

# Action Plan

## FY 1989-1990

### NIGER

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APRIL 1989



Agency for International Development  
Washington, D.C. 20523



B.P. 11201  
NIAMEY

UNITED STATES AID MISSION TO NIGER  
American Embassy

Niamey, March 14, 1989

Mr. Walter G. Bollinger  
Acting Assistant Administrator  
Bureau for Africa  
Agency for International Development  
Washington, D.C. 20523

Dear Walter:

The attached Action Plan for USAID/Niger represents our best attempt to articulate plans for the Mission's program during FY 1989-1990, consistent with the Africa Bureau's guidance.

The emphasis of this document is on consolidating and reinforcing those actions we believe critical to sustaining the agriculture, health, population and natural resource management policy reforms already underway. Niger can reap the full benefit of reforms only by staying the course. USAID/Niger, working in close cooperation with other donors, is committed to providing the maximum possible support and encouragement through a careful blend of policy reform and project assistance, which should in turn help lead to our achieving the key strategic objectives described in this Action Plan.

As you know, we are deeply engaged in a far-reaching review of our agricultural policy reform/experience of the past four years, a review that is informing and guiding preparation of the broad concepts that will lie behind a proposed phase two or second generation of reform in this primary sector. We are now projecting the first obligation of funds under phase two for the summer of 1990, meaning that its implementation would get underway at the start of FY 1991 and be treated in the next Action Plan, the one that will cover FY 1991 and FY 1992.

I am looking forward to reviewing USAID/Niger's program and management next month with AFR's leadership.

Sincerely,

George T. Eaton  
Director

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## USAID/NIGER FY 1989-90 ACTION PLAN

### I. A Review of Progress in Achieving A.I.D.'s Strategic Objectives

#### A. Program Strategy Summary

The FY 1988 Country Development Strategy Statement, approved in March 1986, has a long-term strategy objective of increasing food production, leading to food self-reliance and increased rural incomes. The strategy is broadly interpreted to assist Niger to take advantage of West African regional (north-south) complementarities to increase its export earnings. In the medium term, the strategy focuses on policy support and other actions necessary for structural adjustment.

The CDSS recognized that rural dwellers would remain at subsistence levels unless major efforts were launched to move the rural economy away from a traditional concentration on rainfed cereals by diversifying rural incomes and increasing purchasing power. While neither the USAID nor Niger was ready in 1986 to adopt a broader income diversification strategy, efforts were begun to lay the groundwork for such a move. Therefore, the CDSS was presented as a transitional document which would in the interim focus on bringing about necessary structural adjustment through policy reform. During the ensuing period, the policy environment has improved significantly. The Mission is consolidating and building upon these gains while exploring in greater depth areas for new policy initiatives that will lend themselves to our long-term objective of increasing rural incomes.

#### B. Program Impact Assessment

Progress has been achieved in addressing a number of constraints identified in the 1987-88 Action Plan: (1) reduction in export controls to promote cross-border trade and liberalization of cereals marketing through agricultural sector policy reform; (2) restructuring recurrent budget expenditure and resource management through policy dialogue to reinforce agricultural and health sector interventions; (3) encouraging the participation of the private sector in economic activities by enhancing the skills of community-based self-managed cooperatives; (4) improving marketing conditions for domestic and regional trade by supporting the establishment of a Market Information System and, at another level, through efforts to enhance quality control in seed multiplication; (5) building institutional capacity for famine early warning; and (6) successful demonstration of low-cost natural resource management methods with important implications for the future of Niger's rural economy.

The GON's receptivity to policy reform was most recently demonstrated in its quick action to eliminate export taxes on agro-pastoral products, a difficult reform measure, in response to USAID program conditionality. The results of a USAID-supported livestock study helped set the background for this relaxation of general rules on cross-border trade. Moving a step further, an executive order removing quotas on livestock exports has been issued. While these reforms may yield direct results (a recent rapid reconnaissance study on onions projected a substantial increase in export growth with the removal of the tax alone), they are not sufficient to improve overall marketing

conditions, particularly for goods that remain outside official channels. Other actions have affected the GON's grain marketing board, OPVN, greatly reducing and modifying its role. OPVN no longer markets cereals; that is left to the private sector. Cereals marketing prices are no longer fixed by the government and the board has adopted a tender and bid system for purchasing security stock grain. In addition, subsidies on most agricultural inputs are being reduced incrementally to a target level of 15 percent and steps have been taken to convert the input supply parastatal into a commercial entity, e.g. transferring it to the cooperative movement.

The USAID began its involvement in the health sector in 1976 with a rural health care project implemented by the PVO Africare in the Department of Diffa. Since then U.S. assistance to Niger's health sector has grown considerably, expanding from traditional interventions such as training, technical assistance, and facility construction and renovation to health sector support aimed at long-term sustainability; cost recovery in the health care system; the containment of health care costs; improving the allocation of financial, human and material resources; and increasing the capacity of the Ministry of Health (MOH) to develop and implement appropriate health care policies and to manage health care resources and services. Special efforts are being made in child survival interventions which are of critical importance in Niger, since Niger's rates of infant and child mortality and morbidity are very high. Our child survival strategy includes the strengthening of the village health team system to assure delivery of key services, assistance to the national diarrheal disease control program, and special interventions in nutrition.

Improving the efficiency of the human resource base through better health and nutrition complements the CDSS's emphasis on agricultural productivity increases. Malnutrition is a severe problem in Niger. Daily per capita caloric intake is estimated at 2,000 calories, well below minimum standards. The country's ability to produce sufficient quantities of food to increase per capita consumption has a serious obstacle in Niger's high population growth rate, estimated at 3.1 percent annually. Therefore, reducing population growth is one of the major elements of our strategy for increasing food self-reliance and rural incomes. Over the past four years with USAID support, the Government of Niger has placed increasing priority on the provision of family planning services, as demonstrated most recently by the promulgation of a 1988 law explicitly authorizing the provision of contraceptives by qualified health personnel. The drive to extend family planning services to all departments and arrondissements of Niger is combined with a plan to integrate family planning into the nationwide delivery of health services. The overall objective is to strengthen all levels of the Ministry of Health to deliver primary health care services more effectively and widely, including family planning, in all health facilities down to village medical posts.

Private sector stimulation was emphasized by the GON and donors in the UNDP-sponsored 1987 Round Table and 1988 sectoral Round Tables and has become part of plans for public policy changes aimed at reviving the economy. As an example, USAID has been working through CLUSA to encourage grass roots cooperative development with positive results. Thus far 150 cooperatives have been reached and about 7,000 members trained. Most cooperatives exist as

organizations on paper (there are over a thousand listed by the government) but not operationally. To streamline access and decentralize decision-making, CLUSA was supported by the GON in its model of working directly at the local level. Marketing improvements are being emphasized. Cooperatives receiving CLUSA support are offering numerous services to their members, from the purchase of basic household products to grain processing and agriculture input supply. Cooperatives under the CLUSA umbrella also have access to a loan guarantee program. Loans for about 243 economic activities amounting to approximately \$810,000 have had no defaults to date, a track record that should eventually help reduce reliance on guarantees. Access to formal credit has been a generalized problem in the rural sector especially since the collapse of Niger's national agricultural credit facility in 1985. Since then the Government has looked to projects and commercial banks to fill the credit void. It has now agreed to the development of autonomous savings and credit unions as an alternative approach to increase rural savings mobilization and investment.

The strategy for improving marketing has moved on several levels. On one level, quality control concerns have resulted in actions such as the development of a thermostable vaccine against rinderpest which is now being field tested. Quality control is a significant factor in promoting export market expansion. On another level, USAID supported the establishment of a Market Information System within the Ministries of Animal Resources and Agriculture with the capacity of gathering data on livestock and grain prices in all departments. This information is relayed to the Directorate of Studies and Program for analysis in formulating policy decisions. The cumulative results are then retransmitted to technical services throughout the country.

USAID supported the establishment in 1985 of the Famine Early Warning System (FEWS) in the MOH to build national capacity in forecasting food production shortfalls during drought emergencies. Work to transfer the system to a more appropriate unit under the Prime Minister's Office has begun so that its interdisciplinary nature will be reinforced and overall coordination improved. Data from the MOH is supplemented, for example, by early-warning pasture information and biomass maps for western and central Niger developed under a USAID-assisted livestock production project. Eventually information on the population's seasonal migration patterns will be available for calculating food assistance needs for drought relief drawing on data gathered under the USAID-supported 1988 Niger National Census. Initial support for the census included training in the U.S. for the Director of the Census by the Bureau of Census (BUCEN) and frequent BUCEN personnel visits to Niger to work with the Director and his staff to assure a quality census. Technical assistance continues in the data processing effort. Other related activities include support for the AGRHYMET (Agriculture, Hydrology, Meteorology) crop/rangeland monitoring system, and the provision of essential material and technical assistance for the GON locust and grasshopper control program.

The restructuring of the grain security stock and distribution agency (OPVN) is receiving USAID support. Several important moves have included reducing the size of the overall grain security stock to 80,000 MT, in accordance with World Bank recommendations, and developing new operating procedures to assure a more cost-effective management. A food insurance fund has been proposed,

and donor participation invited, so that when a drought occurs, funds or in-kind donations will be immediately available to augment the security stock. Domestic reserve seed stocks are being established and the concept of village security stocks introduced.

Finally, Niger's fragile natural resource base has been the subject of increasing USAID assistance drawing on past experience including the successful fuelwood cooperative at Guesselbodi which demonstrated that members' incomes could be increased up to \$80/mo through fuelwood harvesting when de facto the GON permitted the rural population to harvest wood from live trees for the first time. Although this is as yet illegal under existing statutes, it demonstrates a potentially positive model for government-villager partnership in public land management. While the Government is open to appropriate policy for institutional and legislative reforms covering land tenure and natural resource use in rural areas, too rapid reform without testing measures through actual experience would be counterproductive. As a result, options for interventions related to natural resource management policy reform remain under review.

Significant progress has been achieved since the last Action Plan; nevertheless, problems remain in overcoming key agricultural sector constraints, particularly regarding seed improvement, pesticide subsidies, and fertilizer management. Seed improvement is a particularly slow process in the Sahel. Improvements in millet and sorghum, the country's two basic crops, remain modest since they are already well adapted to the poor soils and rainfall conditions of Niger through centuries of natural selection. Improved seeds are being tested but none (except for a sorghum grown under irrigation or in heavier soils with high probability of adequate rainfall) appear to have qualities that would stimulate a serious adoption rate for rainfed production. Pending the identification of significantly better performing, more drought and disease-resistant varieties for rainfed areas, more emphasis is being placed on improving farming systems to achieve diversification by a cautious adaptation of some modern techniques to local systems and by inexpensive improvements in traditional agricultural techniques.

The GON has demonstrated clear receptivity to policy reform having adhered to a steep schedule of subsidy reductions that has now reached an average rate of 19 percent, below the current interim prescribed level of 25 percent. Niger's national input supply agency, an organization known as CA (Centrale d'Approvisionnement), no longer holds a monopoly over inputs. It is estimated that some 60 percent of fertilizer marketing is now carried out by the private sector. The GON would not concur, however, in the application of the reduction schedule to pesticides which receive a 100 percent subsidy based on their essential role in the control of cotton plant disease and locust plagues. Since the GON's supply of these pesticides is considered a preventive or emergency measure, their administration has been transferred from CA to the Direction of Crop Protection Services (CPS). Pesticides are not distributed by CPS for discretionary use by farmers but are handled as a collective activity. More work remains to ensure the most rational policy towards crop protection, pesticide management, and pesticide financing.

C. Implications for Future Program Action

An important lesson has been learned during the four years in agricultural sector support and the nearly three years in health and population policy activities. Policy reform is not a simple process. It generally takes place in a complex environment where many factors are not controlled or controllable. Unanticipated events require adjustments in the process to accomplish objectives. The institutionalization of most types of policy reforms requires considerable follow-up over a period of years. For example, the rationale for eliminating fertilizer subsidies was based on a market environment where the GON imported fertilizer commercially, a situation that no longer exists. Since embarking on its structural adjustment program, the GON receives all of its fertilizer imports through donor programs. In addition, with the devaluation of the Naira the price of Nigerian fertilizer is considerably cheaper than the donor supplies. Donor-provided fertilizer is of higher quality, but that has not tended to offset cost considerations. In effect, this kind of problem has left CA adrift as to what its role should be. Most premises for restructuring CA and putting it under the cooperative movement are, therefore, no longer as valid and CA's future requires further study. A mini Round Table on this subject is expected in 1989; however, the Mission has concluded, after a review of options, that follow-on technical assistance through CLUSA to CA is not appropriate at this time.

The first phase of the Mission's agricultural policy reform program concentrated on areas where inefficiencies were most acute and where macro-level changes were possible, e.g., removal of price disincentives, market inefficiencies and subsidy constraints. The policy agenda as it now stands covers agricultural input supply subsidies and policies; cereals marketing and distribution (including market-determined rather than official prices for basic grains); agriculture credit; cross-border trade; cooperative and private sector participation; and seed production and distribution.

During the FY 1989-90 Action Plan period, emphasis on structural adjustment and policy reform will continue. In advancing the basic strategy, USAID/Niger will be exploring in greater depth areas for new policy initiatives while consolidating and building upon gains made under previous reform measures. Planning for a new generation of policy reforms under a second agricultural sector development grant in FY 1989 has been reviewed and a decision made to shift the commencement of the next phase to FY 1990. Over the course of FY 1989 USAID, in consultation with the GON, is undertaking a series of reviews and analyses of rural development needs which will culminate in a framework for a new policy agenda. Rural income is the principal economic variable that USAID/Niger will ultimately be seeking to influence through a second generation of policy reforms. To move beyond readily identifiable macroeconomic policy reforms characteristic of the first generation of reform efforts, the Mission will draw upon careful analysis of the GON's ability to undertake specific reforms as well as the results of studies currently scheduled or underway, including the evaluation of the current sector grant and studies related to the marketing system, the agricultural research and production system, and the resource/institutional base.

Policy reform is an evolutionary process. Original conditions in the agricultural sector grant required detailed analysis of the rural financial sector and the development of a credit policy framework. This in turn led to the addition of credit union development as a major new component in a grant amendment. Likewise, in the realm of liberalized agro-pastoral trade, conditions were included requiring the analysis of existing policy and institutional constraints. Building on this investigation, a broad range of actions to liberalize foreign trade regulations and strengthen commercial relations with trading partners is being pursued in the Niger Economic Policy Reform Program (NEPRP) to promote agro-pastoral exports.

The consolidation of policy reform gains will draw on bilateral, regional and counterpart fund resources. An example of this blending of resources involves the private sector. The GON has formulated a program to support private sector initiatives and job creation known as PAIPCE, which deals with: (1) burdensome and counter-productive regulations of the private sector and (2) overemployment in the public sector. Reforms in the commercial and investment codes are envisioned as are revisions in labor laws and reductions in the extent of oversight by the economic police to reduce disincentives to private sector activity. Institutional changes needed to strengthen the chambers of commerce and to encourage the formation of business interests capable of interacting with the government on public policy issues are also being discussed. The objectives of PAIPCE and the USAID's NEPRP are intertwined. Complementary USAID support will come from human resources development funds to train and strengthen chambers of commerce; private sector studies will be carried out using PD&S funds; market town studies will be supported through RHUDO; and counterpart funds will be provided for a guarantee loan fund with a local commercial bank to facilitate credit for cooperative related production and marketing activities.

In addition to credit, noted above, another example of the need to sustain a focused policy dialogue concerns regional trade issues. The Nigerian market seems to offer the greatest potential for absorbing Nigerien agro-pastoral production. A stepped-up effort to understand and determine how this market can be more productively tapped and its potential impact on the economic growth of Niger will be an important focus during the Action Plan period. The NEPRP is helping pave the way for the assignment of a GON trade representative in Niger's consulate in Kano, the most important commercial center in northern Nigeria. The Mission will continue to fund studies to uncover increased opportunities for promising agriculture products (e.g., skins and hides, potatoes), analyze production constraints, and strengthen regional trade relations.

Important steps are being taken to measure impact in a country where reliable data are virtually nonexistent. This is critical, not only in tracking progress and impact but also in better defining new strategy interventions. In the first year of NEPRP, efforts are being devoted to establishing GON systems necessary for gathering data on exports to create a baseline of data. Another effort is a three-year Cornell study being launched this year to determine the impacts of policy reforms on the Nigerien economy and selected lower-income socio-economic groups. A better understanding of the causal connections between adjustment measures, economic growth, and household-level income should make possible policy reform designs that achieve macroeconomic objectives while protecting standards of living. A new two-year International

Food Policy Research Institute (IFPRI) study will cover village and family-level patterns of income, consumption and marketing in four locations. IFPRI's interest in the Sahel is related to how households diversify their income in drought-prone areas. Study results will provide planners in Niger with empirical data on household food security strategies and enlarge our understanding of sources of rural income.

Emerging from a nearly dysfunctional state, the country's national agricultural research agency, INRAN, is beginning to play a role in promoting the diversification of production to increase rural incomes. INRAN's capacity to support research services is being strengthened with USAID support in crop improvement, production and farming systems programs, data management and statistical analysis, cereal quality analysis, soil analysis and in-service training. Research priorities have been determined through a study, supported in part by ISNAR and the IBRD, which is now guiding INRAN's long-term research program. As national research/extension linkages remain weak, USAID is also promoting functional linkages to extension and other agricultural services. These efforts are being supplemented with non-bilateral resources such as activities under TROPICOLS, INSORMIL and the Peanut Collaborative Research Support Program. A common theme for this support is the assurance of a continuous flow of useful technology for adoption and training for improving professional skills of research staffs leading to institutional strengthening. An issue related to sustainability surfaced on the GON side this year when a reduction in INRAN's budget allocation was announced. Although a solution was found to make up the shortfall this fiscal year, the issue of adequate resources will need to be monitored for next year's budget.

The only new project being added to USAID's portfolio in FY 1989 is a Cooperative Agreement with CLUSA for rural organization development to continue technical assistance begun by CLUSA under a multipurpose agricultural production support project that terminates this year. CLUSA demonstrated success in building up the capacity of local cooperatives to effectively participate in the marketing of inputs and outputs. We now need to build on this success to solidify achievements with the existing group of cooperatives receiving CLUSA support while opening up the door for new entrants.

A further amendment of the Agricultural Sector Development Grant in FY 1989 will introduce an initial natural resources management policy agenda. Counterpart generated by the amendment will be reserved exclusively for NRM concerns to replicate models successfully developed under earlier Niger NRM investments; continue FEWS data collection; introduce new technologies, as appropriate; and support studies to identify appropriate new policy initiatives. To the maximum extent possible, private voluntary organizations will be encouraged to participate.

The health and population portfolio is solidly launched. These programs will receive further refinement as their strategy frameworks are fleshed out. Counterpart fund resources will be better integrated into child survival support activities related to immunization, diarrheal disease, malaria control and nutrition. Short and long-term technical assistance has been proposed to strengthen the management capability of the Nutrition Division of the MOH to enable them to consolidate and harmonize programs. An assessment of needs in the management of acute respiratory infection is also envisioned.

## II. Strategic Objectives, Targets, and Benchmarks for Next Two Year Period

### Strategic Objective #1: Increase agricultural growth on a sustainable basis.

The targets and benchmarks noted below reflect continuity with earlier investments in agricultural research and natural resource management as well as linkages with ongoing special regional data projects. INRAN's attempts to build up national capacity in crop research, production and diversification are being monitored, including efforts to enable farmers to use improved water use technologies for small-scale irrigation, with some emphasis on horticultural crops. Another important element is the provision of basic information on how to choose crop-livestock production combinations responding to market conditions which take into account land use constraints. To ensure the best package mix, INRAN will be consulting with a range of research sources in Niger seeking additional solutions to these challenges.

A restructured seed marketing program is evolving which includes an evaluation of existing government-owned and operated multiplication facilities to determine the most appropriate use of this infrastructure including government divestment or the possibility of its conversion to other functions. The encouragement of private seed producers to meet market demand in addition to special donor programs which they now support is an important aspect of this re-examination.

The addition of a natural resource management component to the Mission's Agricultural Sector Development Grant will significantly increase the availability of counterpart funds for the continuation and replication of proven NRM interventions. As new technologies and approaches are explored through local testing, socio-economic issues will be emphasized in ensuring grant eligibility criteria are met under the program.

Target 1: Build national capacity to diversify crop production and improve research/extension/farm linkages.

#### Benchmarks:

INRAN executes priority research programs in grain-legume intercropping, soil fertility, soil conservation, planting time, plant population density/spatial distribution, and animal traction.

INRAN planning during two year period shows increased attention to small scale irrigation and crop diversification research, on-farm trials and potential extension of findings.

GON agricultural research budget is maintained or increased.

INRAN builds on functional linkages with extension service to do on-farm research in priority crop areas. (Total number of farmers involved in trials increases over two year period.)

Institutional links between INRAN and University of Niamey and regional research institutions located in Niger are established as evidenced by joint use of scientific personnel on research projects or in utilizing results.

GON adopts Seed and Plant Material Action Plan for multiplication, certification and regulatory systems to guide the reorganization of the National Seed Program and to facilitate private seed production.

Target 2: Establish program for land and resource management, environmental restoration, resource studies and environmental assessments.

Benchmarks:

Criteria for grant selection and management are developed by USAID and GON for use of the counterpart fund.

NRM interventions whose sustainability and adaptability have been successfully tested locally are prioritized for different agro-ecological zones and replication efforts begun.

Additional identified potential technologies and approaches are field tested in Niger to determine potential new NRM interventions.

GON increases number of exemptions to forestry code to allow collective or individual management of forest resources.

Target 3: Develop regional data on rainfall, crops and forage production, pests and famine early warning to supplement national systems for agricultural planning and pest control.

Benchmarks:

Sahel Water Data and Management III (AGRHYMET support) vegetation assessments provide timely inputs for early warning of food deficits for Niger.

FEWS project outputs contribute to national planning and GON capability to produce and analyze early warning data.

National research and development planning shows increased use of monitoring information from AGRHYMET for short-term agricultural forecasting as well as to respond to specific cropping season concerns.

Strategic Objective #2: Increase the scale, diversity, and efficiency of agro-pastoral markets.

This strategic objective focuses on continued positive change in the regulatory environment as well as on initiatives to liberalize domestic trade, expand private markets, and increase resources available in rural areas through savings mobilization. This strategy builds on policy reform already achieved under the agricultural sector grant and carefully monitors the implementation of trade liberalization for both export and domestic markets. Targets represent a multiple and complementary approach to clearly identified rural needs and a policy climate which encourages market diversification at all levels.

With its huge population, Nigeria represents an enormous demand for agro-pastoral products waiting to be tapped. Cowpeas offer considerable potential since Niger has a comparative advantage in their production over Nigeria. Another promising export crop is onions. Along with the traditional livestock trade these products should fuel market growth. Nigeria has a policy of food self-sufficiency shored up by bans on certain imports. This official stance does not have a major effect because formal channels only represent a small percentage of actual food exports from Niger (less than 20 percent). The presence of a large active "informal" market may encourage greater trade reform openness in both countries.

The private sector strategy's emphasis on cooperatives as a means of mobilizing greater economic activity to increase rural market opportunities will move beyond a pilot phase. As it expands to a broader base, special attention will be paid to analyzing economic impact and promoting the integration of women into cooperative activities.

With the mobilization of resources in rural areas seen as a major constraint to further development, and in particular limited access to credit, a new program to establish credit unions is beginning. Monitoring of savings mobilization and project impact, over time, on rural investment in areas where the unions operate will be a major feature of this intervention.

Target 1: Expand the private sector role in agro-pastoral marketing and continue liberalization of domestic and foreign trade regulations.

Benchmarks:

Export taxes on agro-pastoral products abolished.

Licensing procedures for export of agro-pastoral products simplified.

Appropriate Department of External Trade personnel instructed on the proper formula for estimating value of livestock for purposes of fixing licensing costs.

GON begins preparation of a business bill of rights, including the establishment of a position of arbiter between business and government.

Appointment of a commercial attache (from the Ministry of Commerce) to the consulate in Kano, Nigeria, whose position is included in the GON budget.

Volume of registered exports of livestock, cowpeas, and onions increases by at least 10 percent.

Reduction in the average rate of subsidy on agricultural inputs provided by Centrale d'Approvisionnement to not more than 15 percent of the delivered cost of the inputs.

Agricultural pricing information receives wider dissemination.

Target 2: Encourage greater participation in economic activities by community-based self-managed cooperatives.

Benchmarks:

GON agrees to extend cooperative strategy being implemented by CLUSA to increase the number of participating cooperatives over a five-year period from 200 to 350.

GON provides legal basis offering cooperatives increased autonomy to engage in expanded commercial activities.

40 new cooperatives receive assistance during the Action Plan period, in addition to the 200 cooperatives already being served.

Baseline data is collected by CLUSA on market changes and private sector growth in a selected sample of communities to measure economic impact of cooperative efforts.

Target 3: Develop pilot village credit union system to mobilize savings and provide access to credit.

Benchmarks:

Amount of savings and lending of credit unions increases by 25 percent in the second year over the base year.

10 credit unions established with a total enrollment of 1000-2000 members, and average deposits of 2,000 FCFA.

Total loans outstanding total 2 million FCFA.

Credit union-specific legislation enacted to enable them to function as financial entities.

Credit union administrative costs, interest fees and repayment rates are such to prevent decapitalization.

Baseline data system established to measure commercial investment of credit unions and overall economic impact of savings and lending activities.

**Strategic Objective #3: Increase coverage and quality of health care delivery systems**

Actions related to health, nutrition and population are aimed at the rural population where mortality and morbidity rates are highest. Attempts to improve maternal/child health and to reduce the incidence of childhood communicable disease are being coupled with efforts to introduce family planning services so that the population growth rate will not undermine economic development gains. Recent GON policy initiatives in family planning are supported by a project to extend coverage and increase numbers of users by about 60 percent during the planning period. Drawing on experience gained during past investments in the health sector which resulted in the expansion of coverage up to 40 percent through village health teams, a multiple target approach has been developed to expand coverage further and improve health services in several key areas.

A major effort in cost recovery and containment in health services delivery with accompanying reallocation of resources continues with changes called for in pricing of services and pharmaceuticals, personnel reallocation and monitoring of service use.

Demographic data being generated by a census program with the Ministry of Plan will be used to improve overall economic planning capability. This initiative will improve GON ability to predict service needs in health and to manage resources more effectively.

**Target 1: Develop GON/MDH sustainable cost recovery and containment policies and readjust resource allocations to improve health service delivery.**

**Benchmarks:**

GON/MDH meets conditions for cost recovery in curative services for hospitals, health services, and essential drug pricing as outlined in second increment indicators of health sector grant.

GON/MDH meets conditions for cost containment in hospital services and pharmaceutical supplies as applied to drug purchasing and hospital management, also outlined in second increment NHSS indicators.

GON/MDH reallocates national health budget resources in the medium-term to allow increased spending on primary and secondary services and increased budgets for consumable supplies.

GON/MDH improves human resource management and upgrades staff capability by preparing annual in-service training programs and develops schedule for personnel reallocation.

GON/MDH develops plan for health services delivery including links between strategies and personnel allocations.

GON/MDH develops MIS which provides data on health facility capacity, use of services, and how data are used in decisions at central and departmental level.

Target 2: Improve health service delivery in nutrition education, malaria prevention, immunization, blindness prevention, and increase population reached by child survival interventions.

Benchmarks:

Malaria protocols revised and implemented, treatment with chloroquine is following standardized medical guidelines and supply is regularized.

ORS distribution system is improved through the National Diarrhea Control Program.

Vitamin A distribution expanded from two to four arrondissements.

Nutrition education methods/messages developed and disseminated in at least two departments.

Research on infant feeding practices conducted.

Management Information System in place for Expanded Immunization Program.

Target 3: Increase family planning service delivery at sustainable rates.

Benchmarks:

GON/MDH allocates resources for extension of family planning to other departments as agreed by USAID and GON.

Access to family planning services increased and acceptance of services expanded from 18,000 to 30,000 users by 1990.

IEC activities carried out in six departments.

FP services available at medical centers, prenatal clinics and maternity clinics in all seven departments.

Data system to monitor FP service delivery developed and functioning.

Target 4: Increase GON capability to produce and use demographic data for health planning.

Benchmarks:

Post-enumeration survey of the National Census completed (to evaluate accuracy and validity) by MOP.

Preliminary results of the 1988 National Census are produced.

### III. Mission Management, Monitoring, and Coordination Activities

#### A. Resource Management: Plans and Issues

USAID/Niger was the subject of a Management Audit in 1987 and took the following actions to resolve the audit recommendations:

1. Began procedures to introduce assessment and reporting of progress in accomplishing project purposes within the context of the Mission's project review process;
2. Provided guidance to project officers and other responsible Mission staff to assure that, as a part of periodic vulnerability assessments, the progress measurement system is examined and that appropriate administrative controls are in place;
3. Established procedures for improved implementation of Agency financial management policies by assuring that project papers evaluate the need for audits during project implementation and assess host country contracting and implementation procedures; establishing procedures for annual reviews of the voucher payment and approval process; and ensuring that project officers submit voucher approval checklists;
4. Upgraded the Mission's local employee training plan; developed plans for increasing the use of computers to organize project management information systems and reporting; and began work to update the Mission Operations Manual.

Progress has been made on the FSN employment and training plan, computer procurement and several other management improvement tasks resulting from this audit, as noted above.

USAID is also following Bureau WID guidance in new designs. Our recruiting efforts to increase the participation of women in training programs such as the Human Resources Development Project and AFGRAD have also begun to pay off. The presence of Nigerien women in development councils and in implementation activities is as yet in a nascent stage; however, their presence is increasing.

Women's role in the private sector was examined as part of the recently completed HRDA private sector training needs assessment. Women's organizations are targeted for training including a special program in entrepreneurship development to be developed in conjunction with local training institutions. The results of this assessment will be incorporated into the Mission's WID action plan to be developed in the near future. As noted in the performance measurement section which follows, attention is given to gender disaggregation and analysis of baseline and monitoring data for health, cooperative development and credit union programs as well as impact indicators for policy reform initiatives.

The number of PVOs participating in the USAID development program has increased markedly over the past three years, growing from two in 1985 to six. Five U.S.-registered PVOs have permanent representation in Niger: AFRICARE, CARE, Lutheran World Relief, Church World Service and ADRA. Only the first three have active programs of any size. In addition, Helen Keller International, CLUSA, CUNA-WOCCU and recently Winrock International work in the country under the auspices of AID projects. CLUSA is expected to be the recipient of an \$8.5 million cooperative agreement this year for rural organization development. Counterpart funds under the USAID's sector grants will continue to be a flexible source of partial financing for PVO activities. The USAID has collaborated closely with PVOs on disaster relief needs and the PVO implementation role has been instrumental in the delivery of U.S. assistance. The USAID hosts information meetings with PVOs on a biweekly basis during periods of disaster preparation/relief.

The Mission collaborates with Title XII universities, e.g., Michigan has a \$4 million contract to assist in the agricultural policy effort and Tulane, working in health, has a contract for about \$2 million. Over \$5 million in long-term contracts and grants with Gray Amendment institutions are currently in place and Gray Amendment entities are used frequently for short-term technical assistance. The Mission also works closely and effectively with the Peace Corps in Niger.

The FY 1990 ABS instructions projected USDH staff positions for the Niger Mission at 18 down from the current level of 23 positions. This reduction comes at a time when the program level has been running at \$20 million a year or more and is projected to remain at least at \$18 million annually. If these reductions occur, they will place a heavy burden on the Mission. We recognize, however, that the Agency as a whole is facing a dilemma and we are exploring all options for maintaining effective management in the face of unavoidable cuts. For example, a portion of funding is being reserved in program designs (ASDG, NHSS and NEPRP) for trust funds which are available for program-related administrative management costs. A long-term U.S. PSC was designed into the AGRHYMET (Sahel Water Data III) project using program trust funds. We are also seeking guidance from AID/W for an OE trust fund and will be exploring the possibility of this type of resource with the GON this year.

#### B. Tracking and Performance Evaluation

USAID is modifying its approach to program evaluation to increase emphasis on measuring program impact as well as achievement of project purpose. The strategic objectives described in Section II reflect a focus on program impact above the project purpose level. The objectives identified could serve as goal statements for new projects coming on during the planning period. Wherever possible, targets and benchmarks are starting to incorporate impact measures of overall progress towards strategic objectives as well as project purpose measurement.

Our Project Implementation Reports were considerably overhauled to incorporate this change which appeared for the first time in our March 1988 submission. The Mission received very positive feedback from AID/W on the new format. All

new project designs will feature monitoring plans which specify measurement of impact above purpose level wherever possible and will require baseline data collection early in project life to ensure that comparisons can be made and that progress in meeting higher level objectives beyond the project can be assessed as needed.

For program monitoring, in order to obtain additional data for analyses of overall impact, USAID is planning to finance a number of studies, including a village level food consumption and marketing study by the International Food Policy Research Institute. Niger has been accepted as a case study for the three-year Cornell University study on the impact of structural adjustment on the lower income groups.

Monitoring program impact by gender will be possible for projects which collect regular information on beneficiaries and participants as part of their ongoing monitoring. Specialized training programs for women will also be able to track overall effect over time. In the case of existing agricultural projects benefits to women as members of rural households can be inferred. USAID will devise approaches to the question for new projects on an individual basis. CUNA-WOCCU has proposed to track women's participation in credit unions. CARE is doing the same in implementing its new counterpart-funded microenterprise project. Specific plans for involving women and monitoring impact on women are being incorporated into new project designs.

Women's direct participation in health/nutrition/population service delivery projects is more easily measured as these data form a basic part of project monitoring. Impact assessments from family health activities will be feasible. However, assessment of the impact on women of sectoral reform programs becomes more difficult. Gender-specific impact issues will be included as we move forward in developing the second generation of agricultural sector support programming. Guidance is being sought from AID/W on how to target and monitor the impact on women of non-project assistance.

The agricultural and health sector programs will be evaluated during the period of this Action Plan. The University of Michigan has already prepared a preliminary economic assessment for use in evaluating the former.

### C. Coordination with Other Donors

In policy reform areas major donors such as the UNDP, France, the EEC, the World Bank, and the United States are in general agreement that overall economic development in Niger will have to be based on an active role for the private sector and a reduced role for the State. Since 1983 all major donors have oriented their programs more towards encouraging this shift. While interpretations vary from donor to donor on the proper role of the State vis-à-vis the private sector and the economy as a whole, the World Bank and the UNDP have adopted policy and program approaches that are highly complementary to USAID efforts. France, West Germany, and the EEC have financed policy reform to restructure various parastatals, following the World Bank lead in this area. These efforts include food security and agricultural production packages. Here too complementarities exist with USAID policy reform objectives. Many of these efforts focused on reducing GON subsidies

for agricultural inputs credit and food grain security, but marketing concerns are also becoming more important in donor and private sector calculations of how best to profit from the improved policy environment for business in Niger.

The UNDP strategy is also very complementary to USAID's. Its program over the next five years will emphasize promotion of the private sector in small rural enterprises. It is based on recognition that food processing and marketing will be important factors in diversifying and increasing production and consequently increasing rural incomes. Donors in Niger have so far concentrated on production-oriented activities with little attention given to marketing. The GON has targeted marketing as a primary concern for the rural sector. UNDP and USAID are the donors placing the most emphasis on this important facet of the economy and are the leaders in changing the donor approach.

Investments in specific project areas are well coordinated by the Government and among donors. Donor round tables have been held to evaluate strategies and share GON priorities and concerns. In agriculture and health USAID is recognized as a leading donor and is consulted by donors considering investments in these sectors. Germany and the Netherlands are now financing natural resource management activities modeled after the model sites activities developed with USAID support. World Bank and USAID programs are frequently complementary: agriculture research, support to the National Census, child survival activities, health planning, and natural resources management. The UNDP and USAID also collaborate in health and population as well as the regional AGRHYMET program. It was largely due to close ties between the UNFPA and USAID that the population program was launched more rapidly than would normally be possible.