

# **INSTITUTIONAL ANALYSIS FOR ASDG PLANNING**

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***Submitted to:***

**USAID/Niger  
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## ***MANAGEMENT SYSTEMS INTERNATIONAL***

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## TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY . . . . .	i
I. GON INITIATIVES AND THE INSTITUTION CONTEXT OF PLANNING FOR ASDG II . . . . .	1
II. INSTITUTIONS AND PROCESSES OF DECENTRALIZATION AND REGIONALIZATION . . . . .	2
1. Development Planning . . . . .	4
2. Administrative Regionalization . . . . .	5
3. Regionalizing Finance and Financial Resource Allocation . . . . .	6
4. The Actors in Financial Resource Allocations . . . . .	7
5. Personnel Allocation . . . . .	9
6. Absorptive Capacity . . . . .	10
III. SOME RECOMMENDED INSTITUTIONAL ISSUES FOR USAID/NIGER ATTENTION . . . . .	12
1. ASDG Organization and Management . . . . .	13
2. GON Organization and Management Issues . . . . .	15
IV. POSSIBLE AREAS FOR USAID/NIGER INTERVENTION: ASDG-II . . . . .	16
1. Support for Regionalization and Decentralization . . . . .	16
2. Support for Code Rural Preparation . . . . .	17
 <u>FIGURES</u>	
1. Government of Niger Administrative Structure . . . . .	3
2. ASDG Policy System . . . . .	14
 <u>ANNEXES</u>	
1. Scope of Work	
2. Persons Contacted	

## INSTITUTIONAL ANALYSIS FOR ASDG PLANNING

### EXECUTIVE SUMMARY

The Agricultural Sector Development Grant (ASDG) of USAID/N provides financial support for a broad range of development activities in Niger. The counterpart funds available under this grant are jointly managed by the government of Niger and USAID/N by the ASDG Secretariat. In addition, the selection of activities for financial support is made by a management committee comprised by representatives from the two governments. USAID/N is examining various options in regard to the continued use of this structure for a second phase of financial support for agricultural and rural development in Niger. The grant program has, on the whole, shown itself to be a satisfactory vehicle for achieving USAID's principal policy reform objectives. It has also proved to be a rather versatile and flexible mechanism for strengthening on-going activities, or contributing to the start-of new projects with the various donors present in Niger.

The GON and USAID believe that their experience with ASDG has been positive. Nevertheless, that experience has also illuminated several problem areas that the Mission may wish to address as it prepares for a possible second phase of the program.

#### Principal Findings:

1. Political decentralization and the increased roles of the regions and sub-regions in development planning and implementation constitute new and important elements of the context for development assistance in the 1990's.
2. The GON lacks sufficient institutional capacity to efficiently manage the wide range of development assistance programs in its charge. This is a part of the problem of "absorptive capacity" but it includes more than slow rates of funds utilization. Of particular interest to USAID may be the following specific items:
  - a. cumbersome GON administrative procedures;
  - b. insufficient supply of skilled managers and analysts;
  - c. conflicts among donors' financial mgmt. requirements and the burdens these impose on weak GON system;
  - d. regions and sub-regions lack resources and administrative authority commensurate with existing and anticipated responsibilities;
3. GON concerns over lack of coordination among donors may be a question of influence, or it might be a desire for collaborative ventures by bilateral donors.
4. The role and functions of the ASDG Secretariat appears to pose some problems for the GON. These may be "turf" issues, or they may stem from more substantial questions of organization and institutional relationships.

## POSSIBLE AREAS FOR USAID/N INTERVENTION: ASDG-II

### 1. Support for Regionalization and Decentralization

The donor community in Niger, except for the NGO/PVO component, seems to give little attention to the existence of the regions and sub-regions. The personnel at this level have already begun to feel that Niamey does not consider them to be important to the success of development undertakings. Almost by default, the donors may be contributing to this malaise.

In this context USAID/N might want to reexamine the PIGRAR/PPODR approach. There is broad support for the concept, but questions of administrative feasibility have halted serious consideration of the modalities proposed. Consider pilot efforts to test administrative arrangements based in the regions at the level of the arrondissements.

Smaller projects within the context of a natural resources management policy would require increased attention to the means of involving local populations in the identification, implementation and management. At the regional and central levels, there would be an increased need for improved management and analytic skills because the small activities envisioned here would be most effectively managed at the level of the arrondissement.

While this approach is consistent with the GON's desire for decentralization and devolution of powers, USAID and the government would have to look very carefully at the implications of a change of this sort. Multiple small projects in the regions would call for a more substantial effort to provide regional entities with qualified personnel.

Part of the key to success in such a process would be developing a body of qualified project managers. A training program of fairly substantial dimensions would be required. At a minimum, this training should be directed to a team of three persons in each of the thirty-five arrondissements, in addition to three staff from each of Niamey's communes.

The training program should include a component dealing with the utilization of computers in project management, design and financial analysis and some of the illustrative topics below:

1. The nature and use of ASDG counterpart funds.
2. Strengthening the ability of arrondissement personnel to work effectively with villagers and village-level groups in project identification and development.
3. Introduction and use of computers in management and project monitoring.
4. Regional or sub-regional short-courses to improve GON personnel understanding of "policy reform" and other donor project or program strategies.

Much of the training described above should be done in-country. There will be a need for some training to be delivered outside Niger, but this should be a second order priority.

## 2. Support for Code Rural Preparation

For the second phase of ASDG, the Mission could give some attention to the needs of the effort to put the Code Rural in place. This instrument will have a substantial effect on the GON's approach to the management of its natural resources. USAID has already acknowledged the importance of this initiative by providing some financial support. The effort to develop the Code is lagging because it lacks an effective organizational mechanism for carrying out some of its most important work. The Ad Hoc Committee, despite being composed of very capable individuals, is not able to give the Code full-time attention. Nor, is there a sufficient staff for carrying out the responsibilities associated with the preparation of the Code.

USAID/N should give closer attention to what would be needed to advance the work of the Code's Secretariat. In the context of the Mission's effort to develop its own NRM policy, the final character and content of the Code Rural could be a critical building block for a meaningful policy framework. Because there is already a decentralized element in the preparation of the Code, (the regional and sub-regional councils) some of the areas mentioned above in Intervention-I, may be easily adapted to fit within the context of assistance to the Cellules Regionales and Sous-Regionales of the Projet Code Rural. Assistance could also be provided to community involvement and public education concerning the code. A most likely target for such assistance would be the arrondissements, because there are some technical issues that staff at that level would need to include in such information efforts.

Assistance to the development of the Code Rural offers the prospect for the Mission to focus its support according to the various types of issues that this instrument will address. For example, because the Code will be treating traditional land use practices, this could be an opportunity to give very particular attention to the question of rational use of the limited land resources available for agricultural production.

Regionalization of the ASDG Secretariat could be considered in the context of Code and NRM elaboration. But it would be useful for the Mission to restrict the use of any funds made available to natural resources management issues exclusively. Other variants on means of making funds available at decentralized levels could also be explored while the existing problems of the Secretariat are being corrected. This issue has some immediate importance because of the renewed interest in the PIGRAR (renamed PIGRN) approach. There has already been some discussion of giving the responsibility of managing this proposed initiative to the Code Rural Secretariat.

In the context of providing specific support to Code development, it might also be possible to give some attention to the ministries which will be affected by the final product. For the purposes of longer-term planning for an eventual NRM Policy, an in-depth examination of the target ministries MAE and MAR, should be given careful thought. The particular objective of such an

analysis would be to determine how the ministries make their resource allocation decisions concerning use of Treasury funds. Secondly, this information would be of value in helping the target ministries to accord those expenditures with those covered by the investment budget. And finally, the Code is likely to impose requirements which would necessitate important changes in the procedures followed in preparing the government's investment budget priorities.

## I. GON INITIATIVES AND THE INSTITUTIONAL CONTEXT OF PLANNING FOR ASDG-II

The Agricultural Sector Development Grant of USAID/N supports a wide range of projects that have been initiated by various donors to foster increased agricultural productivity and rural development in Niger. These projects interventions include support for small enterprise development, environmental protection seed production and marketing and employment creation, to name but a few. In addition to project-specific support, the ASDG supports a Secretariat, which is responsible for financial management and a certain amount of technical oversight of all the activities receiving ASDG financial support. In collaboration with the Government of Niger, USAID/N participates in the deliberations of a "management committee" which evaluates and makes recommendations on the disposition of applications for ASDG financial assistance. Since 1984 ASDG has supported more than fifty (50) discrete interventions with financial obligations in excess of 40 million dollars. In fact, this sum has allowed the GON access to more funds for use in the sector because the ASDG support can be used as the GON contribution to grants from a variety of sources. In addition to its "catalytic" effect for other donor funds, ASDG is also a source of support for GON recurrent costs connected with rural development activities.

This is an especially important source of financial assistance for the agricultural/rural development sector where donor funds support more than ninety-five (95) percent of spending. This level of sectoral financing by the donor community is likely to continue in the absence of substantive GON capacity to generate internal investment revenues. This is not an altogether unexpected consequence of the fact that approximately ninety per cent of the Nigerien population derives its livelihood from working the land.

In an effort to improve the productivity, and it is hoped, the efficiency of its services to the sector, the GON has embarked upon an ambitious program of decentralization of governance and regionalization of its administrative apparatus. The government believes that in so doing it will be able to stimulate increased citizen participation in the development process. It hopes that this participation will help to identify needs and issues which turned into project proposals. The GON anticipates that a significant proportion of any resulting projects would be executed by the local communities, or other local organizations. The government, principally by means of service personnel from the several ministries concerned, would furnish technical assistance in proposal development and whatever implementation and management services a funded project would require. This is not the sole objective of the GON initiative, but it accords with the interest of USAID/N in improving the quality of life for the rural population of the country. As such, the evolving processes of decentralization and regionalization constitute a significant portion of the context for the institutional analysis presented in this report. Indeed, the macro-political changes in the Nigerien political system that are currently underway add to the difficulty of Mission planning for the second phase of ASDG.

Throughout this analysis I will use the term decentralization to refer to the GON procedure of creating structures for increased political participation and governance. Regionalization, on the other hand, will be used to describe those activities relating to the redistribution of

administrative capacities. That is, reducing the concentration of government administrative resources and services in the central ministries.

Decentralization and regionalization will have a considerable bearing on the interests of USAID/N in fostering agricultural growth and rural development. In addition to these changes, the GOM is also attempting to develop its "Code Rural" which will govern the use and disposition of land and water resources. The Code could be an indicator of how the GON will approach its long-term natural resources management needs. It could, in that case, be an important element in the Natural Resources Management Policy USAID/N hopes to apply in Niger. The legal complexity and political sensitivity of the issues dealt with by the Code mean that its preparation will not be completed soon. Its adoption will also be time-consuming because it is to be submitted to the general public for hearings and discussions before its final adoption by the government.

The GON has been making relatively good progress on the political dimension of governmental reform. One sees a significant amount of activity concerning the formation of the various groups and constituent political entities leading to the adoption of a national constitution and the installation of an elected legislative body later in the current year.

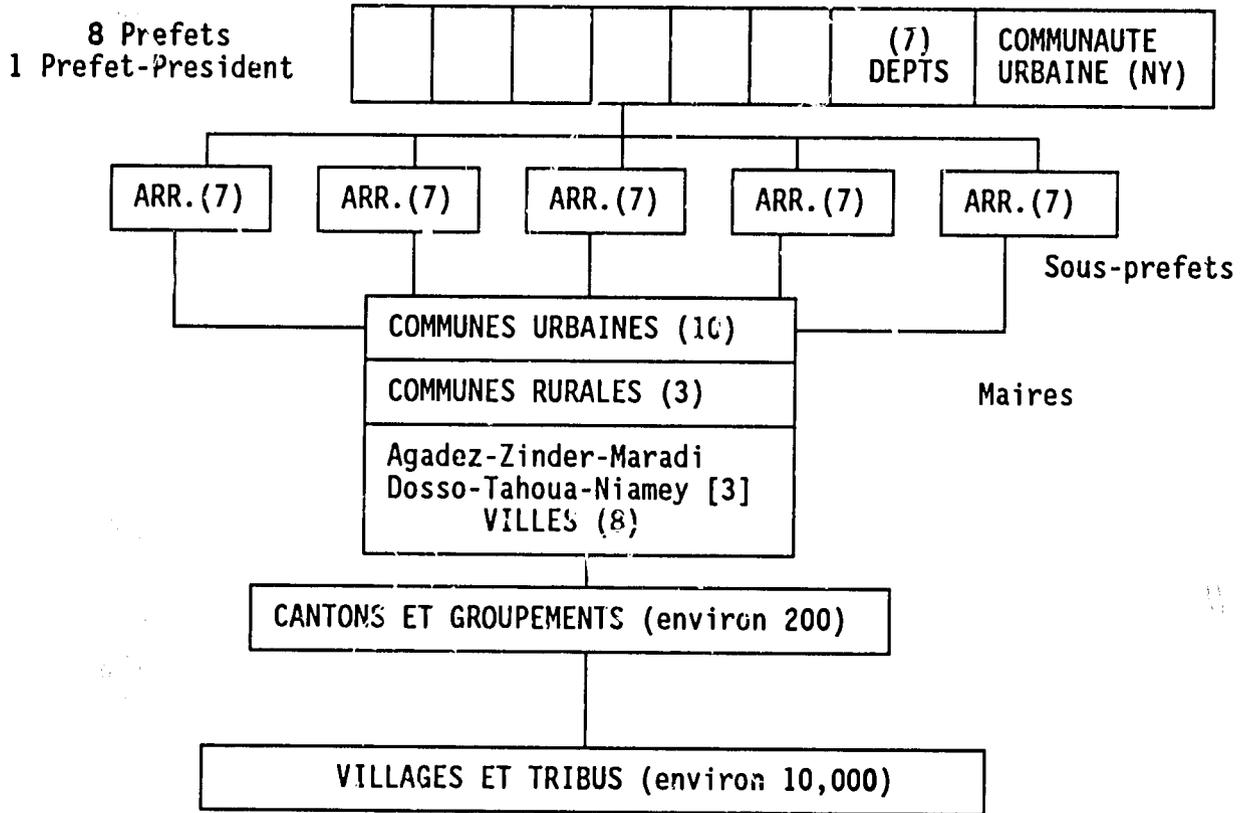
The Nigerien political reform effort is being undertaken to correct a problem. That problem is the limited political and economic development of Niger. In that respect, it is an acknowledgement that the government has not, so far, performed as well as expected in regard to the needs of the bulk of the population which makes its living from the land. Thus, the intended primary beneficiaries of the changes may regard these efforts with a somewhat jaundiced eye. And from the point of view of USAID/N, the continued disarray in its target ministries (Agriculture and Animal Resources), is a source of continued concern even as the macro-political changes proceed.

## II. INSTITUTIONS AND PROCESSES OF DECENTRALIZATION AND REGIONALIZATION

The Government of Niger is hierarchically arranged in eight levels. The major units of this system are the departments, the arrondissements, the communes and cantons, and the urban commune of Niamey which has a special administrative status. Figure 1 displays a more detailed picture of this structure.

FIGURE 1

GOVERNMENT OF NIGER ADMINISTRATIVE STRUCTURE



Each ministry of the central government has regionalized some of its staff to the level of the departments where they act as representatives of their respective ministries. In their capacity as Chiefs of Service, however, they are responsible for the delivery of the services normally provided by the central ministries in Niamey. The Ministry of Plan, in addition to providing planning services via the Direction Departmental du Plan (DDP), also furnishes the Deputy Secretary General who is the third-ranking official in the departments, behind the Prefet and the Secretary General. The latter two positions are filled by political appointment, while the Deputy Secretary General comes from the senior ranks of the Ministry of Plan.

The Prefet, appointed by the President and representing his office in the departments (prefectures), is the senior official. In general, the prefets tend to be most concerned with political tasks. The senior official for overall administration of the prefectures is the Secretary General.

The prefectures, because they have no juridical status, have no revenue raising authority and no independent budget. Their operations are financed by allotments from the central treasury. The prefectural staff, other than those from the central ministries, are supported in the budget of the

Ministry of Interior. The absence of juridical status does not mean that the departments lack of administrative or political authority. The coordinating role that they exercise is an effective mechanism for exerting control over the actions of inferior jurisdictions.

The development activities of the prefectures are a primary responsibility of the several "chefs de service", the SGA and the Prefet. The service heads and the SGA constitute a departmental technical committee for development (COTEDEP) and acts as an advisory body to the Prefet. It is usually the case that the SGA is the most knowledgeable member of the committee where development activities in the regions are concerned.

Just below the department in the political hierarchy comes the arrondissement, headed by a sous-prefet. Although politically appointed, these officials are usually drawn from among high-ranking civil servants. Sous-Prefets have a small staff of 3-5 persons, including a deputy and either a secretary, or a senior bookkeeper (Comptable d'Etat), who handles the financial matters of the arrondissement. At this level as well, there are technical staff assigned from the central ministries. While the salaries are paid from the ministries budgets, most of the financing for their technical, project-related development tasks comes from the small budgets of the arrondissements. These technical personnel also serve on the arrondissement technical committees for development (COTEAR). The functions of this committee are comparable to those of the COTEDEP at the department level.

## 1. Development Planning

The GON has sought to erect a regional planning system based upon the lowest level recognized political entity, the village. There is a council at each level of the hierarchy. Thus, there are a Village Development Council (CVD), a cantonal council, known as Local Development Council (CLD), the Sub-Regional Council for Development (CSRD) and a Regional Council for Development (CRD). There is also a national component to this planning system known as the National Council for Development (CND). Each of the councils serves both as a vehicle for popular representation in the governmental process, and to provide advice and recommendations on development proposals and budgetary allocations, in the cases of the arrondissements and the cantons.

Beginning at the level of the village, a national development agenda is expected to emerge as the recommendations move up the hierarchy to the department level. The basic unit of this system, the village, is unfortunately weak due to serious illiteracy problems. Sous-prefets have spoken of the burden this imposes on their efforts to work with the CVD. Their particular complaint turns on the lack of resources for literacy training which frequently necessitates using one of the technical staff to act as a recording secretary for CVD meetings. While, this is seen as a necessary task, it is also a drain on scarce budget and personnel resources.

This structure is not indicated on the chart shown above. It can be seen, however, that it parallels the organizational hierarchy of government administrative units. Although the two structures have some experience of functioning in concert, it is premature to assess the efficacy of the

arrangement. Nevertheless, it is clear that the amount of coordination that would be required for effective decision making strains the existing institutional capacity of the government. This issue will be treated in the following sections.

## 2. Administrative Regionalization

In essence, this activity is expected to reallocate resources in a more rational manner to those places where they can be most effectively employed for the achievement of GON development objectives. Ordinarily, one expects that this kind of "recalibration" of resources would be based upon a careful study of needs to be served, objectives to be achieved, an identification of resources required and a plan of implementation. Other than the very general treatment contained in documents concerning the GON's structural adjustment program and the investment budget, it is difficult to find any evidence of a systematic plan that informs this effort.

The instruction to regionalize the various agencies of the GON was given in a presidential message. As is usually the case with such messages, it provided only the "what" that was wanted, the "how" concerning execution was a matter left to the experts in the various ministries. That is, the responsibilities for planning the overall approach to the problem, organizing the resources that would be needed to carry out regionalization and coordinating the efforts of the various parties who would have to be involved was seen as a technical issue. In the Nigerian case, however, it has not been made entirely clear to those most concerned with the regionalization where the overall responsibility for implementation resides.

The Prime Minister's office, the Ministry of Plan and the Ministry of the Interior are all important to the process, but the nature of their roles, individually and collectively, is not clearly specified. Similarly, the technical ministries are expected to provide the personnel and material resources for the execution of specific tasks and programs, but, again the actions taken to date lack the coherence that would be anticipated if they were proceeding according to a reasonably well-developed plan.

There has been some limited reassignment of personnel from the technical and "overhead" ministries to provide staff resources to the regions and sub-regions. The Ministry of Planning has moved ahead more rapidly than the technical ministries in transferring personnel to the regions and sub-regions. This is not altogether surprising given the major role that this ministry has as the coordinator of virtually all technical and financial activities in the regions. The Ministry of Finance has been among the slowest to place personnel in the regions and sub-regions. Most of its activity has involved placing accountants (Comptable d'Etat) in offices of the sous-prefets. Technical ministries such as Agriculture or Animal Resources fall somewhere between the two poles. In the main these transfers have been carried out on the basis that the regions would be something of a reflection of the central government. In terms of the relative power and authority exercised, however, the Ministry of Plan is clearly the first among equals in the regionalized structures.

### 3. Regionalizing Finance and Financial Resource Allocation

From the point of view of development project implementation and execution, the sub-region is the important level; and it is the closest level to the actual site of implementation that has available technical personnel. It is also important because the arrondissement has limited, but tangible, autonomous financial resources. The limitation results, in part, from the presence of communes in some of the arrondissements with their own revenue raising authority. But this arrangement poses the dilemma of having two jurisdictions seeking to raise operating revenues on the same tax base. The central government addressed this issue by allowing the communes, fortunately there are only a few of these, to preempt the arrondissements on part of their tax bases. In the main, this involves licenses and a category of user charges. While it still represents a loss of revenues to the arrondissements, they are not as important as the areas reserved for the arrondissements in terms of income potential. Nonetheless, locally collected tax revenues do not meet the needs of either of these levels of government. It is not possible, for example for these revenues to cover the costs of the full range of potential development projects that may be identified during a given budget-year. In such cases, the arrondissement's chief executive, a sous-prefet, may request funding from a Department's Regional Development Fund. This fund consists of monies derived from a "tap" of 10 percent on the head tax receipts of each arrondissement, and a variable contribution from the central government.

A portion of the central government's contribution can be used for operating expenses, but the majority of this transfer payment is specifically for investment purposes, that is to say, for development-oriented activities. If a particular activity does not receive funding from these local sources, depending upon its cost, it may be presented directly to a foreign donor. A sous-prefet may make such an approach as long as the cost does not exceed 100 million FCFA; a prefet may approach a donor for an activity costing more than 100 million, but no more than 300 million FCFA. For the most part, it is the allocation of these funds that constitutes the principal budget agenda items for the meetings of the various councils discussed earlier. It would appear that the experience gained with this system, and the relatively small amounts of money available for investment projects, has led the GON to place increased emphasis on the development of small-scale development projects.

From the perspective of administrative rationality in the delivery of services to local populations, the apparatus of the Department (prefecture) is an overhead feature which provides few direct services. Its principal responsibilities are to "coordinate" the activities of the lower levels of governance, assure consistency with the Five-Year Plan and the priorities established at the Department level through the deliberations of the Regional Development Council (CRD). The CRD also decides on the disposition of any investment project that is submitted for funding consideration from the Regional Development Fund. A number of the staff believe that the coordination function is of limited operational value. Indeed, the sous-prefets would be happy to have the resources in the arrondissements where, they contend, the resources could be put to more effective use.

As a general matter, in the areas of most interest to USAID/N the government's rural development financing decisions tend to be "donor-driven".

That is to say, the GON investment budget may identify a number of activities it would like to undertake in a particular sector and then solicit assistance from donors to support that activity. If the donor has other interests in that sector, the GON is likely to accept what is offered rather than insisting upon its original program idea as long as it can be made to fit within the relatively flexible framework of the Five-Year Plan. In the absence of a substantial internal capacity to finance the sector projects included in the investment budget, the GON engages in behavior that will maximize its financial resources.

Under the financial constraints which characterize the Nigerien situation, such behavior is certainly rational. However, it can also reduce the potential coherence of any development planning strategy that the government might adopt. Because both the donors and the government find fault with this "financial anarchy" each tends to complain about the lack of coordination that characterizes the behavior of the other. Under the best circumstances, coordination can only result in consensus on a given course of action. More commonly, it means that some party is able to exert effect influence on the behavior of others. The government of Niger is concerned by its limited ability to exert substantial influence on the investment decisions made by the donors. The donors criticize the government for its seeming inability to develop a coherent development strategy to which they can respond. This is another way of saying that the government cannot coordinate the activities of its own agencies.

In spite of these areas of contention the investments made by the donors do tend to be directed to the more populous areas of the country, and to those where there is an existing agricultural base with some potential for increased exploitation. Thus, both for the GON's own agriculture/rural development investment and donor grants, the Departments of Tahoua and Tillabery and the Niamey region tend to receive the largest share of available funds. Loan-funded activities in the sector also go most heavily to Tillabery and Niamey, however, Tahoua is replaced by Dosso in regard to this source of funds. Given the urban character of Niamey, one might question the rationale for its being a recipient of substantial agriculture/rural development funding.

Financial decision-making in the rural development sector is an area where the presence of multiple donors leads to an amalgam of the rules and procedures required by the GON and the various donors. Imposing some sense of managerial order on this composite is a demanding task.

#### 4. The Actors in Financial Resource Allocations

The target ministries of USAID/N, Ministry of Agriculture and Environment and the Ministry of Animal Resources have some discretion over decisions concerning the financing of their activities in the regions and sub-regions. That discretion is not total. In some respects, the decisions not as discretionary as they might appear they are taking actions that will use funds that are part of one or another donor-assisted activity. Thus, either actively, as in the case of USAID/N, or more passively in the case of some other bilateral donors, the number of actors in financial decisions for agriculture and rural development can be rather large. This fact gives rise

to another; the administrative burden that is imposed upon GON financial management apparatus by the accounting and financial reporting requirements of the various donors. In addition, note must also be taken of the fact that for some investment activities undertaken by private voluntary organizations and some projects which are essentially executed by the donor organization(s), much of the financial decision-making takes place outside the realm of effective GON oversight.

Given the "structure" it is not surprising that regional officials and staff complain about the delays in processing financial requests. Similarly, the question of the GON's "absorptive capacity" derives, in part, from this mix of financing sources and differing sets of financial management requirements.

The problems regarding financial decisions in the above paragraphs are much more issues for Niamey-based personnel than they are for regional and sub-regional personnel because they concern GON-donor interactions, an area from which, in general, regional and sub-regional personnel are excluded. As a result of this exclusion, however, the regions tend to be poorly informed of developments in negotiations with donors about the financing of a project destined for their jurisdiction(s). It sometimes happens, that the prefet or sous-prefet will be told of an activity to be undertaken in the region without his having been a participant in any of the substantive discussions concerning the nature of the activity.

In the context of regionalization, the immediate implication of this exclusion, whether deliberate or inadvertent is immaterial, is that the regions are sometimes less than enthusiastic about some of the donor-financed programs which are set up in an area where the prefet or sous-prefet is supposed to be the senior person in charge. Rightly or wrongly, the discontent of the regional personnel about the perceived snubs is translated into a very narrow focus on the Ministry of Plan and its role in approving obligations and expenditures of project funds. This is viewed as an unnecessary layer in an already inefficient process. And since Plan lacks the technical competence to judge the merits of many of the financial transactions involved, the "chefs de services and the sous-prefets wonder what role they actually play problem is more narrowly drawn. Their concerns center on the inefficiencies of GON procedures.

The ministries are, of course, subject to the procedures of the GON in regard to obligating and disbursement of funds. These procedures, clearances really, produce what field personnel and donors consider to be unreasonable and unnecessary delays. One source of delay and some argument is the need for an approval from the Ministry of Plan for expenditures that are within the framework of expenses called for in project execution. A similar complaint concerning the need for Ministry of Interior approval of arrondissement budgets comes from the sous-prefets. Changes in the process are difficult to bring about. The lack of flexibility and the limited independence on financial questions lead the regions and sub-regions to seriously question the government's commitment to making regionalization work.

## 5. Personnel Allocation

The assignment of ministry personnel to the regions and sub-regions is handled within the respective ministries. Personnel assignments tend to be made on the basis of the sending ministries' conception of the principal tasks to be carried out in a given location, or in response to a request from the relevant "chef de service" and sous-prefet or prefet. Personnel who are assigned to the departments and arrondissements remain the responsibility of their respective ministries in regard to salaries and benefits and promotions. Regional officials have limited effective authority to manage the personnel who are transferred to their areas. Personnel sent from the ministries are responsible to their respective chefs de service and not the political administrators, of the regions and sub-regions even though these are supposed to represent all of the government ministries to their constituencies. Prefets and sous-prefets can effect reassignments if the need arises. However, little systematic performance evaluation is carried out by the prefets or sous-prefets. The recently completed human resource study by the ILO may provide the groundwork for more systematic personnel management. This study does address the need for position descriptions and qualifications for the various civil service posts. It did not, however, explicitly deal with the matter of a performance evaluation system for Niger.

Despite the expressed desire to regionalize services, most important personnel allocation decisions continue to be centrally made. The regions and sub-regions may reject a proposed officer, but this is infrequently done because then they may get nothing. Because there is no real development basis for personnel allocation decisions at the central level and a frequent failure to communicate between Niamey and the regions, it is difficult to determine the basis upon which some personnel assignments are made. There is a limited amount of discretion in hiring and personnel management at the levels of the arrondissements and the communes(cantons) by virtue of the budgetary authority that they can exercise. However, the operational budgets at these two levels are barely sufficient to cover the costs of very small staffs of 3-5 people. In the main, the local budgets are not sufficient to permit the commune or arrondissement to hire professional or technical staff.

The continued centralization of decision making on personnel matters is a source of considerable consternation in the regions and sub-regions. One of the complaints is based on the perception that the technical ministries do not send appropriately qualified personnel. There is particular unhappiness that the ministries seem reluctant to reassign senior personnel in "A" grades. The officials in the departments and arrondissements contend that they need more qualified personnel if they are to make regionalization work. And because the work of the regions and sub-regions involves direct contact with the local population, more experienced personnel are believed to offer a greater potential for effectiveness in dealing with their concerns. "A" level personnel are generally those with the most experience and it is believed that more of that experience should be regionalized to help cope with the tasks which are inherent in increasing popular participation in building regional and sub-regional development agendas. A related question of human resource utilization is that of personnel movements. This refers to the charge that personnel, once assigned, often do not remain in place long enough to acquire the requisite job experience and understanding of the particular development problems of a department or sous-prefecture. For the

recent graduates who are assigned to the regions it is important that they gain such experience if they are to help meet the long-term needs of the country. It might be worthwhile for the technical ministries and civil service officials to consider setting a minimum length of service in posts outside Niamey, 3-5 years was mentioned, as a part of the criteria for promotion eligibility.

This is a question that is very much on the minds of the principal decision-makers of the GON. Part of the reason for the problem is fairly obvious, Niger doesn't have a large supply of the kinds of personnel it needs to implement decentralized governance and regionalized management of services in support of rural development. Nor, can the GON afford to embark on a broad-scale effort to move people from the central government to the arrondissements and the communes without jeopardizing its ongoing efforts to implement the Structural Adjustment Program.

At the same time, the fact that many of the GON's human resource utilization decisions are tied to donor-funded projects acts to reduce the potential for systematic government planning for the use of personnel resources. Nevertheless, some effort must be made to carry out a meaningful analysis of the human and other resource needs confronting the country's ambitious and demanding reforms in governance and administration. In particular, the GON's interest in "empowering" local communities for a more substantial role in the development process cannot move ahead very easily without a competent staff in the sub-regions. Such a staff would have as a primary responsibility the translation of ideas from the local populations into concepts comparable to those that we associate with project identification. Moving these ideas through the proposed GON proposal approval system implies a more complete understanding of all the elements of the GON structure and the donor assistance network and policies than is now available among the government's professional staff. In part, this is simply a lack of information and it could be addressed rather easily and without a major expenditure of funds. However, there is a knowledge dimension to the problem that is not likely to be so easily resolved. If the public sector's wage bill is to be kept within agreed upon limits, the knowledge issue could be addressed by an increased effort in upgrading the skills of current personnel. Again, however, this activity would also require a preparatory assessment of the kinds of skills needed and how they should be allocated. A move in this direction has already been taken as indicated by a recently completed study of the Nigerien civil service. The study, carried out by the ILO with World Bank financial support, addresses some important needs of the civil service ministry in regard to personnel management. As such, it could be a useful source of information for a systematic planning initiative aimed at meeting the need for a coherent strategic approach to Niger's development challenges.

## 6. Absorptive Capacity

One of the concerns that is expressed by donors about their development efforts in Niger is the seeming inability of the GON to efficiently utilize the funds that are made available for development activities. Indeed, if one looks at the evidence of the past five years, the resulting impression is that the more that is put at the government's disposition, the less capable

it appears to be in using donor financing for development projects. For example, in 1985 the GON received a total of 17.5 billion FCFA for rural development projects out of which they were able to utilize approximately 85 percent, or about 15 billion FCFA. In 1988 the GON received approximately 37 billion FCFA for the sector, but the absorption rate was barely 54 percent, or 20 billion FCFA. Unofficially, a further drop in absorption to about 52 percent is reported for 1989. What is particularly disturbing to donors and the GON is the fact that overall absorption rates are significantly lower than those shown for the rural development sector. Paradoxically, in those instances where the donor is directly and substantially involved in project implementation and execution, absorption rates appear to be much higher. But for such projects, it also appears that capacity-building and the transfer of skills and knowledge are likely to suffer.

It is clear that the GON has been experiencing increasing difficulty in effectively using the funds that have been made available by the various donors and lending institutions. There are a number of reasons for this problem. Some of the most important are listed below:

1. Incompatibilities in funds programming-- GON budget procedures and the timing of availability of project funds for negotiated and approved activities are difficult to synchronize.
2. Government and donor procurement procedures, including the solicitation of bids process which can require as much as 22 months to complete (this may be most relevant to multilateral donors).
3. GON management and administration of development projects is uncoordinated, leading to failures to move information around the system in an efficient manner; this may create ill feeling which can lead to some bureaucratic resistance.
4. GON personnel assigned to project management lack the necessary management and technical skills to do so effectively.
5. Knowledge or appreciation of donor procedures is inadequate.
6. Technical ministries' personnel allocation decisions produce discontinuities among projects' staffs.
7. Nigeriens tend not to fully understand the rationale underlying some donor-funded activities.

In addition to these problems on the GON side, there are also some matters that fall in the camp of the donors:

1. Administrative complexity of some donor-assisted projects, including preparation, execution, financial management and evaluation.

2. Knowledge or appreciation of GON procedures is inadequate.
3. Policy and purposes of programs is not sufficiently explained to personnel who will be responsible for project execution.
4. Insufficient involvement of personnel who will execute the in project development, this is an especially sensitive issue in the regions and sub-regions.
5. Frequent under-estimates of time required for project implementation (launch), especially for those projects with interdependent objectives, or major procurement requirements.

Even this partial listing indicates that rural development projects involve much more of GON's administrative apparatus than the particular target ministries of immediate concern to USAID/N program policy objectives. The implication of these issues for planning the next phase of ASDG is simply that absorptive capacity improvements would require, either a specific effort of their own, or a reorientation in the concept of Natural Resources Management that could direct resources to improvements in the level of understanding of development processes and the particularities of project management.

I mean to suggest that a Natural Resources Management approach for ASDG-II would be no less demanding in terms of the kinds of skills that are currently required for effective implementation of sectoral development projects. Even if, as I think it might, the Mission looked more carefully at initiating projects of smaller scope within this framework, there would be no significant reduction in the need for appropriately trained personnel. The need, as is currently the case, would simply be transferred to a lower level of government. These observations lead me to believe that within the framework of whatever approach the Mission adopts for ASDG II, very careful attention will need to be given to the resource allocation practices of the target ministries concerned with agriculture and rural development.

### III. SOME RECOMMENDED INSTITUTIONAL ISSUES FOR USAID/N ATTENTION

The issues that are discussed in the following section appeared to me as needing attention even while the planning for the second phase of ASDG proceeds. The issues concern the organizational structure and process of ASDG financial support to the GON and the resource allocation decision making of the GON. Each of these has had an impact on the current ASDG, and they will continue to exert an influence on any changes that may be developed. In view of this, it is important for the Mission to give them closer attention with an eye to improving the functioning of the one, and assisting the GON to improve the functioning of the other.

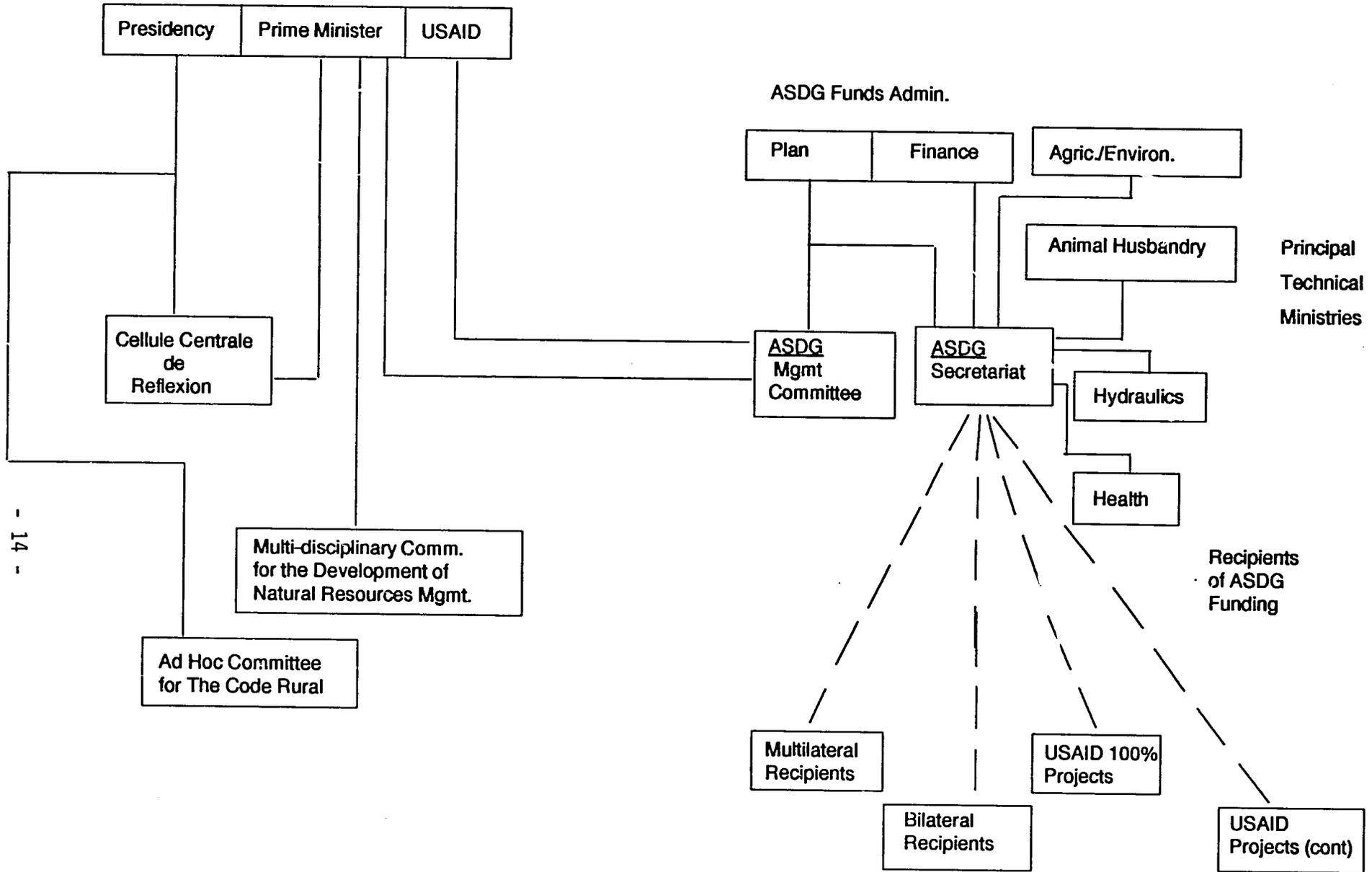
## 1. ASDG Organization and Management

In some instances, in the name of efficiency, donors create structures or procedures that satisfy their own requirements at the price of imposing substantial burdens upon those who are required to understand and manage them. For example, how much of the persistent problems in the Secretariat, ignoring for the moment the need for computers based financial management, result from a lack of understanding of what ASDG is, and what it does or seeks to do? On the other hand, how much of the perceived problems results from its institutional location within the government (See Figure 2) and competing visions of its source of "tutelle".

The Secretariat has the potential to meet the principal needs of ASDG for accounting and financial information. It is not yet fully capable of performing the management and analytic role that is envisioned.

If such a review of the Secretariat were undertaken, it would also be opportune to reexamine the degree to which the Secretariat does or does not serve a need of the GON at the same time that it is attempting to meet the requirements of USAID. Such a complaint has been raised in different contexts and bears examination. Despite such criticism, however, the Secretariat can be a useful instrument for financial and project oversight.

Figure 2  
ASDG POLICY SYSTEM



The recently approved ASDG evaluation protocol , for example, although more complex than it needs to be, proposes some useful, policy-relevant evaluation criteria for donor financial assistance. The methodology suggests that it has the potential to be adaptable to serve the needs of other donors in the same areas. If implemented and respected by the interested parties, the Secretariat offers an example of one approach to an integrated management system that seems to be reasonably well-suited to its tasks. One of its difficulties, however, is the seeming inability to fully exploit its potential and institutionalize its functions. It was not necessarily USAID/N's intention to use the Secretariat as an object lesson in modern management, but it could very well produce such an unintended benefit if it were helped to overcome some of the weaknesses that have been identified. These weaknesses notwithstanding, the Secretariat has kept has managed to keep ASDG from being turned into a "petty-cash" fund.

Several steps are being taken in an effort to address the weaknesses in the financial management capacity of the Secretariat. These are necessary and should be strongly supported. However, it strikes me that the need for improvements in this one area of responsibility, should not be allowed to overshadow the need to address the questions of structure and leadership that have so far impeded efforts to make it an effective organization.

## 2. GON Organization and Management Issues

The GON should develop a policy governing the assignment of personnel to the regions and sub-regions. At present, it appears that a major part of the qualifications issue stems from the fact that they are given personnel with very limited experience. This is then made worse by the central government's (ministry) failure to appreciate the need for such personnel to be trained by the few experienced personnel who are in place because these latter are frequently moved from one region to another. This can have serious adverse consequences for stability of management requirements for the successful implementation of technically demanding projects, or for the development of effective working relationships with local communities.

The technical ministries are reluctant to delegate responsibility to the regions and this results in a workload that seems to lead to growth at the central level to the detriment of effective use of regional structures. We noted for example, that four of the "directions" of the Ministry of Agriculture and Environment charged with the management of approximately fifty different projects. This kind of management burden is a consequence of the inability to rationally allocate resources. It may also be attributable to the way in which the GON has apportioned responsibilities for the sector among the several ministries. The rivalries that have emerged among these entities is an effect and a cause of some of the sectoral disarray.

#### **IV. POSSIBLE AREAS FOR USAID/N INTERVENTION: ASDG-II**

##### **1. Support for Regionalization and Decentralization**

The donor community in Niger, except for the NGO/PVO component, seems to give little attention to the existence of the regions and sub-regions. The personnel at this level have already begun to feel that Niamey does not consider them to be important to the success of development undertakings. Almost by default, the donors may be contributing to this malaise.

In this context USAID/N might want to reexamine the PIGRAR/PPODR approach. There is broad support for the concept, but questions of administrative feasibility have halted serious consideration of the modalities proposed. Consider pilot efforts to test administrative arrangements based in the regions at the level of the arrondissements.

Smaller projects within the context of a natural resources management policy would require increased attention to the means of involving local populations in the identification, implementation and management. At the regional and central levels, there would be an increased need for improved management and analytic skills because the small activities envisioned here would be most effectively managed at the level of the arrondissement.

While this approach is consistent with the GON's desire for decentralization and devolution of powers, USAID and the government would have to look very carefully at the implications of a change of this sort. Multiple small projects in the regions would call for a more substantial effort to provide regional entities with qualified personnel.

Part of the key to success in such a process would be developing a body of qualified project managers. A training program of fairly substantial dimensions would be required. At a minimum, this training should be directed to a team of three persons in each of the thirty-five arrondissements, in addition to three staff from each of Niamey's communes.

The training program should include a component dealing with the utilization of computers in project management, design and financial analysis and some of the illustrative topics below:

1. The nature and use of ASDG counterpart funds.
2. Strengthening the ability of arrondissement personnel to work effectively with villagers and village-level groups in project identification and development.
3. Introduction and use of computers in management and project monitoring.
4. Regional or sub-regional short-courses to improve GON personnel understanding of "policy reform" and other donor project or program strategies.

Much of the training described above should be done in-country. There will be a need for some training to be delivered outside Niger, but this should be a second order priority.

## 2. Support for Code Rural Preparation

For the second phase of ASDG, the Mission could give some attention to the needs of the effort to put the Code Rural in place. This instrument will have a substantial effect on the GON's approach to the management of its natural resources. USAID has already acknowledged the importance of this initiative by providing some financial support. The effort to develop the Code is lagging because it lacks an effective organizational mechanism for carrying out some of its most important work. The Ad Hoc Committee, despite being composed of very capable individuals, is not able to give the Code full-time attention. Nor, is there a sufficient staff for carrying out the responsibilities associated with the preparation of the Code.

USAID/N should give closer attention to what would be needed to advance the work of the Code's Secretariat. In the context of the Mission's effort to develop its own NRM policy, the final character and content of the Code Rural could be a critical building block for a meaningful policy framework. Because there is already a decentralized element in the preparation of the Code, (the regional and sub-regional councils) some of the areas mentioned above in Intervention-I, may be easily adapted to fit within the context of assistance to the Cellules Regionales and Sous-Regionales of the Projet Code Rural. Assistance could also be provided to community involvement and public education concerning the code. A most likely target for such assistance would be the arrondissements, because there are some technical issues that staff at that level would need to include in such information efforts.

Assistance to the development of the Code Rural offers the prospect for the Mission to focus its support according to the various types of issues that this instrument will address. For example, because the Code will be treating traditional land use practices, this could be an opportunity to give very particular attention to the question of rational use of the limited land resources available for agricultural production.

Regionalization of the ASDG Secretariat could be considered in the context of Code and NRM elaboration. But it would be useful for the Mission to restrict the use of any funds made available to natural resources management issues exclusively. Other variants on means of making funds available at decentralized levels could also be explored while the existing problems of the Secretariat are being corrected. This issue has some immediate importance because of the renewed interest in the PIGRAR (renamed PIGRN) approach. There has already been some discussion of giving the responsibility of managing this proposed initiative to the Code Rural Secretariat.

In the context of providing specific support to Code development, it might also be possible to give some attention to the ministries which will be affected by the final product. For the purposes of longer-term planning for an eventual NRM Policy, an in-depth examination of the target ministries MAE and MAR, should be given careful thought. The particular objective of such an

analysis would be to determine how the ministries make their resource allocation decisions concerning use of Treasury funds. Secondly, this information would be of value in helping the target ministries to accord those expenditures with those covered by the investment budget. And finally, the Code is likely to impose requirements which would necessitate important changes in the procedures followed in preparing the government's investment budget priorities.

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# ANNEXES

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## **ANNEX 1**

# **NIGER AGRICULTURAL INSTITUTION ANALYSIS**

## **SCOPE OF WORK**

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NIGER AGRICULTURAL INSTITUTION ANALYSIS

SCOPE OF WORK

Delivery Order No. 07  
PDC-5317-I-00-8122-00

The objective is to provide a Specialist in institutional development/analysis, who will prepare a report on the functioning of agriculture-related rural government services in Niger. The Specialist will focus on the structure, resource allocation systems and human resource potential of the ministries of Agriculture and Environment as well as Animal Resources and Water. The findings will be used to design policy reform and/or technical assistance activities for USAID/Niger.

The Contractor shall provide a Specialist in institutional development/analysis, who will:

1. Review background documentation on USAID programs and strategies (CDSS, ABS, Action Plan and sector-specific statements) as well as review AID studies on the Niger agricultural sector (e.g., ASDG, NEPRP-related studies/PAADs, agriculture sector assessments);
2. Review available documentation on GON and other donor programs for institutional reform, in particular as related to rural services in support of agricultural production broadly defined;
3. Conduct interviews and field visits with government officials, donor personnel and clients (farmers); and
4. Make a preliminary assessment of the appropriateness of structure, personnel staffing, systems of resource allocation and decision making in the MAE and MAR (and other agencies which the Specialist may consider relevant to USAID's rural development strategy) based on their knowledge of public administration theory and review of the Niger specific situation. The assessment is to include suggestions for further analysis and preliminary indications of potential policy reform, institutional and/or monetary support, technical assistance or training interventions by USAID/Niger.

The Contractor shall prepare an assessment report which includes the following:

1. Status of GON institutional reform efforts as they relate to rural service delivery. The topics to be covered include
  - A. Nature of the reforms;
  - B. Status of implementation;

- C. Assessment of the importance/value of the various reform efforts in terms of AID's rural development goals and strategy; and
  - D. Suggestions for potential AID role (e.g., policy reform, institutional support, training, etc.) in implementation of said reforms and/or their modification to better serve rural development goals.
2. Structure of the MAE and MAR at central, peripheral levels (hierarchy, locus of decision making, budget allocations, etc.). The topics to be covered include
- A. Assessment of their appropriateness in light of the goal of increasing rural incomes and production;
  - B. Suggestions for further analysis; and
  - C. Suggestions for AID intervention.
3. Staffing of the rural development agencies (assessments as above).

#### Relationship - Contractor/Mission

This is a preliminary assessment and as such there needs to be close collaboration between the Specialist and USAID/Niger so that mutual agreement can be reached on the potential areas for investigation that are most closely tied to USAID strategic interests and have promise as areas for policy reform interventions. Flexibility will be necessary as analyses undertaken outside of this exercise may influence the contractor's work.

More details on particular areas (issues and/or sections of ministries) which USAID wishes to emphasize will be provided to the Specialist on arrival in Niger.

The Contractor shall provide USAID/Niger with a statement of approach to the problem within two weeks of arrival in country. Weekly reviews will be scheduled to allow the Specialist to report on progress.

The Specialist shall coordinate his/her work with the USAID core group analyzing constraints to rural income growth. The Specialist shall work closely with the S/ADO, Mission Economist and the Project Development Officer as well as other staff, as appropriate.

#### Qualifications of the Senior Institutional Development Specialist

The Specialist shall have an advanced degree in a field such as public administration, political science, government, planning, economics,

anthropology with specialization in institutional analysis or organizational behavior.

The Specialist shall have at least 5 years of professional experience in the analysis of institutional development issues as it pertains to the Third World and shall be familiar with civil service systems of ex-French colonies, in particular the Sahel. Professional experience in a country which has or is carrying out a decentralization program is desired, if possible.

The Specialist shall have a FSI 3/3 in French at a minimum and fluency shall be attested to by the Contractor.

A Specialist who is a senior advisor is preferred since issues of institutional structure and change are potentially sensitive in nature and suggestions may be more easily accepted from a professional with many years of experience.

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**ANNEX 2**

**PERSONS CONTACTED**

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## PERSONS CONTACTED

### I. GON

Secrétaire Exécutif - Code Rural  
Director General - INRAN  
Director - DRA/T/Plan  
Director - DAEP/Plan  
Secretary-General, for Economic Affairs - The Presidency  
Secretary-General - The Presidency  
Director - Cabinet of the Prime Minister  
Secretary-General - Min. of Agriculture and Environment  
Secretary-General - Min. of Animal Resources  
Secretary-General - Public Service Ministry  
Secretary-General - Min. of the Interior  
Director - Bureau of Organization and Methods  
Director General - LABOCEL  
Director - PAIPCE  
President - Technical Committee for Political Reform  
Prefet - Department of Tahoua  
Secretary General - Department of Tahoua  
Deputy Secretary General and Agriculture Sector Team - Tahoua  
Sous-Prefet - Keita  
Prefet - Maradi  
Secretary General - Maradi  
Deputy Secretary General and Agriculture Sector Team - Maradi

### II. World Bank - Niamey

UNDP - Niamey  
Attaché for Cooperation - Switzerland  
Economics Consultant to the Presidency - West Germany  
Consultant Economist - PASEF - France  
World Bank - PAS Team  
World Bank Consultant Team - Financial Management  
Consulting Veterinarian - LABOCEL - Holland  
Consultant in Management - B.O.M. - Canada

### III. USAID/Niger

Various members of the staff  
(ADO, PDO, GDO, Econ, Compt, Health, Educ.)  
Sabel Reg. Fin. Mgmt. Proj.