth in Niger.

The GON and USAID have already completed the rural financial markets study financed by ASDG I. This study provides valuable information and recommendations which GON policy makers are taking into account in considering agricultural credit systems to replace the moribund agricultural credit bank. The GON gives high priority to re-establishing agricultural credit in the draft Five Year Plan. The GON is looking at a two level system: one at the grass roots through a cooperative credit and savings union system and one at the national level which is yet to be defined. USAID has already proposed and the GON has accepted a pilot activity for credit unions. This grew out of the Agriculture Credit Study done under the original ASDG.

The limiting policy constraints to establishing credit unions in Niger mostly concern cooperative structure and law. There are a number of legal and administrative provisions which limit development of member-controlled rural credit cooperatives.

The GON's Program to Stimulate Economic Growth (PSR) published last October states that one of its objectives is to give cooperatives as quickly as possible statutes and internal operating regulations to facilitate access to banking credits and external assistance. This includes expanding the cooperative training programs in the framework of the Agricultural Production Support project and the ASDG. The PSR stressed that the GON should increase training and efforts in order to make operators more professional as well as organize certain professional groups (building trades, production cooperatives, livestock exporters, etc.).

These actions must be supported, according to the GON, by an ensemble of legal provisions, taxation and other provisions relating to increased production.

E. Program Purpose and Relation to USAID Strategy

The purpose of the ASDG remains unchanged. Encouragement of private sector (and cooperative) development and agricultural credit are part of the original ASDG.

USAID intends to have the new Conditions Precedent for disbursement of the fifth ASDG increment focus on changes in law and administrative regulations that will permit cooperative credit and savings unions to function legally as well as remove inhibitions to more effective participation of cooperatives in production, marketing and supply of services. This is consistent with USAID's approved CDSS strategy to help the GON implement its structural adjustment programs as well as the long term objective of increasing food self reliance and increased incomes.

F. Program Description and Beneficiaries

The objective of the reform is to modify the legal/administrative framework to permit the formation and operation of independent cooperative credit unions as well as to remove constraints on the ability of cooperatives to compete in markets. This would include use of market-determined interest rates, rather than administratively decreed rates now in effect. The beneficiaries of the reforms will be people currently outside the limited formal banking and credit system who benefit from small scale savings and credit activities.

The proposed performance indicators for release of the dollar transfer are:

- Launch experiment in credit union formation, with market determined real interest rate.
- Regularize the status of cooperatives that provide services (including commercial and financial services such as credit unions);
- Shift legal and financial basis of cooperatives (and credit unions) to the basic units of voluntary association;
- Clarify tax status of cooperatives; and
- Modify certain administrative law provisions to permit cooperatives to compete more effectively in export and domestic markets.

Other conditions include reaching the end of program objectives for the original ASDG and the seed production and distribution policy reforms.

The amendment will provide an additional \$7 million, for a new total LOP of \$46,670,000. Approximately \$700,000 will be set aside for technical assistance, the bulk of which will be used for advisory services to implement the experimental credit union program. The remaining \$6.3 million will be dollar resources that will be transferred to the GON upon satisfaction of the CP's.

G. A.I.D. Policy and Other Factors

The ASDG is fully consistent with AID's overall policy regarding policy dialogue, policy reform and increased private sector. An exception to interest rate regulations will be obtained for the credit union experiment. (Interest rates in Niger are determined by the Regional West African Central Bank in Dakar.)

This ASDG amendment will not have any long term participant training. It will have considerable on-the-job training, in-country seminars, workshops and training sessions.

Regarding Direct Hire staffing, the USAID is already managing ASDG and has a USDH macro-economist and agricultural economist on its staff. No additional USDH ceiling is required.

H. Design Schedule

The PAAD Amendment will be prepared in the first quarter of FY 1988 and submitted to AID/Washington before the end of December 1987. Obligation is scheduled for the second quarter of FY 1988.

New Project Narrative

A. Number and Title: 683-0259 AEPRP

B. Project Funding:

FY 1988:	\$7,000,000
LOP Funding:	\$7,000,000
PACD:	September 1992

C. Appropriation Account: ESF if not included in Development Fund for Africa

D. Problem:

About 91 percent of Niger's inhabitants engage in agriculture, livestock, forestry and fishing. The rural household is a mini-conglomerate involved primarily in subsistence agriculture. About 60 percent of the workforce also have some non-agricultural income, which is, in cash terms, at least as important as agriculture. Only a small percentage of cereals production is marketed. Increases in rural incomes and purchasing power will not come about through increased production of rainfed cereals, because of the relative inelasticity of demand for grain for human consumption. Greater diversification of agricultural production using small scale irrigation is necessary to provide flexibility in the face of regular occurrence of severe drought. Because of the weakness of the uranium market and the industry sector, the only possible engine for increasing rural incomes and for economic growth in Niger are higher value irrigated crops and livestock. Inadequately developed, and in some areas state dominated or impeded, marketing and distribution systems have limited potential benefits from such production.

Until very recently, the GON and donors have concentrated on promoting increased agricultural production, without paying much attention to marketing and distributing added production. Niger's urban markets are very small, dispersed, poorly integrated, and glut easily due to the combined effects of a largely subsistence economy and low purchasing power. Therefore, Niger must seek markets in neighboring countries and take advantage of its comparative advantage in production of livestock and certain types of vegetables. Nigeria and nearby coastal states, which have climatic disadvantages in producing these commodities, have a combined population of about 140 million people, are much more heavily urbanized, and have higher per capita disposable income.

Niger has opportunities for export diversification and increased resource mobilization. In its new draft Five Year Program, (1987-1991), the GON has already begun rethinking the interpretation of its food self sufficiency goal and regional economic linkages. It has concluded that it is necessary to increase agricultural exports in order to reduce dependence on uranium. Investment should be reoriented towards crops and livestock in order to allow for income diversification and viable import substitution in foodstuffs. Some of the most important areas of growth potential are on the fringes of the modern economy in the informal sector. Nearly all the fruit, vegetable and condiment production and trade is in this sector. Small artisans in the informal sector dominate metalwork, leather goods, agricultural implements, clothing manufacture, etc. Much of the grain marketing is done in the informal sector.

The GON's Program to Stimulate Economic Growth, (PSR) dated September 1986, examined the constraints to increased productivity, paying particular attention to private and cooperative sector undertakings. It identified administrative, legal and fiscal policies and implementation actions which had perverse effects on productivity. Detailed work on proposals to address these concerns is underway, and the AEPRP would both support and influence the content of these proposals.

E. Project Purpose and Relation to USAID Strategy

AEPRP's purpose is to promote the growth of private sector's agriculturally related enterprises and services as well as facilitate transition of informal sector enterprises into more effective participants in the modern economy. The thrust of the program is on marketing and distribution of higher value crops, fattening livestock, processed products, manufacture and repair of agriculture machinery and pumps etc. The program will include promotion of feasibility surveys and market prospection prior to launching undertakings to increase production of certain types of products.

The Goal of the AEPRP is to increase rural income and employment generation through agriculture related private sector activity and to increase the participation of private (and cooperative) micro enterprises and services in the economy.

The proposed AEPRP program is consistent with USAID's and IBRD's strategy objectives of structural adjustment and agricultural development. USAID/Niger's long term strategy objective, approved in March 1986, is increasing food production, leading towards food self reliance and increased income. The medium term strategy concentrates on sectoral support, policy reform and actions necessary for structural adjustment and stimulating economic growth. USAID concentrates upon policy changes, better resource management, and increasing resource mobilization in the private sector using sector grant type programs. The proposed AEPRP is clearly consistent with this, and complements the policy reforms being implemented under the Agriculture Sector Development Grant (ASDG.)

Since 1983, Niger has implemented IMF sponsored economic stabilization programs successfully. The IBRD Structural Adjustment Credit Program is in place and stresses parastatal reform. The GON has already divested a number of state owned enterprises and is reforming those that remain.

F. Project Description and Beneficiaries

The AEPRP's policy reforms concentrate on distribution and marketing primarily of agriculturally based production, with a secondary emphasis on other agriculture related enterprises. It includes aspects of revising the commercial code, improvements in export-import administration, and business regulations. These reforms will complement work done in the ASDG on input supply, seed distribution, credit, cross border trade and strengthening the role of the private sector. Recent success in reducing the commercial role of the public sector must be complemented by the creation of a fiscal and

administrative environment which encourages private sector growth. The AEPRP will have the effect of strengthening institutions such as local chambers of commerce and professional organizations, including such entities as the Export Trade promotion center.

The proposed outputs on policy reform are:

1. Implementation of legislative, administrative and tax reforms to promote independent small scale agriculture related enterprises and services; and
2. Establishment of private sector training, and private sector credit guarantee programs

USAID proposes an AEPRP of \$7 million beginning in FY 1988. USAID intends to use the same modality as that of the ASDG and NHSS, involving release of dollar resource transfers upon the satisfaction of conditions precedent based upon pre-negotiated policy performance indicators. An equivalent amount of local currency will then be deposited in special local currency accounts. There will be a Trust Fund. The program will take about four years to implement from the time it is signed. About \$1.5 million will be set aside for technical assistance. Priority in the local currency programming will be given to credit guarantee programs and activities strengthening Nigerian capacity to do feasibility studies of production and distribution of agriculture related products. Consideration will be given following further study to supporting reforms of the GON's Private Enterprise Promotion Agency (OPEN).

G. Design Schedule

The consolidation of technical studies and climate assessment for the PAIP will be undertaken during the private sector survey scheduled to begin in late May, and the private sector submission due in July. The PAIP itself will be prepared in late July and early August, with Washington review scheduled in late August. Final PAAD design will begin first quarter and obligation should occur in second quarter FY 1988.

H. Workforce Implications

USAID/Niger has a macro economist and an agricultural economist on its DH staff. It intends to pick up an additional local economist as part of its Nigerianization program. USAID intends to call on the REDSO Private Sector officer for TDY assistance from time to time. The AEPRP will contain funds for long term contract advisors and short term studies, thus reducing the need for additional Mission staff. USAID has also had experience since 1984 in administering local currency programs. The counterpart secretariat is established in the Ministry of Plan, as is a Joint Local Currency Management Committee. Consideration is being given to converting an existing USDH position to that of Private Sector Development Officer upon termination of a current project. No added ceiling would be required.

New Project Narrative

- A. Project Number and Title: 683-0257
Agriculture Sector Development Grant II
- B. Project Funding: FY 1989: \$8 million
LOP Funding: \$28 million
PACD: September 1993
- C. Appropriation Account: Development Fund for Africa
- D. Problem:

The physical environment of Niger is afflicted by spreading desertification despite efforts to improve the situation since the early seventies. While drought is primarily climatic, desertification results from overuse of land by humans and animals, with long term consequences. Crop production has extended into the pastoral zone and other marginal areas, contributing to increased soil erosion and reduced carrying capacity. Soil productivity is decreasing due to shortened fallow periods.

Fertilizer use is considerably lower in Niger than in other Sahelian countries, and subsidies have created a pattern of uneconomic usage and de facto rationing as well as an undue burden on the public budget. Subsidized distribution through an inefficient parastatal is an important element of the problem. What is needed is competitive, market-determined distribution by private sector traders and cooperatives. Under ASDG I the GON has begun the transition to private sector and cooperative supply of agricultural inputs. To facilitate completion of the transition, creating the environment necessary for the successful operation of competitive private sector and cooperative providers of agricultural inputs, and providing management training and credit guarantees for the development of private enterprise and cooperative institutions to perform this function, assistance beyond the terminal date of ASDG I is required.

About 12 percent of the total land area in Niger has usually been considered useful for agriculture or livestock production. Wood is being used much faster than it is produced. Fuelwood accounts for about 90 percent of wood consumption and supplies 80 percent of Niger's gross energy requirements. At present, natural resource planning and long term livestock development policy are not fully institutionalized and thoroughly integrated into global planning for agriculture and rural development. This must be done to maximize effective sustainable uses of Niger's meagre natural endowment. The GON's land tenure, forestry and land use laws are an ill-defined combination of customary law and the colonial statutory heritage. The GON has begun the process of consolidation and rationalization of traditional practices and new measures into a rural code which will encourage effective sustainable usage of existing national resources.

Allocation of human and financial resources in the rural sector do not always follow policy priorities. More attention should be paid to prioritizing allocation of human and financial resources.

The formal agriculture credit structure in Niger has collapsed. The GON has recognized that new institutions and an improved legal and administrative environment are necessary for the resuscitation of agricultural credit and creation of viable rural financial markets. For diversified agriculture and related enterprises to fulfill the role of engines of development envisaged in the GON Five Year Plan, a viable, market-based rural financial market system is essential to mobilize savings and provide the financing necessary for small and medium scale commercial farming and related enterprises. A multidonor/GON process of reflection and experimentation began in 1986, and should be approaching fruition by the beginning of ASDG II. Through our FY 1988 amendment to ASDG I we will be participating in the rural credit cooperative aspect of this effort. By FY 1989, we should be prepared with other donors on the policy front to help the GON move beyond credit cooperatives to an overall restructuring the legal and regulatory framework of rural financial markets.

E. Program Purpose and Relation to USAID Strategy

The purpose of ASDG II will be:

- To contribute to the GON's sector adjustment program by implementing policy changes to complete the transition of the parastatal agriculture input distribution system to the cooperative and private sector.
- To improve resource allocation and planning for agriculture, livestock and land use planning, including natural resources.
- Implementation of remaining aspects of integrated legal framework for full service rural financial markets with flexible and realistic interest rates. This involves establishing linkages between commercial banking, formal agriculture credit and less formal financial institutions.

ASDG II will continue work done under ASDG I and the AEPRP. ASDG II will continue to address the need for a sound policy framework to encourage private sector participation and policy incentives for increased agriculture production. It will facilitate implementation of these policies, provide guidance at the working level, and continue development of a policy analysis capability within the Government of Niger.

ASDG II is consistent with the approved CDSS strategy and compatible with the IBRD structural adjustment program. Its long-term objective is increasing food production, leading toward food self-reliance and increased income. Medium term objectives focus upon agriculture production support policies and actions necessary for structural readjustment. ASDG II contributes to the policy reform, self-managed organization development and land use planning objectives of the agriculture sector strategy. ASDG II will provide the means for a unified policy formulation and implementation effort which consolidates support for policy analysis and the proposed code rural already begun under the revised Integrated Livestock Project, Forestry and Land Use Planning Project, and ASDG I local currency support for code rural studies.

F. Program Description and Beneficiaries

ASDG II will be a policy reform sector grant with performance targets. Up to \$4 million will be set aside for technical assistance in policy program planning, monitoring, training and workshops. Specific policy program outputs include:

1. Agriculture inputs:

- Make the legal and administrative changes necessary to complete the transition so that cooperatives and private sector financed entities own and manage the former agricultural inputs distribution parastatal;
- Strengthen the cooperative and private sector role in independent production and distribution of agricultural inputs in order to provide effective competition and alternative sources to the former parastatal.
- Approve and implement an integrated strategy national fertilizer policy; and

2. Effective resource allocation

- Complete the necessary studies, draft, approve, and implement an integrated code rural.
- Develop, approve and begin implementation of long term policy strategies incorporating land use planning and natural resource management for the livestock zone and the crop/livestock zone.
- Complete the institutional integration of the land use planning and natural resource management into the activities of all technical ministries dealing with rural development.
- Allocate human and financial resources available to the rural development technical ministries according to integrated development priorities.

3. Development of the legal and institutional structure for a market-oriented rural financial market system.

The ASDG II policy reform program is consistent with agency policy guidance. Implementating the policy changes will increase the effectiveness of the use of available public and private sector resources. The resources which accompany the Grant will make more funds available for investment in agricultural production. The policies for agricultural inputs should result in a more rational and increased use of agricultural inputs and expand the opportunities for the private sector and cooperatives. Development of a land use policy will facilitate planning and implementing programs in the livestock zone as well as integrating livestock raising activities with crop production in more favored areas. A rationalized credit structure should increase resources available for agriculture-related investment.

We expect the ASDG II technical assistance component will have relatively little long-term participant training. It will have seminars and on the job training. It will include research activities in the various policy reform areas through the technical assistance component and limited counterpart fund support. Counterpart funds will support local costs of ongoing agricultural research that is primarily funded through AID projects.

G. Program Development Schedule

USAID/Niger will prepare a PAIP in late FY 1988, which will be submitted for AID/W review. The PAAD will be designed in the second quarter of FY 1989 and we will request delegation of authority to the field to authorize the PAAD.

H. Workforce Implications

Mission staffing pattern currently includes a USDH macro-economist, agricultural economist, and project officer who will manage the parallel technical assistance project for rural organizations. The Mission has Nigerien agriculture project assistants under contract. It is in the process of establishing positions and contracting for Nigerien assistant program and agricultural economists. No additional ceiling required.

NEW PROJECT NARRATIVE

A. Number and Title: 683-0260 Rural Organization Development

B. Project Funding: FY 1989 \$2,000,000
 LOP Funding \$11,095,000
 PACD: December 1992

C. Appropriation Account: Development Fund for Africa

D. Problem

The Government of Niger is committed to increasing the participation of the rural inhabitants in their own development as part of its objectives to achieve food self sufficiency and increased income for rural households. The cooperative is the primary institutional mechanism for channeling local participation into developmental activities. Cooperative organization in Niger has traditionally focused on creating structures capable of producing agricultural commodities for domestic consumption and internal trade as well as rice, cotton, cowpea and peanuts as cash crops. In the mid-1970's, the GON began to rely increasingly on cooperative structures to perform multi-functional roles with decreasing assistance from the national structure. The organizing principles were designed to prepare cooperative members for assuming a larger degree of managerial responsibility. In 1982 the GON's strategy had shifted to place increased emphasis on decentralized management decisions at the village level, and the national superstructure was dissolved.

In 1985, USAID began implementing a new cooperative training effort under the Agricultural Production Support Project (APS), which consisted of establishing a national program for training of training staff and instituting training units at the Departmental level. CLUSA is implementing the program and members of about 90 cooperatives (out of 200 planned by PACD) have received training in organization, accounting and management. Some 60 of these are also engaged in profit making activities with financing from commercial banks. In addition, a village level effort was undertaken to develop pre-cooperative units in Niamey Department which could effectively absorb and utilize the assistance provided by the Departmental Cooperative Development Services.

E. Project Purpose and Relation to USAID Strategy

The purposes of the project are:

- to continue to institutionalize independent, self-managed cooperatives at the local level and to build and institutionalize effective regional and national federations of the local cooperatives; and
- to complete the transformation of the parastatal agriculture input distribution agency into fully institutionalized systems owned and managed by the cooperatives and the private sector.

The sector goal to which the Project will contribute is long-term food self-reliance for the country and increased agricultural incomes for the rural population. This will be achieved through the transmission of productivity--increasing technical advances to small farmers and budding entrepreneurs. Indications of progress towards achievement of this goal will include sustained increases in productivity of land and labor, increased amounts of marketable surpluses of agricultural products and increased cash incomes for a significant proportion of Niger's rural population.

This project is in keeping with USAID's approved CDSS agricultural strategy, which emphasizes food production and diversification through community based, self-managed development. The companion Niger Applied Agriculture Research (NAAR) project will support development of improved technical packages and extension linkages. ASDG I and II will focus on policy reform necessary to achieve the purpose of this project. USAID has also proposed an AEPRP which concentrates on strengthening the distribution and marketing side of agriculture-based private (and cooperative) sector enterprises.

F. Project Description and Beneficiaries

Indicative outputs for the project might include the following:

1. Institutionalize the process of continued cooperative development:

- Expand and institutionalize the training system for development of participative self managed cooperatives with regional and central training system;
- Develop and institutionalize a back-stopping of the system of regional and national level federations which represent the base level and provide a focal point for meeting the cooperatives' needs from regional representatives and national technical services; and
- Further expand and institutionalize links of cooperatives, and the regional and national federations with sources of credit through the use of private sector bank guarantee funds, and other components of the formal and non-formal financial markets.

2. Complete the transformation of the parastatal agricultural agriculture input distribution agency:

- Strengthen the management capability of the input distribution system;
- Strengthen and institutionalize the role of the cooperatives in local and regional management of the system;
- Complete transition of the formal parastatal to cooperative sector ownership; and
- Have the input distribution system function on a self financed base.

The cooperative training component will contribute to the growth of a viable cooperative movement in Niger by helping to change the orientation of local cooperative branches and sections toward profitable locally controlled economic activities. The primary mission of the national and regional cooperative federations will be the preparation of the cooperative movement for self-management through training and consultation.

The project will expand and institutionalize development of participative self-managed cooperatives in all seven departments in Niger and at the regional and national levels. The project will strengthen approximately three hundred cooperatives consisting of some nine hundred thousand small farmers. These organizations will benefit from participating in cooperative development, improved agricultural technology and marketing. This will require continued training of trainers who will in turn train and develop management skills of cooperative officers. These trainers will train locally elected cooperative leaders in the managerial skills required for them to operate their cooperatives on a sound financial basis, including identification of self financing of profit making activities.

The provision of technical assistance and dissemination of technical information to the rural population will ensure a systematic and continuous source of technical advice and exposure to research results generated in Niger or by external sources. The Agricultural Extension Service will be supported to ensure those technical recommendations will be of ultimate use to the small farmers and cooperative members. The already established guarantee fund will continue to (a) provide a mechanism to supply credit to the cooperatives for the financing of economic activities; (b) further strengthen a rural credit system based on the private and commercial banking system; and (c) provide credit for the purchase of agricultural inputs.

The former agriculture input parastatal will be transformed into self-financing, cooperatively owned and managed systems which compete effectively with the private sector to provide farmers with a range of agricultural inputs such as fertilizer, chemicals, machinery, repair services, etc. The input supply component will be closely linked to the cooperative training component, through cooperative management training. It will enable the cooperative members to benefit from training and experience in development of loan requests, relationships with banks and management of credit.

The target beneficiary group consists of rural families who would not otherwise benefit from these kinds of services. This project will give the rural population the most immediate opportunity for private sector participation in rural development.

G. Design Schedule

The PID will be submitted to AID/W during the second quarter of FY 88, and the PP will be submitted during the fourth quarter. Mission will require assistance from a cooperative specialist/institutional analyst and an agricultural economist.

H. Workforce Implications

The Mission's staffing pattern has the position established for managing this project. It is smaller and more focused than APS and should be manageable with existing staff.

AID PROGRAM IN FY 1989
ANNUAL BUDGET SUBMISSION
TABLE V -- PROPOSED PROGRAM RANKING

DECISION UNIT - 683 Niger

RANK	PROJ. TITLE	NEW CONT	LOAN GRANT	APPROP	<u>Program Funding</u> (\$000)	
					INCR	CUM
1	0257 Agricultural Sector Development Grant II	N	G	DFA	8,000	8,000
2	0258 Family Health and Demography	C	G	DFA	1,500	9,500
3	0254 Niger Health Sector Support	C	G	DFA	2,593	12,093
4	0256 Niger Applied Agriculture Development	C	G	DFA	2,807	14,900
5	0260 Rural Organization Development	N	G	DFA	2,000	16,900
6	0249 Small Project Assistance	C	G	DFA	100	17,000

Local Currency Use Plan

1. Source of Local Currency

The Local currency which is used in Niger is host country owned local currency derived from conditional dollar resource transfers. It is derived from under the Agriculture Sector Development Grant (ASDG) (683-0246/247) and the Health Sector Support Grant (NHSS) (683-0254). The funding for the ASDG comes from two sources; ESF and Sahel Development Funds. Funding for the NHSS comes from one source: SDP. Both sector grants have special local currency counterpart funds which are the repository for the cash transfers. These conditional dollar resource transfers are made when the Mission Director certifies that the Government of Niger has met a mutually agreed upon set of conditions precedent which are negotiated before the signing of the grant agreement or amendment. The conditional dollar resource transfer is, in effect, a resource used to encourage policy reform. Local currency was first made available in 1983 in the form of a \$5 million ESF financed grant which used a direct reimbursement authority mechanism for commodity imports. (USAID/Niger has consistently recommended against the development of a CIP program for Niger.) Since then, \$10 million of ESF funds and \$8.634 million of SDP funds have been transferred to the counterpart funds under the ASDG. The first conditional dollar resource transfer under the Niger Health Sector Support Project will take place in the near future.

Until 1987, five percent of the local currency derived from ASDG dollar resource transfer funds were deposited in a Mission trust fund. This is being amended to eight percent beginning with funds obligated in FY 1987. Eight percent of the NHSS direct transfer funds are allocated to a Mission trust fund. This fund is programmed jointly with the Government of Niger with funds used to directly support the implementation of these two sector grants.

2. Intended Uses

A Local Currency Management Committee has been established for ASDG. A quorum consists of representatives from the Ministry of Plan and USAID. Other Ministries such as Agriculture, Animal Resources, Environment and Water Resources, Finance, and Commerce may send representatives as appropriate. This committee programs the local currency funds derived from the ASDG. A parallel committee involving the Ministry of Health has been established for managing the NHSS local currency program. The criteria followed in allocating ASDG funds are, in order of priority.

- Activities or projects contributing to the implementation of the policy changes in the agriculture sector.
- Recurrent or local costs of A.I.D. financed agriculture or livestock projects; recurrent or local costs of other costs of other donor financed agricultural or livestock projects; and

- extensions or continuations of agriculture sector activities or projects which will contribute to the rapid increase in the productivity and income of the rural population. These criteria are incorporated in covenants in the Grant Agreement. The Amplified Program Description of the original Grant Agreement also states that the following general criteria will be used for allocating funds:
- Maximize the likelihood of increasing income generating capacity, foreign exchange earnings, and tax base;
- Local currency will not be used to support projects which will create excessive additional recurrent cost burden to the GON; and
- Give reasonable assurance that the cost burden to the stream of benefits from recurrent cost financing is greater than using the funds for new projects.

The criteria used for allocating funds under the NHSS are, in order of priority:

- Programs, projects or activities, including studies and analyses, contributing to the implementation of the policy reforms and institutional reinforcement program in the health sector required under the Agreement;
- Recurrent or local costs of AID-financed health projects or activities;
- Recurrent or local costs of other donor financed health projects or activities which complement or supplement A.I.D. projects; and
- Pilot activities or projects, extensions or continuations of activities or projects under implementation in the health sector which will contribute to the objectives of the NHSS program.

The Amplified Program Description states that priority will be given to projects which promote child survival (maternal/child protection) and child spacing efforts. (See Africa Bureau Annex IX for projected Child Survival expenditures by year.) In ranking projects within the general criteria, higher priority will be given to the greater degree that the projects promote:

- Improved allocation of budgetary resources by the public services;
- Better use of existing human and material resources of the health sector;
- Cost recovery and cost containment (rationalization of the evolution of costs) by curative services);
- Reduction of current costs;
- Participation of beneficiaries in decision making and system maintenance;
- Greater access or population to child survival (maternal/child protection) services; and
- Greater access of populations to child spacing (family planning) services.

Local currency provides recurrent cost support for four bilateral projects in agriculture/land use planning. Funds also support seed multiplication programs and local organizations in strengthening their capabilities to manage income-generating activities. A grant was made to the Small Business Bureau of the GON to improve the technical and managerial capabilities of rural workshops in support of agricultural production and private sector activities. Because of the serious threat of desertification to agricultural productivity, the local currency program provides significant support for agro-forestry and land use conservation projects designed to increase agricultural output. During the drought local currency activities were used to provide a margin of security in seed multiplication and distribution and animal feed reserves. In case of another drought funds will be allocated to such reserves.

The Niger Health Sector Support grant was obligated in August 1986. Like the ASDG, dollar resource money will flow into a counterpart fund when the GON meets annual policy targets incorporated into Conditions Precedent. The NHSS supports policies in the health sector that are conducive to structural changes, with particular emphasis on cost recovery, cost containment, planning, and improved resource management. Health sector budgetary resources will be allocated in such a manner to support preventive health care in particular rural health services, as well as reinforcing the existing health delivery system. Criteria have been developed for the use of the counterpart funds that support child survival activities, as well as more effective management of health sector resources.

The joint GON-USAID Local Currency Committees' programming of the local currency follows these precepts incorporated in the Grant Agreement itself. The criteria listed above are therefore fully consistent with all three strategy objectives in our approved CDSS. They contribute to the structural adjustment program of the GON. Local currencies are targeted for activities that will result in better allocation of scarce resources as well as more effective management of these resources.

3. Local Currency Management and Audit Procedures

USAID/Niger requires that strict accounting rules be followed for the local currency derived from the conditional dollar resource transfers. A Secretariat has been established in the Ministry of Plan to manage the local currency program, and USAID has hired a senior Nigerien to coordinate with the secretariat for ASDG, and expects to hire another coordinator for NHSS in the near future. Funds are deposited in separate special treasury accounts, and, following 121 (d) like procedures, each approved local currency activity is required to have separate ledgers and bank accounts for each activity. Control and accounting procedures are reviewed periodically by the Controller's Office for each activity, following strict standards. Funds have been reserved to conduct an audit of the LC account as part of the overall audit of the ASDG in FY 1988. In addition a local accounting firm is used periodically to examine specific projects, as deemed appropriate.

FY 1989 - ANNUAL BUDGET SUBMISSION
 TABLE VI - EXPENDITURES OF LOCAL CURRENCY GENERATIONS
 (All in the U.S. dollar equivalents, and in \$ Thousands)
 (\$000)

<u>Source/Purpose</u> <u>Proposed</u>	<u>1986</u>	<u>1987</u> <u>Actual</u>	<u>1988</u> <u>Est.</u>	<u>1989</u> <u>Planned</u>
I. ECONOMIC SUPPORT FUND				
A. Public Dev. Activities				
1. Agriculture Production				
a. Firgoun	\$ 41	\$ 30	\$ 0	
b. NDD II	651	141	141	
c. Fertilizer	395	12	0	
d. Land conservation	419	11	0	
e. Plant Protection	114	77	77	
f. Seed production/marketing	1,144	60	0	
g. Support to cowpea prod.	350	33	0	
h. Support to peanut prod.	709	1	0	
i. Revolving credit fund	0	284	0	
j. Creation of guarantee fund	0	507	0	
k. Agriculture Price Study	9	9	0	
l. Projects to be developed		1,000	4,000	3,700
2. Emergency Relief Related projects				
a. Seed grain purchases	195	0	0	
b. Aid to cereal production	1,895	0	0	
c. Animal feed security	142	0	0	
3. Health				
a. Health infrastruct. (ASDG)	26	11	11	
b. NHSS projects to be developed	0	0	0	
Subtotal A:	6,090	2,183	4,229	3,700
B. Private Sector Programs				
1. Grant to private enter. prise parastatal	448	0	0	
2. Namari Goungou, fish coop	17	28	28	
3. support to cooperative dev.	0	527	0	
4. Projects to be developed		500	2,000	2,000
Subtotal B:	466	1,055,	2,028	2,000
C. Public Sector Recurrent Budget				
1. Budget support to Forestry and Land Use Planning Project	36	1	0	
2. O.E. for the Soils Lab	83	86	86	
3. Counterpart fund secretariat	75	87	0	
4. Support to productivity proj.	742	246	246	
5. Projects to be developed				300
Subtotal C:	936	420	332	300

D. AID Operating Expenses (Trust Fund)	250	249	252	320
ESF TOTAL (A+B+C+D):	7,742	3,907	6,841	6,320
II. DEVELOPMENT ASSISTANCE				
A. Public Dev. Activities				
1. Agriculture Production				
a. Firgoun	17	12	0	
b. NDD II	266	58	58	
c. Fertilizer	161	5	0	
d. Land conservation	171	5	0	
e. Plant Protection	47	32	32	
f. Seed production/ marketing	467	24	0	
g. Support to cowpea prod.	310	29	0	
h. Support to peanut prod.	629	1	0	
i. Revolving credit fund	0	252	0	
j. Creation of guarantee fund	0	449	0	
k. Agriculture Price Study	4	4	0	
l. Projects to be developed		1,753	3,680	2,000
2. Emergency Relief Related projects				
a. Seed grain purchases	80	186	0	
b. Aid to cereal production	1,894	7	0	
c. Animal feed security	126	0	0	
3. Health				
a. Health infrastructure	37	16	16	
b. NHSS projects to be developed		1,963	2,760	2,551
Subtotal A:	4,209	4,796	6,546	4,551
B. Private Sector Programs				
1. Grant to private enter. prise parastatal	183	0	0	
2. Namari Goungou, fish coop	7	12	12	
3. Support to cooperative dev.	0	215	0	
4. Projects to be developed				760
Subtotal B:	190	227	12	760
C. Public Sector Recurrent Budget				
1. Budget support to Forestry and Land Use Planning Project	361	0	0	
2. O.E. for the Soils Lab	83	86	86	
3. Counterpart fund secretariat	75	144	0	
4. Support to productivity proj.	742	246	246	
5. Projects to be developed				200
Subtotal C:	936	476	332	200
D. AID Operating Expenses (Trust Fund)	396	646	627	527
DA TOTAL (A+B+C+D):	5,731	6,145	7,517	6,038

FY 1989 - ANNUAL BUDGET SUBMISSION
 TABLE VI - LOCAL CURRENCY GENERATIONS

<u>Source/Purpose</u>	<u>1986 Actual</u>	<u>1987 Est.</u>	<u>1988 Planned</u>	<u>1989 Proposed</u>
ECONOMIC SUPPORT FUND				
ASDG Dollar Disbursements (less Trust Fund)	\$4,154	\$1,753	\$3,680	\$2,760
ASDG Trust Fund	219	152	320	240
Health Sector Dollar Disbursements (less TF)	0	0	0	0
Health Sector Grant Trust F.	0	0	0	0
Sub-total ESF Funds	4,373	1,905	4,000	3,000
DEVELOPMENT ASSISTANCE FUNDS				
ASDG Dollar Disbursements (less trust fund)	7,721	4,660	3,680	2,760
ASDG Trust Fund	406	405	320	240
Health Sector Dollar Disbursements (less TF)	1,963	2,760	2,551	2,386
Health Sector Grant Trust F.	171	240	222	207
Sub-total DA Funds	10,261	8,065	6,773	5,593
Total ESF plus DA Funds	14,634	9,970	10,773	8,593

Table VII - List of Planned Evaluations
USAID/Niger

<u>Project List</u> (Project No. + Title)	<u>Last Eval.</u> <u>Completed</u> (M/Yr)	<u>FY 1988</u> <u>Start</u> (Qtr)	<u>FY 1989</u> <u>to AID/W</u> <u>to AID/W</u> Qtr)	<u>Reasons/Issues</u>	<u>Funding</u> <u>Source (\$000)</u>	<u>USAID</u> <u>Person</u> <u>Days</u>	<u>Collateral</u> <u>Assistance</u>
<u>Sahel Development</u>							
Agricultural Production Support (683-0234)	-	1	2	<u>PACD: 6/89</u> Mid-term Evaluation results will be used for mid-course correc- tions and to plan follow-on cooperative development activity.	Project 160	80	IQC 200 person days REDSO engineer 10 person days
Integrated Livestock Production (683-0242)	9/85	3	4	<u>PACD: 12/88</u> Final evaluation - lessons learned Results will be used in design of Agriculture Sector Development Grant II	Project 100	45	IQC 90 P.D.
Niamey Department Development (683-0240)	2/85	4	1	<u>PACD: 12/88</u> Final evaluation - lessons learned. Issue: continuation of key activities by GON (or under cooperative development project)	Project 80	40	IQC 75 P.D.

Evaluation: Sidney Chambers
Officer: Project Development Officer
25%

PRIVATIZATION PLANS

The overall objectives of the USAID/Niger privatization plan have not changed from those described in 86 Niamey 4964. The IBRD is still the lead donor in rationalizing the state-owned enterprises (SOEs) through privatization and reform.

USAID collaborates closely with the IBRD and supports the GON structural adjustment program, including parastatal reform. In its development assistance projects, USAID supports IBRD projects for restructuring parastatals. The IBRD supports USAID's Agriculture Sector Development Grant's policy reform program, including restructuring the agriculture input distribution system. USAID also provides technical assistance for this purpose under the Agriculture Production Support Project. The statute restructuring the inputs distribution parastatal into a transitional stage leading to cooperative ownership is awaiting final approval. USAID has played a leading role in policy dialogue for restructuring the food distribution parastatal into an organization for food security.

While GON efforts to sell some of the SOEs have not met with much success, the next Five-Year Plan and the Support Program for Private Initiative and Job Creation are based on a reduced governmental, and an increased private sector, role in promoting economic growth. USAID hopes to capitalize on this favorable policy climate to assist in moving current GON activities into the private sector more quickly. New activities additional to those described in 86 Niamey 4964 are briefly described below.

The Ohio State University study on rural financial markets completed in October 1986 stimulated much discussion within the GON on appropriate rural credit mechanisms. In line with the USAID strategy to encourage the development of viable cooperatives, USAID will follow up the OSU study with a pilot program for development of rural credit unions as an alternative to government agriculture credit agencies. Technical assistance will be provided through the World Council of Credit Unions.

In a related effort to encourage the GON in privatizing government services, USAID is proposing an FY 88 AEPRP program, focusing on promoting growth of the private sector in agriculture and rural based enterprises and services. The thrust of the program is on marketing and distribution of higher value crops, fattening livestock, processing commodities, manufacture and repair of machinery and pumps, etc. In the past, parastatals have played important roles in this, especially regarding exports of cowpeas and peanuts, and in machinery manufacture, but the situation and climate are changing rapidly.

Yet another area where USAID hopes to make significant progress over the course of the coming year is in seed production and distribution policy. Under the ASDG, the USAID and the GON are working toward a greater private sector role in decentralized seed multiplication, distribution and sales, primarily through cooperatives. The objective of the reform is to transform the government role into that of quality control, regulation, and seed security.

All privatization activities are tied to USAID's approved CDSS strategy. It uses financial and technical assistance available under the current project portfolio. The basic strategy, time frame, and available resources remain unchanged from 86 Niamey 4964.

A full report on SOE's and privatization will be incorporated in the private sector assessment which should be completed in early July. The results will be integrated into USAID's private sector strategy statement due before 31 July 1987. Privatization aspects of the proposed AEPRP will also be included in the strategy paper.

ABS 1989
ACTUAL OBLIGATIONS FY 1986
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OPERATING EXPENSES SUMMARY

FUNCTION CODE	OBJECT CLASS	DOLLARS	(\$000)	UNITS

US DIRECT HIRE	100		626.7	
=====				
U.S. CITIZENS BASIC PAY	101 110		0.0	
PT/TEMP U.S. BASIC PAY	102 112		0.0	
DIFFERENTIAL PAY	103 116		0.0	
OTHER AID/W FUNDED O.C. 11	104 119		0.0	
OTHER MISSION FUND. O.C. 11	105 119		0.0	
EDUCATION ALLOWANCE	106 126	112.4		15.0
RETIREMENT - U.S.	107 120		0.0	
LIVING ALLOWANCE	108 128	80.6		
OTHER AID/W FUNDED O.C. 12	109 129		0.0	
OTHER MISSION FUNDED CO.12	110 129		7.4	
POST ASSIGNMENT TRAVEL	111 121	16.6		8.0
POST ASSIGNMENT FREIGHT	112 22	137.3		9.0
HOME LEAVE TRAVEL	113 212	64.0		23.0
HOME LEAVE FREIGHT	114 22	142.0		23.0
EDUCATION TRAVEL	115 125	14.0		8.0
R & R TRAVEL	116 125	14.3		6.0
ALL OTHER CODE 215 TRAVEL	117 125	38.1		32.0
F.N. DIRECT HIRE	200		84.0	
=====				
BASIC PAY	201 114	58.7		9.5
OVERTIME HOLIDAY PAY	202 115	4.6		0.6
ALL OTHER CODE 11 FN	203 119	6.4		
ALL OTHER CODE 12 FN	204 129	14.3		
BEN FORMER FN PERSONNEL	205 13	0.0		
CONTRACT PERSONNEL	300		674.5	
=====				
PASA TECHNICIANS	301 258		0.0	
U.S. PSC SALARY/BENEFITS	302 113	219.3		5.5
ALL OTHER US PSC COSTS	303 255	83.7		
F.N. PSC SALARY/BENEFITS *	304 113	113.1		6.0
ALL OTHER FN PSC COSTS *	305 255	49.7		
MANPOWER CONTRACTS *	306 113	208.7		29.0
HOUSING	400		598.5	
=====				
RENT	401 235	192.6		23.5
UTILITIES	402 235	232.5		
MAINTENANCE AND RENOVATION	403 259	25.9		
QUARTERS ALLOWANCE	404 127	6.4		0.5
RESIDENTIAL FURNIT./EQUIP.	405 311	0.5		
TRANS./FREIGHT - CODE 311	406 22	0.0		
SECURITY GUARD SERVICES	407 254	136.5		
OFFICIAL RESID. ALLOWANCES	408 254	2.6		
REPRESENTATION ALLOWANCES	409 252	1.5		

OFFICE OPERATIONS	500		1,141.3	
=====				
RENT	501	234	225.8	
UTILITIES	502	234	24.4	
BUILDING MAINT./RENOVATION	503	259	7.7	
OFFICE FURNITURE/EQUIPMENT	504	310	28.1	
VEHICLES	505	312	11.5	
OTHER EQUIPMENT	506	319	334.9	
TRANSPORTATION/FREIGHT	507	22	78.1	
FUR/EQUIP/VEHICLE REP.MAINT	508	259	31.5	
COMMUNICATIONS	509	230	57.0	
SECURITY GUARD SERVICES	510	254	58.0	
PRINTING	511	24	1.7	
SITE VISITS,MISSION PER *	513	210	40.7	218.0
SITE VISITS,AID/W PER	514	210	8.1	6.0
INFORMATION MEETINGS	515	210	5.4	6.0
TRAINING ATTENDANCE	516	210	47.3	17.0
CONFERENCE ATTENDANCE	517	210	17.5	25.0
OTHER OPERATIONAL TRAVEL	518	210	60.7	20.0
SUPPLIES AND MATERIALS	519	26	86.8	
FAAS	520	257	0.0	
CONSULT. SVCS - CONTRACTS	521	259	0.0	
MGT./PROF SVCS - CONTRACTS	522	259	0.0	
SPEC. STUDIES/ANALYSES CONT	523	259	0.0	
ALL OTHER CODE 25	524	259	16.1	
636C REQUIREMENTS	636C		500.0	
TOTAL O.E. BUDGET WITH LOCAL SUPPORT COST			3,125.0	
RECONCILIATION (-)			0.0	
OPERATING BUDGET REQUIREMENTS			3,125.0	
636C REQUIREMENTS U-600			500.0	
TOTAL ALLOWANCES REQUIREMENTS			3,625.0	
DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES				
EXCHANGE RATE USED (CFA 335.50 = \$1.00)			1,572.1	
ESTIMATED INFLATION RATE	5%			

* LOCAL SUPPORT COST

1989 ABS

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TABLE VIII - FY 1987

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OPERATING EXPENSES SUMMARY

FUNCTION CODE	OBJECT CLASS	DOLLARS (\$000)	UNITS
3 DIRECT HIRE	100	1,992.1	
=====			
U.S. CITIZENS BASIC PAY	101 110	960.5	19.8
PT/TEMP U.S. BASIC PAY	102 112	16.4	0.8
DIFFERENTIAL PAY	103 116	217.2	
OTHER AID/W FUNDED O.C. 11	104 119	0.0	
OTHER MISSION FUND. O.C. 11	105 119	0.0	
EDUCATION ALLOWANCE	106 126	111.8	18
RETIREMENT - U.S.	107 120	94.4	
LIVING ALLOWANCE	108 128	124.9	
OTHER AID/W FUNDED O.C. 12	109 129	20.6	
OTHER MISSION FUNDED CO.12	110 129	10.7	
POST ASSIGNMENT TRAVEL	111 121	42.9	11.0
POST ASSIGNMENT FREIGHT	112 22	201.5	11.0
HOME LEAVE TRAVEL	113 212	27.1	7.0
HOME LEAVE FREIGHT	114 22	39.3	7.0
EDUCATION TRAVEL	115 125	10.5	5.0
& R TRAVEL	116 125	33.5	33.0
ALL OTHER CODE 215 TRAVEL	117 125	80.8	14.0
4.N. DIRECT HIRE	200	111.7	
=====			
BASIC PAY	201 114	82.7	10.0
VERTIME HOLIDAY PAY	202 115	4.2	1.2
ALL OTHER CODE 11 FN	203 119	6.9	
ALL OTHER CODE 12 FN	204 129	17.9	
FOR FORMER FN PERSONNEL	205 13	0.0	
5 CONTRACT PERSONNEL	300	753.6	
=====			
USA TECHNICIANS	301 258	0.0	
U.S. PSC SALARY/BENEFITS	302 113	69.7	3.0
ALL OTHER US PSC COSTS	303 255	21.5	
U.N. PSC SALARY/BENEFITS	304 113	376.8	31.2
ALL OTHER FN PSC COSTS	305 255	68.7	
TEMPORARY CONTRACTS	306 113	216.9	37.4
6 USING	400	636.2	
=====			
RENT	401 235	234.8	23.0
UTILITIES	402 235	231.6	
MAINTENANCE AND RENOVATION	403 259	29.6	
QUARTERS ALLOWANCE	404 127	0.0	
RESIDENTIAL FURNIT./EQUIP.	405 311	0.0	
TRANS./FREIGHT - CODE 311	406 22	0.0	
SECURITY GUARD SERVICES	407 254	135.7	66.0
OFFICIAL RESID. ALLOWANCES	408 254	3.0	
REPRESENTATION ALLOWANCES	409 252	1.5	

OFFICE OPERATIONS	500		1,605.0	
=====				
ENT	501	234	223.0	
ILITIES	502	234	63.2	
BUILDING MAINT./RENOVATION	503	259	37.0	
OFFICE FURNITURE/EQUIPMENT	504	310	3.5	
EHICLES	505	312	1.3	
OTHER EQUIPMENT	506	319	0.0	
TRANSPORTATION/FREIGHT	507	22	0.0	
UR/EQUIP/VEHICLE REP.MAINT	508	259	42.4	
MMUNICATIONS	509	230	80.0	
SECURITY GUARD SERVICES	510	254	69.6	20.5
PRINTING	511	24	2.2	
ITE VISITS,MISSION PER	513	210	30.0	120.0
ITE VISITS,AID/W PER	514	210	5.0	2.0
FORMATION MEETINGS	515	210	0.5	1.0
RAINING ATTENDANCE	516	210	42.2	11.0
ONFERENCE ATTENDANCE	517	210	12.4	14.0
OTHER OPERATIONAL TRAVEL	518	210	53.9	14.0
PPPLIES AND MATERIALS	519	26	72.8	
AS	520	257	819.5	
ONSULT. SVCS - CONTRACTS	521	259	0.0	
ST./PROF SVCS - CONTRACTS	522	259	0.0	
PEC. STUDIES/ANALYSES CONT	523	259	0.0	
LL OTHER CODE 25	524	259	46.5	
36C REQUIREMENTS	636C		0.0	

TOTAL O.E. BUDGET			5,098.6	
ECONCILIATION	(-)		2,128.6	
PERATING BUDGET REQUIREMENTS			2,970.0	
36C REQUIREMENTS U-600			0.0	
TOTAL ALLOWANCES REQUIREMENTS			2,970.0	
DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES				
(CHANGE RATE USED (CFA 300 = \$1.00)			2,171.7	
ESTIMATED INFLATION RATE	5%			

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SUPPLEMENTAL TABLE VIII - FY 1987

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OPERATING EXPENSES SUMMARY

FUNCTION CODE	OBJECT		DOL (\$ 000)	UNITS
	CLA	DOL		
3 DIRECT HIRE	100		0.0	
=====				
U.S. CITIZENS BASIC PAY	101	110	0.0	
T/TEMP U.S. BASIC PAY	102	112	0.0	
DIFFERENTIAL PAY	103	116	0.0	
OTHER AID/W FUNDED O.C. 11	104	119	0.0	
OTHER MISSION FUND. O.C. 11	105	119	0.0	
EDUCATION ALLOWANCE	106	126	0	
RETIREMENT - U.S.	107	120	0.0	
LIVING ALLOWANCE	108	128	0.0	
OTHER AID/W FUNDED O.C. 12	109	129	0.0	
OTHER MISSION FUNDED CO. 12	110	129	0.0	
POST ASSIGNMENT TRAVEL	111	121	0.0	
POST ASSIGNMENT FREIGHT	112	22	0.0	
HOME LEAVE TRAVEL	113	212	0.0	
HOME LEAVE FREIGHT	114	22	0.0	
EDUCATION TRAVEL	115	125	0.0	
& R TRAVEL	116	125	0.0	
ALL OTHER CODE 215 TRAVEL	117	125	0.0	
U.N. DIRECT HIRE	200		0.0	
=====				
BASIC PAY	201	114	0.0	
VERTIME HOLIDAY PAY	202	115	0.0	
ALL OTHER CODE 11 FN	203	119	0.0	
ALL OTHER CODE 12 FN	204	129	0.0	
PEN FORMER FN PERSONNEL	205	13	0.0	
CONTRACT PERSONNEL	300		248.6	
=====				
ASA TECHNICIANS	301	258	0.0	
U.S. PSC SALARY/BENEFITS	302	113	122.0	2.0
ALL OTHER US PSC COSTS	303	255	90.5	
U.N. PSC SALARY/BENEFITS	304	113	36.1	4.5
ALL OTHER FN PSC COSTS	305	255	0.0	
MANPOWER CONTRACTS	306	113	0.0	
CONSUMING	400		284.5	
=====				
RENT	401	235	0.0	
UTILITIES	402	235	0.0	
MAINTENANCE AND RENOVATION	403	259	0.0	
QUARTERS ALLOWANCE	404	127	0.0	
RESIDENTIAL FURNIT./EQUIP.	405	311	86.6	
TRANS./FREIGHT - CODE 311	406	22	80.8	
SECURITY GUARD SERVICES	407	254	117.1	49.5
OFFICIAL RESID. ALLOWANCES	408	254	0.0	
REPRESENTATION ALLOWANCES	409	252	0.0	

OFFICE OPERATIONS	500		239.3
=====			
ENT	501	234	0.0
ILITIES	502	234	0.0
BUILDING MAINT./RENOVATION	503	259	0.0
OFFICE FURNITURE/EQUIPMENT	504	310	23.6
VEHICLES	505	312	16.0
OTHER EQUIPMENT	506	319	147.3
TRANSPORTATION/FREIGHT	507	22	39.8
VEHICLE/EQUIP/VEHICLE REP.MAINT	508	259	0.0
COMMUNICATIONS	509	230	0.0
SECURITY GUARD SERVICES	510	254	0.0
PRINTING	511	24	0.0
OFFICE VISITS, MISSION PER	513	210	0.0
OFFICE VISITS, AID/W PER	514	210	0.0
INFORMATION MEETINGS	515	210	0.0
TRAINING ATTENDANCE	516	210	0.0
CONFERENCE ATTENDANCE	517	210	0.0
OTHER OPERATIONAL TRAVEL	518	210	0.0
SUPPLIES AND MATERIALS	519	26	0.0
GAS	520	257	0.0
CONSULT. SVCS - CONTRACTS	521	259	0.0
ST./PROF SVCS - CONTRACTS	522	259	0.0
SPEC. STUDIES/ANALYSES CONT	523	259	0.0
LOCAL OTHER CODE 25	524	259	12.6

36C REQUIREMENTS 636C

TOTAL O.E. BUDGET			772.4
RECONCILIATION		(-)	0.0
OPERATING BUDGET REQUIREMENTS			772.4
36C REQUIREMENTS U-600			0.0
TOTAL ALLOWANCES REQUIREMENTS			772.4

DOLLARS REQUIRED FOR LOCAL
CURRENCY EXPENSES
(CHANGE RATE USED (CFA 300 = \$1.00) 221.1
ESTIMATED INFLATION RATE 5%

1989 ABS

TABLE VIII - FY 1988

OPERATING EXPENSES SUMMARY

FUNCTION CODE	OBJECT CLASS	DOLLARS (\$000)	UNITS
100		2,136.4	
=====			
U.S. CITIZENS BASIC PAY	101 110	1,108.3	23.0
TEMP U.S. BASIC PAY	102 112	16.4	0.8
DIFFERENTIAL PAY	103 116	246.3	
OTHER AID/W FUNDED O.C. 11	104 119	0.0	
OTHER MISSION FUND. O.C. 11	105 119	0.0	
EDUCATION ALLOWANCE	106 126	101.2	14
RETIREMENT - U.S.	107 120	108.3	
LIVING ALLOWANCE	108 128	144.1	
OTHER AID/W FUNDED O.C. 12	109 129	23.9	
OTHER MISSION FUNDED CO.12	110 129	8.6	
POST ASSIGNMENT TRAVEL	111 121	29.5	8.0
POST ASSIGNMENT FREIGHT	112 22	160.0	8.0
HOME LEAVE TRAVEL	113 212	28.4	8.0
HOME LEAVE FREIGHT	114 22	48.5	8.0
EDUCATION TRAVEL	115 125	12.3	7.0
& R TRAVEL	116 125	49.8	39.0
ALL OTHER CODE 215 TRAVEL	117 125	50.8	11.0
200		117.7	
=====			
BASIC PAY	201 114	86.8	10.0
VERTIME HOLIDAY PAY	202 115	4.8	1.2
ALL OTHER CODE 11 FN	203 119	7.2	
ALL OTHER CODE 12 FN	204 129	18.9	
IN FORMER FN PERSONNEL	205 13	0.0	
300		821.4	
=====			
USA TECHNICIANS	301 258	0.0	
U.S. PSC SALARY/BENEFITS	302 113	119.0	3.8
ALL OTHER US PSC COSTS	303 255	43.0	
FN. PSC SALARY/BENEFITS	304 113	590.7	42.0
ALL OTHER FN PSC COSTS	305 255	68.7	
EMPPOWER CONTRACTS	306 113	0.0	
400		695.9	
=====			
RENT	401 235	259.6	24.0
UTILITIES	402 235	249.2	
MAINTENANCE AND RENOVATION	403 259	31.3	
QUARTERS ALLOWANCE	404 127	0.0	
RESIDENTIAL FURNIT./EQUIP.	405 311	0.0	
TRANS./FREIGHT - CODE 311	406 22	0.0	
SECURITY GUARD SERVICES	407 254	151.3	69.0
OFFICIAL RESID. ALLOWANCES	408 254	3.0	
REPRESENTATION ALLOWANCES	409 255	1.5	

OFFICE OPERATIONS	500		1,430.3	
=====				
RENT	501	234	235.4	
UTILITIES	502	234	59.4	
BUILDING MAINT./RENOVATION	503	259	35.6	
OFFICE FURNITURE/EQUIPMENT	504	310	0.0	
VEHICLES	505	312	0.0	
OTHER EQUIPMENT	506	319	0.0	
TRANSPORTATION/FREIGHT	507	22	0.0	
TIRE/VEHICLE/VEHICLE REF.MAINT	508	259	50.7	
COMMUNICATIONS	509	230	75.4	
SECURITY GUARD SERVICES	510	254	21.0	7.0
PRINTING	511	24	2.1	
STATE VISITS, MISSION PER	513	210	31.5	120.0
STATE VISITS, AID/W PER	514	210	13.1	5.0
INFORMATION MEETINGS	515	210	5.7	2.0
TRAINING ATTENDANCE	516	210	40.6	10.0
CONFERENCE ATTENDANCE	517	210	15.9	16.0
OTHER OPERATIONAL TRAVEL	518	210	35.7	9.0
SUPPLIES AND MATERIALS	519	26	72.3	
GAS	520	257	698.5	
CONSULT. SVCS - CONTRACTS	521	259	0.0	
ST./PROF SVCS - CONTRACTS	522	259	0.0	
REC. STUDIES/ANALYSES CONT	523	259	0.0	
ALL OTHER CODE 25	524	259	37.4	
36C REQUIREMENTS	636C		0.0	
TOTAL O.E. BUDGET			5,201.7	
RECONCILIATION	(-)		2,201.7	
OPERATING BUDGET REQUIREMENTS			3,000.0	
36C REQUIREMENTS U-600			0.0	
TOTAL ALLOWANCES REQUIREMENTS			3,000.0	
DOLLARS REQUIRED FOR LOCAL				
CURRENCY EXPENSES				
(CHANGE RATE USED (CFA 300 = \$1.00)			2,619.0	
ESTIMATED INFLATION RATE	5%			

1989 ABS

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SUPPLEMENTAL TABLE VIII - FY 1988

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OPERATING EXPENSES SUMMARY

	FUNCTION CODE	OBJECT CLASS	DOLLARS (\$ 000)	UNITS

3 DIRECT HIRE	100		0.0	
=====				
U.S. CITIZENS BASIC PAY	101	110	0.0	
P/TEMP U.S. BASIC PAY	102	112	0.0	
DIFFERENTIAL PAY	103	116	0.0	
OTHER AID/W FUNDED O.C. 11	104	119	0.0	
OTHER MISSION FUND. O.C. 11	105	119	0.0	
EDUCATION ALLOWANCE	106	126	0	
RETIREMENT - U.S.	107	120	0.0	
MOVING ALLOWANCE	108	128	0.0	
OTHER AID/W FUNDED O.C. 12	109	129	0.0	
OTHER MISSION FUNDED CO.12	110	129	0.0	
POST ASSIGNMENT TRAVEL	111	121	0.0	
POST ASSIGNMENT FREIGHT	112	22	0.0	
HOME LEAVE TRAVEL	113	212	0.0	
HOME LEAVE FREIGHT	114	22	0.0	
EDUCATION TRAVEL	115	125	0.0	
& R TRAVEL	116	125	0.0	
ALL OTHER CODE 215 TRAVEL	117	125	0.0	
4. N. DIRECT HIRE	200		0.0	
=====				
BASIC PAY	201	114	0.0	
VERTIME HOLIDAY PAY	202	115	0.0	
ALL OTHER CODE 11 FN	203	119	0.0	
ALL OTHER CODE 12 FN	204	129	0.0	
IN FORMER FN PERSONNEL	205	13	0.0	
5. CONTRACT PERSONNEL	300		159.1	
=====				
USA TECHNICIANS	301	258	0.0	
U.S. PSC SALARY/BENEFITS	302	113	0.0	
ALL OTHER US PSC COSTS	303	255	0.0	
N. PSC SALARY/BENEFITS	304	113	0.0	
ALL OTHER FN PSC COSTS	305	255	0.0	
POWER CONTRACTS	306	113	159.1	36
6. HOUSING	400		132.9	
=====				
RENT	401	235	0.0	
UTILITIES	402	235	0.0	
MAINTENANCE AND RENOVATION	403	259	0.0	
QUARTERS ALLOWANCE	404	127	0.0	
RESIDENTIAL FURNIT./EQUIP.	405	311	68.6	
TRANS./FREIGHT - CODE 311	406	22	64.3	
SECURITY GUARD SERVICES	407	254	0.0	
OFFICIAL RESID. ALLOWANCES	408	254	0.0	
REPRESENTATION ALLOWANCES	409	252	0.0	

OFFICE OPERATIONS	500		350.6
=====			
RENT	501	234	8.2
UTILITIES	502	234	5.2
BUILDING MAINT./RENOVATION	503	259	2.0
OFFICE FURNITURE/EQUIPMENT	504	310	24.7
VEHICLES	505	312	48.5
OTHER EQUIPMENT	506	319	41.3
TRANSPORTATION/FREIGHT	507	22	24.3
TRUCK/EQUIP/VEHICLE REP.MAINT	508	259	0.0
COMMUNICATIONS	509	230	0.0
SECURITY GUARD SERVICES	510	254	10.7
PRINTING	511	24	0.0
STATE VISITS, MISSION PER	513	210	0.0
STATE VISITS, AID/W PER	514	210	0.0
INFORMATION MEETINGS	515	210	0.0
TRAINING ATTENDANCE	516	210	0.0
CONFERENCE ATTENDANCE	517	210	0.0
OTHER OPERATIONAL TRAVEL	518	210	0.0
SUPPLIES AND MATERIALS	519	26	14.7
RAAS	520	257	0.0
CONSULT. SVCS - CONTRACTS	521	259	0.0
ST./PROF SVCS - CONTRACTS	522	259	0.0
TECH. STUDIES/ANALYSES CONT	523	259	0.0
ALL OTHER CODE 25	524	259	171.0

3.

36C REQUIREMENTS 636C

TOTAL O.E. BUDGET			
RECONCILIATION	(-)		642.6
OPERATING BUDGET REQUIREMENTS			0.0
36C REQUIREMENTS U-600			642.6
TOTAL ALLOWANCES REQUIREMENTS			0.0
			642.6
DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES			
EXCHANGE RATE USED (CFA 300 = \$1.00)			
ESTIMATED INFLATION RATE	5%		370.9

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TABLE VIII - FY 1989

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OPERATING EXPENSES SUMMARY

	FUNCTION CODE	OBJECT CLASS	DOLLARS (\$000)	UNITS

3 DIRECT HIRE	100		2,272.8	
=====				
S. CITIZENS BASIC PAY	101	110	1,128.7	23.5
/TEMP U.S. BASIC PAY	102	112	16.4	0.8
DIFFERENTIAL PAY	103	116	247.3	
OTHER AID/W FUNDED O.C. 11	104	119	0.0	
OTHER MISSION FUND. O.C. 11	105	119	0.0	
EDUCATION ALLOWANCE	106	126	128.0	16
RETIREMENT - U.S.	107	120	111.0	
MOVING ALLOWANCE	108	128	160.1	
OTHER AID/W FUNDED O.C. 12	109	129	24.2	
OTHER MISSION FUNDED CO. 12	110	129	10.6	
POST ASSIGNMENT TRAVEL	111	121	32.5	11.0
POST ASSIGNMENT FREIGHT	112	22	220.0	11.0
HOME LEAVE TRAVEL	113	212	40.5	12.0
HOME LEAVE FREIGHT	114	22	43.6	12.0
EDUCATION TRAVEL	115	125	8.8	5.0
& R TRAVEL	116	125	44.6	33.0
L OTHER CODE 215 TRAVEL	117	125	56.5	17.0
N. DIRECT HIRE	200		123.6	
=====				
BASIC PAY	201	114	91.1	10.0
OVERTIME HOLIDAY PAY	202	115	5.0	1.2
L OTHER CODE 11 FN	203	119	7.6	
L OTHER CODE 12 FN	204	129	19.9	
ON FORMER FN PERSONNEL	205	13	0.0	
CONTRACT PERSONNEL	300		938.4	
=====				
USA TECHNICIANS	301	258	0.0	
S. PSC SALARY/BENEFITS	302	113	73.3	2.0
L OTHER US PSC COSTS	303	255	43.0	
N. PSC SALARY/BENEFITS	304	113	509.0	42.0
L OTHER FN PSC COSTS	305	255	68.7	
INPOWER CONTRACTS	306	113	244.4	48.0
HOUSING	400		855.6	
=====				
RENT	401	235	272.5	24.0
UTILITIES	402	235	257.2	
MAINTENANCE AND RENOVATION	403	259	32.6	
QUARTERS ALLOWANCE	404	127	0.0	
CONFIDENTIAL FURNIT./EQUIP.	405	311	68.6	
TRANS./FREIGHT - CODE 311	406	22	64.3	
SECURITY GUARD SERVICES	407	254	155.9	69.0
OFFICIAL RESID. ALLOWANCES	408	254	3.0	

OFFICE OPERATIONS	500		1,483.0		- 51 -
=====					
AGENCY	501	234	9.0		
UTILITIES	502	234	67.9		
BUILDING MAINT./RENOVATION	503	259	39.5		
OFFICE FURNITURE/EQUIPMENT	504	310	24.7		
VEHICLES	505	312	48.5		
OTHER EQUIPMENT	506	319	41.3		
TRANSPORTATION/FREIGHT	507	22	24.3		
DR./EQUIP./VEHICLE REP.MAINT	508	259	52.6		
COMMUNICATIONS	509	230	79.2		
SECURITY GUARD SERVICES	510	254	33.2	10.0	
PRINTING	511	24	2.2		
STATE VISITS, MISSION PER	513	210	33.1	120.0	
STATE VISITS, AID/W PER	514	210	13.8	4.0	
INFORMATION MEETINGS	515	210	5.9	2.0	
TRAINING ATTENDANCE	516	210	42.6	10.0	
CONFERENCE ATTENDANCE	517	210	16.7	16.0	
OTHER OPERATIONAL TRAVEL	518	210	37.5	9.0	
SUPPLIES AND MATERIALS	519	26	146.2		
PHAS	520	257	648.5		
CONSULT. SVCS - CONTRACTS	521	259	0.0		
ST./PROF SVCS - CONTRACTS	522	259	0.0		
TECH. STUDIES/ANALYSES CONT	523	259	0.0		
UNCL. OTHER CODE 25	524	259	116.3		
36C REQUIREMENTS	636C		0.0		
TOTAL O.E. BUDGET			5,673.4		
RECONCILIATION	(-)		2,176.1		
OPERATING BUDGET REQUIREMENTS			3,497.3		
36C REQUIREMENTS U-600			0.0		
TOTAL ALLOWANCES REQUIREMENTS			3,497.3		
DOLLARS REQUIRED FOR LOCAL					
CURRENCY EXPENSES					
(CHANGE RATE USED (CFA 300 = \$1.00)			2,259.8		
ESTIMATED INFLATION RATE	5%				

TABLE VIII a - NARRATIVE

I. REASONS FOR INCREASES

Outlined and explained below are:

- (a) changes in funding requirements exceeding 2 percent from one year to the next for any of the summary function levels or the total allowance levels; and
- (b) significant changes in unit costs from one year to the next.

It should be noted that expenditures for locally purchased goods and services have been severely affected by the deterioration of the US dollar vis-a-vis the CFA franc, which has a fixed rate tied to the French franc. The rate used last year was US \$1.00=360 FCFA and this year the rate is US \$1.00=300 FCFA.

A. Changes exceeding 2 percent (summary function levels/total allowance levels):

1. Summary Function 100 (US Direct Hire)

- (a) This level increases approximately 7 percent from FY-87 to 88 due primarily to estimated reduced staffing gaps and corresponding increased workyear units. Larger increases mainly in fulltime salaries/differential/retirement, COLA, R+R and Home Leave travel and freight, are offset partly by decreases in education allowance, post assignment travel and freight, and all other code 215 travel (which included 3 retirement travel cases in FY-87).
- (b) From FY-88 to 89 the increase is approximately 6 percent with significant changes in post assignment, HL and family composition fluctuation estimates and all other code 215 travel estimates. Larger increases in education allowance, COLA, post assignment travel and freight, HL travel, and all other code 215 travel are offset partly by decreases in HL freight, education travel and R+R travel.

2. Summary Function 200 (FN Direct Hire)

This level increases approximately 5 percent from FY-87 to 88 and again 5 percent from FY-88 to 89 due to a contingency anticipated mainly for potential wage survey pay increases.

3. Summary Function 300 (Contract Personnel)

- (a) In terms of current levels, this summary function code increases by 9 percent from FY 87 to 88 with a further increase of approximately 14 percent from FY 88 to 89. However, there are supplementary proposals for both FY-87 and 88 with significant increases in code 300. This would change percentages. The following summarizes the increases proposed for code 300:

(000 US \$)

	<u>Current Level</u>	<u>Supplement</u>	<u>Total</u>
FY - 87	753.6	248.6	1002.2
FY - 88	821.4	159.1	980.5
FY - 89	-	-	938.4

- (b) Significant cost issues particularly in FY-87 and 88 concern funding for the PSC Executive Officer and the PSC Deputy Executive Officer, necessitated for many reasons - the major ones are:
- (1) the year and one half gap in filling the USDH Executive Officer position;
 - (2) for the PSC Executive Officer to manage an understudy program at post in FY-88 for the new-hire DM Executive Officer, expected to arrive at post 9/87;
 - (3) additional workload relating to the unique AID funded new office building construction (including supplemental OE and AID support of the FBO representative) - the building is expected to be completed 5/88; and
 - (4) additional workload relating to FAAS (JAO) reductions effective April 1, 1987, others planned for FY-88 and some anticipated in FY 89. These reductions will impact in code 300 in terms of increases - relatively insignificantly, though, in relation to the impact on Code 500 in terms of reduced FAAS costs.
- (c) Other particularly significant issues include (1) an additional part-time US secretarial position in the latter part of FY-87 and a large part of FY-88 due to the projected lengthy gap in filling the Director's Secretary position and (2) the establishing of a few positions for Host Country Nationals under the AID Mission's Nigerienization program.
- (d) The funding shift within Code 300 from manpower contracts to FN PSCs relates in FY-87 and 88 to the termination of the Employee Association Intermediary Contractor for many positions and the conversion to direct PSC arrangements. Funding amounts and work units are irregular in these codes (FN PSCs and Manpower Contracts) as FY-87 covers funding for more than one year and the FY-87 supplement picks-up short fall in one-year forward funding.
- (e) The FY-87 current level was recently increased from \$2.8 million to \$2.97 million to cover FAAS reduction related activities in FY-87 and incremental funding for the PSC Deputy Executive Officer. The FY-87 supplement includes one full year funding for the PSC Executive Officer and the short fall in one-year forward funding for the PSC Deputy Executive Officer.
- (f) Supplemental increases in FY-88 reflect FAAS (JAO) reduction plans for contracting-out some of the motor pool and building/equipment maintenance and repair activities.

4. Summary Function 400 (Housing)

(a) There is an increase of approximately 9 percent within current levels from FY-87 to 88 and a 23 percent increase from FY-88 to 89. However, there are supplementary proposals for both FY-87 and 88 with significant increases relating to catch up procurement/shipping of residential furniture and equipment (deleted in FY-86 and thus far in FY-87). USAID residential furniture generally has reached the point where it is difficult to refinish/repair because of the unskilled or inappropriate techniques available in Niger for such services involving US manufactured products. The following summarizes the furniture/equipment increases proposed for code 400.

(000 US \$)

	<u>Current level</u>	<u>Supplement</u>	<u>Total</u>
<u>FY-87</u>			
Total Code 400	636.2	284.5	920.7
405 furn/equip	(0.0)	(86.6)	(86.6)
406 Trans/freight	(0.0)	(80.8)	(80.8)
<u>FY-88</u>			
Total Code 400	695.9	132.9	828.8
405 furn/equip	(0.0)	(68.6)	(68.6)
406 trans/freight	(0.0)	(64.3)	(64.3)
<u>FY-89</u>			
Total Code 400	-	-	855.6
405 Furn/equip	-	-	(68.6)
406 trans/freight	-	-	(64.3)

(b) Security guard services also reflect more than one year funding periods and irregular workyear units in the current FY-87 level relating to manpower contract changes with catch-up of \$117,100 in the FY-87 supplement.

(c) Also relevant in Code 400 is the addition of one staff member in FY-88 to reach our current ceiling of 23 USDH..

5. Summary Function 500 (Office Operations)

(a) Significant issues for Code 500 are FAAS (JAO) reductions, and moving to, and new installations for, the new AID office building now planned for the 3d quarter of FY-88.

(b) Proposed increases in this code for FY 87 and 88 and proposed level for FY-89 are highlighted as follows:

(000 US\$)

	<u>Current level</u>	<u>Supplemental</u>	<u>Total</u>
FY-87	1,605.0	239.3	1,844.3
FY-88	1,430.3	350.6	1,780.9
FY-89	-	-	1,483.0

(c) A major change is in FAAS. This is discussed in detail in Section II Management Improvements of the Table VIIIa - Narrative. The estimates are as follows:

(000 US\$)

	<u>FY-87</u>	<u>FY-88</u>	<u>FY89</u>
Code 520-FAAS	819.5	698.5	648.5

6. Overall total allowance levels are proposed to increase in FY 87 and 88 as follows (as current levels have been found to be inadequate; in FY-88 particularly in view of new Office Building and FAAS reduction requirements). FY 89 shows an increase from current FY 88 level but a decrease from FY 88 supplement.

(000 US\$)

	<u>Current levels</u>	<u>Supplement</u>	<u>Total</u>
FY-87	2,970.0	772.4	3,742.4
FY-88	3,000.0	665.1	3,665.1
FY-89	-	-	3,497.3

(a) Of the supplement for FY-87, the most critical additional requirement is for 160 thousand for the PSC Executive Officer - other critical requirements are for the Mission Accounting and Control System, catch-up procurement, and additional contract funding requirements.

(b) For the FY-88 supplement, new AID office building related funding requirements are dominant. Also there are more catch-up procurement and additional contract funding requirements.

- (c) For FY-89 with a virtually fully staffed organization, the operation begins to stabilize in a new office building set-up with a greatly reduced FAAS support arrangement. Regular procurement and recurring expenses have been included.

B. Significant Unit Cost Changes

Most issues relating to significant cost changes have been described above in commenting on changes which exceed 2 percent. Several unit cost changes, however, warrant special mention. There are (1) education allowance changes in tuition and school away from post costs; (2) travel unit cost rates which fluctuate with regard to family composition in code 100 and with regard to destination and timeperiods in code 500; and (3) contract personnel unit cost rates which are irregular due to incremental or more than one year funding particularly in many FN/manpower contract cases.

II. MANAGEMENT IMPROVEMENTS

The following management activities dominate USAID/Niger's administrative support operations and expenses in FY-87:

- (1) The new AID Office Building
- (2) FAAS (JAO) reductions
- (3) Nigerienization

These activities are the result of special earlier efforts, particularly in FY-86, and are continued in 1987. They are expected to escalate as major issues during a transition period in FY-88 with FY-89 as the target for levelling off and stabilization of AID Mission Management.

The New AID Office Building has become a major investment. In the long run there should be significant rental savings. In the short run it has become a financial burden with the decline of the exchange rate value of the dollar and the shortage of 636c and other funds for building construction, newly required security upgrade changes and accessories, such as a generator, telephone system, partitions, etc. Additional funds were allotted in FY-86, committed in FY-87 and projected in FY-88 to cover additional costs for the new AID office building, now scheduled for completion in the third quarter of FY-88. To deal with these funding issues, a close collaboration has developed among the major concerned action offices in AID/W (AA/M, AFR/CONT, M/SER/MS, IG/SEC and FBO) along with the Embassy and USAID in Niger.

FAAS (JAO) Reductions - As planned and anticipated, there were substantial savings in the overall FAAS expenses in FY-86. AID/Washington negotiations achieved the transfer of two positions from DAS to CORE in FY-86 rather than FY-1987, as originally scheduled, thus resulting in major cost savings. FAAS actuals for USAID/Niger were reduced from \$1,396,800 in FY-85 to \$868,500 in FY-86 (a savings of \$528,300).

Beginning October 1, 1986, FAAS reductions for FY-87 took the form of some direct payments in lieu of previous FAAS cost/overhead distribution methods. For the second half of the fiscal year beginning April 1, 1987, the functional activities for procurement and non-expendable property and warehouse management were transferred from the JAO to USAID/Niger. Costs for FY-87 for these changes, which were previously funded through FAAS, excluding overhead, have been estimated at \$92,000. The budget plan for FAAS for FY-87 is estimated at \$49,000 less than FY-86 actual. The difference in FY-87 between the \$92,000 estimate for operations costs for previous FAAS funded activities and the lower FAAS net savings estimate of \$49,000 is attributed to off-sets related to inflation factors, dollar devaluation and prescribed FAAS formula calculations. Further review of the FY-87 FAAS at post and in Washington may result in greater net savings.

USAID/Niger has informed the Embassy of its intention to make further reductions in FAAS costs in FY-88. Two additional areas of administrative services have been identified where significant savings can be obtained by the reduction of these services. These functional areas are (a) motor vehicle operations and maintenance; and (b) maintenance and repair for buildings, furniture and equipment. Cost estimates for these activities now funded through FAAS will be further refined prior to FY-88 as more specific data are obtained relating to local source service contracts. Previous cost estimates (i.e., savings) for one year for these two FAAS functions were \$349,000. The FY-88 FAAS total at this time, however, is conservatively estimated at \$698,500 (a net savings of \$121,000 - i.e., reduction from FY-87). This reflects an estimated off-set for reasons indicated for FY-87 and because State has indicated its intention to change the FAAS system in FY-88 in order to distribute more appropriately some costs, thought now by State to be not properly distributed to serviced agencies - thus net savings in FY-88 may not be as high as previously estimated. Although the net FAAS savings are shown at \$121,000 for these two functions at this time for FY-88, operations costs are estimated and distributed in the OE budget plan supplement for FY-88 at \$242,000. Thus the operations costs for FAAS reductions projected for FY-88 represent a significant part of the short fall of funds identified in the supplement to the current FY-88 allowance.

Consideration is being given by USAID/Niger to reducing two other activities from FAAS (JAO) services in FY-89. These are Leasing and Administrative Supplies. Similar to the offset adjustment rationale used for FY-88, the net savings for FY-89 are estimated at 50% of the \$100,000 cost estimate for Leasing and Administrative Supply activities, now funded through FAAS.

Unpredictable factors relating to US Mission and/or USAID/Niger activities and costs, of course, could change drastically the course and timetable planned and anticipated for FAAS reductions. However, the following are forecasts of net savings in terms of additional reductions each FY and also in terms of savings repeated each year thereafter for a cumulative savings total of approximately 2.5 million dollars over a four year period.

	<u>FAAS COSTS</u>	<u>NET SAVINGS</u>	
FY-85	\$1,396,800 (ACTUAL)	-	
FY-86	868,500 (ACTUAL)	\$528,300	
FY-87	819,500 (ESTIMATE)	49,000	(plus the same net \$528,300 net savings as the previous year which can be expected to be realized again this year for a total of \$577,000 for FY-87 and a cumulative total of \$1,105,600 for FY-86 and FY-87)
FY-88	698,500 (ESTIMATE)	121,000	(plus the same net savings for each of the two years which can be expected to be realized again this year for a total of \$698,300 for FY-88 and a cumulative total of \$1,803,900 for FY-86, 87 and 88).
FY-89	648,500 (ESTIMATE)	50,000	(plus the same net savings for each of the three previous years which can be expected to be realized again this year for a total of \$748,300 for FY-89 and a cumulative total of \$2,552,200 over a four year period.

Thus, even with FAAS reductions resulting in modest net savings due to exchange rate losses, etc., the ultimate savings potential over several years is phenomenal.

The Nigerienization Program - Very little funding has been included in the FY-87, 88 or 89 budget plans for contracts for Host Country Nationals in training positions who will be advanced to higher levels of professional and para-professional responsibilities. It is anticipated that adjustments in budget plan funding will be made as trade offs are identified. Funding sources other than OE are also being explored. However, we do not anticipate Trust Funds to become a funding source.

In the meantime other Nigerienization Program activities are beginning to happen. A wage survey has been completed and is being reviewed prior to submission to Washington. The labor market has been checked out for some new positions and it has been determined that there are qualified Host Country National candidates available and interested in some positions in USAID/Niger. Liberalization of employment practices for contract employees is beginning to be authorized by AID/W to include LOU clearances for Host Country National employees under personal services contracts.

This program is intended to increase the utilization of Host Country Nationals and to increase the levels of responsibilities and authorities of Host Country Nationals in an effort to reduce ultimately the numbers and costs of US and TCN employees.

USAID/Niger is dedicated to pursuing the Nigerienization program objectives to the extent practicable. However, lack of funds available for training may seriously hamper attaining our objectives.

III. TRUST FUNDS

The Mission in coordination with the Government of Niger administers Trust Funds for purposes principally related to the Agriculture Sector Grant and Health Sector Grant project activities and other project support, not operating expenses. At the present time all funds are programmed for project purposes. Under the present agreement trust funds will not be made available by the Government to support USAID's operating expenses.

TABLE VIII (b)

Information on U.S. PSC Costs

Job Title/ Description	FY 1987	FY 1988	FY 1989
DEPUTY EXECUTIVE OFFICER	52.0 (6/87-11/87)	97.0 (12/87-11/88)	92.4 (12/88-11/89)
DIRECTOR'S OFFICE SECRETARY	7.5 (5/87-10/87)	7.5 (11/87-04/88)	0.0
EXECUTIVE OFFICER	0.0	23.9 (06/88-09/88)	0.0
RESEARCH & R SUPERVISOR	21.7 (03/87-02/88)	22.8 (03/88-02/89)	23.9 (02/89-03/89)
BO SECTY ADMIN ASSISTANT	10.0 (11/86-10/88)	10.8 (11/88-10/89)	0.0
SUPPLEMENTAL REQUEST			
EXECUTIVE OFFICER	160.0 (06/87-05/88)	0.0	0.0
DEPUTY EXECUTIVE OFFICER	45.0 (06/87-11/87)	0.0	0.0
DIRECTOR'S OFFICE SECRETARY	7.5 (05/87-10/87)	0.0	0.0

TABLE VIII (c)

All Other Code 25 Detail

DESCRIPTION	FY 1987	FY 1988	FY 1989
New Office Building Utility Connection (Contract Period Of Services Estimated At 90 Days)	-	26.0	-
New Office Building Installations Of Carpets, Blinds, Partitions, Computer System, Telephone system.) (Estimated Period Of Service Required For Installation for Each NTE 30 Days)	-	75.0	-
New Office Building Landscaping (Estimated Period of Service Approximately 5 Months)	-	50.0	-
Moving and Moving Related Costs To New Office Building (Period Of Service Estimated NTE 30 Days)	-	20.0	-
All Other Items	59.1	37.4	116.3

TABLE VIII (d)
 Manpower Contract Detail

DESCRIPTION	FY 1987	FY 1988	FY 1989
SECRETARIAL (Workyears)	65.0 8.1	0.0 -	10.3 2.0
CLERICAL (Workyears)	72.6 7.3	0.0 -	31.6 4.0
DRIVERS (Workyears)	54.4 13.0	0.0 -	104.3 22.0
CHARFORCE (Workyears)	24.9 9.0	0.0 -	98.2 20.0

SUPPLEMENTAL REQUEST

SECRETARIAL (Workyears)	0.0 -	8.1 2.0	0.0 -
CLERICAL (Workyears)	0.0 -	24.9 4.0	0.0 -
DRIVERS (Workyears)	0.0 -	49.3 14.0	0.0 -
CHARFORCE (Workyears)	0.0 -	76.8 16.0	0.0 -

TABLE VIII (e)

OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS

(\$000)

ITEM AND EXPLANATION	FY 1987	FY 1988	FY 1989
Capital Investment:			
A. Purchase of Hardware			
Four in FY 1987 And Two in FY 1989 -WANG PC Each With APC-PM025, PC-AC001, PC-PKB PC-PM002, PC-PM004, PC-PM015, PC-PM016, PC-PM032, PC-PM041-OA, PC-PM101, PC-XC3-2, SSF-40, UNI/KBD-WL	(Supplemental) 36.6	-	18.3
One WANG - VS 65 (Specifications To Be Determined In Site Visit By IRM For MACS Installation And Other Program Related Peripheral Uses Of the VS-65	(Supplemental) 78.0	-	23.0
B. Purchase of Software	-	-	-
C. Site Facility			
New AID Office Building Facilities/Equipment	-	21.3	-
UPS for VS-65 -10 KVA Immulec	32.7	-	-
SUB-TOTAL SECTION 1.	147.3	21.3	41.3
Note: Excludes Shipping For A & C			
Personnel:			
A. Compensation, Benefits and Travel	25.0	26.0	27.0
B. Workyears	1.0	1.0	1.0

Equipment Rental, Space and Other Operating Costs:

A. Lease of Equipment	-	-	-
B. Space	-	-	-
C. Supplies and Other Material	3.0	4.0	5.0
D. Non-Commercial Training	20.0	20.0	-
SUBTOTAL Section 3	23.0	24.0	5.0

Commercial Services:

A. Computer Time	-	-	-
B. Leased Telecommunications Services	-	-	-
C. Operations and Maintenance			
(1) Operations	-	-	-
(2) Maintenance:			
Other than WANG Equipment	7.0	7.0	7.0
WANG Equipment (Local Maintenance)	-	-	-
WANG Equipment (Abidjan Maintenance)	28.0	28.0	28.0
D. Systems Analysis and Programming:	-	-	-
E. System Design and Engineering	-	-	-
F. Studies and Other	-	-	-
SUBTOTAL Section 4	35.0	35.0	35.0

TOTAL DOLLARS	205.3	80.3	81.3
TOTAL WORKYEARS (From item 2A)	1.0	1.0	1.0

MISSION ALLOWANCE LEVELS:

- A. Existing systems
- B. New or expanded systems

TABLE VIII (f) - 1

Report on Motor Vehicle Operations

ITEM AND EXPLANATION	FY 1987	FY 1988	FY 1989
Numbers of Vehicles:			
1. Purchased Vehicles:			
(a) Number of vehicles on-hand at start of year (Based on Info Furnished By JAO)	19.0 *	20.0	20.0
(b) Plus Number of vehicles to be purchased during the year	1.0 **	(3.0)**	-
(c) Less Number of vehicles to be disposed of during the year	-	3.0	-
(d) Number of vehicles on hand EOY	20.0	20.0	20.0
2. Leased Vehicles:			
Average number of leased vehicles in use during year	-	-	-
Estimated Obligations:			
1. Vehicle Purchases	16.0 **	48.5 **	48.5
2. Special modifications (such as armor plating)	0.7	2.1	-
3. Transportation of purchased vehicles	6.0 **	14.0 **	14.0
4. Vehicle Leased	-	-	-
5. Vehicle Maintenance/Repairs (FAAS/JAO)	-	60.0	60.0
6. Salaries/Benefits of Drivers/Dispatchers	58.5 ***	61.4	64.5
7. Supplies/Materials/Gas/Oil	45.5 ***	50.0	55.0
8. Rental of Warehouse/Garage space (FAAS/JAO)	-	-	-
9. Other Miscellaneous Costs	3.1 ***	3.2	3.4
10. Total Obligations	129.8	239.2	245.4
Estimated Disbursements:			
1. Vehicle Purchases	12.4 *	16.0 **	48.5
2. Special modifications (such as armor plating)	-	0.7	2.1
3. Transportation of purchased vehicles	2.2 *	6.0 **	14.0
4. Vehicle Leases	-	-	-
5. Vehicle Maintenance/Repairs (FAAS/JAO)	-	60.0	60.0
6. Salaries/Benefits of Drivers/Dispatchers	58.5 ***	61.4	64.5
7. Supplies/Materials/Gas/Oil	45.5 ***	50.0	55.0
8. Rental of Warehouse/Garage space (FAAS/JAO)	-	-	-
9. Other Miscellaneous Costs	3.1 ***	3.2	3.4
10. Total Disbursements	121.7	197.3	247.5

Vehicles included in (A) above owned by A.I.D. but operated/maintained by JAO/Embassy motor pool:

(1) On-hand at start of year	19.0 *	-	-
(2) To be purchased during the year	1.0 **	-	-
(3) To be disposed of during the year	-	-	-

Includes one procurement pipeline vehicle purchased with FY 1986 OE funds

* Subject to supplemental allotment above current level

** Direct costs for JAO joint motor operations

TABLE VIII (g)

FY 1989 ANNUAL BUDGET SUBMISSION
Information on U.S. Direct Hire Staffing

Posno./ SACode	Position Title	Program Management Responsibility	FY 1987	FY 1988	FY 1989
005	Mission -DIR	Mngmt/Cood. of Mission Strategy Prog and Execution	1.0	1.0	1.0
010 (c)	D/Director		1.0	1.0	1.0
015	Prog. Ecs Off	Macro Exon Analysis	1.0	1.0	1.0
020	Secretary	None	0.8	0.8	1.0
ELETED	Food For Peace Off (Trade off for 5024)	Drought Relief Prog.	0.5	-	-
007	Prog. Off.	Prog. Plan., Bud., & Coord	1.0	1.0	1.0
025	Prog. Off.	Budgeting & Planning	0.9	1.0	1.0
005(i)	Proj. Dvl. Off	Design & Evaluation	1.0	1.0	1.0
006(f)	Proj. Dvl. Off.	Design & Evaluation E.A. (682-0229)	1.0	1.0	1.0
006	Controller	Financial Mgmt.	0.9	1.0	1.0
021	Sup. Fin. Mgmt. Off.	Financial Analysis	1.0	0.8	1.0
005 (b)	Sup. Gen. Dvl. Off.	Proj. Mgmt. Coord. & Disaster Assistance	1.1	1.0	1.0
010	Hlth. Dvl. Off.	Rural Hlth. (683-0208)	1.1	1.0	1.0
ELETED	Hum. Rsrc. Dvl. Off (Trade Off For 5015)	All Education/Participant Training	0.3	-	-
015	Hlth. & Pop. Off.	Rural Hlth. & Pop.	-	1.0	1.0
021(d,e)	Agrl. Dvl. (forestry)	Agrhymet (625-0940) & FLUP. (683-0230)	1.0	0.7	-
024(a,g)	Special Proj. Off. (Vice 1018)	Proj. Mgmt. Coord.	0.5	1.0	1.0
006	Sup. Agrl. Dvl. Off.	Proj. Mgmt./Coord.	1.0	1.0	1.0
008	Sup. Agrl. Dvl. Off.		1.0	1.0	1.0
010	Agrl. Dev. Off.	ILP (683-0242)	1.0	0.9	-
018	Agrl. Dev. Off.	NDD II (683-0240)	1.0	1.0	1.0
020	Agrl. Dev. Off.	NCR (683-0225)	0.1	1.0	1.0
EW	Agrl. Dev. Off.	Proj. Mgmt./Coord.	-	1.0	1.0

IEW	Agrl. Dev. Off. (Vice 5021)	Nat. Resources	-	-	1.0
IEW	Agrl. Dev. Off. (Vice 6010)	Private Sector	-	-	1.0
030	Agrl. Econ. Off.	Mgmt./Execution Of Ag Ecs	0.7	0.8	1.0
006(h)	Executive Off.	Liaison For Overall Adm/ Logistical Suuport For Proj. Personnel	0.1	1.5	1.0
TOTAL POSITIONS			23.0	23.0	23.0
TOTAL WORKYEARS			19.0	22.5	23.0

TABLE VIII (h)

 FY 1989 ANNUAL BUDGET SUBMISSION
 Information on IDI Staffing

Code	Title	FY 1987	FY 1988	FY 1989
50	Health (Completes Training 6/87)	0.8	-	-
	Controller (Training Completion Estimated early FY 1989)	-	0.5	0.5
	Total Positions	1.0	1.0	1.0
	Total Workyears	0.8	0.5	0.5

ANNEX I

TABLE VIII (i)

FY 1989 ANNUAL BUDGET SUBMISSION
 Information on Foreign Service & Third Country National
 Direct Hire Staffing

Category	Descriptive Job Title	Funding	FY 1987	FY 1988	FY 1989
SNDH	Procurement Agent	O.E.	1.0	1.0	1.0
SNDH	Participant Training Asst	O.E.	1.0	1.0	1.0
SNDH	Sr. Program Assistant	O.E.	1.0	1.0	1.0
SNDH	Clerk Typist	O.E.	1.0	1.0	1.0
SNDH	Accounting Technician	O.E.	1.0	1.0	1.0
SNDH	Accounting Technician	O.E.	1.0	1.0	1.0
SNDH	Accounting Technician	O.E.	-	-	-
SNDH	Accounts Maint. Clerk	O.E.	1.0	1.0	1.0
SNDH	Voucher Examiner	O.E.	1.0	1.0	1.0
SNDH	Voucher Examiner	O.E.	1.0	1.0	1.0
SNDH	Voucher Examiner	O.E.	1.0	1.0	1.0
	Total Positions		11.0	11.0	11.0
	Total Workyears		10.0	10.0	10.0

TABLE VIII (j)

 FY 1989 ANNUAL BUDGET SUBMISSION
 Information on Part-Time
 Direct Hire Staffing

S/ SN/TCN	Descriptive Job Title	Funding	FY 1987	FY 1988	FY 1989
025 .S.	Secretary	O.E.	0.8	0.8	0.8
	Total Positions	O.E.	1.0	1.0	1.0
	Total Workyears	O.E.	0.8	0.8	0.8

TABLE VIII (k)

FY 1989 ANNUAL BUDGET SUBMISSION
Information on U.S., Foreign & Third Country National
Contract Staffing

Category	Descriptive Job Title	Funding	FY 1987	FY 1988	FY 1989
SNPSC	Economist	OE	-	1.0	1.0
SNPSC	Prog Assist.	OE	1.0	1.0	1.0
SNPSC	Admin. Assist	OE	1.0	1.0	1.0
SNPSC	Jr. Secretary	OE	0.5	1.0	1.0
SNPSC	Admin. Assist.	OE	1.0	1.0	1.0
SNPSC	Librarian	OE	1.0	1.0	1.0
SNPSC	Computer System Mgr	OE	1.0	1.0	1.0
SNPSC	Secretary/Admin	OE	0.5	1.0	1.0
SNPSC	Admin. Assist.	OE	1.0	1.0	1.0
SNPSC	Admin. Assist.	OE	1.0	1.0	1.0
SNPSC	Gen. Srvcs. Assist.	OE	1.0	1.0	1.0
SNPSC	Contr. Supt. Assist	OE	1.0	1.0	1.0
SNPSC	Admin. Assist	OE	0.5	1.0	1.0
SNPSC	Reprod. Clerk	OE	1.0	1.0	1.0
SNPSC	Purch. Agent	OE	1.0	1.0	1.0
SNPSC	Purch. Agent	OE	0.5	1.0	1.0
SNPSC	Admin Assist.	OE	0.5	1.0	1.0
SNPSC	Admin Assist.	OE	0.4	-	-
SNPSC	Secretary	OE	0.3	-	-
SNPSC	Secretary	OE	0.5	1.0	1.0
SNPSC	Secretary	OE	1.0	1.0	1.0
SNPSC	Secretary	OE	1.0	1.0	1.0
SNPSC	Hum. Resource Coord.	OE	1.0	1.0	1.0
SNPSC	Biling. Secretary	OE	1.0	1.0	1.0
SNPSC	Clerk Typist	OE	0.5	1.0	1.0
SNPSC	Secretary	OE	1.0	1.0	1.0
SNPSC	Jr. Secretary	OE	1.0	1.0	1.0
SNPSC	PDO Assist.	OE	-	1.0	1.0
SNPSC	FBO Assist.	OE	1.0	1.0	1.0
SNPSC	Admin. Secretary	OE	0.5	1.0	1.0
SNPSC	Secretary	OE	0.5	1.0	1.0
SNPSC	Fin. Analyst	OE	1.0	1.0	1.0
SNPSC	Fin. Analyst	OE	1.0	1.0	1.0
SNPSC	Fin. Analyst	OE	1.0	1.0	1.0
SNPSC	Secretary	OE	1.0	1.0	1.0
SNPSC	Voucher Examiner	OE	1.0	1.0	1.0
SNPSC	Warehouseman	OE	1.0	1.0	1.0
SNPSC	Procur. Srvcs Advis	OE	1.0	1.0	1.0
SNPSC	Hqrs. Maint. Off.	OE	1.0	1.0	1.0
SNPSC	Cerk Typist. Pnoc.	OE	-	1.0	1.0
SNPSC	Warehouse Laborer	OE	-	1.0	1.0
SNPSC	Warehouse Laborer	OE	-	1.0	1.0
SNPSC	Warehouse Laborer	OE	-	1.0	1.0
SNPSC	Warehouse Laborer	OE	-	1.0	1.0

BPSC	Food Monitor	PRG	0.6	-	-
BPSC	Log Supt. Coord.	PRG	0.5	-	-
BPSC	Pop. Coord.	PRG	0.8	1.0	-
BPSC	Proj. Coord.	PRG	1.0	0.2	-
BPSC	Assist. Agric. Econ.	PRG	0.8	0.3	-
BPSC	Dep/Executive Off.	OE	0.5	1.0	1.0
BPSC	Executive Off.	OE	-	0.3	-
BPSC	C & R Supervisor	OE	1.0	1.0	1.0
BPSC	Dir-Off Secretary	OE	7.5	7.5	-
BPSC	FBO Admin. Assist	OE	1.0	1.0	-
Total Positions		OE	46.0	47.0	44.0
Total Workyears		OE	41.2	52.8	44.0
Total Positions		PRG	5.0	3.0	0.0
Total Workyears		PRG	3.7	1.5	0.0

FY 1987 FY 1988 FY 1989

Supplemental Request

BNPSC	Jr. Secretary	OE	0.5	-	-
BNPSC	Secretary/Admin	OE	0.5	-	-
BNPSC	Admin Assist.	OE	0.5	-	-
BNPSC	Purch. Agent	OE	0.5	-	-
BNPSC	Admin/Assist.	OE	0.5	-	-
BNPSC	Secretary	OE	0.5	-	-
BNPSC	Clerk Typist	OE	0.5	-	-
BNPSC	Admin. Secretary	OE	0.5	-	-
BNPSC	Secretary	OE	0.5	-	-
BPSC	Dep/Executive Off.	OE	0.5	-	-
BPSC	Executive Off.	OE	1.0	-	-
BPSC	Dir-Off. Secretary	OE	0.5	-	-
Total Positions			-	-	-
Total Workyears			6.5	0.0	0.0

FY 1989 ABS

AFRICA BUREAU ANNEXES

USAID/NIGER

ANNEX I

FUNCTIONAL ATTRIBUTIONS

Project Number	Project Title	Shadow Functional Account	(\$000)	
			FY 88 Budget Allocation	FY 89 Budget Allocation
683-0246/47	Agriculture Sector Development Grant	Sahel Development Program	7,000	-
683-0249	Small Project Assistance/AFSI	SDP	140	100
683-0254	Niger Health Sector Support	SDP	3,900	2,593
683-0256	Niger Applied Agriculture Research	SDP	4,436	2,807
683-0257	ASDG II	SDP	-	8,000
683-0258	Niger Family Health and Demography	SDP	1,524	1,500
683-0260	Rural Organization Development	SDP	-	2,000
			<hr/>	<hr/>
			17,000	17,000
ESF				
683-0247	AEPRP	ESF	7,000	-
		TOTAL	24,000	17,000

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AFRICA BUREAU TABLE II
 FY 1989 ANNUAL BUDGET SUBMISSION
 PIPELINE ANALYSIS AND MODIFICATIONS TO LOP AND FACD

Project Number	Project Name	Total Cost		FY 1986		FY 1987		FY 1988		FY 1989		Current FACD
		Auth.	Plan	FY 1986	Pipeline	FY 1987	Expend.	Oblig.	Expend.	Oblig.	Expend.	
				Obligated Thru FY 1986								
683-0208	Rural Health Improvement	16,329	16,325	16,329 ¹	4,434	-	3,534	-	900	-	-	12/31/87
683-0225	Niger Cereals Research	11,660	11,660	11,660	5,842	-	3,836	-	1,600	-	406	03/18/89 ⁸
683-0226	Rural Sector Human Resources Development	4,682	4,682	4,682	1,431 ²	-	1,431	-	-	-	-	09/30/86
683-0229	Evaluation Assistance	2,000	2,000	2,000	654	-	404	-	250	-	-	12/31/87
683-0230	Forestry & Land Use Planning	4,089	4,089	4,089	1,221	-	928	-	293	-	-	12/31/87
683-0234	Agriculture Production Support	19,900	19,900	17,789	9,286	2,111	4,000	-	4,600	-	2,797	06/30/89
683-0237	Literacy Training	891	891	891	254 ³	-	254	-	-	-	-	09/30/85
683-0240	Niamey Department Development	14,897	14,897	13,582	3,785	1,315	1,883	-	2,385	-	832	12/31/88
683-0242	Integrated Livestock Production	10,856	10,856	10,856	5,913	-	3,966 ⁴	-	1,477	-	500	12/31/88

Project Number	Project Name	Total Cost Auth Plan	Obligated Thru FY 86		FY 1987		FY 1988		FY 1989		Current PACD
			FY 1986 Pipeline	FY 1986	Oblig.	Expend.	Oblig.	Expend.	Oblig.	Expend.	
683-0245	Rural Irrigated Agriculture Development II	750	750	77	-	77	-	-	-	-	08/30/86
683-0246	Agriculture Sector Development Grant	17,627 30,392	17,627 10,596	5,765 ⁵ 8,627	7,000	6,365	-	8,369	09/30/88 ⁹		
683-0249	Small Project Assistance (AFSI)	Continuing	160	60	100	80	140	80	100	100	Cont.
683-0254	Niger Health Sector Support	15,000 15,000 ⁶	3,507	3,507	5,000 ⁶ 2,634	3,900	4,000 ⁶	2,593	2,600	2,600	12/31/91
683-0256	Niger Applied Agricultural Research	- 20,000	-	-	5,974	1,200	4,436	3,820	2,807	3,100	12/31/92
683-0937	Maternal Language Texts	228 228	228	121	-	121 ⁷	-	-	-	-	09/30/86
683-0257	Agriculture Sector Development Grant II	- 28,000	-	-	-	-	-	8,000	250	250	12/31/93
683-0258 750	Family Health & Demography 1,500 2,000 12/31/93	-	-	7,000	-	-	-	-	-	-	1,524
683-0260	Rural Organization	- 11,095	-	-	-	-	-	2,000	250	250	12/31/93
TOTAL DA		118,909 194,269	104,150 47,181	20,265	32,854	17,000	25,100	17,000	21,204		

Project Number	Project Name	Total Cost Auth	Total Cost Plan	Obligated Thru FY 1986	FY 86 Pipeline	FY 1987		FY 1988		FY 1989		Current FACD
						Oblig.	Expend.	Oblig.	Expend.	Oblig.	Expend.	
683-000A	Local Cost Support	-	95	-	-	95	-	-	-	-	-	-
683-0247	ASDC	14,373	16,278	14,373	4,323	1,905	4,323	-	1,905	-	-	12/31/93
683-0259	AEFRP	-	7,000	-	-	-	-	7,000	200	-	2,500	09/30/92
TOTAL ESF		14,373	23,393	14,378	4,323	2,000	4,468	7,000	2,105	-	2,500	
TOTAL PROGRAM		139,047	221,142	118,523	51,554	18,500	37,322	24,000	26,591	17,000	23,704	

- (1) Includes \$2,000,000 Health Appropriation Funds
- (2) Includes \$1,000,000 deobligated early FY 87.
- (3) Represents early FY 87 deobligation.
- (4) Includes \$2,533,000 deobligated early FY 87
- (5) Includes \$3,765,000 deob/reob funds.
- (6) Includes \$1,500,000 Child Survival Funds.
- (7) Represents early FY 87 deobligation.
- (8) This project will be ending early, as NAAR project phases in. Exact PACD will be determined in the near future.
- (9) One year extension of this project is in process.

ANNEX III

PVO ACTIVITIES

The role of PVOs in the USAID portfolio is in a transition period as older projects phase out and new opportunities for joint programming arise in child survival natural resource management and cooperative development areas. It is expected that the majority of USAID funding received by PVOs in this planning period will be in the form of local currency from the three non-project assistance programs (ASDG, AEPRP, NHSS). Direct grants are under consideration for cooperative organizations, WOCCU and CLUSA, under ASDG I and the follow on cooperative development project, scheduled for FY 89 obligation. CLUSA has a major USAID funded program in Niger already and USAID now procures short-term technical assistance from WOCCU through a centrally funded project.

USAID and PVOs have collaborated closely in drought relief and recovery activities in the last three years. These USAID-funded PVO project will all be completed by the end of FY 1987. USAID and the PVOs maintain their consultative relationship on drought early warning in order to be able to respond quickly if an emergency should arise in this drought prone country.

Consultations with the very small PVO community in Niger are regular and largely informal. They are conducted on technical and policy levels. The presence in Niger of PVOs and cooperative organizations with particular skills and interests provides support to USAID programming efforts with the host government.

AFRICA BUREAU ANNEX III
 FY 1988 ANNUAL BUDGET SUBMISSION

PVO ACTIVITY

Project #	Project Name	PVO Name (US/NON US)	Shadow Functional Account	Span of PVO LOP for PVO LOP total Project + % of Total	FY 87 ** Obligations	FY 88 Obligations	FY 89 Obligations
683-0208	Rural Health Improvement (B)	Africare (US)	SDP	81-87 3,137,000-19%	125,000	0	0
683-0234	Agricul./Product. Support (B)	CLUSA (US)	SDP	0-89 3,385,000-17%	1,385,000	0	0
-	Maternal-Child Health (R+R) (C)	CARE (US) "	OFDA PL 480 II	85-87 932,000 834,000	0	0	0
-	Tanout/Damergou (R+R) (C)	Africare (US)	OFDA	85-87 1,073,000	0	0	0
-	Child Surviva Vitamin A (C) (US)	Helen Keller International (US)	Child Survival	86-89 400,000	0	0	0
-	Rural Capital Formation (C) (Matching Grant)	CARE (US)	FVA	86- Not Avail*			
-	Small Enterprise (Matching Grant) (C)	AFRICARE (US)	FVA	86- Not Avail*			
-	Widtech II (C)	OEF International (US)	WID	86- Not Avail*			
-	Matching Grant (C)	Lutheran World Relief (US)	FVA	Not Avail*			
683-0276	Agriculture Sector Development Grant (B)- Counterpart Fund	CARE (US)	SDP	86-88 650,000 (est. Grant in FCFA)			

* Matching Grants annual dollar allotments and LOP for Niger decided by PVO home offices. Data not available in Niger.
 ** "Obligations" interpreted as incremental funding to PVO.

AFRICA BUREAU ANNEX IV
 FY 1989 ANNUAL BUDGET SUBMISSION
PRIVATE SECTOR ACTIVITIES

Includes cooperatives, and support to GON agencies that support private sector

Project Number	Project Name	Implementing Organization	Shadow Functional Account	Private Sector LOP Span and % of total	FY 87 Oblig	FY 88 Oblig	FY 89 Oblig	(prior year funds)	
								80	88
683-0230	Forestry and Land Use Planning	PSC/Peace Corps	SDP	160,000 3.9%					
683-0234	Agriculture Production Support (Coop Dev. (Ag Inputs (Seed Multiplication	CLUSA CLUSA LABAT ANDER-SON COOPS	SDP	5,981,606 30%	530,790				
683-0240	Niamey Department Dev. II	DAI	SDP	1,160,000 9%	520,000				
683-0246 0247	Agriculture Sector Development Grant I	U. MICHIGAN/ OHIO STATE	ESF/SDP DFA	17,536,000 37.6%	3,068,000	3,500,000			
683-0249	AFSI	PEACE CORPS	SDP/DFA	360,000 60%	60,000	60,000	60,000		
683-0254	Niger Health Sector Support	N/A	SDP/DFA	200,000 1.3%	50,000	100,000			
683-0257	ASDG II	N/A	SDP	14,000,000 50%					
683-0259	AEPNP	N/A	ESF	7,000,000 100%		7,000,000			
683-0260	Rural organizations	N/A	DFA	5,548,000 50%			1,000,000		
698-0438	Africa Bureau PRE (R)	N/A	?	N/A	100,000				
625-0929	PM & R (R)	N/A	SDP	N/A	164,000				
698-0570	Program Development (R) and Support	N/A	DFA	N/A		180			N/A

AFRICA BUREAU TABLE V
 FY 1989 ANNUAL BUDGET SUBMISSION
 REGIONAL AND CENTRALLY FUNDED ACTIVITIES (000 US\$)

Project No.	Project Name	Organization Implementing USG	N/USC	Functional Account	LOP (years)	LOP (000\$)	FY 87 Oblig	FY 88 Oblig	FY 89 Oblig
I. Directly Related to Mission Portfolio:									
REGIONAL									
625-0940	SAHEL WATER/DATA MANAGEMENT	USAID/NIGER	SH	6	8,600	900	-	-	-
625-0963	OKAL REHYD. THERAPY.PRITECH *	AFR/SWA	SH	3	310	100	-	-	-
625-0969	SAHEL POPULATION INITIATIVES *	REDSO	SH	3	460	150	-	-	-
625-0969	SAHEL POPULATION INITIATIVES	REDSO	DFA	1	-	-	100	-	-
625-0973	SAHEL WATER/DATA MANAGEMENT	USAID/NIGER	SH	1	1,650	1,650	-	-	-
625-0973	SAHEL WATER/DATA MANAGEMENT	USAID/NIGER	DFA	3	4,900	-	2,500	2,000	-
625-0974	SAHEL FINANCIAL MANAGEMENT	AFR/SWA	SH	2	N/A	?	-	-	-
625-0974	SAHEL FINANCIAL MANAGEMENT	AFR/SWA	DFA	2	N/A	-	?	-	-
625-0975	SAHEL REGIONAL INSTITUTIONS	AFR/SWA	SH	1	-	?	-	-	-
625-0975	SAHEL REGIONAL INSTITUTIONS	AFR/SWA	OFA	3	-	-	?	-	-
625-0977	SAHEL HUMAN RES. DEV. III *	AFR/SWA	SH	2	N/A	1,395	-	-	-
625-0977	SAHEL HUMAN RES. DEV. III	AFR/SWA	DFA	2	N/A	-	555	548	-
698-0421	AFRICA CHILD SUR. INITIAT CCCD	AFR	DFA	11	N/A	-	50	-	-
698-0466	FAMINE EARLY WARNING SYSTEMS *	OFDA	FN	1	N/A	50	-	-	-
698-0466	FAMINE EARLY WARNING SYSTEMS	ST-AFR	DFA	3	N/A	-	N/A	N/A	-
698-0467	NATURAL RESOURCE AND ENERGY * MANAGEMENT IN AFRICA	AFR/TR	DFA	5	N/A	-	150	300	-
625-0517	AFRICAN EMERGENCY/LOCUST GRASS	AFR/PD	SH	1	-	N/A	-	-	-
698-0517	AFRICAN EMERGENCY/LOCUST GRASS	OFDA	DFA	3	-	-	N/A	N/A	-

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AFRICA BUREAU TABLE V (CONT)
 FY 1989 ANNUAL BUDGET SUBMISSION
 REGIONAL AND CENTRALLY FUNDED ACTIVITIES (000 US\$)

Project No.	Project Name	Organization		Functional Account	LOP (years)	LOP (000\$)	FY 87 Oblig.	FY 88 Oblig.	FY 89 Oblig.
		USC	N/USC						
I. Directly Related to Mission Portfolio:									
698-0569	REGIONAL CHILD SURVIVAL SUP.*	AFR	DFA	4	N/A	-	-	50	-
625-0929	PLANNING MANAGEMENT/RESEARCH	AFR/SWA		N/A	N/A	513	-	-	-
698-0570	PROGRAM DEVELOPMENT SUPPORT	AFR/DF	DFA	N/A	N/A	-	590	150	150
CENTRAL									
931-1254	CRSP: SORGHUM/MILLET	ST/AGR	FN	N/A	-	N/A	N/A	N/A	N/A
	CRSP: TROP SOILS	ST/AGR	FN	N/A	-	N/A	-	-	-
931-0045	NUTRITION VITAMIN A SUPPORT *	ST/N	FN	14	N/A	250	200	N/A	N/A
936-3000	DEMOGRAPHIC DATA FOR DEVELOP- MENT BUCEN	ST/POP	PN	6	N/A	220	50	N/A	N/A
936-3017	AWARENESS OF POP IMPACT ON DEVELOPMENT: (RAPID II)	ST/POP	PN	6	N/A	50	30	N/A	N/A
936-3018	CONTRACEPTIVES PROCUREMENT	ST/POP	PN	6	N/A	30	-	-	N/A
936-3041	FAMILY HEALTH INTERNATIONAL *	ST/POP	PN	5	N/A	50	50	N/A	N/A
936-4048	CRSP: PEANUTS	ST/AGR	FN	N/A	-	N/A	N/A	N/A	N/A
936-4099	FARMING SYSTEMS SUPPORT	ST/AGR	FN	N/A	N/A	N/A	N/A	N/A	N/A
936-4127	WATER MANAGEMENT SYNTHESIS	ST/AGR	FN	6	N/A	N/A	-	-	-
936-4173	VERTEBRATE PEST MANAGEMENT	ST/AGR	FN	N/A	N/A	N/A	N/A	N/A	N/A
936-4179	IRRIGATION MGT SUPPORT & RES.	ST/AGR	FN	N/A	N/A	-	N/A	N/A	N/A

CON
US (000 US\$)

LOP (000\$)	FY 87 Oblig	FY 88 Oblig	FY 89 Oblig
N/A	40	-	-
-	-	N/A	N/A
-	N/A	-	-
N/A	N/A	N/A	N/A

ANNEX VI

Food Programs

In good years, Niger meets its basic foodgrains requirements through domestic production supplemented by normal commercial imports of sorghum (from Nigeria), wheat and rice. In years of serious drought, harvests may be only half of normal levels. USAID/Niger's general policy towards food aid has generally been to encourage eventual food self reliance (broadly defined) and to provide emergency assistance when needed. It avoids untargeted food assistance in non drought years in order to encourage domestic production. USAID concentrates on improving cereals marketing policies and focusing the food parastatal on food security and relief in lieu of expensive price stabilisation efforts.

The final PL 480 rehabilitation programs remaining after the 1984 drought will be phased out by 31 October 1987. These include CARE's Maternal Child Health Rehabilitation Project, Government of Niger drought zones food distribution, and rehabilitative works projects undertaken by various PVOs.

In examining possible food aid activities outside the framework of emergency assistance, USAID is currently studying supply and demand relationship of commodities important in the Nigerien diet. Specifically, USAID is focusing on wheat, milk, and oil to identify potential areas where food aid might have maximum impact. Opportunity may be found in Government of Niger initiatives to restructure the civil service, to place greater emphasis on the private sector in general and cooperatives in particular, and to continue public works efforts in land reclamation and conservation. USAID is discussing such options as CARE Food For Work, and Land O'Lakes livestock sector pre-feasibility study to see if food aid might advance Mission goals in these areas.

ANNEX VII

Natural Resource Management Activities and the Conservation and

Sustainable Management of Tropical Forests

and

Biological Diversity

A. Analysis of actions necessary in Niger to conserve biological diversity and tropical forests:

The physical environment of Niger is afflicted by spreading desertification despite efforts to improve the situation since the early seventies. While drought is primarily climatic, desertification results from overuse of land by humans and animals, with long term consequences. The period needed to restore range following severe droughts is increasing. Crop production has extended into the pastoral zone and other marginal areas, contributing to increased soil erosion and reduced carrying capacity. Soil productivity is decreasing due to shortened fallow periods.

Fuelwood accounts for about 90 percent of wood consumption and supplies 80 percent of Niger's gross energy requirements. Niger relies on imported petroleum and hydro-electricity to meet the remainder. A recent inventory of Niger's natural resource base compared with past estimates and aerial photos indicate that about 40 percent of the forested areas have been lost over the past 20 years due to drought, agricultural clearing, grazing and indiscriminant firewood collection. It was also noted that major changes in plant species composition occurred over most of the country during the same period. Traditionally important food, fodder and medicinal trees are giving way to hardier, less important species that can survive under the increasingly harsh environmental conditions.

The wildlife population in Niger is gradually declining for the same reasons. The fisheries industry has been drastically reduced due to insufficient flooding of breeding grounds during the rainy season and over-fishing thus resulting in the near disappearance of the most desirable commercial species in some areas.

Insuring biological diversity is difficult given the stark realities of recurrent severe drought as the key natural constraint, but it is not impossible. It is necessary to have a thorough understanding of the human factors which exacerbate the environmental situation. This understanding, once achieved, must then be incorporated into mission activities and programs in order to stabilize and possibly even reverse this trend.

The GON has decided (as a result of USAID project activities) that sustainable management of the renewable natural resource base is the best course for its conservation. The rural population will be directly involved in the planning and management process and land/tree tenure issues will be addressed during the recently initiated effort to develop a rural code which will create the incentive for positive long-term conservation activities.

2. USAID's Strategy for Land Resource Planning

USAID's approved CDSS agricultural strategy stresses food production and diversification through community-based self managed development, with emphasis on local management, private sector participation (cooperatives) and utilization of improved technical packages. USAID/Niger has given careful consideration to the appropriateness of a strategy based on rainfed agriculture because of the decline in agricultural productivity. It is necessary to establish economic activities which are relatively drought resistant and build agro-forestry activities into regular livestock and crop systems projects. Herders must be able to provide a living for themselves. In addition rural incomes and purchasing power must increase.

USAID will take advantage of the progress made to date in institutionalizing land use planning and implementing effective measures against desertification (including range management and agro-forestry) by integrating these activities into ongoing programs. Most of USAID's activities in the land use and natural resource sector are regional projects. The Forestry and Land Use Planning project (FLUP 683-0230) is the only direct bilateral project that USAID has. It is the only project, among the donors actively involved in in this sector, in land use planning.

The Program Week Review of June 1985 and the CDSS of February 1986 assumed that USAID would not have a bilateral technical assistance project in natural resource management because FLUP would have reached the end of its normal extended PACD and the mission decided to shift to counterpart funding. Technical assistance provided for resource planning and allocation is planned for financing under the ASDG II which was scheduled to start in FY 1988, but now delayed until FY 1989. PMR or other funds are being sought to bridge the gap. Local currency support from the ASDG has provided \$1,380,000 to date and will continue to support field level activities and recurrent costs initiated by the GON. Additional ASDG funds will support PC and PVO activities. Agro-forestry and soil conservation activities are included in the Niamey Department Development and Small Project Assistance/AFSI projects. The mission will also encourage centrally-funded PVO activities in this sector.

3. USAID activities:

- a. The mission has funded biological and socio-economic studies which the FAO used to develop a comprehensive Niger River fish management plan. The UNDP intends to fund a follow-up project to implement this plan.

- b. Mission funds helped financed a national wildlife symposium that drew attention to the important role wildlife has in maintaining the fragile ecological balance of the region. A long-term strategy was developed at this conference and USAID, through the FLUP project, will assist in coordinating donor support for implementing that plan.
- c. Under FLUP, USAID is engaged in work to develop management plans for natural forests and is also assisting the Ministry of Environment and Hydrology in the establishment of a Land Use Planning Unit capable of providing the government with recommendations for the strategic use and conservation of Niger's remaining forest resources. This unit will provide the GON with an information system and the initial natural resource data base necessary to develop plans to protect the country's biological diversity. It is intended that following the PACD of the FLUP project (31 December 1987), technical assistance and local support will continue to be provided through PMK and the ASDG and regional project funding to strengthen and sustain this system.
- d. ASDG
 - The ASDG currently is providing financial support to the GON in the development of a "Rural Code" which will provide a coordinated analysis of the existing land tenure system and laws, and provide legislative recommendations to the GON for a complete revamping of its regulatory system governing land and water use and land tenure issues. This legislation will identify zones appropriate to agricultural production, livestock or to be preserved.
 - Peace Corps and the GON have prepared a plan to extend the FLUP inventory, management and planning activities to the department (regional) level using ASDG counterpart funds.
 - Finally, the ASDG is financing a CARE grant which provides support to a watershed rehabilitation and agro-forestry program in one of the most productive regions for the country.
- e. Under NCK, the collection, cataloging and storage of local varieties of cereals provide assurance that an important source for the world's millet gene pool is not lost.
- f. AID is funding a Small Project Activity sponsored by the Peace Corps under the African Food Systems Initiative to extend agro-forestry practices in the Niamey Department.

Expenditures in US \$

	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
Forestry and Land Use Planning	600,000		
Nitlonal Cereals Resources/NAAR	2,000	2,000	2,000
ASDG/Rural Code (local currency)	189,000	253,000	126,000
ASDG/Natural ResourcesT.A.		150,000	
ASDG/CARE Agro-forestry	210,000	212,000	
ASDG/FLUP Local costs	600,000	1,000,000	1,000,000
ASDG/PC Planning	600,000	600,000	600,000
SPA/Agro-forestry	15,000	20,000	20,000

B. In reviewing the February, 1985 Interagency Task Force Report to Congress on the U.S. Strategy on the Conservation of Biological Diversity, the mission notes it is a very comprehensive listing of actions necessary at all levels of the USG to ensure Biological Diversity. We have also determined that USAID/Niger is responsive to most of the recommendations identified as field responsibilities.

ANNEX VIII

AGRICULTURAL RESEARCH

The Government of Niger (GON) has long accorded top priority to increasing agricultural production toward a level approaching food self-sufficiency. Yet the productivity of the agriculture sector is low. While the traditional food production systems are well adapted to the physical characteristics and resource limitations in Niger, they are inadequate in the face of rapidly expanding population. Increases which have occurred have been caused by crop production expanding into the transitional zone just north of the main rainfed agricultural areas. Per capita production is declining and productivity is decreasing. Without major advances in agricultural productivity in the next decade or two, the gap between domestic production and consumption needs will widen considerably.

GON strategy has long focused on increasing dryland agricultural production, with the difference between food needs and production levels to be made up through rice and other irrigated production. However, the 1984 drought dramatically underscored the need to increase the area and productivity of irrigated lands and to pay greater attention to the potentially important role of small-scale irrigation in national food production. Irrigated food crop production has become increasingly important as a means of modifying risks from drought, providing additional sources of income for farmers, and increasing potential foreign exchange earnings.

The GON development strategy for 1985-1990 recognizes that increased agricultural productivity requires investment in agriculture research. There is a new emphasis on the development of techniques that improve the productivity and efficiency of farm level systems. While continuing to support the major cereals/legumes crops (millet, sorghum, rice, cowpea and groundnut), research will be diversified to take into account improvement of horticultural and other high value crops, and, moreover, to integrate information on the physical environment and the evolution of farming systems into the research program.

During the past decade, the Government of Niger's agricultural research efforts have received substantial USAID support. The Niger Cereals Project (1976 - 1980) funded construction of research facilities, long-term training of researchers and adaptive crop improvement research. The core of the current agricultural research program is the Niger Cereals Research Project (NCR) (\$11,606,000). Authorized in 1982, NCR was planned as a ten year follow-on effort to develop within the National Agricultural Research Institute (INRAN) a sustained capacity to undertake cereals research programs whose results would be disseminated to farmers through the extension and cooperative systems.

Project efforts have focused on three major areas: (1) development of INRAN's capacity to manage its research program, resources and linkages to other institutions; (2) development of INRAN's ability to support its research efforts through support service functions, i.e., soil and plant analysis, data handling and statistical analysis, etc.; and (3) development of a comprehensive, integrated and systematic approach to research.

The Niamey Department Development II project includes applied agricultural research on cropping systems, and field testing of revised technical packages. NDD also finances adaption and prototype testing of appropriate agricultural machinery and pumps which can be manufactured locally. Researchers have begun to accept the multidisciplinary approach to research, the value of on-farm trials, the importance of farmer participation in research and the significance of economic analyses. Administrators and policy makers recognize the critical need for prioritization of research activities, financial management reforms, decentralization of program management, strong linkages to extension and better overall management of resources.

The Niger Applied Agricultural Research Project (\$20,000,000) will continue efforts begun under NCR, building directly on progress made during the last five years. The purpose of NAAR is to institutionalize a system of applied agricultural research with strong functional linkages to extension. During the next five years the project will concentrate on the following outputs.

1. Development of INRANS's capacity to design, administer, manage and carry out applied agriculture research programs through the development of improved planning and management practices, carefully programmed human resource development and further strengthening of research support services
2. Development of specific multidisciplinary research programs designed to address priority constraints on production of Niger's principal rainfed and irrigated food crops. Technical themes include:
 - Crop improvement - Multidisciplinary team research will build upon ongoing research efforts to explore plant-soils-water-climate relationships for the principal rainfed and irrigated food crops.
 - Production Systems. Multidisciplinary team research will develop crop and site specific systems of cultural practices and appropriate technological innovations for dryland and irrigated crop production in at least three distinctive agro-ecological zones.
 - On Farm Research. A modified on-farm research program which builds on the considerable work of the Rural Economics Division will become an increasingly important part of project activities.
 - Water Management. The Rural Economics Division and the Irrigation section of the Division of Ecological Research of INRAN will work closely with the Irrigation parastatal's applied research and Rural Engineering to initiate a multi-disciplinary attack on priority problem areas of irrigation water quantity and quality control, water application methods and water application efficiency.
3. Development of functional linkages between INRAN, extension and other agricultural services by promoting increased participation of the extension services in the planning and execution of research and in the development, delivery and evaluation of technical recommendations.

Consistent with the Agency's "Plan for Supporting Agricultural Research and Faculties of Agriculture in Africa", greater emphasis will be placed on developing INKAN's ability to manage effectively its research programs and resources. Long-term participant training will focus on increasing the numbers of M.S and Ph.D. level scientists. Short term and in-country training will aim to strengthen skills of research support staff. The project will continue to support multidisciplinary team research on Niger's principal food crops and to strengthen relationships with other agricultural research organizations. At the end of this first five year phase of the NAAR, INKAN will have begun the process of institutionalizing sound management practices and will have acquired the human and material resources needed to build a strong national applied research institute.

To date, research has received local currency support from the ASDG only on a very minor level (1985-87=\$600,000). However, it is envisioned that this will increase substantially since the GON will request local currency support of the NAAR project (\$500,000 for 1988).

In addition to USAID's direct bilateral support to the Government of Niger's agricultural research efforts through the above mentioned projects, we are supplementing that support with assistance from three centrally funded Collaborative Research Support Programs (CRSPs). These programs include the Sorghum and Millet Production CRSP (INSORMIL), the Soil Management CRSP (TROPISOILS) and to a lesser extent the Peanut CRSP. Niger has benefited in the past from the Water Management Synthesis II project, and will probably profit from the successor project. USAID has also profited from the Farming Systems project.

	(\$000)		
	<u>1987</u>	<u>1988</u>	<u>1989</u>
Total Obligations For Agricultural Research	<u>6,517</u>	<u>4,476</u>	<u>3,500</u>
Niger Applied Agriculture Research	5,987	4,476	3,500
Niamey Department Development	530	-	-

USAID/Niger's agricultural development strategy continues to be based on increasing food production leading towards food self-reliance and increased rural incomes. It emphasizes food production and diversification through community based development, with a programmatic focus on local management, private (and cooperative) sector participation and research on and utilization of improved technical packages. Due to a limited resource base often plagued with drought, and a population growth rate of 3.1%, irrigation development (especially small and micro scale undertakings) has become particularly important in providing alternative food sources for the populace and income for the farmers. One of USAID's four agriculture strategy objectives is the development of a national capacity for sustained efforts in agricultural research followed by technology transfer. The major constraints to reaching this objective are limited knowledge of appropriate technologies, institutional weaknesses and the the lack of effective research-extension linkages.

ANNEX IX

Child Survival

The high levels of infant and child mortality in Niger (the infant mortality rate is estimated at 132/1000) are due in particular to diarrhea and deaths caused by diseases preventable by immunization. In response to this serious health problem, USAID/Niger is utilizing bilateral, regional, and centrally-funded project resources to support a series of targeted interventions in the full spectrum of child survival (CS) services, including oral rehydration therapy (ORT), an expanded program of immunization (EPI), malaria control, nutrition surveillance, and family planning. USAID contributions to CS interventions are tailored to meet specific needs which other bilateral and international donors do not address. AID's child survival programming is closely coordinated with other health sector donors, in particular IBRD, WHO, UNICEF the French and the Belgians. Donor-supported activities help develop the institutional capability of the Nigerien Ministry of Health and Social Affairs to design, manage, and implement child survival programs in the near term, and at reducing infant and child mortality and morbidity in the medium and long term.

A decade of USAID/Niger experience and support for the development of a rural health services delivery system in Niger has provided the basis of USAID's child survival interventions. \$5 million of project funds have been utilized through FY 1986 in training, supervising, and equipping the rural health teams that provide most child survival services.

Under the newly obligated Niger Health Sector Support Grant (NSSS 683--0254) a series of policy reform measures to support child survival efforts have been established. These include: allocation of budgetary resources to preventive vs curative health care, and rural vs urban services; essential drug list established which includes ORS packets and chloroquine; and an annual in-service training program prepared for all health personnel, keyed to child survival technologies. \$1.5 million of the NHSS will be used to support CS activities under the counterpart fund, as well as fund studies and T.A. in the areas of ORT and EPI.

Funding levels for FY 87-89 for child survival interventions from the major USAID sources are presented below.

CHILD SURVIVAL INPUTS (in \$000's)
(projected expenditures)

<u>Sources</u>	FY 87	FY 88	FY 89
Bilateral Health Projects Rural Health Improvement Project, PACD 12/31/87 and Niger Health Sector Support)	500	1,500	2,000
Bilateral Population Project	-	1,000	2,500
<u>Regional</u>	300	150	-
<u>Centrally-funded-Health</u>	300	300	35
Population	200	400	150

In FY 87, bilateral and centrally-funded project resources finance technical assistance to the Ministry of Health and Social Affairs for the following major activities:

- Preparation of an operational plan for the national ORT program, training of health personnel, and development and implementation of a program of mass communication.
- Assessment of the cold chain required in EPI to integrate immunization services into to services offered at fixed sites;
- Preparation of guidelines for the national malaria control program; and
- The initial assessment of strategies for nutrition surveillance as part of the Famine Early Warning System (FEWS).

USAID/Niger uses centrally-funded project and regional resources to initiate population/family planning activities, including operations research, training, and IEC, and to develop a bilateral population project which will be authorized in the first quarter of FY 88.

Activities supported by bilateral and centrally-funded project inputs during FY 1988 include:

- Additional training and supervision of health workers for ORT and implementation, evaluation and revision of mass media programs and materials;
- Technical assistance for EPI in cold chain development and for assessment of coverage in implementating the EPI plan;
- Technical assistance to malaria control training modules for health personnel and surveillance activities to monitor the possible introduction of chloriquine resistance;
- Development of information and monitoring systems for both EPI and malaria; and

- A PVO will initiate the development and implementation of growth monitoring/nutrition surveillance in at least two or three arrondissements to assess the feasibility of integrating these activities into primary health care services.

Bilateral population funds will complement centrally-funded project and regional resources already programmed to support the extension of family planning services to 10 arrondissements outside of Niamey. These programs will emphasize the development of systems for training, IEC, logistics, and supervision.

Health resources will support the following CS activities in FY 1989.

- Assessment and modification of the ORT national plan and strategy;
- Assessment and revision of the EPI cold chain, assistance in proper cold chain maintenance, and refinement of the monitoring systems for program activities and assessing coverage, as well as utilizing data from these systems to revise EPI plans;
- Assessment of progress and effectiveness of malaria control efforts and revision of plans, as well as on-going monitoring of chloroquine resistance; and
- In-depth assessment of the approaches to nutrition surveillance implemented by the PVO in FY 88 and other donors. Plans based on these recommendations will be developed to integrate the most effective approaches into primary health care services.

Under population/family planning, resources will be used to extend the provision of family planning services to a total of 25 arrondissements outside of Niamey and to monitor existing systems for training, logistics, IEC and supervision. Implementation will begin of a study to assess alternative approaches to family planning services delivery (e.g., social marketing and community-based distribution).