

PD-AX-902

U.S. AID'S ASSISTANCE PROGRAM IN NIGER

18 September 1984

## ECONOMIC ASSISTANCE OVERVIEW FOR NIGER

Although the Agency for International Development and its predecessor organizations provided some bilateral assistance to Niger, it was only since the last years of the Sahel drought that the United States provided large quantities of economic and emergency assistance to Niger. The development program in Niger, which is part of the Sahel Development Program, is thus rather new. At present direct bilateral project obligations reach \$19.6 million in Development Assistance and \$5 million in Economic Support Fund. Obligations for regional projects active in Niger is about \$2.3 million a year.

### ECONOMIC AND DEVELOPMENT CONTEXT

More than three-quarters of landlocked Niger is desert, with the remainder being savanna suitable for livestock and limited agriculture. About 90 percent of the nearly 6 million Nigeriens live in the "useful fringe," primarily in rural villages. The population profile is typical of a relatively less developed country, in that more than 45 percent of the population is growing at the rate of 2.9 percent a year. Adult literacy in French is less than 10 percent, while only about 21 percent of primary school age youngsters attend school.

Niger's economic base consists of agriculture, livestock, and mining. It is heavily dependent on factors upon the Government's control, the world market price of uranium, and rainfall. The catastrophic 1968-73 drought still underlies the fundamental economic goal of the Government of Niger: attainment of food self-sufficiency.

Although the economy had an extraordinary growth rate between 1976-80, due to favorable climatic conditions and the buoyant world demand for uranium, the bottom fell out of the boom in 1981. The consequences of the precipitous decline in uranium prices and rainfall has been a sharp economic crisis, with three major aspects:

- rising budget deficits (with a sharply reduced National Investment Fund);
- large external imbalances with declining public sector foreign exchange reserves;
- increasing debt servicing requirements.

The Government of Niger has been forced to take strong measures to counteract the economic decline. Recurrent expenditures have ceased to grow (despite the debt servicing burden), careful examination is done of recurring cost implications of development projects, and the Government is implementing a series of IMF-proposed measures to increase revenues. The IMF and the Niger Government agreed on a stabilization program in late 1983, and Niger's short-term debt was rescheduled under the "Paris Club" arrangements.

The November 1982 Zinder Conference on agricultural and rural development resulted in the Niger Government adopting official policies emphasizing private sector participation, strengthening of the cooperative organizations

stressing local self-management, more reliance on market prices and reduction of subsidies, technological transfer and strengthening institutions. The Government has approved a two-year Interim Plan of development program consolidation and retrenchment. The "PIC" restricts expenditures on the national investment program, while giving priority to the maintenance and effective utilization of ongoing projects and programs.

#### CURRENT AND PLANNED U.S. ASSISTANCE PROGRAMS

U.S. interests in Niger are both strategic and humanitarian. The country's substantial uranium reserves have given Niger a degree of importance beyond that of most Sahelian countries. Moreover, the country is directly exposed to Libya's expansionary efforts in the area.

The A.I.D. Mission's strategy has three components. The economic and financial stabilization strategy objective includes maintenance of existing investment activities, more effective use of available resources and reform in agricultural policies. The political will to make necessary policy adjustments also exists as evidenced by the adoption of the IMF austerity program, other macroeconomic policy adjustments and the implementation of the Development Society structure. The policy environment for successful non-project assistance is improving.

USAID's medium-term strategy emphasizes efforts to increase agricultural and livestock production and focuses on the development of self-managed local organizations for increasing food production and as a means to involve the private sector more in economic development.

USAID's institutional development objectives in agricultural research and human resources development will take a long time to reach, but these activities contribute directly to the agricultural production strategy objective. Agricultural research is an important factor for increasing agricultural productivity. Investment in human resources is essential for the transfer of technology. A degree of functional literacy and numeracy is absolutely necessary for effective operation of self-managed cooperatives. Improved health and nutrition are extremely important in reducing agricultural production losses.

The projects which contribute to the short-term stabilization objective include:

- The FY 1984 bilateral Agriculture Sector Development Grant\* and on-going Rural Sector Development Grant will eventually reach a combined total of \$37 million in Economic Support Fund and Development Assistance funds. The two interlocking projects will help Niger bridge the budget and foreign exchange resource gap. They will provide assistance to the Niger Government in achieving policy reforms in agriculture and livestock as well as help maintain development programs.

\*"Core" project.

- The on-going regionally financed Joint Program Assessment (\$529,000) finances studies related to the Niger Government's economic policies that have implications for USAID/Niger's development strategy. Activities financed to date include studies of the economics of agricultural technical packages and cereals marketing, the recurrent costs workshop, and the Zinder Conference.
- The on-going bilateral Evaluation Assistance Project (\$2 million) has the objective of establishing a program evaluation capability within the Ministry of Plan, thus increasing the likelihood of success in programs in which feedback from on-going evaluations can affect policy linkages and information exchanges.
- Under the Sahel Manpower Development Program most of the first year's funds were earmarked to help the Niger Government finance the completion of university degree programs for 30 students in West Africa.
- The on-going Sahel Regional Financial Management Project (\$5 million) provides technical assistance and training to maintain accountability of A.I.D. funds and, within the circumstances of the individual countries, moves toward providing more advanced financial training for host country personnel and eventual program competence.

It should be noted that Niger has not received bilateral food assistance under P.L. 480 since the Title II emergency program in FY 1982. During the April 1984 program review, it was concluded that P.L. 480 is not appropriate at present as an assistance modality to provide local currency for economic stabilization. Furthermore, Niger is marginally self-sufficient in food grain, especially with imports from Nigeria. USAID, however, will continue to be responsive to disaster preparedness planning, since drought and food failure are constant menaces.

Projects which contribute to the agriculture and livestock production objectives in technology transfer and institutional development include:

- The on-going bilateral Agricultural Production Support Project\* (\$19,990,000) will expand and strengthen Niger's national level institutions that provide support services in cooperative development, agricultural inputs supply, seed multiplication, and agricultural extension which are essential for increases in agricultural production.
- The on-going bilateral Niamey Department Development Project\* (\$13,582,000) will institutionalize a process of rural development to increase food production through the establishment of self-managed village organizations and participating individual farmers.

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\*"Core" project.

- The on-going bilateral Integrated Livestock Production Project\* (\$17.5 million) will establish herder organizations to serve as a vehicle for and transfer to herders of technical, finance and managerial innovations; to increase provision of services; and to help the Government establish a policy climate which will facilitate attainment of program goals.
- The on-going bilateral Niger Cereals Research Project\* (\$10.6 million) will strengthen the capacity of the National Agricultural Research Institute to undertake cereals research programs whose results can be disseminated to farmers via the extension and cooperative system.
- The on-going bilateral Tara II Rural Irrigated Agriculture Development Project (\$750,000) is an AFRICARE-managed project that will increase the productive capability and economic opportunities of the production and marketing cooperatives for irrigated rice, fishing, poultry, and crafts.

It should be noted that USAID has concentrated its efforts to improve agricultural production on dryland agriculture and livestock. Since it is becoming clear that any major expansion of food production will require increased irrigation, and despite other donor involvement, large gaps remain in key areas such as small-scale perimeters and applied agricultural research. Although the irrigation subsector assessment is only now reaching its final form, several options are emerging. Since other donors are heavily involved in physical rehabilitation, USAID would consider increasing the efficiency of irrigation infrastructure already in place. This could include focusing on those areas in which the U.S. has expertise through complementary projects such as cooperative training and organizations, applied research and extension and water management. The earliest that a project would start in this area is 1986.

Projects which will contribute to the long-term human resource development and research on improved agricultural and livestock technologies include:

- The on-going bilateral Literacy Services Training Project (\$1,810,000) is institutionalizing an effective Nigerian staffed literacy center so that it will be able to provide training and research support for adult literacy programs that are integrated directly into the implementation of Niger's rural development projects.
- The on-going regionally financed INDRAP Maternal Language Texts Project (\$400,000) and its proposed bilateral successor (\$338,000) has developed and will test primary school texts written in five of

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\*"Core" project.

Niger's maternal languages. The reading texts are based on the cultural heritage of Niger and work has begun on the math texts. Since the implementation of this project, the number of schools using the texts has more than doubled and the Government of Niger has made a major commitment to the use of maternal languages for primary education.

- The on-going Rural Sector Human Resources Project (\$5,030,000) is designed to increase the capacity of the Institute for Practical Rural Development at Kolo for producing competently trained mid-level rural technicians.
- The Sahel Manpower Development Training Program (\$313,000 in FY 1983) is a regional project to help meet crucial development training needs.
- The on-going bilateral Forestry and Land Use Planning Project (\$3,839,000) will establish a central land use planning unit within the forestry service which can evaluate past and direct future land use planning activities.
- The on-going bilateral Rural Health Improvement Project (\$14,029,000) supports the Niger Government's strategy to develop a viable rural health delivery system which demonstrates the value of prevention, early diagnosis, timely curative intervention and proper referral.
- The regionally financed Niger River Basin Planning (\$1,850,000) and Niger River Development Planning (\$11.7 million) projects are regional projects to establish an institutional capacity within the Niger Basin Authority to do coherent river basin development projects, and to facilitate member states' agreement on river basin activities. NBA has completed its first aerial reconnaissance of the river basin in 1983.
- The on-going regionally financed Sahel Water Network and Management II Project (\$7 million) is developing a regional system (including national elements) which will receive, process, interpret, transmit, disseminate, and document complete, timely, accurate, and meaningful weather and climatic information in order to assist farmers and herders in increasing agricultural production.

June 25, 1984.

|   | <u>LOP</u>     | <u>1983</u><br><u>&amp; Prior</u><br><u>Oblig</u> | <u>1984</u>   | <u>1985</u>   | <u>1986</u>   | <u>1987</u>   | <u>1988</u>   | <u>1989</u>   |
|---|----------------|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>I. BILATERAL ASSISTANCE</b>                      |                |   |               |               |               |               |               |               |
| <b>A) <u>Economic Stabilization</u></b>             |                |   |               |               |               |               |               |               |
| Agriculture Sector Development Grant                | 15,000         |   | 5,000         | 0             | 5,000         | 5,000         | 0             | 0             |
| Evaluation Assistance                               | 2,000          | 2,000   | 0             | 0             | 0             | 0             | 0             | 0             |
| Agriculture Sector Development Grant II             | <u>15,000</u>  |   | <u>0</u>      | <u>0</u>      | <u>0</u>      | <u>0</u>      | <u>5,000</u>  | <u>5,000</u>  |
| Sub-Total   | 32,000         | 2,000   | 5,000         | 0             | 5,000         | 5,000         | 5,000         | 5,000         |
| <b>B) <u>Support to Agricultural Production</u></b> |                |   |               |               |               |               |               |               |
| Niamey Department Development II                    | 13,582         | 8,536   | 2,500         | 2,546         | 0             | 0             | 0             | 0             |
| Agricultural Production Support                     | 19,990         | 5,845   | 4,018         | 6,250         | 5,037         | 0             | 0             | 0             |
| Niger Cereals Research 1/                           | 10,600         | 5,935   | 2,245         | 3,480         | 0             | 0             | 0             | 0             |
| Integrated Livestock Production                     | 17,500         | 10,110  | 0             | 4,284         | 3,106         | 0             | 0             | 0             |
| Tara II   | 750            | 750   | 0             | 0             | 0             | 0             | 0             | 0             |
| Irrigated Agriculture                               | 5,000          | -   | 0             | 0             | 0             | 0             | 0             | 0             |
| Niamey Department Development III                   | 9,750          | -   | 0             | 0             | 2,857         | 2,143         | 0             | 0             |
| Niger Cereals Research II                           | <u>12,000</u>  | <u>-</u>  | <u>0</u>      | <u>0</u>      | <u>0</u>      | <u>4,000</u>  | <u>2,640</u>  | <u>1,750</u>  |
| Sub-Total   | 89,172         | 31,176  | 8,763         | 16,560        | 11,000        | 6,143         | 7,640         | 4,750         |
| <b>C) <u>Institutional Development</u></b>          |                |   |               |               |               |               |               |               |
| Rural Sector Human Resources (Kolo)                 | 5,030          | 5,030   | 0             | 0             | 0             | 0             | 0             | 0             |
| Literacy Service Training Center I                  | 1,810          | 1,810   | 0             | 0             | 0             | 0             | 0             | 0             |
| Maternal Language Texts                             | 748            | 400   | 348           | 0             | 0             | 0             | 0             | 0             |
| Forestry and Land Use Planning                      | 3,839          | 2,484   | 1,355         | 0             | 0             | 0             | 0             | 0             |
| Rural Health Improvement 2/                         | 14,029         | 9,923   | 4,106         | 1,400         | 0             | 0             | 0             | 0             |
| Literacy Service Training Center II                 | 4,100          | -   | 0             | 0             | 0             | 0             | 0             | 0             |
| Rural Health II                                     | <u>12,500</u>  | <u>-</u>  | <u>0</u>      | <u>0</u>      | <u>2,000</u>  | <u>2,100</u>  | <u>0</u>      | <u>0</u>      |
| Sub-Total   | 42,056         | 19,647  | 5,809         | 1,400         | 2,000         | 7,857         | 3,000         | 1,743         |
| <b>D) <u>Small Project Assistance (PC)</u></b>      |                |   |               |               |               |               |               |               |
|   | -              | 40  | 40            | 40            | -             | -             | -             | -             |
| Subtotal  | -              | -   | 19,612        | 18,000        | 18,000        | 19,000        | 15,640        | 11,493        |
| OYB/AAPL Targets                                    |                | -   | 19,612        | 18,000        | 18,000        | 19,000        | 19,000        | 19,000        |
| <b>II. ECONOMIC SUPPORT FUNDS</b>                   |                |   |               |               |               |               |               |               |
| Rural Sector Development Grant                      | 22,000         | 5,000   | 5,000         | 7,000         | 5,000         | -             | -             | -             |
| <b>GRAND TOTAL:</b>                                 | <u>185,928</u> | <u>57,863</u>                                     | <u>21,000</u> | <u>32,500</u> | <u>24,000</u> | <u>19,000</u> | <u>15,640</u> | <u>11,493</u> |

1/ Increase of LOP by 10 percent (1,060,000) for new total of \$11,660,000 in 1985

2/ Increase of LOP by nearly 10 percent (\$1,460,000) for new total of \$15,429,000 in 1985

PROJECT SHEETS

Project Title and Number: Niger River Development Planning (625-0944)

Project Began: August 1982

Project Ends: August 1987

LOP Authorization: \$11,700,000

Cumulative Obligation: \$6,964,000

Project Officer: Michael Gould

Project Director: New director being appointed

Implementing Agency: Niger Basin Authority (NBA)

Project Purpose: (a) To establish an institutional capacity within the NBA to do coherent river basin planning; (b) to identify rational development projects; and (c) to facilitate member state's agreement on river basin activities.

Project Background and Description: The Niger River Development Planning Project is Phase II of a program to assist the member countries establish the technological capability to support a legal entity for river control and to develop NBA so that it can serve its intended role in advising and encouraging member states to choose appropriate basin development project options

In order to achieve the project purpose, the U.S. will complete the river systems analysis under way, conduct a socio-economic survey and an environmental baseline study of the Niger Basin, and apply the knowledge in a draft Integrated Niger Basin Plan (INBP). The INBP will contain preferred options for development projects which offer maximum benefits consistent with minimum acceptable capital, social, and environmental costs. The studies include practical training for future NBA Planning Unit staff. After the studies are completed, the Project will utilize accumulated data to prepare the INBP.

Progress to Date:

- USAID accepted in May that conditions precedent to project have been met, and PIO/T for Phase II of the River Systems Analysis Program was signed and submitted to AID/W to execute a PASA with the Corps of Engineers to implement the activity.
- NBA Council of Ministers met August 10-11 to direct measures to resolve the serious management problems in Executive Secretariat. COM directed that an Ad-Hoc committee meet in October to address institutional issues, and provide recommendations at next COM meeting to be held in November. COM also made decisions on replacement of Executive Secretary and his Deputy. The extended period of NBA management problems appear to be nearly over.
- Socio-economic and environmental study components of the project are being held until institutional issues resolved.
- Member countries officially received USAID project documents for the first time during COM meeting (although documents had been provided and discussed on prior occasions). Member country endorsement of project activities expected in November.
- COE planning engineer and replacement of current COE representative are both in language training (under 625-0915 funding).

Project Title and Number: Niger River Basin Planning (625-0915)

Project Began: August 1977

Project Ends: December 1985

LOP Authorization: \$1,850,000

Cumulative Obligation: \$1,850,000

Project Officer: Michael Gould

Project Director: New director being appointed

Implementing Agency: Niger Basin Authority (NBA)

Project Purpose: To (a) establish the analytical base and planning framework required for the preparation of the Indicative Basin Plan and investment program; and (b) commence the process of strengthening the institutional capability of the NBA to carry out an effective program of planning and development for the Niger Basin over time.

Project Background and Description: The original project authorization of \$1,350,000 was made in 1977. The Project was designed to provide assistance to the River Niger Commission for information gathering, short and long-term technical assistance, training (both short-term and academic) and other miscellaneous support. Only the training portion of the Project was implemented through 1980 because of the lack of member state contributions and other donor support. The Project Paper was amended in 1981 and funds authorized increased to \$1,850,000 upon reorganization into NBA. The River Systems Analysis study is being implemented under a PASA with the U.S. Corps of Engineers.

Progress to Date:

- NBA has signed a project agreement with UNDP to provide expertise to staff a Planning Unit.
- Aerial reconnaissance flights of the Niger River were completed in August and December of 1983 to gather geomorphic data.
- Data collection in Nigeria and Guinea is complete and final reports prepared.
- Draft final report of geomorphic study has been submitted to NBA for review and approval.
- PASA has been executed to transfer the Data Storage and Retrieval System to the AGRHYMET Regional Center in Niamey. The tentative schedule for installation and training of the NBA staff is the week of October 29.
- Initial plans for a project interim evaluation have been drafted.

Project Title and Number: Sahel Water Data Network and Management II (625-0940)

Project Began: June 1982

Project Ends: September 1987

LOP Authorization: \$7,000,000

Cumulative Obligation: \$7,000,000

Project Officer: Dennis Panther

Project Director: C. Boucar Coly

Implementing Agency: NOAA/WMO/CILSS

Project Purpose: To develop a regional system, including national elements, which will receive, process, interpret, transmit, disseminate and document complete, timely, accurate and meaningful agrometeorological information in the Sahel in order to assist farmers and herders in increasing agricultural production.

Project Background and Description: This Project is part of a 15 year long program to strengthen the agrometeorological and hydrological services of the Sahel countries. Phase I (1976-1981) established a regional training and data processing center in Niamey as well as began to strengthening the national services that would permit development of a fully functioning regional agrometeorological and hydrological information system during Phase II.

The transitional Phase II will see the completion of all the basic elements of an operational system and the consolidation of these elements into networks and user-directed operations. The fully operational program will include field observation stations; continuous data recording and reporting through a modern telecommunications transmission system; verification and analysis of the data at the regional and national centers; dissemination of the information to primary producers and planners; and continuous applications of information by producers in their agriculture planning and production activities.

AID's role in this Project is to:

- provide technical assistance, telecommunications, data processing, and analysis equipment for the national services;
- train Sahellians in various levels of data processing; and
- support operations of the AGRHYMET Regional Center in Niamey

The World Meteorological Organization (WMO) is executing agent of this Project, while the U.S. National Oceanic and Atmospheric Administration (NOAA) provides technical assistance and training under a PASA with AID.

Progress to Date:

- Regional Center (Niamey) is operational and providing 10 day agrometeorological summary reports, including rainfall and agriculture status maps.
- National Centers are operating in Gambia, Senegal, Mali and Niger.
- National Centers in Cape Verde, Bourkina-Fasso, and Chad are preparing for operation.
- National Center in Mauritania is beginning construction
- Participants completed training: 11 hardware, 4 software.
- Participants being processed to begin training: 3 hardware, 3 software.
- Telecommunications survey is complete.
- A strategy has been outlined for determining end-user objectives.
- Planning has begun for the transfer of the Climate Impact Assessment Technology to the Sahel.
- Survey on transfer of logistics support of the AGRHYMET program from NOAA to WMO, the AGRHYMET Regional Center has been started.

Project Title and Number: Forestry and Land Use Planning (683-0230)

Project Began: July 1980

Project Ends: December 1986

LOP Authorization: \$3,839,000

Cumulative Obligation: \$3,839,000

Project Officer: Dennis Panther

Project Director: Mamadou Mamane

Implementing Agency: Ministry of Water Resources and Environment, Forest and Wildlife Service

Project Purpose: To improve and strengthen the planning process within the forest and Wildlife Service (FWS); to institutionalize that process by the establishment and phased development of a planning unit within the FWS; and thereby, to enable the FWS to better identify the problems, potential development opportunities and the requisite social, economic and technological solutions and to thus more efficiently and effectively utilize the resources (human, financial, and operational) available to achieve the Government's sector goals.

Project Background and Description: The project will work toward developing the planning capability required to meet the short and medium term needs of the Forest and Wildlife Service. Other general objectives are to (1) develop cost effective methodologies for obtaining, compiling, and analyzing technical and socio-economic information, (2) utilization of those methodologies to generate the requisite information for sector assessment and planning, and (3) to prepare increasingly more detailed plans and priorities for sectoral action on the short, medium, and long-term to facilitate decision making in the Forest and Wildlife Service. Parallel activities include (A) devising methodologies for and carrying out basic natural resources/forest inventory work to assemble resource data base information to feed into and guide the planning process, (B) to develop, test, and train staff in the technology needed to respond to different natural resource problem situations and (C) study and analyze the attitudes, needs, and capabilities of the rural people who must ultimately apply the technologies identified with the guidance, assistance and extension efforts of the Forest and Wildlife Service.

Progress to Date:

- A revised implementation plan has been approved by USAID and the Government of Niger and is now serving to provide project direction.
- The activities at the Guessehbodi site are into the second rainy season, with construction of water retention barriers, soil preparation for increasing soil moisture absorptive capacity, new tree plantations, wood harvest experiments, and integrated agriculture activities with nearby villagers under way.
- The resource inventory of the Niamey area has nearly been completed.
- Project financial and inventory management system is in place.
- Forestry sociologist has been recruited and will arrive in October.
- Candidate for economist planner has been interviewed and contract is under negotiation.
- The Government of Niger held a major conference on desertification in May resulting in the "Engagement de Maradi" document which outlines measures Niger must take to arrest the degradation of the country's natural resources.
- All preparations have been finalized for the initiation of the project's contribution to the FAO Fish Catch Assessment project. The Auburn Specialist is arriving August 21, and the sociologist Tom Price is expected to arrive end-August, or early September.

August 1984

Project Title and Number: Shelter Sector Planning (683-0224)

Project Began: September 1978

Project Ends: April 1984

LOP Authorization: \$655,000

Cumulative Obligation: \$655,000

Project Officer: Michael Gould

Project Director: Boubacar Bako

Implementing Agency: Ministry of Public Works, Directorate of Urbanism, Housing Division

Project Purpose: To assist the Government of Niger to (a) establish an institutional framework to generate and coordinate low-income shelter programs and (b) to draft, within a defined National Housing Policy, a national plan and specific project proposals.

Project Background and Description: Niger's cities face the common problems of unorganized growth, unsanitary squatter settlements, unsound construction techniques, and the absence of public services to solve them. Annual floods and occasional fires destroy an unusually high number of dwelling units in both urban and rural areas. Rapid urban growth rates have been aggravated by population dislocations caused by the severe 1967-1974 drought.

Under this project, short-term housing sector consultants and one full-time contractor will help the Government of Niger to complete the delineation of housing policy and will help design low-income housing proposals. The project will also (a) train Nigeriens in shelter sector planning including the development of a five year plan for the housing sector, (b) establish an operational Housing Division under the Ministry of Public Works, Directorate of Urbanism which will have primary responsibility for the development of the national housing policy and related programming.

Progress to Date: The project has been completed. The housing research construction activity was finished in June. The Government of Niger held a seminar in early July to debate the draft national housing policy document prepared under the project assistance. Comments received from conference participants were highly favorable. A project evaluation was completed in July which concluded that the project met its target objectives, and exceeded the original objectives with the addition of a pilot, local material construction activity. Some limited follow-up activities may be conducted under other sources of funding to enhance the project accomplishments. Project close-out actions will begin after an appropriate time interval. No new project in the housing sector is contemplated.

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Project Title and Number: Sahel Manpower Development II (625-0960)

Project Began: November 1983

Project Ends: September 1986

LOP Authorization: \$10,000,000

Niger Allotment: \$1,254,000

Cumulative Obligation: \$427,000

Project Officer: George Corinaldi

Project Director: No specified Government of Niger person or agency.

Implementing Agency: None

Project Purpose: To identify and alleviate those development constraints which respond to long- and short-term training in institutions impacting upon the process of AID-funded projects in the Sahel.

Project Background and Description: Training provided through Sahel Manpower Development Project (SHDP) will support all on-going and planned AID interventions through indirect project-related training and pre-project training. While essentially all AID/Government of Niger bilateral projects contain a training component which specifically responds to a project's training requirements, actual project implementation may suffer from the lack of adequately trained personnel in other institutions which are indirectly related to, but impact strongly upon, project success or failure. SHDP II in Niger will play a fundamental role in alleviating manpower constraints within these indirectly related institutions, thereby increasing the likelihood of project success and continuation upon termination of external assistance.

Progress to Date: The project is meeting its objectives by focusing on training activities in third countries and in-country. To date, there are 31 students who are in undergraduate training in third countries. The project pays no contract costs for placement or management of students since this is carried out by the Ministry of Higher Education and Research. In-country training has been very successful, having trained approximately 68 persons under the program of the Development Society.

U.S. training is kept at a minimum, but it will center on training in management and engineering. Short-term U.S. training will focus on very special technical subjects.

August 1984

Project Title and Number: Literacy Training for Rural Development (683-0253)

Project Began: Fiscal Year 1985

Project Ends: Fiscal Year 1990

LOP Authorization: \$5,000,000

Cumulative Obligation: \$0

Project Officer: George Corinaldi

Project Director: Not yet determined

Implementing Agency: Not yet determined

Project Purpose: To develop a literacy training system for adults which will emphasize literacy and numeracy skills that will assist rural adults in their efforts to participate in self-managed cooperatives and other economic activities.

Project Background and Description: Literacy training for adults in Niger is not new. It began in the mid-1960s with assistance to the Ministry of National Education from UNESCO. The focus of UNESCO's intervention was to develop a national, regional, and sub-regional infrastructure for reaching Niger's rural population. This goal has been achieved in that the Ministry of National Education has developed approximately 950 literacy centers throughout the country.

But although the infrastructure is well developed, the training system used for teaching literacy to rural adults is weak. Government of Niger statistics on drop-out rates and the low levels of literacy attainment provide the evidence in support of that conclusion. This poses a serious dilemma for Government of Niger planners and they intend to resolve it concentrating additional efforts and resources to development of a new policy in literacy training.

An essential first step in policy formulation is placing the literacy training under the authority of a single institution rather than continue having literacy programs scattered under the Ministries of National Education, Rural Development, and Plan.

There is no assurance as to where the Government of Niger planners will decide to place literacy training, but it is certain that a decision on this vital issue will be made soon. Once the decision is made, USAID's project assistance will be designed to complete institutionalization of an integrated literacy training program to support agriculture and rural development programs.

Progress to Date: USAID plans to develop a PID for this project activity utilizing the technical assistance which will be provided under the Improving the Efficiency of Education Systems II project, 931-1233.

August 1984

Project Title and Number: Improving the Efficiency of Education Systems II (931-1233)  
Project Began: July 1984  
Project Ends: June 1989  
LOP Authorization: \$20,000,000  
Niger Allotment: Not yet determined  
Cumulative Obligation: \$10,000,000  
Project Officer: George Cordinaldi  
Project Director: Not yet determined  
Implementing Agency: Not yet determined

Project Purpose: To strengthen the ability of public and private institutions for meeting demands for skilled manpower, through increased literacy and basic education.

Progress to Date: After six months of waiting and negotiations, AID and Florida State University (FSU) signed a contract for \$10,000,000 to begin implementation of the above project purpose.

USAID/Niger is expected to participate in the project, but details on the level and nature will have to await further discussions both internally and with the Government of Niger. FSU officials are expected to come to Niamey to discuss the matter with USAID in October 1984.

August 1984

Project Title and Number: INDRAP Maternal Languages I and II  
(Regional Project I - 625-0937)  
(Bilateral Project II - 683-0937)

Regional Project I Began: September 1980

Regional Project I Ends: June 1984

Bilateral Project II Begins: August 1984

Bilateral Project II Ends: June 1986

Regional LOP Authorization and Cumulative Obligation: \$400,000

Bilateral LOP Authorization and Cumulative Obligation: \$348,000

Project Officer: George Corinaldi

Project Director: Abaché Chaibou

Implementing Agency: Ministry of National Education, National Institute for Documentation, Research and Pedagogy (INDRAP)

Project Purpose: The purpose of the project is to develop an educationally sound mathematics curriculum, teachers' manuals, and pupil texts for grades one to three in Niger's five maternal languages.

Project Background and Description: In 1975 the Government of Niger decided to make the education system more responsive to the basic needs of Nigeriens and less imitative of the French educational system. Thus, in 1976 the Government of Niger instituted an educational reform related to teaching children to read and write in five maternal languages during the first three years of primary school. Since then, INDRAP has been responsible for developing and testing primary school texts in the five major maternal languages of Niger. This project assists INDRAP in gathering oral traditional materials, transcribing them, and adopting them for use in the primary school syllabus. It is also encouraging INDRAP to develop an on-going evaluation system of these materials to determine their effect on primary school-age children and possible improvement of the texts.

From September 1980 to June 1984 USAID financed under the Regional Project I the development of primary school readers for pupils in grades one to three in five maternal languages at a cost of \$400,000. Approximately 2,000 pupils were involved in the experiment conducted in 25 experimental primary schools. Owing to the success of the project, the Government of Niger requested USAID to finance a related activity, under the Bilateral Project II the development of mathematics materials for grades one to three, in the same five maternal languages.

Progress to Date: USAID and the Government of Niger have completed negotiations on the new activity as contained in the Project Paper. A Limited Scope Grant Agreement for \$348,000 for two years has been programmed. USAID expects the funds will be obligated by August 31, 1984.

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August 1984

Project Title and Number: Literacy Service Training Center (683-0237)

Project Began: July 1981

Project Ends: September 1985

LOP Authorization: \$1,810,000

Cumulative Obligation: \$1,810,000

Project Officer: George Corinaldi

Project Director: Salifou Daouda

Implementing Agency: The Literacy Training Center of the Ministry of National Education

Project Purpose: To institutionalize an effective Nigerien-staffed Literacy Center capable of providing critical training and research support for adult literacy programs actively integrated into the implementation of Niger's rural development projects.

Project Background and Description: The goal of this project is to increase the access of rural people to Government resources through materials written in one of the five national languages and through their increased ability to communicate with administrative and technical agents. The project will establish linkages between this non-formal education program and organizations such as the cooperative development service (UNCC), the extension services, rural health delivery services, and farmer training centers. The following are five outputs to be achieved under the project: (1) provision of training at the Master's, undergraduate, and post-secondary levels; (2) production of instructional materials (such as readers, teaching and research guides, and manuals); (3) cooperation with the rural development services of rural promotion, cooperative development, health and extension to conceptualize and implement integrated approaches to training the rural population; (4) development of a literacy training model for rural women; and (5) refinement and employment of the literacy evaluation instrument developed during the international seminar in Niger.

Progress to Date: Due to the medical evaluation of Peter Easton, and the decertification of the local currency expenditures in December 1983, the project has come to a virtual standstill. USAID has taken the necessary steps to review the financial situation with a private auditing firm and with the Regional Inspector General. Based on these investigations USAID has recommended that the project be recertified.

Peter Easton has indicated he cannot return to Niamey to work owing to health problems. A meeting will be held on August 22 with the Nigerien project manager to discuss the future of the project.

Construction work on the dormitories, office, and library has begun. Owing to unexpected problems found on the building site, building plans will have to be revised. Also, a new roadway will have to be put in where it had not been previously planned for. A review of USAID's budget indicated that some 73,000,000 CFA remains unexpended under the construction line item, to meet these expected costs.

August 1984

Project Title and Number: Rural Sector Human Resources Development (683-0226)

Project Began: June 1979

Project Ends: September 1984

LOP Authorization: \$5,030,000

Cumulative Obligation: \$5,030,000

Project Officer: George Corinaldi

Project Director: Yahaya Abdou

Implementing Agency: Institute for Practical Rural Development under the Ministry of Rural Development

Project Purpose: To increase the capacity of the Institute for Practical Rural Development at Kolo for producing competently trained mid-level rural development agents to staff Ministry of Rural Development field activities.

Project Background and Description: Under this project, USAID/Niger, in conjunction with FAO and UNDP, is helping to restructure the Ministry of Rural Development's Institute for Practical Rural Development (IPDR) by expanding the physical facilities to increase the training capacity from 250 to 450 students; changing and strengthening the curriculum to make it more relevant to Niger's rural development needs; and providing enough training abroad to enable IPDR to be fully staffed by Nigeriens by 1984.

The new curriculum provides for a general knowledge base and then for a specialization in one of six areas of rural development: agricultural extension, agricultural research, fish wildlife and forestry, rural engineering, cooperative extension or community development. The new curriculum focuses on practical training workshops in each specialization and student involvement in development work in villages near IPDR under the Village Operations Program (VOP). The project also provides interim technical assistance, training for Nigerien instructors, and renovation and construction of facilities.

Progress to Date: After five years of project activity the first phase of this project is about to terminate. An evaluation was carried out in October and November 1983 and it was determined that the project had achieved many of its stated outputs. However, there still remains the need to strengthen the viability of the outputs so that the institutionalization of the outputs are assured.

In that connection, USAID is presently negotiating with the Government of Niger on the possibility of extending the project by two years, i.e., October 1, 1984 to September 30, 1986. No new funding will be required to finance the extension. The evaluation indicated that approximately \$900,000 remains unexpended from the original obligation of \$5,030,000. It is anticipated that negotiations should be completed by the end of August 1984 and that an amendment to the Grant Agreement should be signed before September 30, 1984.

August 1984

Project Title and Number: Integrated Pest Management (625-0928)

Project Began: February 1978

Project Ends: September 1987

LOP Authorization: \$4,802,000

Cumulative Obligation: \$4,290,000

Project Liaison Officer: James Lowenthal

Project Assistant: Lynn Graybeal

Project Director: Diop Amadou

Implementing Agency: Ministry of Rural Development, Crop Production Service

Project Purpose: (a) To help create and strengthen Sahelian institutional capacity to carry on integrated pest management research; (b) to produce research packages on priority regional and national food crop pests suitable for adaptation and extension to Sahelian small farmers.

Project Background and Description: The Integrated Pest Management Project is a regional effort funded through the CILSS and for which the FAO has been selected as the technical implementing agency. It consists of three major interrelated components: research; demonstration and feedback; and pest surveillance and forecasting, including economic loss assessments and economic threshold determination. The project was originally intended to be purely regional in scope, with the seven national components subject to both technical and technical guidance and budget/administrative control from the regional CILSS project direction in Ouagadougou. Actual implementation experience, supported by the findings of the 1981 evaluation and the 1982/83 Project Paper amendment proved this arrangement to be too cumbersome to respond to field needs. Accordingly, starting in early 1984, authority for budget and administrative implementation has been devolved to the national components and their respective USAIDs, although technical guidance still comes from the regional direction.

Progress to Date: The four-member FAO technical assistance team is in-country. The experts on crop loss assessment and surveillance have been in-country for two and four years respectively. The entomologist and weed science specialist arrived in April and August 1984. A laboratory/office building has been constructed at the INRAN station in Maradi. Construction of observation posts is well under way; two posts have been completed, two are nearing completion, and construction will begin on two more in August 1984. Genie Rural is preparing to solicit bids for the construction of a garage and greenhouse at INRAN, Maradi, and an observation post in Diffa. Laboratory equipment and commodities have been received. The Country Task Force has submitted the budget and work program for Fiscal Year 1985. Participant selection for four Bachelor of Science-level scholarships is expected by October 1, 1984. Participants will begin course work in January 1985. The Project Assistant arrived in-country on July 30.

Project Title and Number: Cooperative Irrigation Management (683-0252)

Project Begins: FY 1986

Project Ends: FY 1989

LOP Authorization (Estimated): \$5,000,000

Cumulative Obligation: Project not yet authorized

Project Officer: To be determined

Project Director: To be determined

Implementing Agency: To be determined

Project Purpose: To develop and test a system (methodology) for self-managed cooperatives in irrigated areas to use in water management for improved irrigated agriculture production technologies.

Project Description: The project will set up a private/cooperative sector alternative to the standard extension/water management activities in perimeters managed by ONAHA, the irrigation parastatal. It will focus on building expertise in the one group that stays on the perimeter, the farmers. One perimeter will be the focal point initially, with operations expanding to two others by the end of the project. The project will include:

- Establishment and operation of self-managed cooperatives through training and technical assistance,
- Training in water management, pump repair, agriculture technologies, literacy and cooperative management at farmer training center.
- Small-scale applied research on water management.

Progress to Date:

- Irrigation sub-sector review completed on schedule in April. Final report received and now being distributed. Summary and two annexes being translated to French for transmittal to Government of Niger. Principal findings:
  - Full, effective utilization of the current 11,000 + ha. in production could contribute 16.6 billion FCFA to Niger's GDP, as compared with the 146 billion FCFA contributed by the 5 million ha. in dryland production. The current contribution of irrigation, however, is about two-thirds the potential, or around 11 billion FCFA. Also, existing irrigated agriculture is falling out of production at the rate of approximately 12% per year. The team concluded that AID should provide assistance in irrigated agriculture.
  - The current cropping patterns for irrigated perimeters, often government directed, do not provide maximum incentive to farmers. The value in FCFA to farmers per day of labor is estimated as follows: sorghum (2800), onions (2430), groundnuts (1490), dry season rice (1300), rainy season rice (1000), cowpeas (990), and cotton (805). Yet it is rice and cotton which are required by the Government of Niger for farmers to grow.
  - Training, improved water management practices, and farming systems research are all strongly needed.
  - The vegetable production on individual plots appears to be very healthy, but not enough is known on marketing factors to make clear recommendations in this area.
- A workshop to discuss finding with the Government of Niger is scheduled for the first week in October.
- Sufficient data will be available to start preparing PID in early 1985.

August 1984

Project Title and Number: Integrated Livestock Production (683-0242)

Project Began: August 1983

Project Ends: September 1988

LOP Authorization: \$17,500,000

Cumulative Obligation: \$10,110,000

Project Officer: Mark Madland

Project Director: Djariri Badamassi

Implementing Agency: Department of Livestock, Ministry of Rural Development

Project Purpose: To establish a herder organizational structure that will serve as a vehicle for the testing and transfer to herders of technical, financial, and managerial innovations; to increase the capacity of the Government of Niger to provide services to the herders through this structure; to assist the Government of Niger in establishing a policy environment conducive to the attainment of the program goal; and to assure that this structure, capacity, and environment continue to be maintained after the project is completed.

Project Background and Description: Achievement of the project purpose will require the creation of an institutional structure in the pastoral zone that will allow herders to play a substantial role in mobilizing the resources and services necessary to increase productivity and develop the zone. This structure will be based on herder associations, each comprising from 15 to 30 families with strong social ties who are located throughout most of the year in close physical proximity to one another. These "Groupements Mutuels Pastoraux" (GMP) will then be grouped into pre-cooperatives, or "Groupements de Vocation Coopérative" (GVC). They will be served by eight pastoral centers to help release the private sector initiative of the herders as well as channel and implement interventions to increase productivity. The project will develop a system involving research, herd trials, and extension to link the associations and the administrative services of the Government of Niger. The project will assist the GMP and GVC to create financial institutes (at the level of the pastoral center) linked to the national banking system that will be capable of managing the herder association credit program and serving as financial intermediaries that mobilize local savings to finance productive investments in the zone.

Progress to Date: The Grant Agreement was signed on August 15, 1983. Conditions precedent to initial disbursement were met in December 1983. The Government of Niger and the consortium led by Tufts University signed the contract in January 1984 and technical assistance team members have arrived in-country. All project staff are housed and furniture for their houses has been purchased.

The first year's work plan has been approved by the Government of Niger and the project team has begun implementing each component of the project. Construction plans for four veterinary posts, two dispensaries, one office building, one warehouse, and an annex for toilets and showers are being completed and approved by the Government of Niger and USAID/Niger. Vehicles and project commodities have been ordered.

August 1984

Project Title and Number: Niamey Department Development II (683-0240)

Project Began: May 1981

Project Ends: December 1986

LOP Authorization: \$13,582,000

Cumulative Obligation: \$11,036,000

Project Officer: Kevin Mullally

Project Director: Baoua Assoumane

Implementing Agency: Ministry of Rural Development/Niamey Prefecture

Project Purpose: To institutionalize a process of rural development through the establishment of self-managed village organizations and through participating individual farmers who, as a result, will be able to achieve increased food production on a self-sustaining basis.

Project Background and Description: Niamey Department Development II is the second phase of a long range program of rural development in Niamey Department. The project will train villages selected by their own cooperatives, using an extension system which will operate primarily out of 10 farmer-couple training contracts, constructed by the project. Additionally, during this past year the project has instituted four CPT "villageoise", or village-based CPTs. This new activity placed a core staff in a village for an entire growing season, working with individuals selected by the village.

A four-person technical assistance team, plus two PCVs, presently work with the project, although a \$2.5 million institutional contract is presently being negotiated for the remainder of the project. The Phase II project has (1) constructed seven new CPTs, 12 cooperative warehouses, and an agricultural facility in the Say Arrondissement; (2) furnished agricultural inputs such as fertilizer, animal traction equipment, seeds and livestock to rural producers on credit through a revolving fund established by the project; (3) provided material support to the agricultural extension services used by the farmers; and (4) in addition, a major applied research program is being undertaken.

Progress to Date: A project audit and an in depth evaluation have served as the basis for a revised implementation plan with the necessary improvements. The implementation plan and project agreement amendments, including a revised Annex I, have been signed and the revised implementation plan is being executed. The project has installed a detailed inventory accounting system and short-term training in inventory and credit management procedures for UNCC and CNCA agents has been conducted. Ten traditional CPTs and four innovative village-level training centers are now in full operation with over 200 couples currently being trained. An intensive management study has been carried out for the Project Monitoring and Evaluation Unit. Two micro-computers are now in full operation and two additional systems have been ordered. Three short-term participants attended a seminar on management at Pittsburgh in 1982 and the new Project Director is presently attending a seminar at Stanford on micro-computers. The four long-term participants have been selected, and are in the States. Follow-up agents have been recruited, including 11 women, and have completed a four-week training course. The project is also in the process of developing a major program of testing and training for animal traction equipment.

August 1984

Project Title and Number: Sahel Regional Financial Management (625-0950)

Project Began: April 1983

Project Ends: December 1986

LOP Authorization: \$5,876,000

Niger Allotment: \$1,175,000

Cumulative Obligation: \$5,876,000

Project Officer: George Corinaldi and Stan Mitchell (CONT)

Project Director: Hamane Seydou

Implementing Agency: Ministry of Plan

Project Purpose: To improve the financial management of Sahelian development institutions that directly handle funds provided by AID (sustained at or above 121(d) requirements) and encourage institutionalization of improved management practices.

Progress to Date: Progress has been slow. Although training programs have begun, there is yet no indication that the program will be institutionalized within the Government of Niger's administrative structure. Slowness in progress was due to many factors, late start in signing the protocol agreement; heavy administrative burdens on the part of the contract; inability to produce a work plan concurred in by USAID; and some uncertainties regarding the project's purpose and who is responsible for its management.

Many of these issues are now settled and the team is moving ahead. However, there remains the issue as to whether or not the team can institutionalize this activity before their departure in May 1985. USAID's estimate is that this will not take place and because there still remains a great deal of work to be done in the training of personnel, that this regional project should be extended.

Project Title and Number: Evaluation Assistance (683-0229)

Project Began: September 1981

Project Ends: December 1985

LOP Authorization: \$2,000,000

Cumulative Obligation: \$2,000,000

Project Officer: Randall Casey

Project Director: Amadou Mamadou

Implementing Agency: Ministry of Plan, Directorate for Programming and Project Evaluation

Project Purpose: To establish in the Ministry of Plan a program evaluation capability which will: (a) improve the performance and increase the likelihood of success of programs in which feedback from present evaluations can affect policy decisions; and (b) improve the linkages and information exchanges between the Ministry of Plan and the technical ministries, thus allowing for improved evaluations and planning.

Project Background and Description: In an effort to overcome Niger's shortage of trained cadres, this project finances two long-term technical personnel (development specialist and social impact analyst) into counterpart roles in the Bureau of Evaluation in the Ministry of Plan to strengthen its ability to carry out program and project evaluations. USAID provides vehicles, office equipment, and furniture as well as some short-term technical assistance to permit the evaluation unit to train Nigerien technicians in program evaluation techniques and methodologies. The Nigeriens trained under the project will execute a number of program evaluations over the life of the project. A documentation center and data bank will be established within the Bureau to serve as a repository for studies and evaluations. This will provide the basis for a communication and information exchange between the Ministry of Plan and the technical ministries.

Progress to Date: The Directorate for Programming and Project Evaluation has undertaken a comparative evaluation of productivity projects in Maradi, Zinder, and Niamey and hired local consultants to design questionnaires for these evaluations. An evaluation of the capacity of work on irrigated perimeters is on-going. The Bureau was responsible for the recurrent costs workshop in Niamey sponsored by CILSS and Club du Sahel. Two long-term participants in the U.S. (along with the Project Director) have completed a management seminar at the University of Pittsburgh. Social impact analyst has arrived. Evaluation of the Government of Niger's system of incentives of the industrial sector has been completed. Receipt of micro-computers is awaited, and a proposal for computer training has been developed. An evaluation of the Evaluation Assistance Project is scheduled for October. Recruitment for an additional Nigerien documentalist has taken place and the person is on board. A documentalist and a statistician have completed two-year training overseas.

A contract has been signed and work has begun for the Directorate reorganization and the design of procedures and methodology for the Ministry of Plan programming cycle.

The recruitment of a documentalist consultant and a management information systems specialist has begun. (Preselection of bidders has been completed.)

activity was an assessment of grain marketing in Niger, completed in December 1983 by Elliot Berg Associates, and the fourth, also completed in 1983, was an evaluation of the agricultural technical packages in Niger. Both of these studies have been used extensively in the preparation of the Agricultural Sector Development Grant SAAD, the Agriculture Production Support Project, the FEED design efforts and the NDD II's revised implementation plan. A fifth activity, a study of fees for service, has been approved and the GON is negotiating with the contractor.

August 1984

Project Title and Number: Joint Program Assessment (625-0929.06)

Project Began: August 1982

Project Ends: December 1984

LOP Authorization: \$529,000

Cumulative Obligation: \$529,000

Project Manager: Tom Olson

Project Director: Laoual Chafani

Implementing Agency: Ministry of Plan, Bureau of Evaluation

Project Purpose: To conduct a series of studies relating to economic policies of the Government of Niger which have implications for USAID/Niger strategy decisions. The Joint Program Assessment serves as a link between the Government of Niger and USAID in defining more clearly the implications of those policy choices that the Government of Niger chooses to pursue.

Project Background and Description: This project consists of studies and analyses of a number of critical problem areas relating to production, processing, and marketing activities in Niger's agricultural and livestock sectors and will focus on structural and systematic policy questions at the sector level. The Assessment contributes to: (a) providing analytically-based information for consideration by Government of Niger policy-makers; (b) making U.S. assistance more responsive to Niger's goals and more effective; and (c) increasing the efficiency and impact of programs and investment in these sectors.

The focus of the Joint Program Assessment is on economic policies that have an impact upon agricultural sector development. Several specific studies have been or will be conducted at this point covering marketing and price policy, agricultural technical packages, and user fees. A committee of principals made up of one representative each from the Ministry of Plan and the Ministry of Rural Development, as well as USAID/Niger, prepared lists of topics for review and analysis under the Project and develop terms of reference for work to be done. A technical level working party (USAID and Government of Niger officials) is established for each topic. They then prepared an interim report which identifies or defines the problem, policy alternatives, and potential actions for consideration of the committee of principals.

Progress to Date: The JPA, together with several other projects that address policy issues and the USAID's economic stabilization strategy objective, is a part of an on-going process in which one activity contributes and reinforces another. There have been four major activities so far. The first, a National Seminar of Reflection on Rural Development Strategies held in Zinder in November 1982, has had an impact on much of the current policy dialogue, especially with respect to the Agricultural Development Sector Grant. The second activity, also a conference, was the highly successful recurrent cost workshop held in May 1983 in Niamey which helped to focus attention on the problem of maintaining projects and programs after the funding agencies have departed. The third

--Promote competition in grain marketing through the liberalization of official marketing and pricing policies, and consequently reduce the operational losses of the official grain marketing agency, and increase the relative share of agricultural outputs marketed by cooperatives and private traders.

--Undertake a study of Niger's agricultural credit system, particularly the informal credit market, in order to formulate appropriate policies to promote the development of effective rural financial markets.

--Promote border trade of livestock, cowpeas and other agricultural products through reduction of administrative and fiscal impediments.

--Promote increased cooperative and private trader participation in the supply of agricultural inputs, border trade of livestock, cowpeas and other agricultural products and internal grain marketing and storage.

Under the 1983 ESF grant of \$5 million, the GON undertook to negotiate the agriculture sector policy reform with AID, and received the funds in the form of a Direct Reimbursement Authority Commodity Import Program.

Under the combined DA and ESF projects, it is planned that AID will provide a total of \$32 million. The program consists of (1) conditional dollar disbursements or resource transfer (\$29 million); (2) local currency provided by the GON in an amount equivalent to the resource transfer; and (3) technical assistance for policy formulation and implementation support (\$3 million). The local currency serves as an additional but separately budgeted resource for the National Investment fund which finances local capital and recurrent cost outlays or host country contributions for donor assisted projects.

Progress to date: Since the initial Grant Agreement was signed on 31 August 1983, the commodity imports have been identified for DRA and the entire \$5 million was transferred in two tranches. The Local Currency Counterpart Committee is currently analyzing projects proposed for local currency counterpart financing.

AID/W authorized the \$32 million combined ESF and DA program on 14 August 1984. We expect that the Grant Agreement for the first increment will be signed on 30 August 1984.

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August 1984

Project Title and Number: Agriculture Sector Development Grant (DA) (683-0246)  
Rural Sector Development Grant (ESF) (683-0247)

Project Begins: (DA) FY 1984  
(ESF) FY 1983

Project Ends: FY 1988

LOP Authorization: DA \$15 million  
ESF 1983 - \$5 million  
ESF 1984-1986 - \$17 million

FY 1984 Obligation: DA \$5 million; ESF \$5 million

Project Management Committee: Chairman: L. Jepson

Project Director (Local Currency Management Committee Chairman: Saidou Mamane,  
Director, Program and Investment, Ministry of Plan)  
Contacts on policy: Mamadou Amadou, Director, Program and  
Evaluation, Ministry of Plan; and Maina Sanda, Director,  
Planning and Studies, Ministry of Rural Development)

Implementing Agency: Ministry of Plan/Ministry of Rural Development

Project Purpose: (1) To promote agricultural production by diminishing policy constraints to development in the agriculture sector; and (2) to provide resources to support ongoing development activities in the agriculture sector and thereby contribute directly to economic stabilization and act to minimize the adverse impact on development programs of the austerity measures imposed by the Grantee to achieve short term stabilization.

Project Background and Description: Niger enjoyed five years of very favorable economic growth due to favorable climatic conditions and buoyant world demand for uranium. The boom ended in 1981 as uranium prices dropped and the 1981-1983 harvests proved mediocre. The fall in uranium's price was the major cause of substantial budget deficits. The Government of Niger has taken significant actions to cut expenditures but the full impact of these will not be felt until 1985. The National Investment Fund is particularly affected by the current budgetary squeeze.

The Agriculture Sector Development Grant, together with the Economic Support Fund financed Rural Sector Development Grant, will facilitate changes to lessen critical constraints hindering agricultural and economic development. The five areas of policy reform are considered essential for more efficient resource allocation, increased agriculture and livestock production, and increased income of the rural population. The reforms are:

--Reorient the agricultural input supply subsidy policy and restructure the official input supply agency in order to make more agricultural inputs available to farmers.

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