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**AGENCY FOR INTERNATIONAL DEVELOPMENT**

**MALI**

**FOOD AND AGRICULTURAL POLICY SUPPORT PROJECT**

**(688-0260)**

**UNCLASSIFIED**

**Authorized: \$2,000,000**

**Date: July 23, 1991**

APPENDIX 3A, Attachment 1  
Chapter 3, Handbook 3 (TM 3:43)

|   |                         |                       |         |  |   |   |                              |   |  |
|---|-------------------------|-----------------------|---------|--|---|---|------------------------------|---|--|
| AGENCY FOR INTERNATIONAL DEVELOPMENT<br><b>PROJECT DATA SHEET</b>                       |                         |                       |         | 1. TRANSACTION CODE<br><b>A</b><br>A = Add<br>C = Change<br>D = Delete   |   | Amendment Number _____                  |                              | DOCUMENT CODE<br><b>3</b>                 |  |
| COUNTRY/ENTITY<br><b>MALI</b>   |                         |                       |         | 3. PROJECT NUMBER<br><b>688-0260</b>   |   |   |                              |   |  |
| 4. BUREAU/OFFICE<br><b>AFRICA</b> <input type="checkbox"/> 5                            |                         |                       |         | 5. PROJECT TITLE (maximum 40 characters)<br><b>FOOD AND AGRICULTURAL POLICY SUPPORT</b>  |   |   |                              |   |  |
| 6. PROJECT ASSISTANCE COMPLETION DATE (PACD)<br>MM DD YY<br><b>08 30 95</b>             |                         |                       |         | 7. ESTIMATED DATE OF OBLIGATION<br>(Under "B" below, enter 1, 2, 3, or 4)<br>A. Initial FY <b>91</b> B. Quarter <b>3</b> C. Final FY <b>93</b> |   |   |                              |   |  |
| 8. COSTS (\$000 OR EQUIVALENT \$1 = _____)  |                         |                       |         |  |   |   |                              |   |  |
| A. FUNDING SOURCE   |                         | FIRST FY <b>99</b>    |         |  | LIFE OF PROJECT                         |   |                              |   |  |
|   |                         | B. FX                 | C. L/C  | D. Total   | E. FX                                   | F. L/C                                  | G. Total                     |   |  |
| AID Appropriated Total  |                         |                       |         |  |   |   |                              |   |  |
| (Grant)   |                         | ( 700 )               | ( )     | ( 700 )  | ( 2,000 )                               | ( )                                     | ( 2,000 )                    |   |  |
| (Loan)  |                         | ( )                   | ( )     | ( )  | ( )                                     | ( )                                     | ( )                          |   |  |
| Other U.S.  | 1.                      |                       |         |  |   |   |                              |   |  |
|   | 2.                      |                       |         |  |   |   |                              |   |  |
| Host Country  |                         |                       |         |  |   |   |                              |   |  |
| Other Donor(s)  |                         |                       |         |  |   |   |                              |   |  |
| TOTALS  |                         | 700                   |         | 700  | 2,000                                   |   | 2,000                        |   |  |
| 9. SCHEDULE OF AID FUNDING (\$000)  |                         |                       |         |  |   |   |                              |   |  |
| A. APPROPRIATION  | B. PRIMARY PURPOSE CODE | C. PRIMARY TECH. CODE |         | D. OBLIGATIONS TO DATE   |   | E. AMOUNT APPROVED THIS ACTION          |                              | F. LIFE OF PROJECT                        |  |
|   |                         | 1. Grant              | 2. Loan | 1. Grant   | 2. Loan                                 | 1. Grant                                | 2. Loan                      | 1. Grant                                  | 2. Loan  |
| (1) DEA   |                         |                       |         | 0  |   | 700                                     |                              | 2,000                                     |  |
| (2)   |                         |                       |         |  |   |   |                              |   |  |
| (3)   |                         |                       |         |  |   |   |                              |   |  |
| (4)   |                         |                       |         |  |   |   |                              |   |  |
| TOTALS  |                         |                       |         | 0  |   | 700                                     |                              | 2,000                                     |  |
| 10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)                     |                         |                       |         |  |   |   |                              | 11. SECONDARY PURPOSE CODE                |  |
| 12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)                        |                         |                       |         |  |   |   |                              |   |  |
| A. Code   |                         |                       |         |  |   |   |                              |   |  |
| B. Amount   |                         |                       |         |  |   |   |                              |   |  |
| 13. PROJECT PURPOSE (maximum 480 characters)  |                         |                       |         |  |   |   |                              |   |  |
| To promote efficiency and productivity in Mali's food sector.                           |                         |                       |         |  |   |   |                              |   |  |
| 14. SCHEDULED EVALUATIONS   |                         |                       |         |  | 15. SOURCE/ORIGIN OF GOODS AND SERVICES |   |                              |   |  |
| Interim   |                         | MM YY                 | MM YY   | Final  | MM YY                                   |   |                              |   |  |
|   |                         | 1 0 9 3               |         |  | 0 7 9 5                                 | <input checked="" type="checkbox"/> 000 | <input type="checkbox"/> 941 | <input checked="" type="checkbox"/> Local | <input checked="" type="checkbox"/> Other (Specify) <b>935</b> |
| 16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.) |                         |                       |         |  |   |   |                              |   |  |

|                 |                                       |  |
|-----------------|---------------------------------------|--|
| 17. APPROVED BY | Signature<br><b>Dennis J. Brennan</b> | 18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION:<br>MM DD YY<br> |
|                 | Title<br><b>Mission Director</b>      |  |
|                 | Date Signed<br><b>07/23/91</b>        |  |

**FOOD AND AGRICULTURE POLICY SUPPORT (FAPS)**

**PROJECT PAPER**

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## PROJECT AUTHORIZATION

COUNTRY: MALI  
PROJECT NAME: FOOD AND AGRICULTURAL POLICY SUPPORT  
PROJECT NUMBER: 688-0260

1. Pursuant to Section 121 of the Foreign Assistance Act of 1961, as amended, and the Foreign Operations, Export, Financing and Related Programs Appropriation Act, 1991 (Public Law 101-513), I hereby authorize the Food and Agricultural Policy Support Project for the Republic of Mali (Cooperating Country), involving planned obligations of not to exceed U.S. \$2,000,000 in Grant Funds over a four-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/ allotment process, to help in financing foreign exchange and local currency costs for the Project. Except as A.I.D. may otherwise agree in writing, the planned life of the Project is four years from the date of initial obligation.
2. The Food and Agricultural Policy Support Project, a follow-on to the Cereals Marketing Restructuring Support Project (688-0241, entitled PRMC), supports the two key goals of the Mali 1990-1994 CDSS and the Africa Bureau's DFA: fostering economic growth and alleviating hunger. Through technical assistance, training, policy workshops, and policy studies, the project will further the design and implementation of ongoing PRMC programs, strengthen the country's market information system, improve reporting and other actions relative to food emergencies, improve the understanding of current production and consumption trends, and income-earning activities in rural areas. The impact of FAPS will be measured in terms of overall efficiency and productivity in Mali's food sector.
3. The Grant Agreements which may be negotiated and executed by Officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.
4. The authorized code for procurement of goods and services, and specifically vehicles, technical assistance and computers purchased under this grant with U.S. Government funds, will be 000, unless AID may otherwise state in writing. The Grantee is required to make accurate procurement records citing the source and origin of each.



Dennis Brennan  
Mission Director  
USAID/Mali

Date: 7/23/91

|          |                     |       |                |
|----------|---------------------|-------|----------------|
| Cleared: | ADO: David Atwood   | DRAFT | Date: 07/02/91 |
|          | CONT: Monica Stein  | DRAFT | Date: 07/12/91 |
|          | MGMT: Nancy Hoffman | DRAFT | Date: 07/03/91 |

Draft:PRM:FAPSAUTH.W51:JHB:1JULY91

## Executive Summary

The FAPS project described herein will be a four year follow-on project to the Cereals Market Restructuring Support project (688-0241, entitled PRMC Support), which began in 1987 and was amended in 1988. The institutional and programmatic background of FAPS and PRMC Support are identical. PRMC Support provided technical assistance and policy analysis to support and strengthen USAID and GRM participation in the multi-donor Cereal Market Reform Program (PRMC).

The bulk of USG resources in support of the broader PRMC program have been in the form of food aid, and the local currency proceeds generated from its sale. A key role of the PRMC Support project has been to ensure quality management and monitoring of both the food aid commodities and local currencies under the broader USAID food aid program in support of PRMC. FAPS will have a similar role with respect to US food aid programs and the PRMC. The principal difference between FAPS and its predecessor is that PRMC Support was funded from Sahel Development Program sources, provided in the form of non-project assistance (a PAAD) and the present project uses DFA-funded project assistance.

FAPS will broaden the focus of the predecessor project to go beyond grain market concerns and embrace a somewhat broader set of food sector policy issues. For this reason the project has been retitled "Food and Agriculture Policy Support". The basic rationale for a broadened focus is threefold. First, based in part on analysis under the PRMC Support and Sahel Policy Analysis Projects, it has become clear that critical issues in food security go beyond the limits of the grain market. Second, the possible return of relatively favorable weather conditions, at least occasionally, since 1985 means that food security concerns are increasingly affected by rural income concerns which, again, broaden the focus of action beyond the grain market and include active efforts to diversify income sources and search for new cash-earning opportunities for rural people. Third, local currency generations from the Cereals Policy and Development Project are likely to be used for a broader range of activities in the food sector than has been the case to date.

The project goal is increased production, particularly in the agriculture sector. The purpose is to promote efficiency and productivity in the food sector. Inputs will be long term advisory positions, training, policy workshops, and a series of policy studies. Outputs will include better design of ongoing PRMC programs, a strengthened market information system, better reporting and action relative to food emergencies, better understanding of current production and consumption trends, a GRM rice policy based on better understanding of the rice sector, and reports and actions promoting diversified income-earning activities in rural areas.

## 1. PROJECT RATIONALE AND DESCRIPTION

### A. Background

The FAPS project supports the two key goals of USAID/Mali's 1990-94 CDSS, and of the Africa Bureau DFA: fostering economic growth and alleviating hunger. Policies and actions to increase agricultural production, and food production in particular, are necessary conditions for both economic growth and hunger alleviation. In addition, some of the policies and actions to be undertaken by this program will have positive impacts on economic growth by encouraging more active, efficient, and competitive private initiative both within and outside the grain sector.

The draft USAID food and agriculture strategy (Annex A), to which the FAPS project contributes, focuses USAID efforts in the food and agriculture areas on income and employment linkages of agriculture as well as on increasing household food availability and nutrition. Better information for programs and policy formulation is seen as an integral part of an effective USAID strategy in the food and agriculture sector. FAPS is a principle vehicle for providing such information in a form and manner that it will be used to increase agriculture's impact on nutrition and on economic growth.

Food security is the key goal of the GRM. One of the important elements of its food security strategy is the Grain Market Reform Program, known by its French acronym PRMC. Under this program, the GRM has been pursuing a deliberate, progressive, and effective course of liberalization of the cereals market since 1981, with the guidance and support of the major food aid donors.

The FAPS project is designed in the first instance to provide direct support to the ongoing PRMC program, whose activities are financed from local currency generated from the sale of commodities to OPAM (the national grain marketing board) or from direct cash transfers to the multi-donor/GRM PRMC counterpart fund. A major portion of FAPS resources will be devoted to sound management and monitoring of these funds, and to designing PRMC activities consistent with broad GRM objectives.

Other aspects of the GRM food security objective include agricultural diversification, increasing production of grain and other food crops, and expanding the consumption of locally grown grain crops via improved food processing technologies. All of these activities may receive some limited direct or indirect support under FAPS.

This project directly supports the USAID/Mali FY 1990 CDSS's stated goals, both in the areas of policy reform and agricultural production. The CDSS describes how cereals market restructuring is one of the four components of the USAID/Mali agricultural

program. These include cereals market restructuring, rainfed crop technology development, crop technology transfer, and livestock development, all of which are to be carried out with increasing attention devoted to the particular problems of women and of natural resource management. These four components, including grain market restructuring, represent a coherent approach to the institutional, technical, and policy constraints on Mali's agricultural development. The grain market restructuring and food security aspects of the program outlined in the CDSS contribute to reducing risks, increasing incentives, and improving productivity in the agriculture sector.

#### B. Accomplishments to date

The GRM has engaged in a progressive revision and turnaround in its food policies since the early 1980's. Mali has evolved from being one of the most statist, controlled food economies to West Africa at the beginning of the decade to having one of the most free-market oriented ones today. At the same time, Malian food policy has evolved from being wholly concerned with incentives and market forces, to tempering that reliance with a growing concern for ensuring food access for poor people at risk of severe food shortage in bad years. During the course of Phases I (1981-86) and II (1987-90) of PRMC, the Malian government, working closely with the major food aid donors of the PRMC donors' group, has been responsible for the following actions and developments in the grain sector. The first set of actions are those which have led to greater incentives, transparency, efficiency, and private sector participation in the food sector, while the second set are those related to more equitable or timely response to food need of people at risk of severe underconsumption and malnutrition.

#### C. Project Rationale

Major policy reform steps in the grain sector have already been taken by the GRM, with the assistance of PRMC donors including AID, over the past nine years. The GRM and donors are now in a phase of consolidating the gains from the liberalization and putting into effect programs and mechanisms to enable private entrepreneurs, farmers, and consumers to derive the most benefit from them.

During the first years of the PRMC reforms, the key resources needed were food aid and local currency financing, to "buy" key policy reforms by easing the financial burden of those reforms on consumers, producers, and the public sector. Beginning with PRMC II, a shift occurred. With a substantial local currency counterpart fund already in place and growing, the most important resource constraining continued progress and consolidation of liberalization efforts became the information and human resources required to better program, target, and

manage second generation reform efforts and local currency funded activities in support of PRMC.

The problem to which the FAPS project responds is information and human resources constraints faced in management of the agriculture sector, in particular the foodgrain sector. By helping to alleviate these constraints, FAPS will ensure continued progress in grain market reforms and in reducing instability in the grain sector. Better information, policy analysis, and technical assistance in managing the ongoing grain market reform program will contribute towards achieving the project goal and purpose. Under the PRMC Support project, and with additional assistance from the regional Sahel Policy Analysis Project, a variety of grants and contracts were put into place to address the information and human resource constraints to continued progress in PRMC. These activities are all completed or about to end. FAPS will provide a new source of support to address the continuing human resources and information constraints to better management in the sector.

It is particularly important now to ensure that continued policy analysis and monitoring information is available regarding USAID's participation in grain market reform efforts. For the past seven years, USAID's primary vehicle of support for Mali's grain market reform program has been two successive PL480, Title II, Section 206 programs. These programs have provided multi-year food aid support to the reform program. The Mission is currently changing the basis of its support to the PRMC from a Title II, Section 206 program to a Title III program because recent legislation has abolished Title II, Section 206 while simultaneously reducing the financial and management burden of Title III on both host governments and AID. The basic purposes of the new Title III legislation are almost identical to those of the previous Title II, section 206. (The program is intended to promote economic development in the least developed countries, in particular through policy reform, improved food security and nutrition, poverty alleviation, and increased private sector activity.) Nevertheless, continued monitoring and information will be required to ensure a smooth and careful transition into a new Title III program, as well as to ensure the solid implementation the Mission has managed under the previous Title II, Section 206 program.

The problem addressed by FAPS is somewhat broader than the grain sector problems addressed by the earlier set of bilateral activities under the PRMC Support Project. The broader problem definition results from three factors, as follows:

First, the Mission has learned from past analyses and experience that food security issues in Mali go beyond grain market issues and include how people earn money to purchase food, how food security permits them to free up

resources for more productive and remunerative agriculturally based activities, and how non-grain food is increasingly important both for sale and local home consumption.

Second, beginning in 1985 Mali entered a more favorable weather cycle of uncertain duration. Even with more favorable weather, medium term prospects for national level food security still require major efforts to increase productivity in food crops. However, even a transitory improvement in Mali's rainfall offers new opportunities to both enhance food security and increase agriculture's contributions to economic growth. An opportunity exists for better endowed zones in the country to make a marginal resource shift away from food crops and towards crops and rural enterprises which are surer sources of cash. At the same time, even if the "normal" situation for Mali has evolved to become a situation of national level grain surplus with some continuing regional and crop specific deficits, such a situation demands much closer and more careful monitoring of food availability, and new approaches, to ensure that measures are in place to promote household food security of vulnerable households even in years when Mali has an overall food surplus.

Third, a new range of broader food security activities will be supported through local currency generations under USAID's PL480 program. Now that many of the costliest activities associated with grain market reform have been financed under PRMC I and II, an opportunity exists to use associated local currency resources to undertake additional food security activities.

In all other respects the project's aims and objectives are identical to those of the predecessor project.

#### D. Project Goal and Purpose

The goal of this project, derived from the FY 1990-1993 approved program logical framework, is increased production, particularly in the agriculture sector. This goal corresponds to the first strategic objective in the programmatic logframe. The Mission's overall program goal is economic growth.

The purpose of the project is to promote efficiency and productivity in the food sector. This purpose will be achieved through providing information and analysis gathered in a collaborative way with GRM agencies and other donors, in the form of reports, studies, seminars and training courses. This information will inform decision-makers about critical issues in the food sector. It should be noted that the purpose of the predecessor PRMC II project was to "continue to support the

process of grain market restructuring in Mali", so this revised project purpose reflects a wider program mandate, while maintaining the focus on PRMC.

#### E. Expected Achievements and Accomplishments

Many of the project's accomplishments will be identical to those of the larger cereals market restructuring program (and the USAID food aid activities supporting it). At the same time, preparation of FAPS also provides the Mission with the opportunity to reformulate and begin to implement a mission food and agriculture strategy. A food and agriculture strategy needs to include not only grain market reform actions but also emergency food distribution mechanisms and policy, farmer strategies to earn income to pay for food, and other technical and institutional changes in support of increased food sector productivity and performance.

The Mission's food and agriculture strategy emphasizes three critical areas:

- o Increased income and employment from agriculture (whether from increased commercialization from grain production sales, or participation in other agricultural activities (cash crops, market gardening, livestock production for sale) which increase incomes and employment opportunities in agriculture.
- o Increasing household access to food to improve health and nutritional status. (Health interventions are also a part of the strategy because of the very strong interactions between food intake, health status, and nutritional status.)
- o Increasing information available to various actors in the food and agriculture sector in order to promote better decision making, program planning, and policy formulation.

Most but not all of the project's accomplishments will be complementary to or in support of PRMC and Cereals Policy and Development (688-0255) accomplishments. The principal outputs will be:

- o Better design and management of ongoing GRM/multi-donor activities (e.g., credit programs, SAP (GRM famine early warning system), support to key sector institutions such as OPAM and the Office du Niger);
- o A market information system (SIM) strengthened and expanded in its ability to rapidly and accurately trace price and market changes and trends, and identify

market constraints or problems and alternative solutions;

- o Reports and actions contributing to an improved, rigorous, and flexible early warning and response capability in the GRM in the face of food shortages, household food stress, or impending famine.
- o An update on the current grain production and consumption situation in light of the current statistical confusion as well as major changes taking place both in consumption and production;
- o Periodic reports monitoring rice policy and the irrigated rice production situation; and
- o Reports identifying actions to take in support of alternative cash crops or alternative income-earning opportunities based on processing of food crops.

#### F. Project outline and how it will work

A combination of technical assistance, studies, and training and policy seminars will serve to increase the effectiveness of USAID, GRM, and private efforts in the food and agriculture sector. Because of the policy orientation of the project, and because USAID's key instrument for policy dialogue in the grain sector is under the responsibility of the Ministry of Finance and Commerce, the project will be implemented under a grant to that Ministry. The project will be managed by the USDH agricultural economist, who will devote 30% of his time to FAPS.

The following inputs will be provided under FAPS:

##### 1. Technical assistance

The project will fund three full-time advisors:

- o An in-house AID food policy advisor, whose primary responsibilities will be participating in PRMC consultative fora with other donors and the GRM, support to PRMC activities, management of the US program food aid activities in support of PRMC III, and managing other broader food security activities;
- o An in-house food policy analyst who will assist the food policy advisor in his responsibilities and in particular will undertake or supervise a series of food security studies; and

- o A technical assistant in market information and food policy analysis who will work with staff at the market information system (SIM) to improve and broaden its range of competence and impact beyond the current mandate of the SIM. AID helped initiate the SIM, which has become the most visible success of the overall PRMC program. Additional outside support in training and working with the current staff is required to increase SIM's utility to both the private and public sectors, by expanding its reporting function into a limited analytical one.

The first two technical assistants will be based at USAID/Mali, and the third will be assigned to the SIM offices.

## 2. Studies

The project will fund a series of studies to document past impact, implications of current food sector reforms and problems, and bases for future action in the food sector. Some of these studies will be conducted and funded through the GRM market information system, others by local firms, and others by outside firms. The precise mix of studies will evolve as GRM policies and Malian production and consumption trends evolve.

## 3. Training and policy workshops

The project will fund a series of short-and long-term training programs in disciplines and aspects of food and agricultural policy in order to increase the effectiveness of project interventions (eg, support to the SIM) and render them more sustainable, as well as to broaden the audience for policy analysis which to date has had a very limited audience among Malian decision-makers.

The project will be implemented directly by AID, with significant policy input from the joint GRM/multi-donor PRMC committee. With the exception of long term participant training and possible buy-ins to centrally-managed activities, all contracting will be done directly by USAID/Mali. The following contracts are envisaged:

- o PSCs for the food policy advisor and food policy analyst;
- o An institutional contract for support to broaden and strengthen the market information system; and
- o A series of short and long term contracts for the remaining studies.

**4. Evaluation and audit**

The project includes provision for evaluation and audit of project activities.

**5. Contingency**

A contingency line item is included to cover unforeseen project events and needs.

## 2. COST ESTIMATE AND FINANCIAL PLAN

The proposed LOP is \$2 million over a four-year period. Of this amount, \$1,175 thousand, or 60 per cent, will be used for technical assistance and the remainder will be used to finance studies and related training and policy workshops. The original LOP planning figure submitted in the ABS project description was \$1.15 million. This has increased for the following reasons:

- o An additional \$400,000 has been added to permit outside support for strengthening the SIM's data management and food policy analysis capacity.
- o An additional \$100,000 has been added to the studies line item to permit three additional sets of studies, one on food security income and employment linkages in rural areas, one on updating the confusing production statistics situation, on a third group of general, as yet undesignated, studies in support of project objectives.
- o A new line item, for policy workshops and training, has been added. The purpose is to ensure that private and public sector participants in PRMC and broader food security activities supported by this project gain the skills necessary for the project purpose to be sustained, as well as to ensure the broader possible dissemination of policy research results among Malian institutions and decision-makers.

An illustrative financial plan is given below, with additional details in Annex E. Host country contributions will consist of GRM-owned local currencies to be disbursed on grain market reform activities under the PRMC umbrella, exclusive of USAID-generated local currency. These amounted to 5.5 billion FCFA (\$18 million) in the two year period July 1989 through June 1991, or \$9 million/year. Comparable GRM disbursements can be expected during the FAPS LOP. The GRM contribution is hence far in excess of the 25% requirement.

Expenditures will continue over a four-year period. The project will be obligated by a bilateral grant agreement with the Ministry of Finance. Commitments will be made through AID direct contracts, either institutional or with Personal Services Contractors.

Table 1: Project Inputs by Fiscal Year

| Item                             | YEAR I | YEAR II | YEAR III | YEAR IV | Total |
|----------------------------------|--------|---------|----------|---------|-------|
| I. Technical Assistance          | 273    | 290     | 299      | 313     | 1,175 |
| 1- Food Advisor                  | 145    | 157     | 160      | 168     | 630   |
| 2- FSN Food Analyst              | 33     | 33      | 37       | 40      | 143   |
| 3- Market Expert                 | 95     | 98      | 102      | 105     | 400   |
| II. Studies                      | 50     | 130     | 170      | 50      | 400   |
| 1- Food aid targeting            | 50     | 30      | 20       | 0       | 100   |
| 2- Income & Employment linkages  | 0      | 0       | 50       | 50      | 100   |
| 3- PRMC consumption impact       | 0      | 50      | 0        | 0       | 50    |
| 4- Sahel Food Prospect long term | 0      | 0       | 50       | 0       | 50    |
| 5- Production update             | 0      | 50      | 0        | 0       | 50    |
| 6- Other                         | 0      | 0       | 50       | 0       | 50    |
| III. Training & Policy Reform    | 0      | 30      | 40       | 30      | 100   |
| IV. Evaluation/Audit             | 0      | 0       | 25       | 25      | 50    |
| V. Contingency/Initiation        | 68     | 68      | 68       | 71      | 275   |
| Total                            | 391    | 518     | 602      | 489     | 2,000 |

### 3. IMPLEMENTATION PLAN

The implementation plan is provided in Table 2.

### 4. BACKGROUND ANALYSES

#### A. Social Analysis

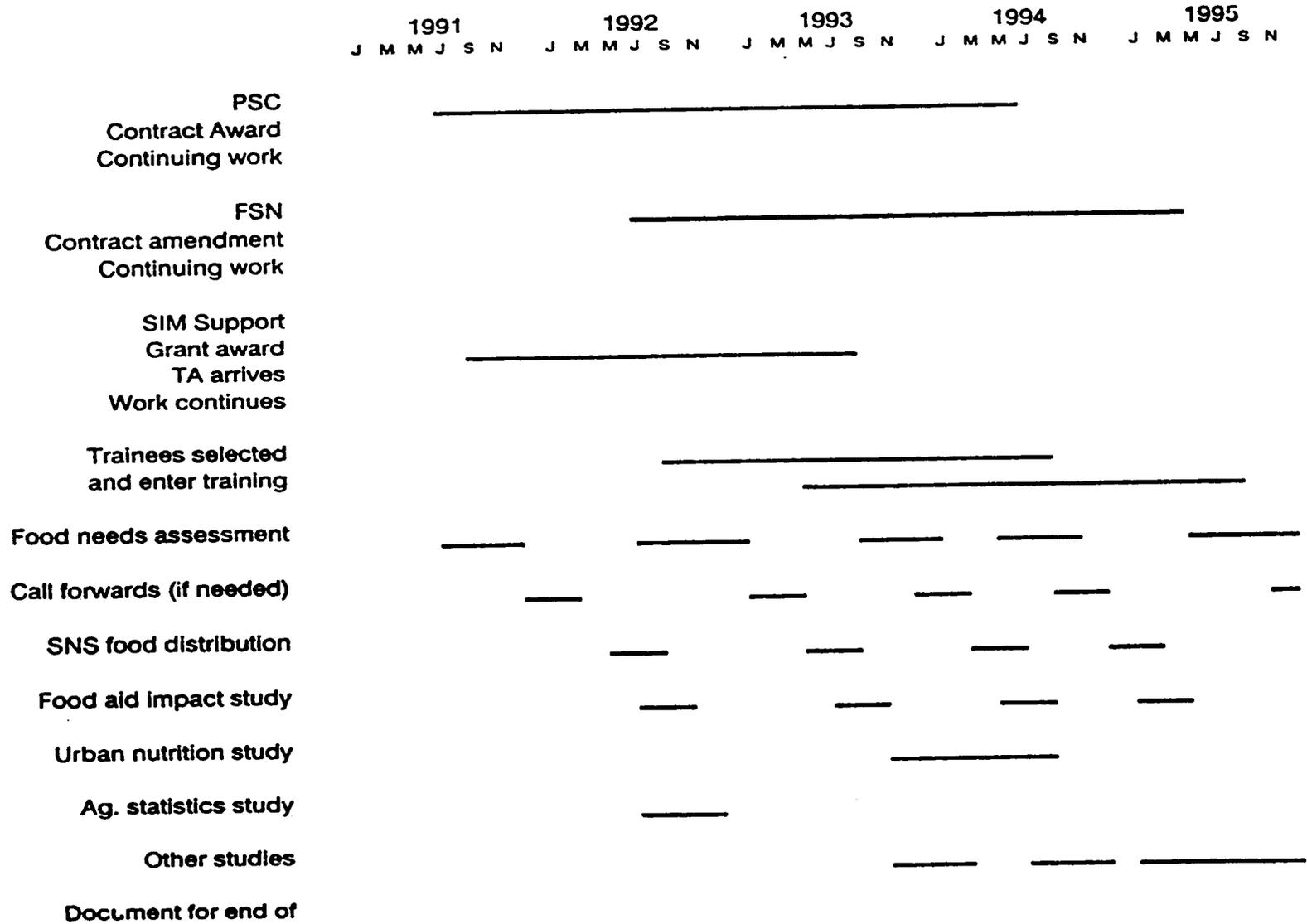
Social aspects of this project have been discussed in the following companion project documents: Cereals Policy and Development PP and PP Supplement, PRMC Support PAAD and Supplement, Cereals Marketing Restructuring Support PP, and World Bank PASA Staff Appraisal Report. Project beneficiaries include farmers, private entrepreneurs, and consumers, all of whom have benefitted from past reforms, and will benefit from efficiencies and greater effectiveness introduced into the ongoing PRMC program via this project. The spread effect of the project will occur primarily through the impact of better and more accessible information on a wide range of GRM policymakers and food sector participants.

There are two aspects of the sustainability of benefits. From the point of view of consolidating and sustaining the grain market liberalization, better management and information regarding grain market liberalization and its implementation will help to ensure the sustainability of benefits, by avoiding ill considered programs or decisions which might call into question the liberalization. On the other hand, the donor-managed PRMC structure for decisionmaking and programming under the government reform program is inherently unsustainable and untransferable to the GRM. FAPS efforts to strengthen the analytical capacity of the market information system, and to increase the transparency of information beyond the confines of the donor PRMC group, will prepare the way for an eventual termination of the key decision role of donors, and open up a more sustainable internal GRM process of analysis and decision-making.

#### B. Financial and economic analysis

The project has not been subjected to a traditional cost-benefit analysis, as it is designed to be an information and institution-building project, providing monitoring and policy analysis of a much larger series of ongoing policy reform programs. In effect, this program--similar to the PRMC Support project before it--serves as the mechanism for ongoing economic analysis of major investment and policy programs funded through other sources. The information and analysis provided through the FAPS project are expected to improve the design and/or implementation of other AID and GRM programs and policies, thereby raising the rate of return of those activities, and providing an incremental return to FAPS substantially in excess of FAPS project costs.

**Table 2: Implementation Plan**



### C. Relevant experience with similar projects

FAPS fits into the network of Mission activities in the policy reform and food assistance sectors. Complemented by the PL480 Cereals Policy and Development program (CPD -- 688-0255) and other Mission-sponsored non-project activities, as well as by the centrally funded FEWS project, FAPS analysis and technical assistance will assist to alleviate Mali's dual food security problem of production and consumption, by increasing both availability of food and access to food. USAID has ample experience in the recent past in managing the kind of food security contracts -- PSC's, institutional contracts, and contracts with local consultants -- envisaged under this project.

### I. Gray Amendment Considerations

FAPS will be implemented through a series of contracts and grants. The contracts will be primarily PSC's, at least one for offshore recruitment, in which affirmative action considerations will take a primary place. The second PSC, together with some of the contracts for studies, will be contracted locally, among the Malian professional community. An institutional grant or contract for food security support to expanding the SIM's range of competence and analysis will be made in which affirmative action considerations will also figure.

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

| <u>Project Goal</u>                               | <u>OVI's</u>  | <u>Means of Verification</u>                                    | <u>Assumptions</u>  |
|---|---|---|---|
| To increase ag. production,<br>and access to food | Increased food crop production<br>keeps up with population<br>growth. | DNSI/DNA/OER statistics on<br>crop production                   |   |
|   | Expanded marketings of non-<br>traditional cash crops                 | DNSI statistics on<br>population                                | Field implementation of food<br>distribution is effective.  |
|   | Vulnerable households have<br>greater access to food                  | Ministry of Plan, DNAE,<br>Customs records on export<br>volumes | Technical/institutional<br>conditions permit farmers to<br>increase production in<br>situation of reduced risk or<br>better prices. |
|   |   | Marketing studies   | Legal/institutional<br>environment permits new<br>cash-crop marketing channels<br>to develop.                                       |

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

| <u>Project Purpose</u>                                    | <u>OVI's</u>  | <u>Means of Verification</u>  | <u>Assumptions</u>  |
|---|---|---|---|
| To promote efficiency and productivity in the food sector | Better grain market integration'<br>Reduced marketing margins<br>Reduced special and temporal price variation.<br>New crops or marketing channels developed.<br>Faster and more efficient GRM early warning and response mechanism for food crisis (SAP/COC/QNAUR/FRMC)<br>FRMC credit repayment rates increase.<br>GRM decisions on food aid and commercial imports correlated with actual food need | SIM studies and reports<br>ODR/DNA/EVO reports<br>USAID marketing studies<br>USAID staff monitoring of GRM early warning and import policy<br>SAP reports<br>QNAUR reports<br>C.O.C. decision documents<br>Credit reports from Banks and FRMC Secretariat<br>DNSI/DNA/QNAUR reports on crop production and food need. | Grain market sufficiently competitive so that better information can be used by producers, traders, and consumers to lower their costs or increase their returns.<br>Food aid and distribution decisions continue to be based in significant measure on perceptions of real need and sense of urgency in responding to it.<br>FRMC, Banks, GRM are interested in improving the credit programs<br>Farmers, ODR's, private businesses, and/or coops are willing to try promising new cash-earning opportunities. |

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

| <u>Project Outputs:</u>  | <u>OVI's</u>                | <u>Means of Verification</u>                           | <u>Assumptions</u>  |
|--|-----------------------------|--|---|
| More effective and accurate SIM (Market Information System)  | On-going analyses           | SIM bulletins and reports<br>PSC/FSN monitoring of SIM | GRM/donor coordination and planning through ERMC continue to function.  |
| Information on food needs, vulnerable areas, and food distribution requirements more rapidly disseminated. | On-going analyses           | PSC/FSN EER's  | ERMC continues to maintain a liquid joint counterpart fund.   |
| Timely analyses of ERMC programs in credit, food distribution, SIM, SAP, etc.                              | On-going analyses           |  | Cooperatives, village associations, private businesses, and ODR's cooperate in studies of alternate cash crops. |
| Updated grain production and consumption figures   | Annual food needs estimates |  | DNA/DNSI permit analysis of statistical anomalies   |
| Reports on rice sector   | 1                           |  | ERMC continues to support food distribution, when needed.   |
| Reports on alternative cash crops or income opportunities in agriculture                                   | 2                           |  | SIM and SAP continue to function, with GRM and ERMC support.  |
| Report on monitoring or improving food distribution mechanisms   | 2                           |  |   |

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

| <u>Project Inputs (\$000)</u> |       |  |  |
|-------------------------------|-------|--|--|
| Technical Assistance          | 1,175 |  |  |
| Studies                       | 400   |  |  |
| Training/workshops            | 100   |  |  |
| Evaluation/audit              | 50    |  |  |
| Contingency/inflation         | 275   |  |  |
| TOTAL                         | 2,000 |  |  |

## ANNEX A

### MALI FOOD AND AGRICULTURE STRATEGY -- Executive Summary

Mali's food strategy is to address the production, consumption, and information constraints faced in the food and agriculture sector. The strategy involves three thrusts: improving food consumption and nutrition; increasing agriculturally based incomes and employment; and improving the information base for private and public actors to make better decisions regarding food and agriculture.

Articulation of a food strategy is appropriate now for several reasons. First, it is time for ongoing major USAID activities supporting improved food consumption and nutrition to be made an explicit part of a food and agriculture strategy. Second, the painful and far-reaching economic reforms engaged in by Mali over the past few years must be followed by increased productivity in Mali's most important sectors, including the food and agriculture sector, if those reforms are to bear fruit in terms of sustained economic growth and a better off Malian citizenry. And third, new opportunities to increase agriculture income need support.

The household food consumption and nutrition thrust of the strategy has three components. First, a variety of food aid, early warning, and other mechanisms will be used to increase food availability, beyond household farm production, for households at risk of food stress. This will require further coordination of a range of internal USAID efforts. Second, incomes of poor people will be increased (this indeed forms the basis for the second thrust of the strategy discussed in the next paragraph). Third, targetted health and nutrition interventions will continue. (While these are not part of the USAID food and agriculture portfolio, they need to be an explicit part of the food and agriculture strategy nonetheless. Nutritional status and health are very closely related, so that good health care in the absence of adequate caloric intake, or good household grain availability in the absence of adequate health, can both result in poor nutritional status.)

The income and employment thrust of the strategy has three components, as well. First, a range of technical, policy, and institutional interventions will contribute to increasing foodgrain productivity, an essential aspect of increasing employment and incomes. Second, diversification to other cash earning opportunities will be encouraged through a variety of means. Finally, livestock productivity will be improved. The latter two components will be targetted to have a marked impact on women as well as men.

The third thrust of the strategy is to increase the information and analysis required for farmers, traders, entrepreneurs, the Malian government, and donors to make better decisions regarding food and agriculture.

c:foodstra;3-18-91

## MALI FOOD AND AGRICULTURE STRATEGY

### 1. Background

USAID's strategy in the food and agriculture sector has three thrusts: (a) increasing household food consumption and nutrition; (b) increasing agriculturally-based incomes and employment; and (c) improving the information base for private and public actors to make better decisions. An articulation of the USAID food and agriculture strategy is appropriate now for several reasons.

First, USAID has undertaken significant efforts in the areas of consumption and nutrition, largely but not entirely related to provision and management of emergency food aid, since the 1970's. However, improved nutrition and consumption have not been an explicit part of the Mission strategy in the food and agriculture sector. Earlier agriculture strategies have been focused on the supply side, with little or no attention to consumption and nutrition. However USAID involvement in food security research, in support to PRMC and OPAM in improving emergency food management, in policy dialogue related to GRM response to food stress situations, and in direct feeding and nutrition programs will continue. Most of these activities are integrally related to other ongoing efforts in the food and agriculture sector, and --rather than being incidental -- need to be seen as an integral and important part of the Mission's food and agriculture strategy.

Second, as Mali approaches the end of a decade of policy change, macroeconomic reform, and structural adjustment, a reassessment of the sectoral priority of agriculture, and of the place of agricultural productivity in economic growth, is called for. Economic reforms over the past decade have begun to put into place an environment conducive to private initiative and incentives for increased productivity. Without increased productivity, that is without labor, land, and capital producing an increasing output of useful goods and services, Mali's economy will not grow, and the Malian people will become progressively poorer.

It is clear from the experience of other developed and developing countries around the world that better ways of doing things and improved technology are needed for increased productivity to be sustained. The painful but necessary policy reforms undertaken over the past ten years create an environment in which improved techniques in all sectors are more likely to be adopted, but without private and public initiatives to develop improved technologies, productivity will falter even in the improved policy environment, and the determination and courage which lay

behind Mali's structural adjustment process will not have promoted long term economic growth. With agriculture and agriculturally based industries accounting for the lion's share of Mali's private economy, and providing substantial opportunities for increased incomes in the foreseeable future, increased productivity in the agricultural sector remains one of the most critical elements in Mali's economic growth prospects.

The third reason for developing a food and agriculture strategy now is related to climate. Mali's preoccupation with major food deficits during the 1970's and early- to mid-1980's has not yet sufficiently evolved to reflect the more favorable climatic situation which has prevailed since 1985. The Malian public and private sectors have in recent years begun to direct some attention and resources to managing occasional grain surpluses. But action and planning have not evolved to recognize and plan for other opportunities afforded by better rainfall in good years. While continued growth in productivity of food crops will be needed for the foreseeable future, a food and agriculture strategy needs to be based on a recognition of the opportunity that better rainfall provides. Better rainfall may permit Mali to free up some land and labor, especially in better endowed rural areas, for greater output of non-food commodities in order to generate foreign exchange and rural cash incomes. Not to take advantage of this opportunity, by continuing an exclusive emphasis on food crops plus cotton, would be to avoid a major opportunity for economic growth, for increasing employment based on a growing and diversified agricultural sector, and for increasing the welfare of Mali's poor. No food and agriculture strategy should be based on an assumption about continued good weather, but the strategy needs to recognize climatic variation and the fact that -- in good years -- Mali's people will be better off if they have opportunities to increase their incomes from activities additional to their food crop production.

At the same time, continued efforts are needed to increase food crop productivity, for several reasons. Even with better rainfall, Mali faces the prospects of large and growing rice deficits in the short-term and long-term without continued increases in productivity, as well as long term deficits in coarse grains. The current confusion over the most accurate statistics for Malian consumption, production, and population growth should not obscure the fact that urban population growth, under any likely scenario (including substantial AIDS prevalence), will fuel food deficits, first in rice and subsequently in coarse grains, in the absence of continued improvements in food crop productivity. In addition, in order to increase Mali's competitiveness across the board (not just in food or agriculture), as well as for reasons of equity, nutrition, and access to food, Mali's costs of food production must be prevented from rising. The only sustainable way to prevent food prices rising is to increase productivity in the food crop sector. Because food constitutes more than half of all expenditures by Malians who are not farmers, keeping the

price of food from rising helps keep the cost of labor from rising beyond the limits of Mali's competitiveness. In addition, keeping the cost of food from rising is necessary to help prevent deterioration in the consumption and nutritional status of the poor.

## 2. Household consumption and nutrition component of the strategy

To date, USAID has had no explicit strategy to improve household consumption and nutritional status. The two most important determinants of nutritional status, which are health status and household access to food, are of course key elements of the overall USAID development strategy. Chronic poor health, especially among young children, leads to poor nutritional status even with access to ample food supplies. By the same token, poor access to food, even in the presence of good health services and immunity to key childhood epidemic diseases, leads to poor nutritional status and health. Beyond these two factors, of health services and food availability, however, USAID is involved in a range of actions which have an important impact on consumption and nutrition. In addition the past few years of overall national self-sufficient or even surplus grain production, have demonstrated that Mali can count on a food emergency somewhere in the country almost every year regardless of the overall national production situation.

Constraints to overall household consumption and nutrition include the following:

- \*Production instability for marginal farmers, so that in poor years their access to food declines precipitously (this problem can be expected to get worse as farming encroaches upon more and more marginal areas in the Sahelian zone of the country)
- \*Low productivity for marginal farmers, characterized by chronic inadequacy in food availability
- \*Market instability (exacerbated by the timing of rural tax and fee collections), making it difficult for the poorest rural people to be assured of being able to purchase adequate food supplies, even if they have cash to do so
- \*Low rural incomes for those rural people who purchase some of their food
- \*Poor health status
- \*Inadequate nutritional knowledge

Again there are some positive developments which have occurred in the past several years to help improve household consumption and nutrition. The most important has probably been a marked improvement in rainfall on average, increasing household availability of even marginal farmers. In addition, a range of cereal bank and grain storage projects to protect farmers from some price instability, as well as an increased GRM ability to

effectively make targetted distributions for specific food stress areas, have contributed to improved consumption and nutrition for some people especially in the zones at risk of food shortage. The Market Information System (SIM), together with a better functioning grain market overall, have made it easier for poor consumers to purchase food at lower prices than would have otherwise been the case. Finally, prospects for a major improvement in health services bode well for relieving the health constraint to improved nutritional status.

The USAID strategy to improve household food consumption and nutrition has three components: increasing food available for households at risk or food stress and nutritional inadequacy; increasing incomes and employment permitting poor households to purchase more food; and direct nutrition and health interventions to increase nutritional status.

Increasing food available for households at risk of food stress or nutritional inadequacy. USAID will continue to support a range of actions intended to increase the supply of food available to households at risk of food stress, beyond the food produced from their own resources. Management of emergency food aid specifically targetted on at-risk areas, and of program food to increase aggregate food supplies and thereby moderate prices to poor consumers, will continue to be major elements in the USAID program. In addition, bilaterally and through the PRMC mechanism, USAID will assist the GRM to improve its internal capacity to monitor and adequately respond to food emergencies, as well as promoting substantial PVO involvement in such activities as appropriate. Some consideration of the extent to which urban food need merits better monitoring and response will be given. Better internal USAID mechanisms for the coordination of USAID emergency relief, early warning, and program food aid activities will permit more coherent and effective action in undertaking this component of the strategy.

Increasing incomes and employment permitting poor households to purchase more food. Sustainable increases in household food consumption and nutrition require that poor people with inadequate food production capability increase their access to sources of income to pay for food. An important aspect of increasing consumption and nutrition, then, is identical to the second overall thrust of the food and agriculture strategy, that is increasing incomes and employment, in particular among people whose capacity to produce adequate food for household consumption is limited. The several specific elements of this overall thrust of the food strategy are discussed in a subsequent section.

Direct nutrition and health interventions to increase nutritional status. A range of ongoing or planned nutrition and health interventions will have a direct impact on the nutritional status of substantial numbers of people at risk of nutritional stress. While these are not operationally part of the USAID food and

agriculture portfolio, their direct contribution to this overall thrust of the strategy -- through improving nutrition -- requires recognition in the strategy.

### 3. Employment and income component of the strategy

Generating increased agriculturally-based income and employment is ultimately dependent on increasing productivity and production in the sector. Constraints on productivity hence are also key constraints on income and employment. In addition to increased productivity, however, growing employment and income from agriculture also require development of agribusiness and small enterprise linkages, new marketing channels and, when rainfall and household resources permit it, new cash-earning farm enterprises. Alleviating constraints related to microenterprises, marketing, and the development of new farm enterprises (such as non-traditional export crops) must therefore be a key part of an employment and income strategy in agriculture. The key constraints to increasing agriculturally related employment and income therefore include both constraints on productivity as well as on marketing and organization for export or for farm enterprises. The constraints are discussed below:

- \*Production risk (from pests and --even with better rainfall--risks of inadequate moisture)
- \*Market risk, making it difficult for grain to become a significant cash crop, and difficult to find an assured market for non-traditional export crops
- \*Soil fertility and structure (low everywhere, and worsening in some areas with natural resource degradation)
- \*Labor at key points in the production cycle
- \*Poor animal health, especially small ruminants and fowl
- \*Unclear and undeveloped legal and institutional mechanisms for the pooling of risk, capital, and information among farmers and microenterprises
- \*Weak infrastructure and institutional support

The above factors constrain the range of employment and income opportunities based in agriculture. They pertain not only to the most important farm enterprises (foodgrains and cotton), but to livestock, forestry, and non-traditional exports as well. Despite the daunting array of constraints to increased income and employment in agriculture, however, the situation in Mali now presents several favorable aspects which have arisen in the past several years.

One positive development for the period 1985-90 is better rainfall on average than for any period since the mid-1960's. In addition, several policy and institutional developments in the grain sector have resulted in a more congenial environment for efficient and greater private sector investment and participation in the food and agriculture sector. Grain markets are better

integrated, more transparent, and somewhat more stable than in the past in part as a result of the functioning of the market information system (SIM) managed by OPAM, but also because of the increasing role of private traders and cooperatives in the grain market, having fully replaced OPAM in many of its functions short of emergency food distributions. Major initiatives to restructure and improve the efficiency of both agricultural extension and agricultural research are underway. Finally, export prospects, both for livestock and for non-traditional exports, may be improving. Long term trends in coastal livestock markets, together with several recent USAID-sponsored studies of non-traditional crop exports, point to some promising possibilities to expand Mali's participation in such export markets. Finally, more varied, dynamic, and sustainable channels for credit and input delivery through the private sector are being developed successfully in a number of areas of the country.

The employment/income component of the food and agriculture strategy has three components: increasing foodgrain productivity on a sustainable basis, diversification to other cash earning enterprises where appropriate, and broadening the effort to expand sustainable productivity in the livestock sector.

Increasing foodgrain productivity. USAID support to increased foodgrain productivity will continue to be based on technology development and transfer, grain market management, and natural resource management. Technology development and transfer activities will build on USAID's strong and sustained experience in helping to restructure GRM agricultural research and extension organizations, and will involve better planning and accountability of the public sector, and greater cooperation with the private sector. Grain market management will involve a series of actions undertaken or explored during FRMC II, including strengthening the SIM, promoting alternative uses of coarse grains for human and animal consumption, continuing to encourage local purchases rather than imports for free food distribution when situations permit. Natural resource management will extend throughout the ADO portfolio, and include research and extension activities targetted on better soil and pasture management, integration of livestock and cropping into more sustainable farming systems, and support to NGO's and the GRM for innovative pilot activities. The primary effect of improved natural resource management should be felt in improving the sustainability of foodgrain production, since foodgrain production accounts for such an important part of overall natural resource use in agriculture.

Diversification to other cash-earning farm enterprises. The approach to develop non-traditional exports and cash crops will build on experiences within the OHV zone and the grain sector. In both cases, in addition to technical problems requiring resolution, a range of constraints related to product quality, grades and standards, contractual relations among producers and

between producers and purchasers, and the division of costs and benefits in the sharing of risk and information, will be addressed. Policy constraints on increased sales or exports of non-traditional commodities will also be addressed. Identified opportunities for increased cash crop production so far include root and tuber crops, mangoes, green beans, tomatoes, and cowpeas, as well as coarse grains as an export commodity in surplus years. Enterprises in which women can be significant participants will be further explored and developed.

Broadening livestock productivity. In the livestock sector, the approach will be to build on and broaden USAID livestock experience to date. This will involve increasing commercialization so that both Mali's foreign exchange position as well as herder incomes can increase. It will also involve improved health delivery, including through innovative private sector channels, so that not only cattle but also animals used by the poorest rural people and women as sources of income (that is, small ruminants and fowl) develop improved health status and productivity. Finally, it will involve a series of efforts to increase sustainable animal production, through better pasture management, integration of livestock and farming for long-term sustainability, and promotion of forage and feeding activities.

#### 4. Information component of the strategy

Achieving marked improvements in agriculturally-based employment and income, as well as in household consumption, will face a range of constraints posed by inadequate or incorrect information. The third part of the USAID food and agriculture strategy will be to alleviate some of these information constraints. At the most basic level, better monitoring and evaluation of past and ongoing activities is needed to ensure proper implementation and targeting of such activities. Improved monitoring and evaluation systems are being put into place in all USAID projects.

A range of descriptive information is required to ensure more effective actions, by private farmers, herders, consumers, and firms, as well as by donors and the GRM, in improving household consumption as well as agriculturally based employment and incomes. Basic price information is required for more efficient grain, livestock, and other markets to function smoothly and to ensure that farmers and herders receive the greatest income possible for their work. In addition, export enterprises, including more successful livestock exports, require better and more timely information on export markets, product quality standards, and legal requirements than is currently available. Finally, plausible crop and livestock production statistics are required if appropriate GRM and donor decisions regarding exports, food aid, and investment are to be made.

In addition to descriptive information, a continuing stream of

analysis is required, both in crops and livestock, to help understand the short and long term evolution of the sector, and new opportunities as well as problems. For example, the private and public sectors both need plausible explanations for price movements in order to make short term plans (eg, whether or not to initiate food aid shipments or permit commercial imports) as well as to understand to what extent current policies and investments are having an impact. Analytical information is essential for successful and sustained diversification into other cash crops.

Finally, analysis in some cases needs to be done in such a way to set out appropriate GRM, donor, and private sector policy or investment options in a clear and accessible way. Two examples suffice to show the inadequacy of current information in this regard. Current GRM requirements for the establishment of private veterinary pharmacies are not based on reasonable analysis of private veterinarians being able to cover their costs and repay the loans required to meet the legally mandated requirements. At the same time, these requirements are based on no analysis for the public sector of the implications on competition or on the private pricing of pharmaceuticals which would follow from the requirements. Better understanding of the implications of these legal requirements is required for both sound public and private sector decisions. In the cropping sector, the descriptive statistics on production, consumption, and population are so confused and contradictory as to now render the GRM incapable of determining whether requesting food aid is appropriate as opposed to promoting exports of coarse grains.

Without slow and incremental development of a more solid information base, effective actions to increase household consumption and nutrition as well as to increase agriculturally based employment and income, will continue to be constrained by wrong assumptions. The USAID strategy will be to target those few critical information and analysis gaps and assist the GRM or the private sector to address them, not through stand-alone projects, but through a series of interventions linked to other sectoral activities (eg, assistance to the grain market SIM through the FAPS project). The purpose will be low cost but sustainable information systems and analytical capability which will continue beyond the time of USAID support, and which by its very nature will induce a greater demand for sound information on which the GRM and Malian private sector can base sound investment and policy decisions.

## 5. Conclusion

While the strategy outlined above will not result in major reorientation of the food and agriculture portfolio, it will lead to some important changes on the margin. Household food consumption, and the role of women in ensuring it, will become a more explicit aspect of many food and agriculture interventions. Previously disparate food aid and early warning activities will

take on a more coherent and long-term view. Food production as a key goal will be maintained, but with increasing emphasis on cash crops and export crops as complementary farm enterprises. Attention to the income and employment aspects of possible activities, in addition to their production aspects, will be increasingly important, implying an increased concern for agribusiness and marketing. And better analysis and information will need to underpin much of the portfolio.

## ANNEX B

### **SCOPE OF WORK USAID/BAMAKO FOOD POLICY ADVISOR**

#### **Background**

The Food Policy Advisor will advise USAID on policy reforms and implementation of its third phase Cereals Market Restructuring Program (PRMC III). The program is implemented in concert with other donors through annual food aid contributions and programming the local currency generated from sales of the food aid. Under phases I and II the cereals markets were liberalized and the GRM's role in grain trade substantially reduced, and a more competitive and efficient private sector involvement in food trade was promoted. Under Phase III, these reforms will be consolidated and extended, a new set of related policy reforms will be undertaken, and a series of local-currency-funded policy reform implementation measures will be designed and implemented. Phase III will involve import of up to 150,000 MT food aid from all donors (including US food aid wheat or rice) for local sale; and programming the resulting local currency generations in ways that are technically sound, supportive of Phase III policy reform efforts, and in compliance with AID's regulations for use of Title II Section 206 food imports.

Successful fulfillment of the responsibilities set out below requires state-of-the-art knowledge of food policy and grain markets. Past participation by other donors in the multi-donor grain policy reform program has been based on easy assumptions and inadequate knowledge of the functioning of Sahelian grain markets, the effects of alternative policy choices, and the implementation bottlenecks faced in reform efforts. USAID has been a leader in introducing a sound theoretical and empirical basis to the reform effort, providing information from recent research which calls into question conventional wisdom of other donors, and making available to AID/W, the Sahelian policy reform community, and other donors the policy - relevant results of research in Mali. This position requires a professional fully knowledgeable of food policy, who is capable of operationalizing these advances in knowledge within the context of ongoing policy reform and implementation.

#### **Responsibilities**

1. Analyze policy and program alternatives for improved cereals market performance relying on field visits and interviews, primary data, secondary sources, and USAID or other related research activities. Analysis will be based on close liaison with Michigan State University research and reporting (SIM and INSAH), IER monitoring of cooperative grain storage credit, and other on-going studies.

2. Report on evolution of cereals market, implementation of PRMC III activities, disposition and management of food aid, donor and GRM cereals activities, and GRM policy reforms. Reporting will be to USAID/Bamako, GRM's cereals policy coordinating committee, the PRMC technical committee, and various drought relief organizations.
3. Advise on advantages/disadvantage and benefits/costs of policy and program alternatives in the cereals market, specifically on:
  - Effective and productive GRM roles in grain markets and food aid distribution.
  - Promising ways to encourage greater farmer, private sector, and cooperative grain trade and storage.
  - Appropriate trade policies for cereals.
  - Promising avenues to change domestic consumption patterns and increase farm production in order to reduce Mali's food deficit.
  - Management and distribution of food aid.
  - Creation of cereals policy analysis capacity within or available to GRM.

Advice in the above and related areas will be provided to USAID/Mali but also to the PRMC technical committee and, as appropriate, the GRM cereals policy coordinating committee, OPAM, the Ministry of Finance, and PVO's involved in food aid distribution, and other appropriate GRM agencies.

4. Coordinate AID cereals marketing activities with those of other donors, PVO's involved in food distribution, and GRM agencies involved in cereals marketing and food relief activities.
5. Write background, briefing, technical, and analytical papers.
6. Prepare scopes of work for, and coordinate and monitor conduct of, PRMC and/or USAID technical studies in various aspects of cereals marketing.
7. Monitor expenditure and management of USAID local currency generations from the PRMC program.
8. Prepare proposals for USAID and for the PRMC technical committee an effective food policy actions to follow PRMC III, specifically:

- A. The technical and analytical basis for a new PL 480, Title II, Section 206 program.
  - B. Recommendations regarding renewal or non-renewal of PRMC after Phase III.
  - C. Recommendations regarding post-Phase III policy reform and implementation.
  - D. Recommendations regarding disposition of PRMC III assets.
- 
- 9. Advise and participate in USAID/Mali's preparation of annual food needs assessment.
  - 10. Oversee internal AID project Management, to include financial reporting, evaluation and monitoring.
  - 11. Perform other duties related to food policy and food aid as required.

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**ANNEX C: SOW FOOD POLICY ANALYST  
INTERAGENCY FOREIGN SERVICE NATIONAL EMPLOYEE POSITION DESCRIPTION**

Prepare according to instructions given in Local Employee Position Classification Handbook, Appendix B and 1979 A-3608

B-55-04

|                                |                                 |                        |
|--------------------------------|---------------------------------|------------------------|
| <b>1 POST</b><br><b>Bamako</b> | <b>2 AGENCY</b><br><b>USAID</b> | <b>3. POSITION NO.</b> |
|--------------------------------|---------------------------------|------------------------|

**4 REASON FOR SUBMISSION**

a. Reclassification: This position replaces

Position(s) No \_\_\_\_\_ (Title) \_\_\_\_\_ (Series) \_\_\_\_\_ (Gr)

No \_\_\_\_\_ (Title) \_\_\_\_\_ (Series) \_\_\_\_\_ (Gr)

b. New Position

c. Other (explain)

| 5 CLASSIFICATION ACTION             | Position Title and Series Code | Grade | Incls | Det |
|-------------------------------------|--------------------------------|-------|-------|-----|
| a. Post Classification Authority    |                                |       |       |     |
| b. Other                            |                                |       |       |     |
| c. Recommended by Initiating Office |                                |       |       |     |

|  |  |
|--|--|
| <b>6 POST TITLE OF POSITION (if any)</b><br><b>Development Assistance Specialist</b> | <b>7. NAME OF EMPLOYEE</b><br><b>Amadou Camara</b> |
|--|--|

|   |                       |
|---|-----------------------|
| <b>8 MISSION OR OFFICE</b><br><b>Agriculture Development Office</b> | c. Third Subdivision  |
| a. First Subdivision<br><b>Agricultural Economics Division</b>      | d. Fourth Subdivision |
| b. Second Subdivision   | e. Fifth Subdivision  |

|   |   |
|---|---|
| <b>9 This is a complete and accurate description of the duties and responsibilities of my position</b><br><br><i>[Signature]</i><br>Signature of Employee      11-16-90<br>Date | <b>10. This is a complete and accurate description of the duties and responsibilities of this position</b><br><br><i>[Signature]</i><br>Signature of Local Supervisor      Date |
|---|---|

|   |   |
|---|---|
| <b>11 This is a complete and accurate description of the duties and responsibilities of this position. There is a valid management need for this position.</b><br><br>Reid E. Whitlock, Food Policy Advisor<br><i>[Signature]</i><br>Signature of American Supervisor      11-16-90<br>Date | <b>12. I have satisfied myself that this is an accurate description of this position, certify that it has been classified in accordance with appropriate Local Employee Position Classification Handbook (LEPCH) standards.</b><br><br><i>[Signature]</i><br>Signature of Administrative or Personnel Officer      Date |
|---|---|

**13 BASIC FUNCTION OF POSITION**

The function of this position is to support several USAID food security activities (in particular, grain market reform, emergency food distribution, and livestock activities) by undertaking analysis and monitoring, and recommending policy and implementation actions to USAID management and to donor and GRM representatives.

- 14 MAJOR DUTIES AND RESPONSIBILITIES**
1. Serve as stand-in project manager for extended periods, of several important and sensitive food security activities (emergency food distributions valued at more than 2 million dollars and involving several large contracts; inter-office preparation of monthly famine early warning system cables; PL-480 non-emergency food program valued at approximately \$3 million/year).
  2. Gather and analyze information, prepare technical reports, and advise ADO staff and USAID Director on effective and feasible USAID actions in food policy reform program.
  3. Monitor and analyze food availability/accessibility situation and recommend appropriate responses to Mission management.
  4. Evaluate and report on GRM food policy reform efforts.
  5. Undertake economic and financial analysis, as needed.
  6. Manage market and policy studies conducted by consulting firms.
  7. Represent USAID on multi-donor food policy group and GRM food policy committees when PSC food policy advisor is absent.
- (continue on blank sheet)*

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15. ENTRANCE QUALIFICATIONS

a. Education: Masters degree in Economics or Agricultural Economics, preferably from a U.S. institution.

b. Prior Work Experience: At least five years experience in the economic and policy aspects of food production and marketing, some of which must be in the Sahel.

c. Post Entry Training: MS-DOS Based Computer Technical Training in tools of and approaches to food policy formulation.

d. Language Proficiency: Fluency in English and French.

- e. Knowledge:
  1. workings of Sahelian food demand and supply, and the various policy instruments that can influence these forces.
  2. Application of economic tools to food marketing problems.
  3. GRN institutional environment - and key decision points for food policy and management.

- f. Skills and Abilities:
  1. Clear oral and written presentation in English and French
  2. Analytical skills in economics
  3. Logistic, planning, and problem-solving skills related to food distribution
  4. Interpersonal and supervisory skills related to management of contracts, for studies
  5. Field study and interviewing skills
  6. Questionnaire preparation skills
  7. Diplomatic/negotiating skills

16. POSITION ELEMENTS

a. Supervision Received: Overall objectives and deadlines for tasks are provided by supervisor; employee works independently, resolving problems and determining appropriate approach, and taking initiative to consult with supervisor as appropriate. Supervisor's review of work is often limited to broad assumptions, outlines conclusions and occasional spot checking of details. Sometimes supervisor will take the lead in collaborative projects as way of guaranteeing appropriate supervision.

b. Agency Guidelines: Agreements by AID and other donors. AID Handbooks Mission Orders

c. Nature, Level, and Purpose of Contact: Work of position involves or tasks have guidelines. Considerable judgement (in how to carry out and report on an activity, and on who to contact) is required. Considerable judgement also required in applying the broad guidelines, and in representing USAID before the GRN and other donors.

d. Authority to Make Commitments: The employee speaks for the Mission Director and in some cases the multi-donor group of which the Mission Director is a part, in policy-making fora of GRN. He also represents the Mission in other GRN and donor fora related to food security and food aid.

e. Nature, Level, and Purpose of Contact: Substantive contacts with managers and Directors of various GRN food-related agencies and with expatriate donor technicians or Directors for the purpose of solving often highly sensitive problems related to food distribution or credit. In absence of PSC, represents AID on food policy donors' technical advisory committee.

f. Supervision Exercised: Supervises various contractors and consultants on short-term and long-term activities.

g. Time Required to Perform Full Range of Duties after entry into the Position: 3 months.

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ANNEX D: STATUTORY CHECKLIST

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5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1990 Appropriations Act Sec. 523; FAA Sec. 634A. If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified?  
A Congressional Notification was submitted on \_\_\_\_\_ and expired on \_\_\_\_\_
2. FAA 611(a). Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?  
No engineering or financial plans are needed; (b) Mission has prepared a detailed budget.
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?  
No legislative action is required.

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4. FAA Sec. 611(b); FY 1990 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? Project does not involve capital assistance.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multi-regional project? If so, why is project not so executed? Information and conclusion: whether assistance will encourage regional development programs. No. FAPS is integrated with other multi-donor efforts in the cereals sector but, like other donor efforts, implement on a bilateral basis.
7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. (a) indirectly; (b) FAPS will support private sector initiative in the cereal sector; (c) possibly; (d) FAPS encourages open competition within a free market structure; (e) yes through marketing information systems; (f) N/A.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). N/A

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9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The U.S. owns no excess CFA.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? See above.
11. FY 1990 Appropriations Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? Assistance is not for export production.
12. FY 1990 Appropriations Act Sec. 547. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies; prefeasibility studies or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? No.
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other No.

wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)? No longer required.
15. FY 1990 Appropriations Act, Title II, under heading "Agency for International Development". If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? N/A
16. FY 1990 Appropriations Act Sec. 537. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? N/A
17. FY 1990 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures? N/A

18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). N/A
19. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2 (and as implemented through A.I.D. policy). Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage? Yes
20. FY 1990 Appropriations Act, Title II, under heading "Women in Development." Will assistance be designed so that the percentage of women participants will be demonstrably increased? Yes

21. FY 1990 Appropriations Act Sec. 592(a). N/A  
If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies, has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

**B. FUNDING CRITERIA FOR PROJECT**

**1. Development Assistance Project Criteria**

a. FY 1990 Appropriations Act Sec. 546 (as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

(1) Any increased grain exports resulting from FAPS interventions will not compete with commodities grown or produced in the U.S.; (2) N/A

b. FAA Sec. 107. Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

N/A

c. FAA Sec. 281(b). Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

FAPS directly supports the Africa Bureau's objectives of promoting private initiatives, use of Mali's human resources for institutional development

d. FAA Sec. 101(a). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes.

e. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will: (1) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

Project will directly involve the poor in Mali development by integrating them in the Malian grain market and giving them direct access to inputs needed for sustained benefits; (2) FAPS will help develop village associations and other cooperative groups for grain marketing activities; (3) above activities encourage self-help efforts; (4) women are an integral part of Mali's grain marketing activities; (5) regional cereals production and trade is a priority concern for the GRM and the multi-donor cereals marketing support group.

f. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Does the project fit the criteria for the source of funds (functional account) being used?

Yes (DFA).

g. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Have local currencies generated by the sale of imports or foreign exchange by the government of a country in Sub-Saharan Africa from funds appropriated under Sub-Saharan Africa, DA been deposited in a special account established by that government, and are these local currencies available only for

N/A

use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of Section 102 of the FAA and for necessary administrative requirements of the U. S. Government?

h. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

N/A

i. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Yes

j. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes.

k. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

Project directly supports GRM and AFR Bureau objectives of promoting private initiatives, using Mali's human resources to encourage institutional development.

l. FY 1990 Appropriations Act, under heading "Population, DA," and Sec. 535. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No.

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No.

Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No.

Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? No.

In awarding grants for natural family planning will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? N/A

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No.

m. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.

n. FY 1990 Appropriations Act Sec. 579. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and

Selection process will encourage proposals from economically and socially disadvantaged firms. HBCUs PVOs controlled by Black Americans, Hispanic Americans, Native Americans, et

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private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

o. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a

Yes. See IEE.

condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; and (11) utilize the resources and abilities of all relevant U.S. government agencies?

p. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project: (1) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (2) take full account of the environmental impacts of the proposed activities on biological diversity?

N/A

q. FAA Sec. 118(c)(14). Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?

No.

r. FAA Sec. 118(c)(15). Will assistance be used for: (1) activities which would result in the conversion of forest lands to the rearing of livestock; (2) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (3) the

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colonization of forest lands; or (4) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

s. FY 1990 Appropriations Act Sec. 534(a). If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

N/A

t. FY 1990 Appropriations Act Sec. 534(b). If assistance relates to energy, will such assistance focus on improved energy efficiency, increased use of renewable energy resources, and national energy plans (such as least-cost energy plans) which include investment in end-use efficiency and renewable energy resources?

N/A

Describe and give conclusions as to how such assistance will: (1) increase the energy expertise of A.I.D. staff, (2) help to develop analyses of energy-sector actions to minimize emissions of greenhouse gases at least cost, (3) develop energy-sector plans that employ end-use analysis and other techniques to identify cost-effective actions to minimize reliance on fossil fuels, (4) help to analyze fully environmental impacts (including impact on global warming), (5) improve efficiency in production, transmission, distribution, and use of energy, (6) assist in exploiting nonconventional renewable energy resources, including wind, solar, small-hydro, geo-thermal, and advanced

biomass systems, (7) expand efforts to meet the energy needs of the rural poor, (8) encourage host countries to sponsor meetings with United States energy efficiency experts to discuss the use of least-cost planning techniques, (9) help to develop a cadre of United States experts capable of providing technical assistance to developing countries on energy issues, and (10) strengthen cooperation on energy issues with the Department of Energy, EPA, World Bank, and Development Assistance Committee of the OECD.

u. FY 1991 Appropriations Act, under heading "Sub-Saharan Africa, Development Assistance" (to implement FAA Sec. 496 "Development Fund for Africa").

If assistance will come from the Sub-Saharan Africa DA account, is it:

- (1) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (1) Yes
- (2) being provided in accordance with the policies contained in section 102 of the FAA; (2) Yes
- (3) being provided, when consistent with the objectives of such assistance, through African, United States and other FVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (3) Yes
- (4) being used to help overcome shorter-term constraints to long-term development, to to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take (4) Yes

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into account, in assisted policy reforms, the need to protect vulnerable groups; (5) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

(5) Yes

v. International Development Act Sec. 711, FAA Sec. 463. If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (1) the world's oceans and atmosphere, (2) animal and plant species, and (3) parks and reserves; or describe how the exchange will promote: (4) natural resource management, (5) local conservation programs, (6) conservation training programs, (7) public commitment to conservation, (8) land and ecosystem management, and (9) regenerative approaches in farming, forestry, fishing, and watershed management.

N/A

w. FY 1990 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

N/A

2. Development Assistance Project Criteria  
(Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest. N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest? N/A

c. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities? N/A

3. Economic Support Fund Project Criteria

a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? N/A

b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes? N/A

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. PROCUREMENT

1. FAA Sec. 602(a). Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes.
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him? Yes.
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A
4. FAA Sec. 604(e). If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A

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5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) No.
6. FAA Sec. 603. Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? No.
7. FAA Sec. 621(a). If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes.
8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes
9. FY 1990 Appropriations Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes

10. FY 1990 Appropriations Act Sec. 524. If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? Yes
11. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2 (and as implemented through A.I.D. policy). Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantitative measurements (length, area, volume, capacity, mass and weight), through the implementation stage? Yes
12. FAA Secs. 612(b), 636(h); FY 1990 Appropriations Act Secs. 507, 509. Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services. N/A
13. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No
14. FAA Sec. 601(e). Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes

B. CONSTRUCTION

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP), or does assistance have the express approval of Congress? N/A

C. OTHER RESTRICTIONS

1. FAA Sec. 122(b). If development loan repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter? N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes

4. Will arrangements preclude use of financing:

a. FAA Sec. 104(f); FY 1990 Appropriations Act under heading "Population, DA," and Secs. 525, 535. Yes

(1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; or (4) to lobby for abortion?

b. FAA Sec. 483. To make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? Yes

c. FAA Sec. 487. To or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? (Section 487 requires the taking of "reasonable steps to ensure that assistance" (under the FAA and the Arms Export Control Act) is not provided in the foregoing cases.) Yes

d. FAA Sec. 620(g). To compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes

e. FAA Sec. 660. To provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes

- f. FAA Sec. 662. For CIA activities? Yes
- g. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes
- h. FY 1990 Appropriations Act Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes
- i. FY 1990 Appropriations Act Sec. 505. To pay U.N. assessments, arrearages or dues? Yes
- j. FY 1990 Appropriations Act Sec. 506. To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes
- k. FY 1990 Appropriations Act Sec. 510. To finance the export of nuclear equipment, fuel, or technology? Yes
- l. FY 1990 Appropriations Act Sec. 511. For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes
- m. FY 1990 Appropriations Act Sec. 516; State Authorization Sec. 109. To be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? Yes
5. FY 1990 Appropriations Act Sec. 574. Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? Yes

6. FY 1990 Appropriations Act Sec. 582. No  
Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law?

Ministère de l'Economie et des  
Finances

Republique du Mali  
Un Peuple - Un But - Une Foi

Cabinet

Bamako le

24 JUIL 1991

N° No 0 4 5 0 / MEF - CAB

Le Ministre de l'Economie et  
des Finances

A M ONSIEUR LE DIRECTEUR DE L'USAID  
- BAMAKO -

OBJET : Projet d'appui à la politique  
alimentaire et agricole.

Monsieur le Directeur,

A la suite de la mutation de l'ancien titulaire pour l'assistance technique fournie par l'USAID au PRMC (Comité Technique) et du départ pour études aux USA de l'ancien expert en système d'informations du marché, qui était en place au SIM (OPAM), j'ai l'honneur de vous demander de bien vouloir envisager la mise en place de nouveaux agents pour ces deux postes.

Comme par le passé, ces deux experts (économiste agricole et spécialiste en informations du marché) pourraient être appuyés par un Conseiller en Politiques Alimentaires, en poste auprès de votre structure.

Un budget comprenant le financement d'études, de séminaires de formation et d'évaluations ou d'audits, pourrait compléter les prestations de ces 3 experts.

Je vous remercie de votre coopération sur ce point.

Veuillez recevoir, Monsieur le Directeur, l'expression de ma parfaite considération.

LE MINISTRE

BASSARY TOURE



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ANNEX F: FINANCIAL TABLES

Table 1: Methods of Implementation and Financing

| FAPS<br>Methods of Implementation and Financing |                          |                     |                |
|---|--------------------------|---------------------|----------------|
| Inputs  | Method Of Implementation | Method Of Financing | Amount (\$000) |
| I. Technical Assistance                         | A.I.D Direct Contract    | Direct Payment      | 1,175          |
| II. Studies                                     |                          |                     |                |
| A. Food Aid Targetting                          | A.I.D Direct Contract    | Direct Payment      | 100            |
| B. Income & Employment linkages                 | A.I.D Direct Contract    | Direct Payment      | 100            |
| C. FANC consumption impact                      | A.I.D Direct Contract    | Direct Payment      | 50             |
| D. Sahel Food Prospect long term                | A.I.D Direct Contract    | Direct Payment      | 50             |
| E. Production update                            | A.I.D Direct Contract    | Direct Payment      | 50             |
| F. Other  | A.I.D Direct Contract    | Direct Payment      | 50             |
| III. Training & Policy Reform                   | A.I.D Direct Contract    | Direct Payment      | 100            |
| IV. Evaluation/Audit                            | A.I.D Direct Contract    | Direct Payment      | 50             |
| V. Contingency/Inflation                        | A.I.D Direct Contract    | Direct Payment      | 275            |
|   |                          | Total               | 2,000          |

**TABLE 2: TECHNICAL ASSISTANCE BUDGET**

**FAPS**

| Technical Assistance                                   | Budget (US \$)          |
|--|-------------------------|
| <b>1. Food Policy Advisor</b>                          |                         |
| Salary   |                         |
| \$350 X 31 days X 48 person month = \$520,800          | 520,800                 |
| FICA \$250 X 48 months = \$12,000                      | 12,000                  |
| \$3,000/round trip Bamako-Wash X 4 years = \$12,000    | 12,000                  |
| health \$200 X 4 years = \$800                         | 800                     |
| Other \$150 X 4 years = \$600                          | 600                     |
| House renting (1,200,000CFA X 4 years = 4,800,000 cfa) | 19,200                  |
| Contingency  | 64,600                  |
| <b>Subtotal</b>  | <b>630,000</b>          |
| <b>2. FSM Food Policy Analyst</b>                      |                         |
| Salary and benefits                                    | 130,000                 |
| Contingency  | 15,000                  |
| <b>Subtotal</b>  | <b>145,000</b>          |
| <b>3. Market Information Expert</b>                    |                         |
| Salary   |                         |
| \$220 X 31 days X 48 person month = \$327,360          | 327,360                 |
| FICA \$150 X 48 months = \$7,200                       | 7,200                   |
| \$3,000/round trip Bamako-Wash X 4 years = \$12,000    | 12,000                  |
| health \$200 X 4 years = \$800                         | 800                     |
| House renting (cfa, 200,000 X 4 years = 4,800,000vfa)  | 19,200                  |
| Other \$150 X 4 years = \$600                          | 600                     |
| Contingency  | 32,840                  |
| <b>Subtotal</b>  | <b>400,000</b>          |
| <b>Grand Total</b>                                     | <b>\$1,175,000</b>      |
|  | <b>FX = \$145,000</b>   |
|  | <b>LC = \$1,030,000</b> |
|  | <b>\$1,175,000</b>      |

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TABLE 3: STUDIES BUDGET

|                                | Yr. 1     | Yr 2       | Yr 3       | Yr 4      | Total      |
|--------------------------------|-----------|------------|------------|-----------|------------|
| Food Aid Targetting            | 50        | 30         | 20         | 0         | 100        |
| Income and Employment linkages | 0         | 0          | 50         | 50        | 100        |
| PRMC Consumption Impact        | 0         | 50         | 0          | 0         | 50         |
| Sahel Food Prospects           | 0         | 9          | 50         | 0         | 50         |
| Production Update              | 0         | 50         | 0          | 0         | 50         |
| Other                          | 0         | 0          | 50         | 0         | 50         |
| <b>Total</b>                   | <b>50</b> | <b>130</b> | <b>170</b> | <b>50</b> | <b>400</b> |

YAPS  
TABLE 4: Project Disbursements by Cost Category

| Item                           | Year I |    | Year II |     | Year III |     | Year IV |     | Total |     | Total |
|--------------------------------|--------|----|---------|-----|----------|-----|---------|-----|-------|-----|-------|
|                                | FX     | LC | FX      | LC  | FX       | LC  | FX      | LC  | FX    | LC  |       |
| I. Technical Assistance        | 240    | 33 | 255     | 35  | 262      | 37  | 273     | 40  | 1,030 | 145 | 1,175 |
| II. Studies                    |        |    |         |     |          |     |         |     |       |     |       |
| A. Food Aid Targetting         | 25     | 25 | 15      | 15  | 10       | 10  | 0       | 0   | 50    | 50  | 100   |
| B. Income & Employment linkage | 0      | 0  | 0       | 0   | 25       | 25  | 25      | 25  | 50    | 50  | 100   |
| C. PRMC consumption Impact     | 0      | 0  | 25      | 25  | 0        | 0   | 0       | 0   | 25    | 25  | 50    |
| D. Sahel Food Prospect long te | 0      | 0  | 0       | 0   | 25       | 25  | 0       | 0   | 25    | 25  | 50    |
| E. Production update           | 0      | 0  | 25      | 25  | 0        | 0   | 0       | 0   | 25    | 25  | 50    |
| F. Other                       | 0      | 0  | 0       | 0   | 25       | 25  | 0       | 0   | 25    | 25  | 50    |
| III. Training & Policy Reform  | 0      | 0  | 15      | 15  | 20       | 20  | 15      | 15  | 50    | 50  | 100   |
| IV. Evaluation/Audit           | 0      | 0  | 0       | 0   | 0        | 25  | 12      | 13  | 12    | 38  | 50    |
| Contingency/Inflation          | 34     | 34 | 34      | 34  | 34       | 34  | 36      | 35  | 138   | 137 | 275   |
| Total                          | 299    | 92 | 369     | 149 | 401      | 201 | 361     | 128 | 1,430 | 570 | 2,000 |

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PP RUEHC  
DE RUTABM #4704 184 \*\*  
ZNR UUUUU ZZH  
P 031153Z JUL 91  
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TO SECSTATE WASHDC PRIORITY 0677  
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CLASS: UNCLASSIFIED  
CHRG: AID 07/02/91  
APPRV: DIR:DJBRENNAN  
DRFTD: PRM:JHBRESLAR:JH  
CLEAR: 1.GDO:GRTHOMPSON  
2.D/DIR:DBCLARK  
DISTR: AID AMB DCM  
ECON

AIDAC

FOR: AFR/TR AND AFR/PD

E.O. 12356:N/A

SUBJECT: FOOD AND AGRICULTURAL POLICY SUPPORT PROJECT  
(688-0260): INITIAL ENVIRONMENTAL EXAMINATION

File

1. SUBJECT PID WAS APPROVED IN MISSION ON MARCH 1, 1991 AND POUCHED TO AID/W FOR IEE CLEARANCE AND APPROVAL. THIS CABLE IS TO FOLLOW-UP ON THE PROCESS. THE FOLLOWING IS THE ORIGINAL TEXT OF THE LEE RECOMMENDING CATEGORICAL EXCLUSION. MISSION HAS RECEIVED BUDGET ALLOWANCE AND INTENDS TO AUTHORIZE THE PROJECT AND OBLIGATE FUNDS IN JULY. WOULD APPRECIATE GENERAL COUNSEL CLEARANCE AND ENVIRONMENTAL OFFICER APPROVAL ASAP.

2. CATEGORICAL EXCLUSION OF INITIAL ENVIRONMENTAL EXAMINATION

- PROJECT LOCATION: MALI
- PROJECT TITLE: FOOD AND AGRICULTURE POLICY SUPPORT PROJECT (FAPS)
- PROJECT NUMBER: 688-0260
- FUNDING: FY 91: DOLLARS 700,000
- LOP: DOLLARS 2 MILLION
- LIFE OF PROJECT: FY91-FY95
- DETERMINATION PREPARED BY: WAYNE MACDONALD,  
ACTING MISSION ENVIRONMENTAL OFFICER
- THRESHOLD DECISION RECOMMENDATION:  
CATEGORICAL EXCLUSION
- CONCURRENCE: DENNIS J. BRENNAN, MISSION DIRECTOR

PROJECT DESCRIPTION: AGRICULTURE IS THE DOMINANT ECONOMIC SECTOR IN MALI. WITHIN THE AGRICULTURAL SECTOR, FOOD -- IN PARTICULAR GRAIN -- IS THE MOST IMPCRTANT SUBSECTOR. FOOD CONSUMPTION ACCOUNTS FOR APPROXIMATELY HALF OF MALIANS' CONSUMPTION

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EXPENDITURES, AND FOR THE MAJOR PART OF CROPPING ACTIVITIES AND CROPLAND. DURING THE 1980'S MALI UNDERTOOK A STEADY EVOLUTION FROM A FOOD ECONOMY CHARACTERIZED BY HEAVY STATE INTERVENTION AND CONTROL TO A FREE MARKET FOOD ECONOMY, THEREBY LAYING THE FOUNDATION FOR GREATER PRODUCTIVITY IN FOOD PRODUCTION. USAID AND OTHER DONOR TECHNICAL SUPPORT WAS VITAL IN ASSISTING THE GRM TO UNDERTAKE THE REFORMS NEEDED FOR THIS EVOLUTION TO OCCUR.

ADDITIONAL POLICY AND REGULATORY CHANGES ARE REQUIRED FOR MALI TO SUSTAIN AND FURTHER IMPROVE THE ENVIRONMENT WITHIN WHICH FARMERS AND PRIVATE TRADERS AND INVESTORS OPERATE IN THE FOOD SUBSECTOR. ADDITIONAL CHANGES ARE REQUIRED FOR SOUND MANAGEMENT OF THE SUBSTANTIAL MULTI-DONOR COUNTERPART FUND WHICH HAS ACCOMPANIED THE GRM REFORM EFFORT AND THE DONOR ASSISTANCE TO IT. THE FAPS PROJECT PURPOSE IS TO INCREASE PRODUCTIVITY AND EFFICIENCY IN MALI'S FOOD SECTOR. THE FAPS PROJECT WILL PROVIDE INPUTS OF TECHNICAL ASSISTANCE, STUDIES, AND TRAINING AND POLICY SEMINARS TO HELP THE GRM SUSTAIN AND EXPAND ITS EFFORTS IN DEVELOPING AND SUSTAINING A SOUNDER FOOD ECONOMY.

INSECTICIDES: NO PESTICIDES WILL BE PROCURED UNDER THE PROJECT, NOR WILL ANY ASSISTANCE IN THE USE OF PESTICIDES BE PROVIDED FOR ANY PURPOSE.

DISCUSSION OF ENVIRONMENTAL ISSUES: THIS PROJECT FALLS INTO THE CLASSES OF ACTION WHICH ARE NOT SUBJECT TO PROCEDURES REQUIRING AN INITIAL ENVIRONMENTAL EXAMINATION. PER 216.2 (C)(1)(I) AND (2)(I) AND (II), I HAVE DETERMINED THAT THIS PROJECT MAY BE CATEGORICALLY EXCLUDED SUCH AN EXAMINATION.

RECOMMENDATION: BASED ON THE ABOVE DISCUSSION, I HEREBY RECOMMEND THAT THIS PROJECT BE CATEGORICALLY EXCLUDED FROM PREPARATION OF AN INITIAL ENVIRONMENTAL EXAMINATION.

GELBER

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