NIGER ACTION PLAN

FY 1987-88

I. STRATEGY RECAPITULATION AND POLICY AGENDA

The FY 1988 Country Development Strategy Statement approved in March 1986 has a long-term strategy objective of increasing and diversifying food production and income sources, leading toward food self-reliance and increased incomes. The medium-term strategy objectives focus upon sector support policies and undertake actions necessary for structural readjustment. Using sector program grants, the USAID program focuses on policy changes, better resource management and increased efficiency of human and financial resource use in agriculture/rural development and health/family planning. The strategy statement conforms to the Agency's Blueprint for Development, in that it concentrates upon policy reform, child survival, famine and population pressures.

Agriculture's importance lies in its capacity for growth and the fact that most of Niger's population depends on agricultural production. Health is an important part of human capital accumulation and essentially underlies all other economic activities. Further, the nature of Niger's population policy has important implications for the country's limited and fragile resources. Policy reform and structural adjustment require institutions to develop policies, implement the reforms, monitor and evaluate their effects and modify them if necessary. AID is continuing strong support in this area.

The strategy components for agriculture are:

(1) Implementation of the policy reforms under the Agricultural Sector Development Grant and related activities. This will reduce policy constraints to agriculture development, while providing budgetary resources to support ongoing development activities.

(2) Development of linkages between agricultural research and extension, establishing functional research linkages to other organizations, and strengthening the human resource base for research. National foodcrop research programs for both irrigated and rainfed crops will be implemented, with the intent of contributing eventually towards reducing effects of drought.

3) Development of participatory self-managed organizations through cooperative development and restructuring, extension, seed multiplication, credit and input distribution.

4) Institutionalization of land use planning and effective measures against desertification and integration of these activities into ongoing programs.

In health, USAID's longer term objective is improving the health status of the population at large by reducing mortality and morbidity, particularly among children, improving overall nutritional status, and expanding access to family planning. USAID will support policies that are conducive to structural changes, particularly improved public resource management. This includes institutional reform and development. Both current and investment budgetary resources will be restructured toward supporting preventive health care and maintenance of existing health infrastructure. Cost recovery/user fee mechanisms will be improved as well. USAID will be involved in child survival program interventions, including family planning, through regional projects and local currency programs. Family planning services and demographic planning will be integrated into the health strategy at all levels.

II. PROGRESS AND IMPLICATIONS

At the time of Niger program week last year the Mission believed that submission of a new CDSS was warranted. Reasons for this were: (1) the impact of persistent drought conditions on the program, (2) the structural nature of Niger's financial and economic problems, (3) the need to confirm priorities of our agricultural objective, (4) whether to continue support to adult literacy and numeracy, (5) how to keep the momentum going in population/family planning activities, and (6) the need to carry out a program at a time when OE funds and staff were being reduced. The Niger program week resulted in recommending preparation of a new CDSS and establishing the staffing level at 21.

The new CDSS was approved in March 1986. It reflects the changed conditions and has the long-term objective of increasing and diversifying food production. The medium-term objectives focused upon policy reforms and actions necessary for structural readjustment.

Major decisions were made on program consolidation during the past year. At the end of FY 86, the Mission will no longer have any bilateral projects in the education/human resources sector. Involvement with the natural resources and land use planning sector ends with the termination of the Forestry and Land Use project in December 1987. Soil, agro-forestry and environmental activities will be addressed in agricultural projects and funded with counterpart funds. The decision was made to phase out of the Niger Basin Authority's water resource planning project in FY 87. All project implementations in the livestock project will end by December 1986, except for three policy and research areas.

Program consolidation has focused USAID's program on two classic sectors in addition to USAID's overall macro-economic and structural development concerns: agriculture/rural development and health. Agricultural Sector Development Grant provides the mechanism for dealing with policy reform and structural readjustment. During FY 85 the GON met its policy objectives and the second set of conditions precedent was met, triggering the cash transfer and generation of counterpart funds. All available funds have been earmarked. The counterpart fund contributes to the structural adjustment process.

A notable development during the past year has been the increased emphasis that the GON has given to cooperation and collaboration in agriculture research activities. The GON agreed to the ISNAR study which will help develop a prioritized research plan and a human resources training plan. The development of the applied irrigation research PID also illustrated increased collaboration. The GON sees irrigation as a means of drought proofing and a source of income diversification to farmers. There is increased receptivity to moving research work off the research stations and into farmer's fields.

Agricultural production projects have improved their implementation progress. Agricultural Production Support project has increased activity in the cooperative development component, targets on training trainers and introducing notions of economic activity for cooperatives are being met. The

GON has prepared a decree which will make the agricultural supply and distribution agency private. Niamey Department Development II project completed an agro-ecological zoning study that will have important implications for targeting improved technical packages to the appropriate agro-ecological zone. This study used crucial information developed in the Forestry and Land Use project. A PP supplement has been prepared for NDD II and the project is now focusing on cooperative training and strengthening local organizations.

In the health sector the Mission has an approved PAIP for sector assistance. Details are being worked out how this sector grant will address policy reform and structural readjustment. Momentum with population/family planning has continued. The number of contraceptive acceptors at the family planning clinic in Niamey is continuing to increase. Columbia University is helping the GON in research and preparation of a legal code for family planning, while Rapid II has conducted seminars at the policy-maker level in population dynamics. The bilateral health project will be extended an extra year and financing specific types of training for health personnel and institutionalizing the planning unit in the Ministry of Health.

We expect the two sector grants will play important roles during the next two years in the processes of policy dialogue and structural adjustment. The past two years have demonstrated that sector grants can be an effective modality to put financial resources into the economy where they are needed and can be used for better resource management. The role of technical assistance teams who help do the critial planning and analyses for resource allocation is a very important part of the process. The Mission will increase attention given to resource allocation and the implications of recurrent costs for activities funded by the sector grant counterpart funds. Rigorous implemention of the reform actions during the next two years will require considerable effort to assure progress.

Regarding technical assistance projects in agriculture, USAID will pursue increased accomplishments in the pilot cooperative development efforts. The progress made in restructuring the agricultural inputs supply and distribution agency will be a crucial factor in promotion of self-sustaining rural organizations. Progress in the development of the seed multiplication and distribution system will result in improvements in the GON's agriculture support system for the farmer by increasing drought tolerance and resistance in seed varieties and cropping systems.

We anticipate continued progress will be made in agricultural research by assisting the GON to complete plans to prioritize research objectives and to determine human resources development requirements. Both activities will contribute to stronger institutionalization of irrigated and dry land agricultural research. The process will be enhanced by aiding the national agricultural institute to formalize closer ties with the international research organizations working in Niger. We want to encourage the present openness in undertaking research with the farmer in mind. We hope that a greater number of trials will be conducted in farmers' fields and stronger links will be established between research and extension in order to benefit the farmer. Finally, we want to follow through on the increasing awareness

that there are economic benefits to the farmer systems approach and that there is a need to improve and refine technical packages in line with farmer needs, agro-ecological constraints and marketing options.

With the signing of the health sector grant agreement we look forward to a new chapter of assistance. Both experience and studies indicate that investment dollars would be best spent on policy reform/restructuring. Sector assistance is also the best approach available at this time to maintain momentum in population/family activities. We will address policy questions such as a population policy for Niger, at the same time that we help expand family planning services.

Lastly, USAID will integrate the activities of forestry and land use planning in agro-forestry and environment activities that will be financed by the counterpart fund or other donors. With the institutionalization of the land use planning unit, our investment will have brought good results.

PART III: KEY PROGRAM TARGETS

1. Macroeconomic and Structural Adjustment Summary Statement: Support policies conducive to achieving the structural changes necessary to alleviate the financial constraints imposed by debt service obligations and management limitatio

Address sectoral policies and structural adjustments in order to improve resource management and increased efficiency use of resources in selected sectors, and increased resource mobilization from private sector

A. Progress	B. Targets/Benchmarks	C. Program Agenda
1. Budget/resource reallocation Implemented IMF program IBRD structural adjustment credit -Local costs for USAID projects provided under ASDG -Improved project financial management (Sahel Financial Management) -Pre and post project evaluation system set up (Evaluation Assis.) -Health budget review and analysis (RHIP/TULANE/JPA user fee study)	T. Restructuring recurrent budget expenditure, improved investment planning and project selection B. Meet IMF and IBDR's SAC for 87 & 88 -Provide local currency to meet well justified recurrent costs under 87 &88 Investment budgets -Improved investment planning and project selection	Budget/Resource allocation Support IMF-IBRD SAC incentives of ASDG and NHSS funds. ASDG and NHSS Local currency Project/ local currency management; training through Sahel Financial Management skills, analysis, on the job training. 87, Extension of EA to Dec. 87 Continue Michigan team, Health Planning RHIP/NHSS; Institutionalize land use planning)
2. Private Sector -GON agreed to restructure agric. inputs structure ASDG/APS -Ag equip. manufacture study/restructuring (APS/NDD) -Establishing OPEN program (SMPD local currency) -Policy shift to independent self managed cooperatives, principle of supplying services using private sector	T. Support Private Sector Development and divestment B. Meet IBDR divestment/parastatal rationalization program 87 and 88 SAC -Continue support of OPEN management program -Support OPVN management -Upgrade cooperatives -Support CA restructuring -Continue operational policy of self managed cooperatives	Privatization Actions -Policy dialogue analyses under ASDA NHSS -TA for Ag. inputs restructuring APS, -ASDG -ASDG/APS -ASDG/APS/NDD

Carry out policy dialogue and coordinate dialogue efforts with other donors

A. Progress	B. Targets/Benchmarks	C. Program Agenda
- Division of labor on rural credit (Caisse IBDR formal credit, USAID non formal)	Continue close coordination/policy dialogue with other donors B--88 Rural credit system implementa-	Coordination/policy dialogue Ohio State Study (ASDG) completed Caisse and Bank (dialogue) ASDG/other donors

- Food distribution policies - German assistance to OPVN policies/ management Donor coordinating group - Increased working level contacts - Irrigation (IBRO/Caisse/FED/KFW) - Ag Research (IPDR-ISNAR study ICRISAT) - First discussions held on revamped UNDP round table process	tion studies Food distribution -87 strengthen OPVN management/ planning -87/88 Strengthen OPVN financial viability -87 Develop linkage with other donor and GON Irr. proj. to use research results, etc. -87/88 Develop stronger linkages with closely related projects Participation in round table -87 Preliminary sessions held -88 Completion of process, incorporation into GON Plan	W. German, FED assistance, with USAID Title II on dialogue caisse (includin PVO's on dialogue) Applied ag. research project, Ag work group APS, NDD & other productivity projects UNDP, USAID donor and GON staff discussions

Agricultural Summary Statement: emphasize food production and diversification through community-based, self-managed development, concentrating on local management private sector participation, and utilization of improved technical packages.

Agricultural Policy Reform: promotion of workable competition through increased private sector (i.e. cooperative) participation in the areas of agricultural input supply and distribution, agricultural product storage, marketing.

A. Progress	B. Targets/Benchmarks	C. Program Agenda
1. Agriculture Inputs	1. T. Agriculture Inputs	1. Agriculture Inputs
Subsidy of any ag input not to exceed 50% delivered costs of inputs	B. Subsidy not to exceed 87 - 25% delivered costs of inputs 88 - 15% delivered costs of inputs	ASDG ASDG
Benchmarks for release of second increment.		
	T. Restructure CA to promote Coops as project-making bodies	
CA statute drafted	'86 - Settle CA accounts - Promulgate statute that CA is owned by coops	ASDG/APS
	'87 - remove CA monopoly for all ag inputs	ASDG/APS
	'88 - suppliers more responsive to farmers needs	ASDG/APS

	'88 - more reliable sources of inputs, private sector increased role of inputs supply.	
2. Cereals marketing 10/85 system of tenders and bids for 20% of OPVN sales 10/85 6,000 mt stock reserves in village system 15 arrondissements covered by radio of market prices.	2. T. Cereals marketing B. '87 - Develop system of collecting commodity prices in key markets through nation '88 - 50% OPVN purchase sales in bid/tenders system level of village stocks maintained. Initiate radio dissemination of market prices throughout the nation	2. Cereals marketing
3. Agricultural Credit Credit study started 3/85 Credit Study Report 3/86 Pilot private sector guarantee program launched under APS	3. T. Agriculture Credit Credit Study completed 10/86 Credit policy for rural markets '87 - action plan for rural credit market developed '88 - progress in implementation of action plan	3. Agriculture Credit ASDG/OSU ASDG/APS
4. Cross Border Trade - 10/85 Reduce restrictions to cross border trade	4. T. Cross Border trade promotion B. '86 - reconfirm policy of open border trade '87 - promote increased trade of cowpeas and livestock '88 - maintain status of tied border trade	4. Cross Border Trade ASDG ILP also Applied Irrigation Research
5. ASDG Amendment	Conditionalities for ASDG amendment to be decided 1986	87 grant amendment

Agricultural research: Development of agricultural research system to provide new technologies which are essential for increasing agriculture productivity

A. Progress	B. Targets/Benchmarks	C. Action Program
1. Research-extension linkages - Informal meetings - 1985 GON Agricultural meetings - Reorganization of Min. of Ag.	1. T. Research-extension linkages B. 87 - GON integrates extension staff input for on-farm trials 87 - series of on-farm trials 87 - Irrigation research/extension unit established.	1. Research-extension linkages NCR/INRAN/APS Applied Agriculture Research

- APS experimental bank guarantee program 3 cooperative, 21 GM - Pilot local investment fund establish NDD - NDD credit program fully computerized	- Plan for transfer of NDD activities to technical services 88- Establish market mechanisms for coops, increase number economic activities per coop - 60 villages in Niamey Department capable of doing economic activities - Model for UNRC of coop structure	NDD/MOA CLUSA/APS NDD - assisted by CLUSA CLUSA - NDD
2. <u>Restructure Ag. Input Supply agency - cooperative owned</u>	2.T <u>Ag. Input System becomes privatized</u>	2. <u>Ag. Input System</u>
- Statutes and decrees for transitional period, drafted and awaiting approval. - Study on viability of ag equip mfg centers as privatized entities completed - Study on interim CA completed	B. 87 - CA fix own prices; CA makes recommendations to the Ministry - CA distribution network to pilot coop with packet of input 88 - CA <u>de jure</u>* commercial entity - CA has operative but limited national distribution system.	CLUSA + LAI/GON APS
3. <u>System to diffuse technical innovations</u>	3. T. <u>System to diffuse innovations</u>	3. <u>System established for diffusion of tech. innovations to farmer</u>
- Continuation of <u>Operation Villageoise</u> (Kolo field prog.) - Set up rural communications liaison unit at IPDR/Kolo to facilitate training/retraining/ field work MOA technical services staff - Intensified experimental village training centers as low cost extension training.	B. 86 - Plan for integrating irrigated areas into linkage for research - Transform CPT's into training center for field agents 87 - Strengthen research/extension link - Train extension agents in selecting proven technologies - Begin implementating extension methodologies and technical package training for proven technologies to coops 88 - All CVF test ag. equip. prototype - Begin including irrigation related technologies in extension liaison training programs for technologies ready for diffusion	APS Design of integrated applied research project - USAID NDD project + technical services project - USAID NDD NDD APS, research projects - technical service personnel NDD APS/Ag research

2. Strengthen research institutions	2. T. Strengthen research institutions	2. Strengthen research institution
- Coop agreement TROPSOILS	B. 87 - functional soils lab do analyses on Nat/scale from farmers' plots	TAMU/INRAN
-Agreement to have ISNAR study.	87 - approve prioritized Nat. ag. res. plan	IPDR/USAID/INRAN
- Informal meetings - Negotiations during irrigation PID on prioritization, training plans - CDSS development of strategy - NDD II PP amendment - Irrigation PID development	87 - adopt human res. training plan 88 - implement prioritized research plan 88 - create Nat. consultative planning peer review for ag.res. 88 - integrate applied agronomy program of NDD II into INRAN	INRAN/NCR/IRRIGATION INRAN/DONORS NDD II/INRAN
	88 - Establish Irrigated res. protocols	INRAN/ONAHA/G.Rural/Other donors
3. Technology transfer	3. T. Technology transfer	3. Technology transfer
- Discussions during PID design for Irrigation Informal discussions with Min of Ag., INRAN, ONAHA	B. 87 - INRAN-ONAHA-Genie Rural Min Plan Memo of Understanding 87 - Internat'/ wkshp sahelian soil/ water res. dev.	GON INRAN/INTNAT'L.RES.ORGS.
	88 - INRAN/ICRISAT formal agreement for tech. transfer of activities	INRAN/ICRISAT
USAID/INRAN formal discussions	88 - INRAN established with productivity projs. a mechanism for extending tech. pack. to farmers	INRAN/NDD II/DONORS
Prototype development in NDD II Prelim. negotiations NCR proj. implementation	88 - have proven animal tract/farm equip. for farmer training programs 88 - functional INRAN Doc/Info Center	INRAN/NDD II NCR/INRAN

Development of participatory self-managed organizations for agricultural development: through cooperative development and restructuring, extension, seed multiplication and credit and input distribution.

A. Progress to date	B. Targets/Benchmarks	C. Action Program
1. Cooperatives - CLUSA team under APS developed coop-training program and identified 14 coops for training beginning April 1985 - NDD non-formal organizations study completed	1.T. Strengthen national system of self-managed cooperatives B. 87- 27 trainers of trainers in field - 4 economic activities per coop. - establish network of coops in one - Expand Bank guarantee credit prog.	CLUSA training program under APS CLUSA CLUSA - APS

4. Effective system for seed multiplication/distribution - Under APS and emergency programs 3000 tons millet seed produced, 300 tons cowpeas seed produced	4.T. Improve effectiveness and efficiency of seed multiplication program B. 87- GON approved criteria for improved seeds establishing infrastructure for monitoring/cleaning seeds. - Seed centers establish distribution system.	4. Seed distribution APS/GON with ASDG counterpart

Natural resource management and Land use inventory: Take advantage of the progress made to date in natural resource management, research and institutionalization of land use planning and increasing soil productivity and integrate these activities into ongoing programs.

A. Progress to date	B. Target/Benchmarks	C. Action Program
Restructuring the technical services	T. Restructuring the technical services for natural resources	Restructuring the technical services
- Land Use Inventory sites (applied research) results	B. 87 - Institutionalization of planning unit in Ministry of Hydr./Env.	GON/MHE
	88 - Other donor sponsored model site activities	FLUP/GON/USAID/other donors
- Economist planner preparing planning unit documentation for integration into Ministry	88 - Use of counterpart funds (ASDG) for dissemination of proven resource conservation technologies developed by FLUP	GON
- Counterpart funds have been programmed and used for local expenses.		

Health Summary Statement: Support policies that will promote structural changes, especially improved health sector public resource management and promoting child survival programs (Indicative only - PAAD design scheduled for June 1986).

Health Policy Reform: Promote more efficient use of public resources to improve health system performance

A. Progress	B. Targets/Benchmarks	C. Program Agenda
1. Cost containment	1. Cost containment	1. Cost containment
- GON/IBRD health project approved	B. 87/88 MOH budget for personnel not to exceed fixed percentage (to be negotiated)	PAAD CP
- PAIP approved		
- RHIP evaluation health sector recurrent cost analysis completed	87/88 MOH budget for 2 national hospitals (not to exceed fixed percentage (to be negotiated)	PAAD CP

2. Cost recovery	2. T. Increase cost recovery by user fees and other mechanisms	Cost recovery
- IBRD macro-economic study of health sector - MOP study on hospital charges	B. 87 Proposal to collect hospital fees from civil servants	MOH/TA
	88 Develop and test cost recovery models	MOH/TA
	88 Develop billing and collection system for 2 national hospitals	MOH/TA
3. Health Planning/Resource Management	3. T. Improved health planning and resource management implemented	3. Health Planning/Resource Management
- 1985 RHIP evaluation completed - Manpower study done by World Bank - Tulane--inventory of MOH personnel development done - Tulane analysis of MOH data collection system completed	B. 88 Computerized system to track MOH personnel and commodities semi-annually	TA
	88 Develop human resource plan to year 2,000	
	87 Initiate MOH personnel inventory plan at national level	MOH/TA RHIP
4. Family Planning	4. Define and implement population and family planning policy	4. Family Planning SPI/MOH
- GON national seminar on population issues held - First national contraceptive Seminar held	B. 87 Plan of action developed for expansion of family health care system	SPI/MOH
	88 Adopt legal codes for contraceptive distribution and personnel to administer contraceptives	Columbia/MOH

Child Survival: reducing mortality and morbidity among children, improving averall nutrition status of mother and children and expanding access to family planning.

A. Progress	B. Targets/Benchmarks	C. Action Program
1. Oral Rehydration Therapy	1. T. Implement Oral Rehydration Therapy program	1. Oral Rehydration Therapy
- Departmental training conducted - Health Education material developed - ORT production begun in country	B. 87 train all field personnel in ORT	MOH/PRITECH
	87 ORT mass media campaign launched/ follow-up at village level	MOH/PRITECH
	88 national pricing and distribution system for ORT sachets	MOH/PRITECH
	88 evaluation system to increase impact of ORT program	MOH/PRITECH

2. Immunization	2. T. Expanded program of immunization launched	2. Expanded program of Immunization
- IBRD. project approved to fund majority of EPI program - UNICEF assessment conducted - AFRICARE cold chain TA begun (RHIP)	B. 87 develop 5 year national EPI plan 88 develop cold chain system for fixed and mobile units in one depart. 88 develop competitive bid system for purchase of vaccines, or purchase through UNICEF/UNIPAC	Sector Grant Counterpart Fund TA
3. Population/family planning	3. T. Population/family planning program begun	3. Population/family planning
- Vanguard acceptor survey conducted - Contraceptive technology seminar conducted - KAP/IEC studies begun	B. 88 Train appropriate MOH personnel in F.P. service delivery - administering of contraceptives 88 Expand delivery services to MOH centers and dispensaries in Niamey Depart. 88 Develop plan for uniform system for importation and sale of contraceptives 88 Develop integrated population strategy for Niger	F.H.I. Sector Grant Columbia contract GON Sahel Population Initiatives
4. Nutritional surveillance	4. T. Nutritional surveillance program implemented	4. Nutritional surveillance
- Famine Early Warning system (FEWS) begun - Data collection/retrieval system estab. with PVO's - MOH personnel sent to nutr/surv workshop/seminars	B. 88 Develop national nutr/surv/plan 88 Equip all Medical Centers Dispensaries with H/W Charts/scales 88 Incorporate nutr/surv data into FEWS system	FEWS/OFDA MOH Counterpart Fund
5. Malarial control	5. T. Malarial control system support	5. Malarial control
Nat'l coordinator named for malaria control program	B. 88 Develop a national malaria control plan 88 Develop a protocol for treatment of presumptive malaria. 88 Develop better system of distrib/resupply, esp. village level	Sector Grant TA MOH/ONPPC

IV - WORK PLAN

A. New Starts Proposed or Anticipated in FY 1986-1988

USAID is currently designing the Niger Health Sector Support Grant (NHSS) scheduled for FY 1986 obligation. USAID also plans one new FY 1987 start, a comprehensive research project tentatively called the Niger Applied Agricultural Research Project. The second phase of the ASDG will start in FY 1988. USAID plans to prepare a PID for a cooperative development agriculture inputs project in FY 1988 as a successor to Agriculture Production Support.

The $15 million sector grant for NHSS (683-0254) will be the first phase of a possible 10 year program. The grant's purpose is to facilitate policy and institutional reforms which will contribute to: (a) sustainable primary and preventative health care (particularly child survival programs); and (b) structural adjustment and improved management in the health sector. USAID plans to obligate funds in August 1986. The PAAD will be authorized in the field.

The Niger Applied Agricultural Research Project (683-0256) will combine the Applied Irrigation Research and Coordination Project (683-0250) and the Niger Cereals Research Project (683-0225) into a single project with a LOP of $18.5 million. The purpose of the project will be to strengthen the institutional capability of the national research organization (INRAN) to conduct applied research for both dryland and irrigated agriculture. The PID for Applied Irrigation Research was approved in April 1986, and the original NCR authorization in 1982 was for the first part of a ten year project. A PID like document will be done in June for the consolidated project approach, and the combined PP will be completed and approved in September. Obligation is scheduled for January 1987 in order to allow time to contract for a new team and field them without incurring a break in technical assistance.

The Agricultural Sector Development Grant (ASDG) II (683-0257) will be a $35 million sector grant to follow ASDG I (683-0246/0247), USAID's main instrument of agriculture sector policy reform. The purpose of ASDG I is to continue assisting the Government of Niger (GON) in policy reform to increase agricultural production and productivity in light of reduced budgetary resources and the austerity program currently in place. Under ASDG II, policy reform measures that will be proposed include the rural credit and improved budget resource management, along with some conditionalities in one or two of the other ASDG I policy areas. Incorporation of livestock and land use policy planning and reform measures are also being considered. Obligation is scheduled for early FY 1988.

B. Design schedule (fiscal year quarters)

	86-4	87-1	87-2	87-3	87-4	88-1	88-2	88-3	88-4
ILP	AMEND								
ASDG		AMEND.							
ASDG II	Su *		PAIP		PAAD	OBLIG			
NAAR	PP		OBLIG						
Coop/Input							PID		
NHSS	OBLIG								

* Sector update

(note: Table excludes amendments to increase LOP funding by 10 percent)

Design Issues: The Mission's agriculture/rural development project portfolio will be revamped in the next two years, as the ASDG moves into its second phase, and other agricultural projects are completed. Bilateral agricultural research will be folded into one project. Supporting agricultural production activities will be evaluated and redesigned for a next phase. This design schedule allows a thorough, coordinated implementation of activities that are integrated into the current strategy for a period of structural adjustment and laying the foundation for increased agricultural productivity. USAID will need a formal delegation to the field to approve authorization of ASDG I amendment, Health Sector Support, and Applied Agricultural Research.

C. EVALUATION SCHEDULE FISCAL YEAR QUARTERS

	86-4	87-1	87-2	87-3	87-4	88-1	88-2	88-3	88-4
NDD									XX
ASDG		XX						XX	
FLUP			XX						
APS							XX		
RHIP						XX			
NHSS									XX

Evaluations planned during FY 87-88 will all feed into redesigns of projects or next phase efforts in non-project assistance, and will support Action Plan efforts. A PES update for Niger Cereals Research will be completed in June 1986. Evaluating progress of the ASDG will be especially important to implementing USAID strategy. An interim evaluation of ASDG will lead to design of phase two in FY87. A final evaluation of ASDG will be carried out in FY 88, with results also feeding into implementation of ASDG II. Following an interim evaluation of APS, planned for early FY 88, a PID will be prepared for a follow up project. The NDD final evaluation will facilitate folding some of its activities into agricultural research, APS and local currency programs.

The health planning component of RHIP will be evaluated in early FY 88, and lessons learned applied to the planning component of NHSS. The first interim evaluation of the NHSS will be done in late FY 88 or early FY 89. A major purpose of the FLUP evaluation is to define activities in forestry and land use planning which other donors might fund after project completion, or which might benefit from local currency support under ASDG and also to contribute to formulation of the land use policy reform aspect of ASDG II.

D. Research Schedule for the Next Two Years

USAID will provide a schedule of research planned that will be conducted inside and outside of USAID/Niger projects/sector grants. These include macroeconomic analyses and studies; agriculture policy related issues; health policy related issues; farming systems and agronomic research; health and population operations research; and land use planning studies.

E. Management Improvements

1. Program Consolidation

USAID/Niger is consolidating its program into three areas: structural adjustment and resource allocation; agricultural production; and health/-population. The structural adjustment objectives are reached through implementing programs in agriculture and health. Bilateral education activities will end in FY 1986. By FY 1988 USAID will have phased out bilateral activities in forestry and land use, livestock and evaluation assistance.

On a project by project basis, it should be noted that the Niger Range and Livestock and Shelter Sector Planning projects ended in FY 1984. Three projects ended between May 1985 and May 1986: Literacy Services, Joint Program Assessment and Niger River Development Planning (Phase I). Three bilateral projects will end by September 30, 1986: TARA II, Maternal Languages, and Rural Sector Human Resources. Two projects will phase out in FY 1987: Niger River Basin II, and Integrated Pest Management. Six projects are scheduled for FY 1988 completion: Agriculture Sector Development Grant I, Rural Health Improvement, Forestry and Land Use Planning, Niger Cereals Research, Evaluation Assistance, and Integrated Livestock Production.

2. Procedural Simplification

USAID intends to authorize projects in the field whenever possible. In designing and evaluating projects USAID will make maximum use of local resources and use outside consultants only where skills/appropriate studies cannot be located in country. With experience gained on sector grants and the Irrigation Research PID, USAID believes that maximum use of locally available resources, combined with judicious outside supplementation, will result in stronger project designs as well as increased GON participation in the process.

USAID/Niger has also made a deliberate effort to alleviate workload on the technical divisions by combining project implementation review meetings with other required steps in the program cycle (ABS-Action Plan in the spring, Congressional Presentation/OYB exercises in the fall).

USAID/Niger is also instituting a contractor logistic support unit which should relieve some of the pressures on project managers and other sections of the Management Office.

3. Staff Alignment

Given the decrease in USDH ceilings and constraints upon OE resources, USAID has had to make some difficult choices regarding continued involvement in sectors which are very important for Niger's economic development strategy. Some reorganization of the staffing "mix" will be necessary to continue the structural adjustment emphasis and the new health sector grant (we need a DH population advisor but have not yet decided where to make the conversion). Additional cuts beyond those which are already planned will result in program cuts that will be to the detriment of achieving the strategy objectives in structural adjustment, agricultural development and health.

4. Improved Utilization of FSN's

Because Niger has acute shortages of trained and experienced nationals in many key fields necessary for economic development, USAID has launched a program to hire local staff as project assistants and in program financial management. It is establishing a staff development and training program to upgrade skills at all levels. USAID's Education and Training Branch conducts continuous analysis of local hire workload. It identifies Nigerien specific career tracks, determining features of grade levels and reviewing existing position descriptions. In order to upgrade local hire expertise, professional employees will attend appropriate AID and other training courses and all are eligible for language, office procedures, and WPS training. USAID aims to increase the percentage of Nigerien nationals in local hire staff (clerical support and professional) to 65 percent by FY 1988. A maximum of five trainee-level positions will be identified from reviews of position descriptions in which expatriates or third country nationals are currently serving, and USAID will actively recruit Nigeriens for these jobs.

5. Utilization of Peace Corps Volunteers and/or PVO's

USAID and Peace Corps carry out a variety of cooperative efforts. Currently volunteers serve in certain projects, training has been organized for Nigerien counterparts of TEFL volunteers, and funds are programmed through Small Project Assistance. This will continue in FY 1987 and it will be augmented by cooperation under the Peace Corps Africa Food Systems Initiative, beginning in FY 1986. Volunteers play an important role in disseminating technology and methods introduced through USAID projects, while the Peace Corps uses AID funding to support various volunteer activities.

FYs 1987 and 1988 will be a transition period for collaboration with the major US PVOs in country, as currently funded development and relief/recovery activities phase out. The number of resident US PVOs has increased to five which provides potential for additional USAID/PVO collaboration. USAID expects that certain resident PVOs will become actively involved in child survival programming in FY 1987 (using FVA grants and eventually local currency funds from NHSS). Local currency funding for rural development programs also will continue to be available through ASDG.

6. OE Savings

There has been a continuing review within the USAID to identify areas for potential and real savings. Through joint USAID/Embassy review of FAAS, substantial savings were achieved by transferring the costs of two FAAS personnel to the direct State CORE costs. Areas for future savings are being identified which will have an impact on USAID participation in the FAAS and utilization of services from the private sector. These include: motor vehicle utilization, operation and maintenance, building maintenance and repair; furniture and furnishings repair; and other general services activities. Greater utilization of local private sector services will result in savings by eliminating full-time staff and using services on an as required basis. USAID is establishing ceiling rates for utility costs for U.S. Government leased housing. The cost of some services, including motor pool to support office

functions for the headquarters personnel, will be reduced thanks to having the new AID building on the Embassy compound.

Additional streamlining of services which may result in savings include charging projects and OE directly for gasoline used by vehicles when filled from the GSO pump. Health Unit services will be charged directly to the contractor, and guards and drivers will be billed directly to projects.

7. Counterpart Fund Management

In order to improve the management of the counterpart funds, the ASDG local currency secretariat in the Ministry of Plan has hired a local Nigerien agronomist to assist in evaluation of projects requesting counterpart funds. The secretariat has two accountants to audit the financial records of the projects receiving counterpart funds.

A second objective is to integrate the selection of projects more closely within the National Investment Budget of the Ministry of Plan. Initially, ASDG project proposals were submitted on an ad-hoc basis. The GON has now instituted a procedure to review the proposals as part of its regular budgeting process through its investment budget. This procedure will be fully installed in FY 1987. The design of Health Sector Grant local currency modalities has benefited from lessons learned under the ASDG.

8. Pipeline

The Mission will have a portfolio with an authorized life of Project funding at $138,322,000 as of October 1986. The mortgage for this portfolio is 11,111,000 or 8% of the authorized LOP. Most of the mortgage is for the new Health Sector Support Grant. The mortgage has been consistently low over the past few years, because the Mission has been able to forward fund projects, especially as additional funds were made available at the end of fiscal years.

Forward funding of projects means a larger pipeline, however. As of 31 March 1986 the pipeline is $42,216,000 or 42% of actual obligations of $100,145,000. The Agricultural Production Support project had a slow drawdown rate until subsequent CP's were met and the technical assistance component reached full strength. The project's expenditure rate has accelerated markedly and pipeline will be a problem no longer.

The Mission plans to deobligate funds as a tool to reduce pipelines in cases where projects can no longer meet their objectives.

F. GRAY AMENDMENT

USAID/Niger expects to obligate approximately $16 million for all DA expense categories during FY 1986. Approximately $3 million or 18.8% of this amount will be open to Gray Amendment entities. It is quite likely that USAID will have the same magnitude of activities under the Gray Amendment in FY 1987 and FY 1988.

In addition to the possibility of subcontracting with a Gray Amendment entity under the Niger Health Sector Support Program and smaller value design and evaluation contracts, USAID intends to use an 1890 school (HBCU's) in a joint venture arrangement under the Niger Applied Agricultural Research Project.

V. ISSUES REQUIRING BUREAU ACTION

A. Remainder of Third and Fourth Quarter FY 1986

1. Delegate authority to field to authorize Niger Applied Agricultural Research Project and Contract for all design team components.
2. Authorize amendment (including PACD extension), notify Congress and allot funds for Rural Health Improvement amendment.
3. Notify Congress and allot funds for Forestry and Land Use Improvement amendment.
4. Notify Congress and allot for Niger Health Sector Support Grant.
5. Issue RFP and advertise for Niamey Department Development extension, delegate authorities to Mission for contract negotiation.
6. Contract for ASDG evaluation team.
7. Contract for ASDG sector update.
8. Approve Niger River Planning II phase-out plan and delegate phase-out actions to Mission.
9. Advise on OE funding availability to support FAAS withdrawal actions.
10. Determine OE funding source to finance new office building 636 (c) shortfall

B. FY 1987

1. First quarter
   a. Delegate to field authority to authorize ASDG I Amendment.
   b. Notify Congress and allot funds for NAAR
   c. Advertise for PAIP design team ASDG II, negotiate contract
   d. Advertise for technical assistance under NHSS delegate authority to USAID (with REDSO C.O.) to negotiate contract.
   e. Contract for FLUP evaluation team.
2. Second Quarter
   a. Advertise for NAAR technical assistance team
   b. Notify Congress and allot funds for ASDG amendment
   c. Notify Congress and allot funds for NDD II 10 percent increase.
3. Third Quarter
   a. Approve ASDG II PAIP delegate authority to field for PAAD authorization
   b. Advertise and recruit PAAD design team for ASDG.
   c. Contract for NCR final evaluation
4. Fourth Quarter None

C. FY 1988

1. First Quarter
   a. Advertise for TA team under ASDG II.
   b. Contract for APS evaluation.
   c. Contract for Cooperatives/Agriculture Inputs project PID design (follow up on limited aspects of APS)
   d. Contract for RHIP evaluation (health planning)
2. Second Quarter
   a. Contract for TA team under ASDG II
   b. Contract for ASDG I final evaluation team
3. Third Quarter
   a. Contract for NDD II final evaluation
   b. Contract for NHSS evaluation team
4. Fourth Quarter None