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PROJECT EVALUATION SUMMARY (PES) – PART I

Report Symbol U-447

1. PROJECT TITLE	2. PROJECT NUMBER	3. MISSION/AID/W OFFICE
Agriculture Sector Development Grant [redacted]	683-0246	USAID/Niger

4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g. Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 683-87-01

☒ REGULAR EVALUATION ☐ SPECIAL EVALUATION

5. KEY PROJECT IMPLEMENTATION DATES	6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
A. First PPC-AG or Equivalent FY 84	A. Total $ 32 m	From (month/yr.) 9/84
B. Final Obligation Expected FY 87	B. U.S. $ 32 m	To (month/yr.) 12/86
C. Final Input Delivery FY 88		Date of Evaluation Review 4/30/87

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues: cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
SUMMARY:		
I. POLICY DIALOGUE AND REFORM		
a. Decisions		
1. Establish middle level GON-USAID policy committee.	USAID-Olson	6/87
2. Increase USAID staff participation in policy reform monitoring.	USAID-Gibson	completed 3/87
3. Incorporate seed supply policy into program design (PAAD amendment)	USAID-Gibson	completed 4/87
4. Continue policy dialogue in five strategy areas, improve data collection for subsidy monitoring (fertilizer), continue to support policy reform performance through activities of bilateral projects.	USAID-Olson et al	continuing to PACD
b. Issues to be raised with GON		
1. Require clarification from GON on insecticide subsidy issue.	USAID/Olson	expected to be satisfied by 6/87
2. Require justification from GON on ban on cattle export.	"	
3. Status of tender and bid for OPVN wholesale sales.	"	"

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

- ☒ Project Paper (seed policy)
- ☐ Financial Plan
- ☐ Logical Framework
- ☒ Project Agreement (seed policy)
- ☒ Implementation Plan e.g. CPI Network
- ☐ PIO/T
- ☐ PIO/C
- ☐ PIO/P
- ☐ Other (Specify)
- ☐ Other (Specify)

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

- A. ☐ Continue Project Without Change
- B. ☐ Change Project Design and/or
- ☒ Change Implementation Plan
- C. ☐ Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

Ernest Gibson, ADO Thomas Olson, ADO
Souleymane Seydou, Secretary General, Min Plan
The Secretary General, Presidency of Niger

12. Mission/AID/W Office Director Approval

Signature: P. Benedict

Typed Name: Peter Benedict

4.	Repeal of "indicative" producer prices for cereals. Reestablishment of regional variations in OPVN sales prices.	GON/USAID Olson	6/87
5.	Status of transition of C.A. - statutes, 5 year transition period.	"	"
6.	Explanation of cooperative role in village level grain storage.	"	"
7.	Status of plans for radio broadcasts of market prices.	"	"
2.	COUNTERPART FUND MANAGEMENT		
a.	Decisions		
1.	Secretariat: Propose that GON publish standard operating procedures, define limits of discretion for personnel, republish work rules, install internal control system for document receipt and action.	MinPlan/Hamani	5/87
2.	Secretariat: Revise contract or work plan of financial counselor to be consistent with actual duties performed (or vice versa).	USAID/Gibson	Completed 4/87
3.	Secretariat: Provide training to employees on use of micro computers for spreadsheet and other management applications.	USAID/Olson	Began 3/87 Continuing
5.	Joint Counterpart Fund Management Committee: Reduce quorum to representatives of Plan and USAID only	USAID/Gibson	Completed 11/86
6.	Adopt standard format for project submission to Counterpart Fund	Plan/Hamani USAID/Gibson	5/87
b.	Issues to be raised with GON	Plan/ USAID	2/87
1.	Secretariat: Revise position description of the Executive Secretary to upgrade qualifications and requirements for daily management of sector grants or otherwise restructure Secretariat.		

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3. TECHNICAL ASSISTANCE

a. Decisions

1.	Revise work plan for team to make it more manageable, establish schedule for major actions	USAID/Olson	6/87
2.	Re-evaluation T.A. Revise reporting requirements vis a vis GON and USAID		6/87
3.	Propose formal assignment of team to appropriate offices of GON and nomination of counterparts	USAID/Olson	6/87
4.	Establish liaison link with Ministry of Animal Resources policy analysis unit (Tufts University team)	USAID/Gibson	6/87

b. Other

1.	Determine the feasibility of establishing baseline data at farm level for ASDG economic monitoring.	USAID/Olson	5/87
2.	Assess appropriateness of individual T.A. members placement in other offices or ministries after completion of this year.	USAID/Olson	6/87

See Attachment for full details on recommendations and actions

13. Summary

The Agriculture Sector Development Grant is at chronological mid-point in its implementation. In reality, however, two years may be insufficient time to judge whether the approach will assure achievement of goal and purpose in the long term. Several months elapsed from the time the grant was signed to the time administrative functions were established for disbursement of the local currency fund associated with the grant program. Nearly a year passed before the long-term technical assistance team was put in place. Only two tranches of dollar disbursements had been made at the time of mid-term evaluation, and only the second tranche had strong policy reform conditionality. Hence, definitive answers on program impact are premature. The evaluation did conclude that the program is progressing as expected, overall. The independent team identified a variety of operational areas in which alterations should be made, or further policy dialogue conducted in order to assure achievement of program goal and purpose.

14. Evaluation Methodology

The mid-term evaluation was called for in the Grant Agreement. Its purpose was to measure progress to date, and to indicate appropriate mid-course corrections. The evaluation was organized as a joint Government of Niger-USAID endeavor, with a three person team of consultants engaged to lead the effort. Unfortunately, from AID's viewpoint, the committee appointed by the Grantee chose a passive role of coordinator in the process. The methodology followed by the independent evaluation team stressed interviewing

a wide range of government and other donor representatives. This program is interministerial in nature. Key actors include the ministries of Plan, Agriculture, Animal Resources, Commerce, Tutelage, Finance. Major donors such as the IBRD, UNDP, FED have related activities, and were consulted as well. The evaluation cost approximately $90,000, without factoring in costs of USDH personnel directly involved in the process.

15. External Factors

During the first two years that the program has been in operation, a major drought and drought recovery effort have occurred, shifting government and donor emphasis temporarily to emergency actions. Because of the drought, USAID agreed to postpone complete fulfillment of one requirement (pertaining to export of livestock) in releasing funds for the second tranche. The drought also retarded management improvements in the grain marketing operations of the parastatal agency, OPVN, since OPVN was called on by the government to undertake a massive drought relief role during this time period. ASDG was a minor participant in the multi-donor drought effort. It is worthwhile noting that the ASDG program adapted well to the drought situation in its local currency project component. The joint Government-USAID management committee allocated approximately $2 million to projects of an emergency nature (cattle feed for the pastoral zone, emergency import of improved cowpea seed).

The Government of Nigeria officially closed its borders to trade from January 1985 to March 1986. While certain products were allowed to pass (livestock seeking pasture from north to south during the drought, for example), and clandestine import/export continued, the closure prevented official export of cowpeas and other major agricultural products by Niger, reducing foreign exchange earnings and delaying implementation of actions to facilitate crossborder trade.

Various institutional changes in the Government and parastatal organizations intervened between program design and commencement of operations, requiring modification of approaches to implementation. The key technical ministry, Rural Development, split into two (Agriculture and Animal Resources) in 1985, making policy dialogue more complicated procedurally, and effectively assigning technical assistance resources to Agriculture alone. However, three long term technicians including a livestock policy advisor are being provided to the Ministry of Animal Resources under the amended Integrated Livestock Production (ILP) Project. A formal link will be established between the ILP Project and the ASDG which will facilitate policy dialogue. The agricultural credit parastatal had been approaching bankruptcy since the early 1980's and essentially ceased operations in 1984. The cooperative parastatal was transformed into a new, in principle more autonomous organization during the early period of the grant. In the short term these changes were somewhat disruptive, their long-term effects are still uncertain. When ASDG was in the design stage, the Commerce portfolio was under the Ministry of Plan. By the time the agreement was signed, Commerce was a separate Ministry. We assumed that Agriculture, Livestock and Plan would have more influence on grain marketing and distribution and on cross border trade policies than they do in fact. The internal and external trade directorates do end up controlling and regulating trade and it is very hard for Agriculture to push for policy reforms in another Ministry. This has added to the complications in policy

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coordination, because there are more independent actors on the scene. This is somewhat counterbalanced by the coordinating role of the Secretary-General of the Presidency which we had not foreseen in the design.

The assumptions are still valid.

16. Inputs

This is not a project, therefore there are few direct AID inputs (the program consists of $29 million cash transfer and $3 million technical assistance and studies component). The long-term technical assistance team has been in place slightly more than one year. The evaluators praised the professionalism of the University of Michigan team, but recommended that the T.A. team's work plan be modified to reduce the number of studies unrelated to policy reform activities. The current scope of work is deemed overly ambitious. In addition, the team leader's clear role in monitoring policy change for ASDG places the team in a somewhat precarious position in the Ministry of Agriculture, being perceived by some colleagues as donor watchdogs or agents. In the future, the team should not formally report directly to USAID, but to the Ministry in which it is located (Agriculture for 3 members, Plan for the fourth).

USAID and the Government should make efforts to assure the integration of the team into the Ministry of Agriculture. This may require team members to undertake staff responsibilities (e.g. preparing special papers, computer analyses of previous and ongoing surveys, etc...) on behalf of the ministry. More involvement by host country counterparts in the team's work is recommended, but no single manner of facilitating involvement can be proposed for the varied aspects of the assignment (simply naming counterparts, for example, does not guarantee involvement). The evaluation also recommended that USAID and the Government discuss the advisability of moving one or more team members to other offices or ministries after this year to maximize the team's effectiveness in dealing with an interministerial program. A formal link should be created between the ASDG team and another USAID-financed T.A. team in the Ministry of Animal Resources to assure monitoring of activities related to ASDG in that agency.

17. Outputs

Description (from Log Frame):	Status:
1. Reorientation of the agricultural input subsidy policy and restructuring of the official input supply agency achieved.	On course. Plans underway to transfer input supply agency to cooperative movement. Subsidy reductions on schedule generally, although problems exist in definition of which ag inputs are covered by the agreement. (Are chemical products for non-food cash crops included, or should the subsidy issue be restricted to inputs related to cereals production?)

2. Promotion of competition in grain marketing through the liberalization of offical marketing and pricing policies achieved.	Progress made in village level grain storage and competitive bidding for grain purchases by parastatal agency (OPVN), as called for in grant. Because of market glut tender and bid for grain sales by OPVN not begun. Uniform national pricing still partially applied for some crops. Cereals prices published by OPVN, but radio broadcasting of sales prices not started. The GON implemented the village level grain storage by requiring that the Village Development Committees (which include cooperatives among several member organizations) hold the grain. They now have much more than the target level holdings. Field investigation determined that although it was hard to find out who controlled the stocks, obviously less than the target was held by groupement mutualistes or cooperatives. The original intent was to strengthen local stocking of grain in such a way that it would facilitate increased cooperative and private sector participation and profit making in grain marketing.
3. Appraisal for the country's ag credit situation, particularly in the formal credit market achieved.	Ag credit study completed on schedule. Recommendations approved by Government and donors, and USAID proceeding with design of credit union program.
4. Policy to promote border trade of livestock and cowpeas.	Cowpea trade promoted. Livestock trade facilitated at beginning of program, policy reversed for animals as a result of drought as emergency measure to promote restocking of herds. USAID and Grantee currently reassessing livestock export question before release of 3rd trache.
5. Promote more cooperative and private trader participation in the supply of ag inputs, border trade of livestock, cowpeas and other agricultural products, and internal grain marketing and storage.	Progress made: Parastatal monopoly on export of cowpeas cancelled; ag input supply agency being transferred to cooperative movement gradually; traders and coops assuming larger official role in internal grain marketing and storage. Licensing and pricing restrictions still inhibit full and profitable participation of cooperatives in the case of millet.

18. Purpose

"To assist Niger to continue its development activities in the sector in ligh of the reduced level of budgetary resources and the austerity effort currentl in place:

- To promote the implementation of growth-oriented agricultural policies in the marketing of agricultural outputs and in the supply of agricultural inputs through increasing use of market incentives and competition.

- To provide additional resources to the agriculture sector in order to maintain existing investment activities and raise the level of the sector's absorptive capacity in view of the country's macro-economic and financial situation."

Progress has been made towards achievement of End of Program Status indicators (EOPS), listed below. Indicators are still valid measures of achievement of purpose. It is too early to judge when, and if, EOPS will be fully achieved. Note, decision reached in March 1987 to extend PACD by one year to allow more time for achievement of EOPS.

Indicator (from Logical Framework)	Status
1. More ag inputs are made available to farmers at prices which reflect real economic benefits to the economy.	Reduction of subsidies and lack of credit for inputs has led to reduction in distribution of some inputs (e.g., plows, tool bar, donkey cultivator and other heavy equipment). Purchase of farm implements has declined overall, bu sales have become more rational (sharp reduction in low rainfall farming areas where use of plows, etc. is not cost-effective). Effect on distribution of fertilizer not seen yet, as most fertilizer is now donor-contributed. In long-term, supply of inputs should increase as production/sale becomes profitable. Four year life of ASLG is not sufficient for achievement of EOPS.
2. The role of the official ag input supply agency is reduced and transformed toward a cooperatively-owned agency in competition with other cooperatives and private traders.	On course as of February 1987. Statutes for the transfer of CA to cooperatives have been prepared but not yet issued. Promotional sale to liquidate old (often ill-adapted) stocks underway. Five year transition period called for in ASDG may be reduced. Effects of accelerated transition not yet clear. Financial viability of agency during transition period must still be assured.

3. Operating losses of the grain marketing agency are reduced by 30 to 50% of the average 1981-83 sales.	Behind schedule. USAID's major role with OPVN has been as donor of food aid, assisting with distribution accounting records, etc. ASDG provides no TA and has little formal role in OPVN, limiting AID's ability to affect commercial operations. Major USAID humanitarian role in OPVN in drought relief diverted efforts from commercial issues during 1984/85. Food aid transferred to OPVN complicated local buying and sales systems during period. Still, OPVN used tender/bid system for local purchases of cereals.
4. Cross-border trade in livestock, cowpeas, and other ag products increase.	Cowpea trade increased since re-opening of Nigeria border in 1986 (ASDG-funded purchase of improved seeds assisted in increasing 1986 harvest). Livestock export blocked following drought. Export of female animals and all cattle still formally banned (though clandestine export continues). Ban on livestock export must be reversed in order to meet this EOPS indicator by 1988, and for release of 3rd tranche.
5. Development activities supported by the recurrent cost funding from the program continue to progress toward their objectives.	On schedule. Use of GON-owned local currency Counterpart Fund has enabled donor-financed projects with host country contribution requirements to continue on schedule during this period. The fund is now supporting both AID and other donor and PVO projects which contribute to achievement of the goals of the grant program.

19. Goal

1. To assist the GON to achieve its economic and financial stabilization program currently in place under IMF auspices.

2. To contribute to the goal of increasing food production and farmers' income.

ASDG plays an important role in the Government's economic stabilization program. The influx of $29 million to the agriculture and rural development sector over the four year life of program has a positive impact on government development activities in those areas. Impact on the government investment budget is easily assessed. ASDG cash transfers were 10% and 14% of public investments in agriculture and rural development in 1984 and 1985 respectively. This support was given at a time when the GON had to cut its

development expenditures for three years in a row. Access to the counterpart funds made it possible to continue agriculture and rural development projects that otherwise would have been shut down. Thus, at a time of severe budget contractions, ASDG funds continued to augment the absorptive capacity of the agricultural sector. These funds provide the basis for increases in budget allocations to agricultural investments in 1986 and 1987 as was envisaged in the economic and financial stabilization program.

Some progress towards increasing food production and farmers' income can be traced to ASDG. It should be remembered, in assessing impact, that the 1984/85 drought had a negative effect on achievement of both goals during the early period of the grant program. In 1986 ASDG can be credited partially for increased production and export of cowpeas in Niger, as the Agricultural Production Support project (683-0234) and ASDG Counterpart Fund financed the import of improved cowpea seeds (CB5) which were highly productive. It is assumed that relaxed regulations for export of cowpeas by private traders and coops, which ASDG required, also encouraged farmers to plant more of this crop. Joint efforts under ASDG and other USAID projects have had short-term impact on other aspects of the food production/farmer income status issue. It is too early to judge the extent to which policy reforms undertaken by the Grantee and projects supported in part by the Counterpart fund will have a measurable, long-term impact on agricultural production and farmer income. Definitive assessment may never be possible. As in the case of macro-economic impact, there are numerous other causal factors which affect production and income which are not within the control of the program.

20. Beneficiaries

As this is a sector grant which is largely composed of a direct cash transfer to the Government of Niger, the direct beneficiary is the Treasury of the Government of Niger, which passes the benefits on to programs in the agriculture/rural development sector through the Counterpart Fund. To date, the CFA equivalent of $15,675,000 has been deposited into the Counterpart Fund. Direct beneficiaries of the technical assistance/studies component of the grant are counterparts in government agencies who have been involved in studies under the program, namely the Ohio State University study on Rural Financial Markets, the SECID study of subsidies, and some of the University of Michigan studies on fertilizer, marketing, and prices.
The population of Niger has benefitted indirectly, through the programming of Niger-owned local currency in the Counterpart Fund. Various agricultural and rural development projects which have the aim of increased agricultural production and enhanced rural incomes have received partial funding from the CPF. Since no project is fully funded by the CPF, this has the effect of multiplying the impact of the CPF contribution. For example, if a $10 million project requires a $1 million Government of Niger contribution which the Government itself is not able to make, the ASDG counterpart fund contribution of $1 million effectively allows a $10 million project to continue instead of stop.

The population, particularly farmers and traders, will also benefit from policy reforms undertaken by the Government of Niger under the auspices of ASDG. The extent to which groups benefit from policy reforms is highly variable at this point, especially as not all intended reforms have been implemented to the extent foreseen ex ante. For example, immediate benefits have accrued to traders who exported cowpeas and who participated in bid and

tender sales to OPVN. Cooperatives which bought grain from members at "indicative" prices benefited less because market prices were lower than the "indicative" prices, and the cooperatives thus had difficulty selling at profitable prices. This underlines the need to abolish uniform national (indicative) prices. Farmers no longer able to buy inputs with heavy subsidies and easy credit appeared to suffer in the short-term. However, most may not suffer a real loss at all, as inputs which are inappropriate to rainfed conditions have only marginal production benefits, and financial benefits are only due to the subsidy.

21. Unplanned Effects.

The evaluation team found no unplanned effects.

22. Lessons Learned.

Monitoring and management of policy based programs is more personnel intensive for AID than originally foreseen. The nature of USAID monitoring of such a program requires consistent intellectual involvement, while reducing the requirement for certain project management tasks (USAID purchase and monitoring of commodities, construction, and other normal input-related tasks are reduced or eliminated, as inputs are mainly purchased by the Grantee using Grantee-owned local currency). Using contractors to carry out day-to-day monitoring of policy reform performance is a viable way to assure sufficient manpower in the face of frozen or diminishing USDH staffing levels, but the burden of responsibility for such monitoring must rest with the USAID mission itself. Monitoring of the Counterpart Fund (programming, financial management) also requires consistent participation by professional employees. ASDG has been lucky in this regard, as the GON detached a senior civil servant to USAID to monitor programming of the fund, and highly skilled contract employees have been available for assistance in financial management. Such a program also requires high level USAID involvement of an intensive nature.

Joint management and monitoring of the policy reform program requires active participation by both parties to the grant on a regular basis. Use of a high level committee composed of Secretaries General from several ministries under the chairmanship of the Secretary General of the Presidency has not been an effective mechanism in this case. The individuals involved are too busy to meet on a regular basis, and those representing ministries which are not major beneficiaries of the Counterpart Fund have less motivation to attend than those actively involved in the grant program. The plethora of large committees requiring periodic attendance by high level officials has become a problem throughout the Nigerien Government. Committees for IMF and World Bank program direction and compliance, and internal GON committees leading economic stabilization and national development planning efforts compete for time with ASDG. USAID is now seeking creation of a middle-level committee for policy reform monitoring, similar to the middle-level committee for Counterpart Fund management. USAID made design changes in the parallel health sector grant as a result of these lessons learned.

Attempts to influence outcome in areas in which AID has no investment of money or personnel are doomed to difficulty. As a case in point, aside from its major role as a donor of food aid and assistance in managing food aid stocks and distribution, USAID has little direct role in the commercial operations of OPVN. USAID relies on indirect influence through the ASDG "Haut Comite" and

other fora. This is more difficult to carry out. Close donor coordination and agreement by the major donors in a subsector to press for the same policy measures can mitigate this problem. At the same time, contradictory action by a major donor can neutralize the impact of AID-supported policy reforms. This has not happened in ASDG, but the threat is tangible. For example, donors differ in interpretation of the "fixed price." Some say it is a "floor price," others an "indicative price" which may or may not be strictly followed. Policy reform progress is less likely to occur in these cases than in areas where there is donor agreement. Measurable progress is most likely to occur in performance in policy reform areas which are supported by technical and material assistance in complementary AID projects.

As the program matures, modifications need to be made to operations and to policy agenda. It is recommended that seed policy be incorporated into ASDG benchmarks starting in 1987. Seed policy was earlier excluded because seeds are not handled by the input supply agency. However, access to seeds at appropriate times, prices, quality and quantities is essential to improvement of agricultural production and income. USAID also has strong complementary programs under projects which are aimed at improving seed supply.

This evaluation did not demonstrate a successful methodology for evaluation of policy-based sector grants. It is unclear whether the fault lies with the methodology defined by USAID, but followed only partially by the team, or in the re-interpretation of the methodology by this particular consultant team. USAID would point the latter, and the team argue the former. The team successfully raised issues related to program operations and performance of the Grantee in meeting policy reform conditions. What the team was unable to produce to USAID's satisfaction was an image of the overall program, its place in Nigerien economy and development, and its potential impact on the same.

23. Special Comments

Cross-cutting policy issues: The cross-cutting policy issues (sustainability, women in development, environmental impact) to be considered in project evaluation were reviewed prior to formulation of the terms of reference for this evaluation. They were deemed to be not highly relevant to this non-project assistance program at this point.

Project Evaluation Summary 683-87-01
Agriculture Sector Development Grant (683-0246)

Attachment

The following is a list of all recommendations contained in the consultant report. Recommendations are copied verbatim from the report, following the organization presented in the report's Executive Summary and Recommendations chapter. USAID comments follow each recommendation. Note that, with a few exceptions, evaluation recommendations are made to the Government of Niger, not USAID.

I. Conditionalities of the ASDG

A. Input Supply Subsidies and Pricing

1) "Eliminate the subsidy on fungicides especially Cypermetrine and other fungicides which have been subsidized at 100 percent level in the current year."

GON action. Recommendation accepted by USAID. Terminal date for execution: prior to release of third tranche.
USAID has requested explanation of the subsidy level granted for these products, which are used to treat cotton plants. Response is required prior to the release of the next tranche of funds (spring 1987). Verbal explanation has been offered to the effect that the products were provided for emergency treatments, in which case free distribution would be acceptable. USAID is pursuing the subject.

2) "Collect data on all fertilizer imports, consumption, and yield responses to fertilizer application. Data on these variables is necessary both for programming long term input needs as well as for insuring wise input use."

Joint GON-USAID action. Recommendation accepted by USAID. Terminal date for execution: N/A. This will be a continuing action throughout program implementation.
Data collection is already being carried out by the technical assistance team for ASDG, and by various other AID projects (notably APS) and by other groups in Niger (for example, IFDC, ICRISAT, INRAN researchers monitor yield responses of on-station agronomic testing using fertilizer). Assembling a comprehensive and statistically reliable data base is difficult, as not all imports are made through official channels, consumption data are incomplete, and yield responses are highly variable from season to season, and even within a single farmer's field (because of the varied chemical composition of soils).

3) "Carefully monitor the transfer of the CA and the workshops to cooperative ownership to insure that an efficient delivery system is achieved."

USAID action. Accepted by USAID. Terminal date for execution: continuing action to PACD.
Being pursued through ASDG and Agricultural Production Support (APS) project. This is a continuing action, with no termination until CA is fully transferred (five year period or less expected).

4) "The interim statutes called (for) in the (CA) work plan should be approved."

GON action. Accepted by USAID.
Has been approved on technical level. Awaiting Prime Minister's signature (4/87).

5) "The five year transition should be taken as a minimum period of transfer. As stated earlier the five year period could be reevaluated in light of recent events. Indeed, what is important is not the time involved but having a fully functioning and efficient input supply system which implies there is competition with the private sector."

GON action. Terminal date for execution: N/A. This recommendation basically repeats previous recommendations on need to monitor CA transfer.

6) "Establish revolving funds at the CA to generate proceeds that would be used to cover operating expenses. Otherwise donor assistance to the Government of Niger financial support may be necessary at least for the short term."

GON action. Recommendation accepted by USAID.
Subject of donor-GON policy dialogue on a continuing basis. Consultant under the Agricultural Production Support Project (APS) is advising CA on technical aspects of such funds. GON is currently studying the operations, and degree of success of various modes of revolving funds, with the intention of establishing a national policy and regulation. Until a national policy is announced, perhaps in 1988, interim measures have been taken by donors. USAID has allowed proceeds from donation of fertilizer to be used to set up a revolving fund in CA. Other donors are taking similar approaches. Note that this question was not an explicit part of original program design (no conditionality attached), but has been identified by various outside advisors as a system which the CA needs.

7) "Establish systematic cost accounting of indirect costs for the CA. A well formulated bookkeeping system is necessary for the development of subsidy rate figures that are comparable over time."

GON action. Accepted by USAID. Terminal data for execution: N/A.
Subject of long-term USAID technical assistance under the APS Project.

8) "Include seeds among the inputs provided through CA. Seed production in Niger is an extensive activity afflicted with lack of consistent quality, and high operating costs."

GON action. USAID does not concur with the recommendation as stated.
USAID is actively pursuing improvements in the national seed program through ASDG conditionality (beginning 1987) and through APS Project

technical assistance. As the cooperative movement becomes increasingly active in seed multiplication and distribution, and as the CA is gradually transferred into the cooperative movement, that organization may include seeds among the inputs it handles. However, including seeds among the inputs provided through the CA is not a solution for the problems of seed quality and high operating cost.

B. Cereals Marketing and Pricing

1) "Improve the operating precedures and practices of the tender and bid system. This would mean clarifying the operating procedures and practices by making the operations more open. Include a third-party 'watchdog' from the Ministry of Plan, the Ministry of Agriculture, as well as the private sector to serve as observers in receiving bids, filing bids, opening bids, and awarding winners."

GON action. Accepted by USAID in principle, though "watchdog" provision may need modification. Terminal date for execution: to be determined. OPVN is not undertaking any buying campaigns in 1987, because of current excess stocks.
Improvement in the tender and bid system is the subject of multi-donor interest. USAID will make and pursue appropriate recommendations for operational adjustments.

2) "Publish regularly the names of winners, the prices and the lots."

GON action. Accepted by USAID. See comments in 1), above.

3) "Institute a tender and bid system for selling grains."

GON action. Accepted by USAID. OPVN did not sell large lots this year, because bumper harvests already on the market, and the resulting low market prices. It is unclear if any large selling operations will take place in 1987, either, that would be appropriate for tender and bid. This is a requirement under ASDG and will be pursued at the appropriate time.

4) "Abolish uniform national pricing from the retail outlets of OPVN as well as the floor prices."

GON action. Accepted by USAID.
No "floor" prices were announced for this year. USAID has reconfirmed with the GON the importance of the "no revocation" clauses of the grant agreement in discussions of future pricing. Implementation of tender and bid for purchases will lead to elimination of uniform retail sales prices at sales outlets. Note that OPVN retail sales prices is not a subject of a Condition Precedent of the grant.

5) "Establish a strategy to improve organizational capacity of cooperatives. This would entail encouraging the Government to intensify training of cooperatives to help them assume their role as business enterprises such as expanding the CLUSA type training activities, implementing some of the recent Cereals Bank workshop recommendations, establishing a credit facility such as a Credit Union to finance seasonal credit needs of viable cooperatives."

USAID-GON action. Terminal date for execution: N/A.
USAID has long been pursuing improvements through other activities in the portfolio (Agricultural Productions Support Project). Increased assistance to credit union development is proposed for the final two years of ASDG I, and for ASDG II. USAID also intends to extend the cooperative component under APS, or to undertake a follow-on project highlighting cooperative development.

C. Cross Border Trade

1) "Examine the effects of liberalization on cowpea trade."

Joint GON-USAID action. ASDG T.A. team will lead. No terminal date. Continuing action.

2) "Reestablish free livestock exports."

GON action. Accepted by USAID. Terminal date for execution: GON must enact or present justification for waiver of requirement prior to release of third tranche.
GON has somewhat liberalized livestock export since the evaluation period. USAID has requested explanation/justification for continued ban on export of female cattle prior to release of next tranche. Technical experts provided to the Ministry of Animal Resources under the Integrated Livestock Project are assisting in policy dialogue on this subject by providing data on negative impacts of this ban.

3) "Design a strategy to effectively transmit policy reform decision to all relevant levels in the Government."

GON action. Terminal date: N/A. GON already publishes legal instructions in various forms, and announces them in national media (government gazette, newspaper, radio broadcasts in all major national languages). Problems arise in interpretation of decrees by local officials. The Government recognizes this problem. Improvement is a matter of supervision and sensitization of cadres of all levels, not policy reform.

D. Agricultural Credit and Savings Study

1) "Interact with donors and the Government of Niger to formulate policy and implementation actions based on findings and recommendations of the study, particularly the promotion of a Credit Union Movement."

USAID action. Already underway at the time of the evaluation. No terminal date. USAID and the GON are actively collaborating in this domain. The Government is moving ahead on the formation of credit unions on a trial basis, with technical assistance from USAID.

2) "Prepare legislation to make credit unions legal, as well as to launch pilot credit and savings activities in selected regions of rural Niger."

GON action. See comments above.

II. Administrative and Financial Controls of the Counterpart Fund.

A. Joint Counterpart Fund Management Committee

1) "It is very important that decisions to recommend or not to recommend, taken at the Committee meetings be well documented. From the standpoint of organizational efficiency where decisions made on project funding/personnel allocation or on the operating procedures of the Secretariat, in that the AID representation is present and if no objection is voiced, it must be assumed that AID is in agreement with the decision. (Of course, nothing can be irrevocable in a truly joint agreement, and it must be possible to redebate or object at a later date, when something does not work out satisfactorily. Given the joint-signature system in which both the Government of Niger and the representative from USAID/Niger generally the Director, must sign the document authorizing disbursement of funds, USAID can voice its disagreement with a decision taken by not signing off on a disbursement. But to facilitate operations it must be assumed that matters have been decided, and thereafter operations can go forward under this guidance)."

Joint GON-USAID action. USAID agrees that decisions should be well documented. A multi-step system for documenting decisions on project proposals already exists. The exact nature of this recommendation is unclear.

2) "The Secretariat is an executing organization and not the proper place to delegate decision making authority. It should therefore be following a pre-determined plan of action. When it becomes necessary to delay payments of approved project funding because of a failure of project management to prepare the periodic financial reports required, it seems more appropriate that the Secretariat should bring this matter before the Committee with its recommendation and not to take unilateral action under a delegated authority."

GON action. USAID disagrees with this finding.
In fact, these issues are raised in committee meetings, but details of discussions are not recorded in minutes that are published, only committee decisions and reasons for them. Evaluation team was informed of this fact on several occasions.

3) "The Joint Management Committee should remain a core group, with only projects which have funding or other questions before the Committee should be effected at the level of the Ministry of Plan. The essential requirements of the Committee for effective operation are:

Representative from the Ministry of Plan:

- the chairman representing DFI and the Ministry of Plan (and whomever else he would require from his DFI staff);

- the Executive and his Financial Counselor (and whomever is required from the staff, i.e. Technical and Financial Analysts, Accountant, Stenographers);

Representatives from USAID:

- the ADO, or a designated AID official, and the Commandant Moussa Saley, plus

Representatives from those projects to be discussed."

Joint GON-USAID action. USAID and the GON had already discussed the optimal composition of meetings prior to the arrival of the evaluation team. In November 1986, the Ministry of Plan and USAID agreed to reduce quorum requirement to Plan and USAID. No further action required.

4) "A Deputy Chairman and alternate to the Chairman should be selected from the Ministry of Plan. We suggest the present director of the DEPP/MP."

GON action. USAID does not concur.
The Chairman has attended every meeting. The requirement for a deputy does not exist, in our opinion.

5) "Participants other than the core members of the meeting should wait outside or be excused when other concerns not having to do with their project are discussed."

GON action. Noted. Minor procedural decision.

6) "The decisions of the Counterpart Fund Committee Meetings should be more carefully recorded with a tape recorder or by a stenographer. The Proce Verbal which is now issued is only a Compte Rendu (The 'Proceedings') now reads like a 'Summary' rather than a detailed 'Minutes'."

Joint GON-USAID action. USAID does not necessarily agree with the distinctions made by the evaluation. Issue of improved recording of events has already been raised by USAID. Minor procedural issue.

B. Secretariat

1) "We recommend that AID require that the Executive Secretary be held responsible for the performance of his duties in the day-to-day management of the Secretariat. If the present incumbent is unable to provide the 'hands-on leadership and managerial acumen required, he should be replaced with someone able to complete the terms-of-reference as required."

USAID shares the evaluation's concern that the Secretariat be managed effectively. As of April 1987, the position description of the Executive Secretary has been revised and recruitment of a new Executive Secretary initiated.

2) "With regard to all the positions of the Secretariat: A more detailed position description should be developed for each position, thoroughly outlining the limits of discretion in exercising the responsibilities. It is imperative that each employee understand what he can and cannot do on his own authority, and on the authority of the Executive Secretary."

GON action. Position descriptions have long existed. The problem, in USAID's opinion, has been in supervision and leadership, not in texts. Actions in paragraph 1), above, address this issue. USAID will continue to monitor performance.

3) "An independently verifiable record of action taken on each request for payment should be established. This record would permit 'checks and balances' and should be instituted in a manner that does not allow any single person to be responsible for logging in a voucher, issuing a check, and logging out the payment. This system would not only add a measure of internal control, but would also ensure that accounting work could continue during the absence of a key person."

GON action. Accepted by USAID. Technical assistance is being provided to the accounting sections to rectify problems. USAID will follow up with GON as needed if continuing problems are reported.

4) "One of the functions of the Financial and Technical Analysts of the Secretariat should be this review of the applications for funding to determine if the basic requirements for Secretariat approval are being met. These requirements should be spelled out in a separate set of instructions. These instructions should be the result of proposals made to the Committee from the Secretariat (chiefly the Financial Advisor, in consultation with the three specialists), and which are formally adopted by the Committee, where this decision making authority rests."

GON action. The system already exists, but was not issued as a separate set of instructions in the past. The Financial Advisor now has an amplified role in counseling Secretariat leadership. He is working on developing such explicit instructions.

5) "We recommend that ASDG hire a consultant on a short-term basis to make the Secretariat more efficient. This person would advise on the use of word processing and spreadsheet programs to decrease the present output problems in meeting monthly deadlines."

Joint USAID-GON action. Already being carried out by a member of the ASDG T.A. team. Terminal date: N/A.

6) "To insure accountability and effective monitoring of budgetary matters, the Executive Committee must make cost reports a mandatory agenda item in the monthly meetings. A review of cost reports against the budget should be an integral item in the meetings and not on an exception basis as is presently the case."

Accepted and implemented.

7) "The AID Project Officer and Commandant Moussa Saley must develop a closer working relationship with Amani Bawa as opposed to the loose one presently existing. Through his position as the head of the DFI, he is kept abreast of all the projects that are before the DEPP and seeking counterpart funding. He is in the position to secure approval from other donors for participation in their projects, in return for their projects advancement of the ASDG Policy Reform Agenda."

USAID disagrees with the characterization of the relationship as "loose". USAID officers interact with the Director of Investments formally at counterpart fund and "Haute Comité" meetings and informally in preparation for these meetings, as well as in other meetings, seminars and workshops concerning MOP and agriculture issues. USAID also disagrees with the thesis that policy reform compliance by other donors is received in exchange for their projects' receipt of counterpart funds from ASDG.

8) "Procedures should be codified in a written procedures manual. The proper documentation of decisions taken at the Committee meetings will help in this task. The procedures should take into account the problems encountered at the project recipients level. The acceptance of an established percentage of reimbursements for expenses already incurred would take into account that 'bons' are often not feasible in the case of small purchases with merchants. We suggest a maximum amount, i.e. a revolving fund petty cash of between 10 and 15 percent of the project amount, not to exceed 100,000 FCFA to be consistent with Government of Niger regulations."

Written procedures exist, are being made clearer. The Secretariat is carrying out a study of revolving funds and their performance (as part of the government's effort to unify policy). Results of the study will determine whether additional revolving funds should be established and how they should be operated.

9) USAID Controller has suggested that it should be clearly stated that the project will be responsible for returning equipment purchased for the project to the technical ministry at the end of the project, and that "perpetual" revolving funds be discouraged. "We suggest that both recommendations be forwarded officially to the Counterpart Committee."

USAID will propose that a clause be attached to project approvals on disposition of capital equipment. See 8), above, on revolving funds.

IV. The Counterpart Fund -Uses

A. Selection of Projects/Activities for Financing Projects funded under the ASDG Counterpart Fund by Recipient Ministry

1) "It should be noted that to properly classify costs as either capital or recurrent which is required under the Grant conditions in the selection of projects for funding under the CPF, information on the disbursements of the counterpart funds by type of expense should be regularly maintained at the level of the Secretariat. (The implementation of this recommendation would also facilitate presentation of projects financial evaluation and monitoring.)"

Joint GON-USAID action. USAID has proposed that a member of the ASDG T.A. team assist in setting up formats which will allow such analysis. To be accomplished by end of year, with follow-up required to PACD.

2) "Relevant techniques of project appraisal should be made by the technical ministry project analysis groups, to assess the economic impact of these projects. The estimated economic return should be calculated, using either the methods found Part Four in the "Analysis of Agricultural Project",

by J. Price Gittinger, and used as a criteria for selection of a project for funding. The utilization of the Technical Assistance team on this problem might be one possibility of assisting the Government of Niger in this critical area."

Joint GON-USAID action. See 1) above. This is a longer term action, requiring training and supervision of staff.

Chapter V. Administrative Effectiveness: Evaluation of the Technical Assistance Team

A. The Roles and Functions of the Technical Assistance Team

1) "A work plan for each member of the TA team for the final two years of the University of Michigan contract must be established with milestones and projected outputs at critical point during the period."

Joint GON-USAID action. Workplans prepared, under review, April 87.

2) "In addition, to properly fulfill the policy study requirements under the ASDG, at least one individual under the guidance of the ASDG policy reform conditionalities must be assigned to the DEP in the Ministry of Animal Resources. If this requirement is to be fulfilled under the Integrated Livestock Production (ILP) Project, then an overall ASDG Technical Assistance coordinator must be appointed to coordinate the effects of the two teams, as well as whomever is at the Ministry of Plan."

Advisors assigned to the Ministry of Animal Resources (Under ILP Project) are now in place. USAID concludes that assignment of ASDG advisor to MAR is unnecessary. Coordination of two teams is responsibility of USAID, not contractor. USAID is instituting monthly meetings involving both teams in order to strengthen coordination. Contract terms of reference for team leaders of both contract groups reflect desired level of collaboration between the two teams (i.e., meetings, exchange of reports, studies, plans and data).

B. Relation of the TA Team with their Counterparts and AID

1) "Change the required reporting relationship from AID to the Ministry, and have AID request meetings with the Ministry to discuss TOR progress and problems, to assist the Ministry in complying with the ASDG policy change requirement."

The role of the TA team is being reevaluated. The team reports to both parties. In USAID's opinion, the problem is one of perception, not reporting relationships. The institution of a middle level policy committee, now under discussion, will provide a more regular forum at the working level (TA team, project directors from GON, USAID officers) for discussion of policy reform monitoring. For procedural issues, USAID is recommending to the GON that tripartite consultations be held on a more regular and routine basis than in the past. Modalities must be decided.

2) "Untie the TA Team from direct AID reporting requirements. This could be accomplished under a PIL or a Memo of Understanding."

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This is same recommendation as 1), above. See comments above.

3) "The official nomination of Nigerien counterparts must be made so that the training in policy analysis and option formulation can be a collateral function with the daily work program."

USAID agrees in principle, but argues that counterpart groups are needed for the advisors (with possible exception of team leader), not single individuals, because of diverse nature of each team member's work. Subject under discussion with GON.

4) "At the end of the current contract, the Microcomputer Applications Specialist should be assigned to a division of the MAR, thereby permitting the Agricultural Statistics Section to better utilize the training taken place as well as to permit the Microcomputer Specialist to make an assessment of the trained staff's ability to carry on without his direct assistance. The Evaluation Team is in general agreement with the TA team that the same position should be provided for elsewhere in the Nigerien policy analysis structure, either at the DEP in the Ministry of Animal Resources or in another division of MDR (Ed: read MA). A joint-type appointment might be helpful in this regard."

Noted. The scope of work for the microcomputer specialist will be decided jointly by GON and USAID appropriate time. Note that the incumbent is already providing assistance to MAR on an informal basis.

Chapter VI. Macro-economic Impacts of the ASDG

1. Effects of the Initial Transfers

No recommendations made.

2. Comparison with other Donor Projects

"To best benefit Niger, donors should share more of their experience and more clearly define their objectives to the Nigeriens. Donors should use the same economic rationale of relative economic advantage in picking their expertise to give to Niger. This donor coordination should be conducted under the leadership of the Government in order to define jointly the priorities for changes in policy formulation."

Already underway in Round Table and other fora.

3. Intended Effects of the ASDG

No recommendations made

Chapter VII. Conclusions and Lessons Learned

2) "A full-time ASDG Project Officer should be appointed to:

a. follow-up the management of the Grant and progress in meeting the CPs from AID's perspective;
b. in following these conditionalities, regular interviews and meetings should be scheduled with those concerned;

c. to coordinate the other Grant requirements, such as the initiation of studies and surveys to establish the macro-economic indicators required in the log-frame justification;
d. to work with the Commandant Saley on Secretariat problems, mostly on the selection of projects for inclusion in the Counterpart Funds."

USAID action. Accepted in part. Terminal date for execution: 1987 (dependent on arrival new USDH personnel).
USAID agrees that more manpower is required for monitoring the program and has taken steps to increase staffing in USAID. Consolidation of all monitoring tasks in a single USDH position is not realistic, given the widely varying technical skills (and substantial level of effort) required. USAID is now reconfiguring USDH staffing to establish separate ASDG management and agricultural economist positions. This will allow USAID to devote more time to policy reform monitoring.