

Action Plan

FY 1990-1991

USAID/MALI

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ACTION PLAN
USAID/MALI
FY 1990 - 1991

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Action Plan

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I. Review of Progress in Achieving AID's Strategic Objectives in the Country

A. Program Impact Assessment

An assessment of USAID/Mali's program impact is based upon the previous Action Plan of May 1987. That plan was built around three strategic objectives: (1) Strengthening policy reforms; (2) Enhancing food security; and (3) Improving management and organizational performance. Progress toward achieving these objectives served as the basis on which the FY 1990 - 1994 CDSS was built and subsequently approved.

Mali's overall policy reform progress continues to be encouraging despite recurrent difficulties. Year to year economic progress continues to be highly sensitive to agricultural production, which is dependent in turn upon changing weather patterns. These factors makes the impact of policy reform actions and donor funding in support of them difficult to measure even approximately, let alone disentangling the impacts of individual donor programs.

Since 1987 government expenditure has been contained, but revenue collections continue to decline. The result is that the reduction of government borrowing deemed necessary by the IMF has not occurred, and consequently the IMF program has frequently been in suspension.

The real GDP growth rate has averaged 6% per year over the period 1986 - 88, but has been highly variable from year to year. The real GDP growth rate in 1986, previously estimated at 9%, has been reestimated to have been 18.7%, largely due to good rains and the resulting abundant harvest in 1985/86 following the drought of 1984/85 (i.e., high growth from a low base). Real economic growth in 1987 is estimated, however, to have been much lower (1.5%) and economic growth is thought to have been negative in 1988 (-0.8%).

These lower growth rates seem to have resulted from a numbing combination of average harvests, monetary and fiscal austerity, and stagnant net donor inflows, related in part to the GRM's slow implementation of policy reforms. Because of the excellent harvest of 1988/89, it is projected that GDP will increase by around 15% in real terms in 1989 in spite of ongoing austerity policies.

Government revenue collections, after a very strong increase in 1986, (up 27% from 1985) declined in 1987 by 10.5% and declined again by 8.3% in 1988, bringing state budget fiscal receipts down in 1988 to just 4.5% above their 1985 level. In 1986 government revenue collections, were up 33% from 1985; they then declined in 1987 by 5.5% and again by 2.4% in 1988, bringing state budget fiscal receipts down in 1988 to just 22% above their 1985 level. In other words, "consolidated" government revenues performed better than national budget revenues alone. 1986 collections figures may have been unusually high.

The structure of government expenditure has improved moderately in the last two years. Payroll expenditures in 1985 were estimated to be 64% of state budget outlays. Personnel expenditures had been growing at about 10% a year. Outlays on supplies and maintenance were only 23% of the level of personnel outlays. Recruitment ceilings, a wage freeze, and a voluntary early retirement program were

implemented to contain personnel outlays and reduce them relative to other items in the budget. By 1988, payroll expenditures were 62.5% of state budget outlays and supplies and maintenance outlays had reached 26.8% of personnel outlays.

Ex ante fiscal gaps have been very large. In 1988 the gap was in the neighborhood of 27 billion CFAF or \$ 90 million and for 1989 it is currently projected at 45 billion CFAF or approximately \$150 million. The 1988 *ex ante* gap was in part filled but was in large part narrowed by spending less than projected, and by debt rescheduling and in some cases forgiveness. Spending levels instead of increasing as projected actually declined, as noted.

At the project level, progress has been quite good. Annex 1 provides an item-by-item update of accomplishments made since the 1987 Action Plan, and is organized around the targets and benchmarks provided in that document. The strategic objectives of the previous period were established as follows:

1. **Strengthening Policy Reforms**

Policy reforms related to fiscal performance and cereals market restructuring were highlighted. Fiscal and regulatory targets were established and attained by the GRM under the EPRP program. The Voluntary Early Departure program was successfully implemented and its results acclaimed by a wide audience.

2. **Enhancing Food Security**

Continued progress was made in food security, notably in implementation of the OHV project and cereals market restructuring. The agricultural research portfolio made continued progress toward the development of staple grains which perform well under local conditions.

3. **Management and Organizational Improvement**

The training portfolio was expanded. The Mission undertook a series of training activities specifically targetted at Malian managers, in the areas of private sector-related management techniques and financial management. The GRM put into place a training program for departees planning to enter the private sector under the EPRP program.

A detailed "report card" on progress toward specific benchmarks under the reporting period is given in Annex 1.

- B. Implications for Future Program Action**

1. **Africa Bureau Development Strategy**

The philosophical foundations of the Mali program for the FY 1990 - 1994 planning period, as outlined in the CDSS, are grounded on the same bedrock as those of the recently-issued Africa Bureau DFA guidance, entitled An Action Plan for FY 89 - FY 91: The Development Fund for Africa (DFA). The strategic objectives outlined in the Bureau Action Plan are reflected in the CDSS as well as in other Mission

planning documents. To achieve the Mission's objectives (presented below) of a more efficient allocation of resources and increased rural and agricultural production, productivity and incomes, the following topics lie at the heart of our policy dialogue agenda:

- a. Improving management of African economies by redefining and reducing the role of the public sector and increasing its efficiency

A major obstacle to economic growth in Mali has been the state-led growth strategy and inappropriate economic policies governing the country's development effort over much of the post-independence period. Since 1981 the USAID has been among the leading donors engaged in dialogue with the government to reform these policies. Dialogue topics have included abolition or revision of regulatory controls on commerce; tax reform to improve private sector incentives; institution of user fees to cover the recurrent costs of essential services; control of civil service rolls and the public payroll; market liberalization to offer private merchants legal access to the trade in cereals; and divestiture by government agencies of activities that the private sector can perform more efficiently. Concrete A.I.D. assistance to help introduce and implement the reforms has been rendered through the Economic Policy Reform Program, Livestock Sector II, the Cereals Marketing Restructuring Project, the Operation Haute Vallee project and a number of research studies looking at constraints to private sector development and economic growth.

- b. Strengthening competitive markets so as to provide a healthy environment for private sector-led growth

A key element of the Mission's policy dialogue agenda is privatization for more efficient service delivery. The Mission will seek further divestiture by government agencies of responsibilities for the delivery of goods or services better furnished by the private sector. We will follow through on assisting the GRM to implement key policy reforms in the restructuring of cereals marketing and regional development organizations (ODRs) begun during the 1985-89 CDSS period. This assistance will include monitoring implementation of the projected agreement to divest the Haute Vallee extension agency in the Second Region of responsibility for agricultural credit, input supply, and crop marketing services in its territory. In coordination with other donors contributing to the health, family planning and livestock sectors, the Mission will examine the possibility of conditioning assistance on evidence of effective movement toward privatization of selected health and veterinary services.

- c. Developing the potential for long-term increases in productivity

These policy reforms will have their greatest impact on increasing agricultural production and growth linkages if complemented by and coordinated with technical and institutional interventions to enable and motivate private sector operators to provide a wider range of goods and services with greater efficiency in rural areas and farmers to increase production. Our activities to improve agricultural performance will be tailored to the resource and labor endowments of specific groups including women and poor farmers.

d. Improving food security

To implement reforms at the field level, we will encourage institutional changes which, together with better road infrastructure, will improve incentives for increased production by reducing market-related risks to smallholders and other members of the private sector. We will provide support for more active participation of village organizations and private traders in grain storage and marketing, a more effective and extensive credit delivery system for both groups, and a market information system. Such developments can stimulate the creation of new small and micro-enterprises and additional sources of income and demand for farm products. We will work in concert with the multi-donor cereals policy reform program.

We will seek further reform of government regulations and controls, and implementation of the reforms, so as to encourage greater and more efficient private sector economic activity, including the import and export of items now handled by government agencies. Agricultural production inputs, pharmaceuticals and veterinary medicines are examples of commodities that would be more efficiently imported and distributed by the private sector. Lessening of the restrictions now in effect may provide incentives for new business start-ups.

2. The Mali FY 1990 - 1994 CDSS

Mission Program Goal. The Mission's overall program goal is sustainable economic growth for Mali. As explained in the FY 1990 CDSS, approved last year, this means an increased growth rate in association with continuation of strong export performance, restraint on import outlays, improvements in public finances and better incentives for private sector activity.

Strategic Objectives. The Mission has established the following two closely interrelated strategic objectives for the planning period:

a. More Efficient Resource Allocation

More efficient resource allocation will be sought between and within the public and private sectors. Improvements in the delivery and cost-effectiveness of services for which the public sector is the appropriate vehicle at this time (e.g., research, extension of agricultural technology, implementation of a market information system, etc.) will release some government resources for maintenance and expansion of the services, or for allocation to other priority uses. At the same time, divestiture by government agencies of activities suitable for private sector involvement will offer the opportunity to private entrepreneurs to fill the gaps, provided the efficiencies and financial benefits to be gained so warrant.

The program will promote policies to improve resource allocation at the macroeconomic level so as to complement U.S. technical and commodity assistance at the sectoral level in agriculture, education, nutrition, health and family planning. For example, the policy dialogue agenda, by dealing with the regulations governing financial markets, will aim at improving the availability of credit to small agricultural producers. Changes in regulations and tax and customs rates that

enhance incentives for private entrepreneurs to supply production inputs may result in better, lower-cost access to production inputs for farmers. Both herders and veterinarians will benefit as restrictions on the private provision of veterinary pharmaceuticals and animal health care services are relaxed or eliminated.

The two principal vehicles for achieving this strategic objective are the Mission's policy reform programs, EPRP and PRMC. Some more technically related policy reforms are also being sought through the project portfolio as part of the Development of the Haute Vallee, Livestock Sector II and the follow-on Livestock Sector III projects.

b. Increased Production, Productivity and Incomes

This objective will be sought for rural households engaged in agriculture or related activities (e.g., marketing, processing and storage). This objective will contribute to improving macroeconomic performance, i.e., to achieving, on a sustainable basis, a higher rate of overall economic growth. Sector activities and policy changes in agriculture and health that lead to improvements in the performance of producers, technicians, managers and institutions will contribute both to sectoral and overall productivity. Its attainment will contribute to better nutrition and food security at the household level. It will also contribute to increased national food security in that Mali will be in a better position to produce and purchase the food it needs. This approach is consistent with the President's End Hunger Initiative.

The project portfolio carries most of the responsibility for achieving this strategic objective. Many of the targets relate to longer-term development concerns which will create the means for continued support, implementation and identification of these policy reforms.

3. Education Sector Considerations

Past analyses have demonstrated the problems associated with the management of the education sector in Mali. Since the completion of the FY 1990 CDSS, the Mission has been requested by AID/W to work within the framework of the Congressional basic education earmark to identify an activity in the basic education sector. After detailed analysis, we design a program for a FY 1989 new start to be entitled Basic Education Expansion (688-0258).

We propose to work with the Government of Mali within the framework of the Fourth World Bank Education project, to address the interrelated issues of declining social demand for basic education, low school quality, and inefficient management of the sector's resources. USAID's activities would focus on three categories: (1) access and equity; (2) quality and efficiency; and (3) resource management. These activities have been chosen to respond to the desires of the GRM, as expressed in various working sessions, and taking into account those areas where USAID feels it can best contribute to the GRM's efforts in providing access to quality basic education for Mali's children.

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

A. Strategic Objective: More Efficient Resource Allocation

1. Target: More efficient allocation of resources between public and private sectors

a. Benchmarks

Promote the liberalisation of the import and export licensing regime for certain products, e.g., key manufacturing processing inputs, pharmaceuticals and livestock products.

- * Deregulate agricultural production inputs, pharmaceuticals and veterinary medicines.
- * Expand private bank lending to small farmers and businesspeople who have proved to be good credit risks in A.I.D.-funded credit programs. An increasing share of credit recipients will be women.
- * Provide partial guarantees of bank credit to new clients for small business loans.
- * The Mission will initiate a mini-roundtable for the GRM, various donors and development agencies to focus on gender issues and appropriate policy reforms.
- * Provide training to bank personnel and potential clients in project preparation and appraisal and in business management. 35% of those trained will be women.

b. Management steps

- * Promote linkages between banks and informal sector credit groups in order to give small entrepreneurs access to bank credit and to improve the economy's savings mobilization performance.
- * Undertake study of impact of elimination of export taxes with funds provided by EPRP II.
- * Continue two-pronged discussions on policy changes required to achieve benchmarks, through projects reaching the technical players and through programs to reach policymakers and consolidate donor support through PRMC, UNDP, IBRD, etc.
- * Undertake further study of liberalization of pharmaceutical market, with an the eventual goal of eliminating the Pharmacie Populaire Malienne's monopoly on pharmaceutical import and commercialization. This could be funded from EPRP II funds and supported through IFAHS technical assistance.

2. Target: Improve delivery and cost effectiveness of services

a. Benchmarks

- * Maintain government fiscal deficit at or below 5 per cent of fiscal and non-fiscal revenues.
- * Assure that fiscal receipts grow at same rate as current-price GDP.

b. Management steps

- * Incorporate conditionality into EPRP II program to maintain pressure for achievement of expenditure targets and budget targets;
- * Continue to monitor performance of IMF and IBRD Adjustment Programs, including SB, SAFF and PASEP.
- * Under the terms of the second phase of the EPRP program, establish within the Ministry of Finance a unit capable of monitoring impact of fiscal and regulatory reform targets.

3. Target : Divestiture by GRM of activities suitable for private sector involvement

a. Benchmarks

- * Operation Haute Vallee is reduced to approximately 200 employees.
- * The OHV garage and cotton transport operations are divested to the private sector.
- * 75 OHV employees redeployed or trained for positions in the private sector.
- * 50% of DHV credit transferred to banks through village cooperatives, 8% of which will go to women.
- * 50% of agricultural input-output marketing under DHV is contracted to or performed by private firms.
- * 110 cooperatives in the OHV zone contact banks and suppliers directly for credit and agricultural inputs and implements.
- * The GRM will review its foreign trade regime as applied in the grains sector
- * 25% of those ^{public servants} who receive training to help them get jobs find employment.
- * 25% of Entrepreneurs International/African increase business as result of program.
- * Village and commercial pump maintenance and parts supply in Manantali are in place and run by the private sector.

* 2000 people, of whom 35% are women, are trained in Private Sector skills.

b. Management steps

* Mission will undertake studies of grain import/export regime, regulatory environment, and transport policy constraints

* Continued GRM-multi-donor discussions with USAID through PRMC forum

* Development and approval of a Missionwide Multi-Year Training Strategy and Plan with a strong emphasis on private sector development.

* Develop an implementation system for providing in country training for up to 1000 persons per year and for following up on all these trainees through the PTMS, of whom 35% will be women.

* WID database will be developed by WID coordinator.

* Annual assessment of WID targets will be conducted. Plans for each year will be adjusted based on prior year's performance re 35% target.

B. Strategic Objective: Increased Production, Productivity and Incomes

4. Target : Improved Health and Nutritional Status

a. Benchmarks

* Development of Mission Child Survival Strategy following arrival of Technical Advisor in Child Survival.

* Decision on approval for establishment of Malaria Research Laboratory in Mali with technical assistance and management from NIH.

* A Child Survival Statistics Data Base will be available to AID/W and other Donors.

* Local Production of ORS begins at UMPP.

* Mali publishes policy on population.

* 10 Health Professionals trained in Management Skills, of whom 35% are women.

b. Management Steps

* Nutrition KAP survey conducted by IFAHS and AED.

* Submission of AID/W funded UNDP nutrition surveillance Project.

* Finalize Nutrition Social Marketing Project through buy-in from IFAHS.

- * Complete Health Studies for Manantali Resettlement Project.
- * FHI II country program designed and approved.
- * TACS advisor fielded.
- * Implementation review of IFHS conducted to ensure delays are eliminated.
- * Review of gender issue compliance during SAPIRs.

5. Target : Increase Food Security

a. Benchmarks

- * Implementation of OPAM's performance plan, calling for the following actions:
 - No market regulatory stock or role (outside of emergency stock);
 - GRM grain distribution activities confined to food deficit areas, based on technical information from responsible GRM offices;
 - Continuation of OPAM market information system;
 - OPAM system of financial management and control in place;
 - At least 60% of OPAM food aid or security stock sales via bid and tender, the rest at market prices;
 - GRM discussions with donors and private traders on the regulatory environment; and
 - Review of the GRM grain trading regime
- * Participation of 40 villages in reforestation and soil and water conservation practices.
- * Village or producer establishment of 20 mini-nurseries.
- * Producers establish 75 living fence perimeters.
- * Villagers establish 10 kilometers of windbreaks.
- * Credit programs continue to moderate grain prices.
- * 200 people trained in rural development skills.
- * Intraseasonal price variation lower than in 1981-87 period.
- * New grain processing technologies providing employment for up to 50 people and several types of convenience food for urban dwellers.

b. Management steps

- * Implement natural resource management practices with the Haute Vallee Project.
- * Monitor GRM fiscal management performance under the Village Reforestation project.
- * Review of gender issues compliance during SAPIRs.
- * USAID review of rationale and incidence of benefits for credit programs
- * USAID and multi-lateral review of operational aspects of credit programs
- * Multi-donor evaluation of PRMC II
- * Multi-donor and GRM evaluation of OPAM performance plan
- * Studies of effect of regulatory and transport policy on the grain trade
- * Hire FSN to monitor grain policy and market environment
- * Complete design of Agricultural Research Support Project
- * Undertake comprehensive evaluations of the Farming Systems Research and Semi-Arid Tropics Research projects.
- * Marketing study and training program new processing technology
- * Multi-donor PRMC redesign of village association credit program
- * Multi-donor study of effect of village credit on grain sales at harvest
- * Signing of land tenure study grant.
- * Develop PID for support to PVOs in area of natural resource management.
- * Develop proposals from USAID/Mali Natural Resource Management Action Plan.
- * Improvement of information gathering system to allow for quantitative evaluation of project interventions.

6. Target : Increase Agricultural Productivity

a. Benchmarks

- * Crop production in the OHV zone is increased 25% to 30% over the coming five-year period.
- * The development of a national agricultural research strategy which establishes research priorities and a system for allocation of national human

and financial resources.

- * The establishment of a formal system for communicating research results to other researchers, extension agents, and farmers.
- * The release of two improved sorghum cultivars to farmers which are disease and pest resistant, drought-tolerant, and which yield 40 percent above local sorghum varieties and 20 percent above local millet varieties; and two agronomic practices which improve soil and water management. Four millet varieties and three sorghum varieties released from on-station to on-farm testing.
- * The publication of a detailed report on the progress/status of millet, sorghum, cowpea, and corn varieties and agronomic practice technologies that have/or will have undergone three years of on-farm testing by 1990.
- * Workshop organized on constraints related to crop production.
- * Fully operating diagnostic unit and water system at veterinary laboratory
- * 70% of herd vaccinated against rinderpest and pleuropneumonia in Region I, II and District of Bamako.
- * Design and implement a disease diagnostic network in Regions I, II and District of Bamako.
- * Design and implement a monitoring network that will provide reliable, accurate and timely information on the disease status in Region I, II and the District of Bamako.
- * Design and implement an improved system for the distribution of vaccines and medications in the project zone.
- * Improve integration of field and research services to strengthen capacity of extension service.
- * Implement a functioning financial system for livestock project elements.
- * Implement a management information system for the animal health system.
- * Continue development and extension of improved forage, forage production and nutritional packages
- * Reschedule and conduct seminars for field agents on animal nutrition, health needs and forage fallow systems.
- * Improve coordination with other international research organizations.

b. Management Steps

- * Implement Title XII contract for continuation of interim phase of Livestock

project.

- * Develop PID and PP for new project phase beginning in October, 1991.
- * Define future research needs during development of PID and PP for new phase of livestock project.

7. Target : Decrease Population Growth Rate

a. Benchmarks

Develop Plan for implementing IFAHS evaluation recommendations.

- * Assessment of AIDS situation in Mali and development of plan for future USAID assistance either bilaterally or through WHO.
- * Fully functioning Journalist's network through CERPOD.
- * Development and adoption of official population policy in Mali.
- * Hiring of long term IEC and Training Advisors for IFAHS Project.
- * Implementation of Operations Research Project in use of clinical methods of contraception (norplant, VSC, and IUD).
- * Clinical Family Planning methods offered at new AMPPF headquarters building.
- * CERPOD holds Second Annual Donor Meeting and Scientific and Management Committee Meeting jointly in Cape Verde.
- * Marketing Research for sales of contraceptives and oral rehydration packets.

b. Management Steps

- * Signing of lease between Railroad Company and AMPPF.
- * CERPOD conducts Mali DHS seminar.
- * CERPOD holds regional Family Planning Management Seminar.
- * CERPOD/RAPID III hold Francophone regional training workshop in population and development modelling.
- * Cost Recovery Study under IFAHS Project.
- * Operations Research study on Community Based Distribution of Contraceptives.
- * Construction and Renovations completed for IFAHS Health Centers and DSF headquarters building.

- * **Obligation of PVO Co-financing Project with funding assistance for PVO child survival activities.**
- * **Obligation of funding for the already-approved World Vision and CARE child survival proposals in their respective Project Areas.**
- * **Obligate FHI II population Project.**

III. Mission Management, Monitoring and Coordination Activities

A. Resource Management: Plans and Issues

The principal management issue for the Mission remains its ability to effectively manage the portfolio during a period of reduced operating expense funds without increasing financial or implementation vulnerability.

1. Mission Organization Structure and Personnel Levels

Current USDH personnel levels, 16 plus 2 IDIs, are sufficient to manage the portfolio as it now stands but new initiatives in Child Survival, PVO co-financing, Agriculture Research Support and Basic Education could substantially increase Mission management work load if steps are not taken to assure these have adequate, project funded, management capability built into them. In addition, in 1990 one USDH Design Officer position will be deleted upon the transfer of the incumbent within the Mission and the two IDIs will move into two positions which are, or will become, vacant leaving the Mission with a full staff of 15.

In order to maintain internal controls and limit vulnerability, more implementation and monitoring responsibility will be placed with current OE funded and/or project funded foreign national staff, FSN and CCN, and project funded US personal services contractors reporting to USDH. This way, projects will pay more of the costs of supporting themselves. A Logistic Support Unit for projects will also be established to provide support services. The projects will be charged directly for costs related to those readily identifiable services. In the beginning, this unit will be funded from operating expense budget but, as time goes on, a mechanism will be put into place to support operations through project funds. This should not only reduce operating expense costs but lessen the USDH involvement in project support activities such as commodity procurement. In addition, commodity procurement will be shifted to TA contracts where feasible, thereby transferring the management burden fully to project funding.

The Mission also plans to address the increased management responsibilities through portfolio consolidation managed by contractors. For the new Basic Education Expansion, PVO Cofinancing, EPRP II and Agricultural Research Support projects, project-funded contractors will be hired as project managers. Support of these individuals will be principally provided by the LSU, thereby lightening the Mission's direct management responsibilities. The ARS project design team will be requested to identify means whereby the Mission's current research portfolio may be consolidated under this new activity.

As mentioned earlier, the CDSS objectives identify health and nutritional improvements as key targets for achieving one of the two strategic objectives. The Mission plans to reach these targets through buy-ins to regional projects and through the implementation of the new PVO cofinancing activity. This project will essentially be managed by a team of contractors who will require minimal supervision by Mission DH personnel. The role of the Mission will be that of close monitoring but the bulk of the implementation will be handled by this management

team. It will also allow for a consolidation of those PVO activities which provide the critical expanded outreach for achieving our benchmarks.

2. Staff Development

The key to effective management of the portfolio by delegation of more responsibility to foreign national employees is training and staff development. During the fiscal years 1985 through 1988, the Mission spent only \$145,000 on training courses or workshops, only \$36,000 per year. So far this fiscal year, the Mission has spent \$14,096. Each year, the training budget, as with the procurement budget, has been governed by the availability of funds. For 1990 and subsequent years, the training policy and program and its budget will be set at the time of the Annual Budget Submission, based on rational decisions on priorities, and then closely followed, at the expense of other OE funded items if necessary. To the extent we can employ both US and foreign national personnel with project funds, we will do so and include in their contracts line items for training. This will develop a core staff of foreign nationals who will, as old projects phase out and new ones come on line, be funded from a series of different sources throughout their employment with this Mission.

B. Tracking and Performance Evaluation

1. Overview

Under the DHV project, we will undertake a comprehensive baseline survey to produce a cross-sectoral database using DHV project funding. The data collection effort, currently being designed, will produce a database which, in turn, will be used to monitor the impact of the DHV and other projects on the zone. Under an innovative arrangement with the OHV extension service, extension agents will be given the opportunity to earn academic credit through participating in the data collection exercise.

Through this and other projects, the Mission will gradually be able to collect data at a regional level. Initially, this will focus on the Second Region, the locus of some of the Mission's largest projects.

We will undertake special studies on the impact--immediate or medium-term--of specific interventions. Examples of this type of study are the ongoing Michigan State University monitoring of the impact of cereals market policy changes, the proposed impact analysis of the Manantali Resettlement Project (an OMVS activity).

2. Evaluation schedule

In addition to special impact evaluations listed above, such as that for the Manantali Resettlement Project, and other ongoing monitoring and database development programs such as that for the Development of the Haute Vallée project, the Mission has a program of standard project evaluations, as follows:

Evaluations for FY 1990

<u>Project Number</u>	<u>Project Name</u>	<u>Anticipated Date</u>
688-0218	Livestock Sector II	April 1990
688-0226	Semi-Arid Tropics	November 1989
688-0232	Farming Systems	November 1989
688-0937	Village Reforestation	December 1989
688-0252	Dioro Child Survival	March 1990
688-0517.88	Af. Grasshoppers	January 1990
688-0255	PRMC II	June 1991

3. Monitoring

After an experimental effort with quarterly project monitoring reports, which resulted in an overly cumbersome process, the Mission has reverted to a semiannual system built around the Bureau-wide guidance. We have recently begun a regular effort of inviting GRM counterparts and principal contractors to the Mission's SAPIR reviews, an effort that may continue throughout the current planning period.

As mentioned in the CDSS, our monitoring and evaluation program have begun to include a new emphasis on financial auditing, to focus on economy and efficiency. In accordance with the Agency's written policy statements, USAID/Mali has instituted new procedures to make wider use of independent public accounting firms to monitor the use of financial resources.

C. Coordination with other Donors

Mali's principal donor partners agree on the approach to the problem of inadequate economic growth, particularly on the economic reforms which are needed. The multi-donor Cereals Market Restructuring Program; U.S. and French consultations on budget reform; donor consultations on the World Bank Public Enterprise Restructuring Program; and multi-donor approaches to agricultural research and extension are examples of where concertation of donor dialogue and funding is beginning to produce results. However, the generation of employment, urban and rural, is a major effort facing both the government and the donors. Restructuring the public enterprises and the national budget has resulted in unemployment of the educated middle class on a scale which Mali has not known. Donors have come together around an employment round-table and have stressed that the best long-term solution to the unemployment crisis is the promotion of a healthy economy.

There is every reason to believe that the major Western donors are fixed on the same global objectives and are using both formal and informal coordination to arrive there. While much remains to be done, the highly coordinated and adequately funded cereals market reform program has overseen the liberalization of the cereals market and the growing involvement of the private sector in all aspects of marketing. IMF, A.I.D. and French coordination on budget restructuring and fiscal reform will benefit the economy. The World Bank program for restructuring of the public sector, supported financially and/or vocally by the major donors, is a positive step in the general plan to clean up the economy.

Coordination by the World Bank of the major donors financing irrigated rice production in the Office du Niger has promise to improve management and reduce production costs and make Mali more competitive. Restructuring of the rural development operations (ODRs), again being coordinated by the World Bank, is another avenue of promise to directly involve the private sector to achieve food security objectives. The A.I.D.-financed Haute Vallee project will be the first to initiate a major ODR restructuring and promote involvement of the private sector in credit, input delivery and transport activities. Fully coordinated programs for disaster and drought relief, spearheaded in large part by the Mission, have been very successful. The latest effort is to formalize a donor/government Secretariat to identify constraints which are inhibiting the ability of the private sector to grow and create employment, and to develop for immediate implementation an action plan including additional economic reforms such as measures to make credit ceilings and interest rates more flexible.

D. Special Issues and Considerations

1. Local Currency

Local currency generations from the PL 480 Title II Section 206 program will continue to be channeled through and programmed by the multidonor PRMC working group. DFA local currency tracking requirements are reflected in the procedures instituted by the Mission.

2. Gray Amendent

During the last Action Plan period some \$750 thousand was attributed to Gray Amendment entities. The four new activities scheduled for obligation in 1989 and 1990 all present possible Gray Amendment contracting opportunities. The four projects are PVO Cofinancing (688-0247), Agricultural Research Support (688-0250), EPRP II (688-0245) and Basic Education (688-0258). These projects are at various stages of the design, but each could provide contracting opportunities for PSC, institutional, commercial, contracts, or a combination thereof for Gray Amendment entities. The implementation phase of these activities will cover 1990 and 1991.

3. Title XII

There are two major Title XII contracting opportunities for the next two years. Under the Livestock Sector II project, the Mission will go out for bids before the end of FY 1989 with the hope of hiring a contractor and having a team in place before January 1990. The follow-on Livestock Sector III project is currently being planned as a Title XII collaborative assistance activity which will begin in 1991.

The other major Title XII opportunity as we design the agricultural research support project, scheduled to be obligated in mid to late 1990. A preliminary reading at the pre-PID stage of what we hope to accomplish under this project indicates that Title XII collaborative assistance is one contracting operation we will consider.

4. Role of PVOs

PVOs will continue to play a vital role in the implementation of the FY 90 - 91 program as part of the traditional drought preparedness program, but the Mission is now seeking to expand the role for PVOs throughout the portfolio. The PVOs that have worked closely with the Mission as the prime implementors of many of the drought relief programs have begun to use their extensive experience and knowledge of Mali to design and implement development activities. The Mission will actively seek to capitalize on this new role and extend it beyond our drought program by designing a new project, entitled PVO cofinancing which is due to get underway in FY 1990. The focal areas for PVOs under this new activity will be child survival, microenterprise development and natural resource management. The Mission will continue to accept and review PVO grant proposals outside of these areas, but only on the basis of unique need, because of our desire to move toward a greater consolidation of the portfolio.

5. Biological Diversity

During FY 1988, The Natural Resources Management Support project of AFR/TR/ANR provided funding support for the preparation of a Mali Biological Diversity Assessment report. Although the Mission has no ongoing activities exclusively linked to biodiversity concerns, natural resource management elements are incorporated throughout the portfolio, touching on soil and water conservation measures, agroforestry and livestock forage research. The Mission has identified natural resource management as one of the focal points for grants PVOs under the new PVO Cofinancing project (688-0247). Future Mission activities will incorporate biodiversity concerns, within the limits dictated by budget and personnel concerns.

The GRM is exhibiting an increasing willingness to examine natural resource management issues. They will host, this year, a second GRM/Donor roundtable meeting on the national desertification program. This meeting will offer the opportunity for a further opening of the door on important policy issues such as land tenure and the forestry code, which can influence all areas of natural resource issues including biodiversity.

Over the course of the two years of this Action Plan, the Mission will focus on management steps, which will lead to areas of specific intervention in biodiversity. The Mali Biological Diversity Assessment report and the results of the GRM/Donor roundtable meeting will provide our basic guidance for the development of specific plans and activities for inclusion of biodiversity concerns into USAID/Mali's program.

Biodiversity management steps include the following:

- * Program available FY89 and FY90 PD and S funds to develop the high priority projects from the Mali Biological Diversity Assessment report.
- * Participate in coordination meetings with IUCN and other donors on intervention and policy issues.

Annex 1
Accomplishments Under FY 1988 - 1989 Plan

1. **Strengthening policy reforms**
 - a. **Objective 1: Conduct search for employment generating private-sector investments**
 1. Complete basic private sector profile, investment climate, and capital market studies: Completed.
 2. Complete two actionable agro-industry investment studies for certain product lines, such as grain, fruit or livestock are done in combination with the business community and GRM: A study of a new grain-based food product with wide market potential as a rice substitute is ongoing. A second study will be completed this action plan period.
 - b. **Objective 2: Consolidate past achievements and further extend market liberalization.**
 1. Expansion of private sector credit to grain traders: Private sector credit for grain trade has expanded from small experimental and problematic programs in 1986/87 to major programs starting on time and meeting their objectives of greater private sector purchase and storage in 1988/89, with approximately \$15 million in credit for grain purchase being extended to private sector operators.
 2. Phase out of official price schedules: All officially set consumer prices were abolished in late 1987, as were producer prices and consumer subsidies. The only grain with any government intervention on price is rice, with a GRM floor price for its own declining purchases (which private traders are not required to adhere to) and with a fixed margin on the sales price of rice.
 3. Minimization of market interventions: OPAM's performance plan was approved in March 1989 by the GRM, which limits OPAM to meeting food needs in deficit areas and abolishes OPAM's former market regulation role.
 4. Lowering OPAM deficit: OPAM staff have been cut by 50%. Personnel and other budget cuts have substantially reduced OPAM's deficit which is expected to be only approximately 10% in 1989 of what it was in the mid-1980's.
 5. Improvement of OPAM's food policy data base through feedback of three studies: Three studies and information

activities have substantially broadened the market information available to the GRM and private sector, and served a direct role in the OPAM performance plan design.

6. Incremental rural development organization reforms: Three marginal ODR's have been eliminated with major cost reduction plans now being implemented in several others (CMDT, OHV, ODIPAC, Office du Niger). In addition, early 1986/87 discussions of substantial rice sector ODR reforms (specifically, secure land rights, liberalized paddy rice marketing and milling, greater responsibility to farmer groups, and a more rational extension cost structure) are all in effect for the coming agricultural campaign

c. **Objective 3: Consolidate and extend fiscal, regulatory and budget restructuring reform actions.**

1. Implementation of scheduled tax rate reductions on payroll and profits taxes: These were undertaken and the corresponding EPRP funds disbursed.
2. Removal of biases against domestic manufacturing: The necessary modifications in selected customs rates (including rationalization of the *valeurs mercuriales*) were implemented.
3. Early retirement of up to 600 civil servants: To date 642 have chosen early retirement.
4. Maintenance of low civil service recruitment levels: Targets have been respected.
5. Indications that business community considers regulatory constraints have been eased: More commodities have been moved into flexible approval price control categories. The Mission is currently undertaking an impact study to measure the effects of the fiscal and regulatory reforms and the business community's perceptions of the reforms. The preliminary indications are that those who were aware of the reforms had a favorable impression of their effectiveness but that more might have been done to publicise the reforms to a wider audience.
6. Achievement of improved budget ratios: Allowing for definitional adjustments, all targets have been achieved. The ratio of nonpersonnel recurrent outlays to personnel outlays has risen.
7. Identification of other targets for a Phase II EPRP project: the Mission has made a good beginning at establishing

these targets, based upon the preliminary reports provided by the PAIP design team.

d. Objective #4: Conduct privatization studies.

1. Complete study which analyzes and develops approaches to privatization of veterinary medicine services delivery: Study was completed, and GRM has legalized the private practice of veterinary medicine.
2. Complete study which analyzes and develops approaches to privatization of farmer input supply system for Haute Vallee area: Privatization study was conducted under a technical assistance contract in December 1987, leading to a 100% privatization of farm machinery supply within 14 months of the study. OHV has begun to implement a progressive and rapid privatization of these two functions.
3. Conclude agreement with the Ministry of Agriculture on a schedule for OHV rural parastatal phase-out of credit and input functions, and a phase-in of services by private sector: Privatization of services in OHV has been initiated. The DHV grant calls for a two-phase restructuring of OHV; The first phase took place in January 1988, when 110 employees were laid off. Village cooperatives are being developed which will receive credit directly from banks, with the OHV playing an ever-decreasing role. Agricultural inputs are being supplied by a private firm. 90% of cotton transport is now handled by the private sector.

2. Enhancing Food Security

- a. **Target #1 - Technology Transfer:** Disseminate environmentally sound food production technologies where it is technically and economically feasible to do so.

Objective: Establish better access to production support services for crop, livestock and agro-forestry initiatives in specific regions.

Crop Benchmarks

1. 25% increase in group credit channeled through farmer cooperatives: In the OHV zone, Credit through cooperatives increased by 29% from the 1986/87 season to the 1987/88 season, and by 52% from 1987/88 to 1988/89.
2. Increase in village cooperatives from 47 to 77: In the OHV zone, the number of cooperatives was 52 in 1987, and 59

in 1988, which represents an increase of 13%.

3. Traction users increase by 5%: In the OHV zone, the use of traction increased by 9.5% from 1987/88 to 1988/89.
4. 40 kilometers of farm to market roads built: 398 kilometers of roads were built between 1984 and 1988.
5. Credit recuperation remains 95% or better: In the OHV zone, the recovery rates for 1987/88 season were 93.7% for individual loans, 98.9% for loans to cooperatives, and 96.7% for the total.

Livestock benchmarks

1. Completion of laboratory and water system construction: The construction of these facilities was not completed to the point of satisfaction. Numerous problems were discovered following the initial construction period and corrective actions are being made to ensure that the facilities are fully operational. Among these actions are replacement of the electrical system in the new laboratory building and correcting differences between the design plan for the water system and the actual construction.
2. Maintenance of international standards of vaccine production: These standards have been maintained. This has been demonstrated by the fact that the Pan African Rinderpest Campaign has purchased vaccine from the veterinary laboratory for use in their vaccination program.
3. Percent of herd vaccinated increases from 45% to 70% for rinderpest and pleuropneumonia in Regions I and II: For Rinderpest approximately 60% were vaccinated in Region I and 64% in Region II. For pleuropneumonia the figures are 58% and 59% respectively.
4. Development and transfer of more cost effective treatment protocols for trypanosomiasis, internal parasites and respiratory infection in small ruminants: Development of these protocols continue. Current trypanosomiasis studies are assessing a combination of vector control and chemo-prevention techniques; studies are continuing to evaluate the distribution of trypanosomiasis. On farm studies are taking place to examine the effectiveness of several locally available medicines for the control of internal parasites of small ruminants. Additionally the veterinary lab is working with the Mopti Livestock office (outside the project zone) to develop a protocol for the control of liver flukes. Studies on small ruminant

respiratory diseases have been postponed until the diagnostic unit of the laboratory is fully operational.

5. Establishment of an effective disease surveillance system in Regions I and II: The system has been put in place and field sampling for 1988 has been completed, but as of this date the analysis is still in progress.
6. Training of 50 field agents in diagnostic skills: 50 agents have been trained.
7. Analysis/design of improved financial system for veterinary medicine delivery: Analysis has been completed. Design remains to be completed for a financial operations manual to be developed this year.

Agro-Forestry benchmarks:

1. Active participation of 60 villages in reforestation and soil and water conservation practices; (2) village or producer establishment of 20 mini-nurseries producing and selling or trading tree seedlings; (3) producers establish 100 living fence perimeters; (4) villagers establish 15 kilometers of wind breaks; (5) extension agents work with 70 producers on contour plowing, gully control techniques and other soil conservation practices; (6) biological diversity grant given to IUCN for inland delta; (7) in-field tree planting of acacia albida by 140 farmers; (8) establishment of 30 hectare forestry reserve: The IUCN grant for the inland delta study is progressing well. The study is complete and the grantee has begun the implementation phase, developing innovative contracts between different groups of natural resource users. The principal project relating to agro-forestry is the Village Reforestation Project Phase II. Only the CARE portion of this project has been implemented, and CARE's field activities did not begin until November 1988.

- b. **Target #2 - Technology Development:** Develop improved viable technologies for both the more secure and the more drought prone areas through better research and institutional performance.

Objective: Strengthen the focus, productivity, and networking of applied research in crop, livestock and agro-forestry technologies.

Crop Research benchmarks

1. Construction of ICRISAT regional sorghum center: Contracting process is currently underway. AID has approved the construction contracts. The research team is in country and research activities are underway.
2. Issuance test reports on two new sorghums, maize-millet intercropping system refinements, cowpea-peanuts intercropping, fertilizer trials, tillage practices that reduce erosion, and breeding of drought-disease-pest resistant varieties: Completed.
3. Start-up of fully operating and staffed food technology laboratory and program: Completed.
4. Holding of legume based cropping systems workshop: Completed.
5. 3 MSc's trained, and 50 PMs of short term technical training. More than three Malians have returned with MSc and PhD degrees. More than 50 have undergone short-term technical training.

Additional research benchmarks were:

1. Issuance of FSR reports on farm economics, crop and livestock systems, farmer decision-making and women's economic roles: A number of working papers have been completed.
2. Establishment of regular communications linkages with farmers, extension agents, and training institutions: This continues to be a prime concern for IER, which has begun to initiate regular round-table and consultation programs.
3. Holding two research/extension workshops: One workshop was held with the OHV extension service, and three major research-extension conferences were held, involving all agencies in Mali. These were on multiple cropping, sorghum and millet production, and on-farm trials.
4. Establishing improved system of annual research programming and management process: This will be dealt with in the context of the national research strategy currently under development.
5. Construction of 2 offices and 4 staff quarters: The construction program under the FSR/E project has begun.
6. Initiation of publication program: Completed. The first volume of the agricultural research professional journal

has been published.

7. Issuance of two CRSP reports on tropical soils and sorghum/millet: Annual reports have been produced.
8. Report by PSTC grantee on heat and drought tolerance in sorghums: Essentially completed, but some research is ongoing.

Livestock Research benchmarks

1. Identifying one or more species of forage legumes which could reduce fallow period of traditional semi-arid zone cropping systems, with an emphasis on stabilizing land use practices: 7 identified and currently undergoing trials
2. Develop improved forage legume production component of crop rotation system in the sub-humid zone, emphasizing sound exploitation practices: 2 Forage production packages are being extended through on-farm trials.
3. Conduct 2 seminars with extension agents and producers on animal nutrition, health needs and forage fallow systems: 1 seminar was conducted for extension agents in animal health; other seminars have been planned.
4. Hold research coordination meeting with ILCA, FSR and ICRISAT: Informal participation in various management meetings (Joint Management Committee) has taken place, but regular formal meetings to examine and discuss research programs (aside from the *comités techniques*) have not occurred.

Agro-Forestry Research Benchmarks

1. Establishment of an information system that will allow for project interventions to be quantitatively evaluated for effectiveness and replicability: This was incorporated into the design of the VRP project amendment, which has not yet begun.
- c. **Target #3 - Family Planning/Child Survival:** Decrease the rate of growth in food demand through family planning and child survival activities.

Objective: Increase access to child survival technologies and family planning services.

Child Survival/Family Planning benchmarks

1. Completion of demographic and health survey: Completed. This was used in the design of the Promoting Population Policy Development Project.
2. Construction of private Malian family planning association building: Delayed, due to construction contracting problems. AID has completed construction contracting as building is not destined for GRM.
3. Training of 600 health personnel: Some training has been completed but there have been delays in getting facilities built and institutional development arrangements, needed before training can begin.
4. Baseline studies completed for Bamako/Koulikoro project zone: Most have been completed.
5. Immunization program reaching 80% of children under 6 years old: Program is underway and expanding its outreach.
6. Renovation and equipping of all 15 MCH/FP clinics in project zone: All designs have been completed. Contracting for clinics is underway.
7. Social marketing of contraceptives begun: Under design; for implementation under FHI II.
8. Training conducted by INTRAH, PRITECH, JHPIEGO, CEDPA, AVSC, FHI, and Population Communications Services: All accomplished.
9. Completion of CARE and Plan International health projects: These projects are being phased out now.
10. Funding of World Vision health project: Accomplished. Implementation is progressing well.
11. Submission of UNDP nutrition surveillance project report: Not accomplished.
12. Initiation of MM/OEF/IVS child survival work: Accomplished.

3. Management and Organizational Improvement

- a. Objective # 1: Train 42 persons from public and private sectors in various management specialties.

Training Benchmarks

1. 20 persons on long term and 9 persons on short term technical courses in the U.S.: Done in part. DLT participants have returned and are integrated at all levels of GRM, impacting on policies and programs.
 2. 6 long term and 7 short term technical persons in third countries: Done.
- b. Objective # 2: Install and train the personnel needed to operate improved management information systems in the five major food security and policy reform projects.

MIS Installation Benchmarks

1. Initial systems installation and training takes place in AEPRP program at Ministry of Finance, in Food Security policy studies at OPAM, and at Farming Systems Research unit: Completed. Some training and installation remains to be done in two divisions of the Ministry of Finance.
2. Further systems installation and training within the Livestock project, and the Operation Haute Vallee financial management, credit and planning units: Completed.
3. Improved documents/reports of planning, monitoring and analysis nature from each project: Accomplished.
4. Improved expenditure control system and tax and revenue administration reports established at Min. of Finance: This has been accomplished at the level of the Program Coordination Unit.
5. More timely grain stock control and market price reports at OPAM marketing agency: Both are in place. Reports appear regularly in the national newspaper.