



UNITED STATES OF AMERICA

AGENCY FOR INTERNATIONAL DEVELOPMENT

REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE. WEST AND CENTRAL AFRICA



COOPERATIVE PROGRAM
AGREEMENT

PDBB0312

UNITED STATES ADDRESS
ABIDJAN (REDSO)
DEPARTMENT OF STATE
WASHINGTON, D. C. 20520

INTERNATIONAL ADDRESS
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C/O AMERICAN EMBASSY
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SEP 30 1988

Mr. L. James Alritz
Regional Director for African Program
National Cooperative Business Association
1401 New York Avenue, N.W. Suite 1100
Washington, D.C. 20005-2160

Subject: Cooperative Agreement No. 683-0261-A-00-8042-00

Dear Mr. Alritz:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the National Cooperative Business Association (hereinafter referred to as "NCBA/CLUSA" or "Recipient") the sum of \$51,964 to provide support for a collaborative assistance approach for the design phase of a rural organization development project as fully described in the Schedule of this Cooperative Agreement, and the Attachment 2 entitled "Program Description."

This Cooperative Agreement is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning June 1, 1988 and ending not later than November 30, 1988.

This Agreement is made to the NCBA/CLUSA on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled "Schedule", Attachment 2 entitled "Program Description", Attachment 3 entitled "Mandatory and Optional Standard Provisions, which have been agreed to by your organization.

Please sign the original and five (5) copies of this letter to acknowledge your acceptance of this Cooperative Agreement, and return the original and four (4) copies to the undersigned.

Sincerely yours,


Gerald C. Render
Agreement Officer

Attachments:

1. Schedule
2. Program Description
3. Mandatory and Optional Standard Provisions

ACKNOWLEDGED:

National Cooperative Business Association/CLUSA

BY: 

TYPED NAME: Richard Wesling

TITLE: Controller

DATE: September 7, 1988

FISCAL DATA

Total Estimated Amount: \$51,964

Total Obligated Amount: \$51,964

Project No.: 683-0261

AID Project Office: ADO, K. Mullally

Funding Source: USAID/Niger

DUNS Number: 074825878

LOC No.: 72-00-1143

PIO/T No.: 683-0261-3-80847

Appropriation Symbol: 72-1181014

Budget Plan Code: GSSA-88-21683-KG-63

Project Office: USAID/Niger/ADO, K. Mullally

Paying Office: M/FM/PAFD Room 700, SA-2

Washington, D.C. 20523

ATTACHMENT 1

SCHEDULE

A. PURPOSE OF COOPERATIVE AGREEMENT

The purpose of this Cooperative Agreement is to design a Rural Organizations Development Project in Niger, as more fully described in Attachment 2 of this Cooperative Agreement entitled "Program Description."

B. PERIOD OF COOPERATIVE AGREEMENT

The effective date of this Cooperative Agreement is June 1, 1988. The expiration date of this Cooperative Agreement is November 30, 1988.

C. AMOUNT OF AGREEMENT AND PAYMENT

1. A.I.D. hereby obligates the amount of \$51,964 for the purposes of this Cooperative Agreement.
2. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 3 - Optional Standard Provision-1, entitled "Payment - Letter of Credit."

D. FINANCIAL PLAN

The following is the agreement budget, including local costs financing items.

<u>Category</u>	<u>Dollar Amount</u>
Consultant Fees	\$16,400
Travel and Transportation and Per Diem	\$17,667
Other Direct Cost	\$ 3,050
TOTAL Direct Cost	\$37,117
Overhead (37%)	\$13,733
G&A (3%)	\$ 1,114
TOTAL Estimated Cost	\$51,964

Revisions to this budget shall be made in accordance with Mandatory Standard Provision of this Agreement entitled, "Revision of Grant Budget."

E. REPORTING

1. Financial Reporting

(a) Financial reporting requirements shall be in accordance with the Optional Standard Provision-1 of this Cooperative Agreement entitled "Payment - Letter of Credit", as shown in Attachment 3.

(b) All financial reports shall be submitted to M/FM/PAFD, A.I.D., Washington, D.C., 20523 and an information copy to USAID/Niger, Department of State, Office of the Controller, Washington, D.C. 20520-2050. In addition, two copies of all financial reports shall be submitted to the A.I.D. Project Office specified in the Agreement Letter of this Cooperative Agreement.

2. Technical Reporting

During the initial project identification phase, the NCBA/CLUSA team shall be in constant contact with appropriate staff members of USAID/Niger, especially the designated "Liaison Officer." Five working days prior to the team's departure from Niamey, the team leader will present a final draft proposal (prepared following the PID format) for review by the USAID/Niger project committee.

The format for the development of a PID may be found in Chapter 4 of A.I.D. Handbook 3, Part 1. The draft report is to be reviewed prior to departure of the team from Niger. Any suggestions and/or changes to the draft report as provided by USAID/Niger will be considered by the team and incorporated into the final report. The final report will be prepared by the Recipient's home office and the submission of the final report will be required at AID/W for mailing to USAID within three weeks after the team's departure from Niger. This final report will comprise twenty (20) copies in English and forty (40) copies in French.

F. SUBSTANTIAL INVOLVEMENT BY A.I.D.

It is understood that A.I.D. will be directly and substantially involved as follows:

1. Will have primary responsibility to monitor progress of project activities.
2. Will consult NCBA/CLUSA when change of project emphasis is needed.
3. Will approve the substantial provisions of subordinate agreements or contracts that NCBA/CLUSA will execute with other cooperative organizations.
4. Will approve all key personnel proposed by NCBA/CLUSA.
5. Will collaborate with NCBA/CLUSA in decisions of implementation of the agricultural input and cooperative training.

G. TITLE TO PROPERTY

Title to property acquired hereunder shall vest in the Cooperating Country which is the beneficiary of the assistance to be provided hereunder. The Standard Provision of this Cooperative Agreement entitled "Title To and Care of Property (Cooperating Country Title)" applies.

H. AUTHORIZED GEOGRAPHIC CODE

The authorized Geographic Code for procurement of goods and services under this Cooperative Agreement is 935, Special Free World, including the participating country itself.

I. SPECIAL PROVISIONS

1. Team Members and Qualifications: The design team will comprise the following specialists:

- Ag Economist/Team Leader.
- Cooperative Development Specialist (with strong business background).
- Business Analyst.

Each team member must have the equivalent of FSI S-3+ and R-3+ in French. This level must be attested to by NCBA/CLUSA in writing before selection of the candidates.

Each team member must hold at least a M.S. in respective discipline, demonstrated substantive analytical experience in personal areas of expertise, and must have had five years previous work experience in developing countries, preferably Francophone Africa. Previous experience in project design is mandatory for the team leader and desirable for the cooperative development specialist.

The team leader, in addition to carrying out his/her technical scope of work, will be required to coordinate the overall compilation of the team's final report and insure its completion in a timely manner. He/she will also be responsible for all logistical support for the team.

The business analyst will be especially concerned with the functioning of the "Centrale d'Approvisionnement", and will help the CA examine all possible services. It could extend to cooperatives and the private sector, determine the profitability of each proposed service and prepare a business plan for the CA that incorporates only those services that will lead the CA into a condition of profitability. The main points of the business plan will be included in the ROD PID.

2. Logistic Support: No other logistic support will be provided by USAID/Niger during the design phase except (a) check cashing facilities and (b) pouch first class mail. The use of the pouch will be for:

(a) the transmission and receipt of up to a maximum of two pounds (2 lbs.) per shipment of correspondence and documents needed for contract administration work; and

(b) personal mail for U.S. citizens only up to a maximum of one pound (1 lb.) per shipment excluding merchandise, parcels, magazines or newspapers and (c) official and personal mail sent by pouch must be addressed as follows: name (followed by the letter "C") USAID/Niger, Agency for International Development, Washington, D.C. 20523.

3. All of the Recipient's personnel must be medically fit for service in Niger and have SOS/medical insurance in place before their arrival in Niger.

J. STANDARD PROVISIONS

1. The Mandatory Standard Provisions and the Optional Standard Provisions, annexed hereto as Attachment 3, apply to this Cooperative Agreement, except the following clauses of the of the Optional Standard Provisions which are hereby deleted:

- 2 Payment - Periodic Advance
- 3 Payment - Cost Reimbursement
- 10 Patent Rights
- 12 Negotiated Indirect Cost Rates - Predetermined
- 16 Voluntary Population Planning
- 17 Protection of Individual as a Research Subject
- 18 Case of Laboratory Animals
- 19 Government Furnished Excess Personal Property
- 20 Title to and Use of Property (Grantee Title)
- 21 Title to and Care of Property (U.S. Government Title)
- 23 Cost Sharing (Matching)

2. When the Standard Provisions are applicable for cooperative agreements, the following terms apply:

- "Grantee" means "Recipient"
- "Grant" means "Cooperative Agreement"
- "A.I.D. Grant Officer" means "A.I.D. Agreement Officer"
- "Subgrant" means "Sub-cooperative Agreement"
- "Subgrantee" means "Sub-recipient"

K. INDIRECT COST RATES

Pursuant to the provisions of Clause 13 of the Optional Standard Provisions of this Agreement, the provisional overhead rates as set forth below will apply to this Agreement.

<u>Type</u>	<u>Effective Period</u>		<u>Rates</u>	
	<u>From</u>	<u>Through</u>	<u>Overhead(a)</u>	<u>G&A(b)</u>
Provisional	1/1/85	Until Amended	37%	
Provisional	8/1/85	Until Amended		3%

Base of Application:

(a) Total Direct Costs excluding equipment, non-expendable property, subcontracts in excess of 25,000 dollars and in-country training costs.

(b) Total Direct Cost for contracts and grants.

L. RELATIONSHIP AND RESPONSIBILITIES DURING THE DESIGN PHASE

The design team will work under the technical guidance of the supervisory Agricultural Development Officer or his designee in USAID/Niger, and coordinate closely with the designated Project Liaison Officer and the other ROD Project Design committee members.

A.I.D. contemplates a long-term implementation phase following the design phase. The implementation phase is contingent upon acceptance of the product of the design phase, A.I.D.'s decision to proceed with the project, and the availability of funds. A.I.D. will execute a separate cooperative agreement for an implementation phase. The design phase in no way commits A.I.D. to undertake the implementation phase.

End of ATTACHMENT 1

PROGRAM DESCRIPTION

A. SCOPE OF WORK

1. Background

In the Government of Niger's (GON) 1987-1991 five-year plan document, the rural sector is assigned a role as the engine of growth and development to revitalize the entire Nigerien economy. In the various strategy statements, the private sector and cooperatives are also indicated as key players in the process.

USAID's major vehicles for developing self-sustaining local organizations have been the agriculture production support (APS) and Niamey Department Development (NDD) projects. The overall goal of these activities has been to improve the economic well being of the Nigerien small farmer through the revitalization of the cooperative movement, entailing the transfer of authority to manage this system, including its input supply and marketing components to its members, and their preparation and skills development to discharge this authority. Whereas the CLUSA/APS model offers specialized training in cooperative development and management, NDD has attempted to refine and extend it to a specific zone. With dialogue established between the national and the regional projects, a natural complementary facilitates the work of both. The APS team benefits from the locally-specific knowledge and experience of NDD, while it in turn is provided the results of specialized concentration on cooperative development.

The majority of USAID-supported work has been conducted in the agricultural zone. A unique and difficult situation exists in the pastoral zone. Dialogue and applied research are needed to determine the most appropriate and acceptable model for pastoral cooperatives, a model which best addresses the needs of migratory herders. Major socio-political questions revolve around the form and structure of the cooperatives, how to deliver training, and what is the best vehicle for credit delivery and recovery. All these questions must be resolved before effective widespread pastoral cooperative development can take place.

The development of economic activities by cooperatives and the whole of the rural population requires an availability of financing. Credit in Niger has been the focus of considerable discussion and analysis since the National Agricultural Credit Agency, Caisse Nationale de Credit Agricole (CNCA), drastically reduced in 1984 and stopped all new credit activity in 1986. For an interim period, rural credit was to be provided through on-going development projects; a very limited and highly segmented credit system. Eventually, the GON intends to establish a national "Bank for Agricultural Credit" and is moving ahead with a USAID-financed credit union pilot activity.

CLUSA, as part of its current program in the APS Project, has established a guarantee fund based in one of the major commercial banks operating in Niger to assure financing for identified economic ventures resulting from their development and training efforts. Additional efforts are underway to involve other banks in this guarantee fund activity.

The GON is in the process of reorganizing the entire input supply system in accordance with ASDG conditions, and as supported by studies conducted by the APS Project and the APS interim evaluations findings. The objective is to eventually have a private, cooperatively owned and operated input supply entity, and to spin off the manufacture of agricultural machinery to the private/cooperative sector. This reform is still in its early stages and time is needed before the picture is clear whether this objective can be achieved or whether the supply of agricultural inputs will be provided through other channels.

The input supply component of the PAS Project, which also received technical assistance through CLUSA, has been successful in establishing a sound financial system at the "Centrale d'Approvisionnement" (CA), but there remain problems in achieving the goal of a financially viable cooperative or privately owned business.

2. Objective

The objective of this Cooperative Agreement is to design a Rural Organizations Development Project.

3. Initial Analysis and Project Identification

(a) General Task:

The purpose of the Rural Organization Development (ROD) Project is to:

- (1) continue to institutionalize independent, self-managed cooperatives at the local level and to build and institutionalize effective regional and national federations of the local cooperatives; and,
- (2) to complete the transformation of the parastatal agriculture input distribution agency into fully institutionalized systems owned and managed by the cooperatives and the private sector.

The ROD will consolidate and build on experiences that have been accumulated since the CLUSA activity began in 1985, in-training, credit, and specialized advice. The ROD will also seek to reinforce the capacity of the Direction de la Vulgarisation de la Promotion Cooperative (DVPC) and the people and institutions with whom they interact (village assistants, cooperative assistants, Government agencies and cooperative unions) to manage and provide technical support to the development system which is being created.

The 5-year orientation of the cooperative development activity will progressively be oriented towards building viable, self-sufficient, economic organizations. Increasing emphasis will be placed on the expansion of cooperative business activities into storage and processing

of their produce, and the development of other services such as savings and credit.

The CA will continue to evolve towards a commercial operation and rationalize its role for supply and commercialization of products to better respond to cooperative needs.

The provision of agricultural machinery in the country is through a series of cooperatively owned workshops. The project may provide limited support to assist these workshops and other public/private concerns in diversifying their production lines and improving the quality of those items they do produce. The production workshops will be restructured in concept to that of the CA. Any support will provide for research and development activities, as well as training and advice to rural blacksmiths and artisans, as they attempt to establish private or cooperative economic activities.

(b) Specific Tasks:

The following tasks will be undertaken in developing the preliminary proposals.

(1) Background reading and reviews:

a. Review the following relevant USAID/Niger documents:

- FY 88 Country Development Strategy Statement (CDSS);
- FY 89 Annual Budget Submission (ABS);
- Niger Agricultural Sector Assessment and Update;
- ASDG PAAD and Amendments;
- ASDG External Evaluation;
- APS Project Documentation and Amendments;
- APS External Evaluation;
- NDD Project Documentation and Amendments;
- Second Interim NDD Evaluation;
- "Local organizations in the Niamey Department";
- "Rural finance in Niger: A Critical Appraisal and Recommendation for Change."

b. Review and analyze the following relevant GON documents on cooperative development and private sector initiatives:

- The GON Five Year Plan;
- Redevlopment et Mise en Cooperative des Ateliers de Production de Materiels Agricoles;
- Etude du Secteur Agricole du Niger (2 volumes, prepared by SEDES);
- Reliance du Credit Rural;
- Rapport sur le Fonds de Developpement Rural et son Effet sur le Developpement des Organizations Locales;
- Internal Evaluation of APS Project Component.

c. Interview key persons in USAID/Niger, other donor projects, GON and cooperative officials in public and private sector capacities involved in rural development.

d. Interview representatives of other donor organizations and NGOS whose programs and policies are directly relevant to cooperative and other local organization development. Review other donor documents.

(2) Progress review and analyses:

a. Review the overall progress and problems experienced to date in cooperative development and pre-cooperative development in both the APS and NDD Projects. Based on this review, recommend measures to re-orient, or refine if necessary, the cooperative development strategy currently being implemented by CLUSA.

b. Review progress and plans for seed production and marketing and make recommendations, if appropriate, for cooperative participation within the ROD.

c. Review progress and plans for the Centrale d'Approvisionnement. As a preliminary effort, and in response to APS evaluation recommendations, conduct analyses aimed at determining the profitability of the services the CA currently offers and identify new goods and services that the CA may provide to cooperatives, and other businesses in the private sector.

d. Review progress, plans and other donor initiatives in extension, and the necessity/appropriateness of providing support to the technical services to ensure an enhanced liaison between the cooperative assistants and their technical counterparts.

e. Review the agricultural machinery production structure including potential rural blacksmith enterprises or associations. Review the AR/MA research, development and training support activity at N'Dounga and make recommendations, if appropriate, for AR/MA and rural blacksmith linkages.

f. Review the current "cooperative training component" of the APS including the operation of the guarantee fund with a view towards consolidation of achievements or expansion of the activity. Analyze the local organization component of NDD, including the operation of the local investment fund (FIL) to determine the applicability and replicability of their effort.

g. Based on this analysis, identify additional efforts or changes in the current activity judged useful in attaining the ROD objective of promoting economically viable organizations in Niger's rural areas.

h. Identify and analyze additional policy constraints limiting the development of autonomous, member managed, local organizations, especially cooperatives.

i. Based on the analysis, identify potential areas of policy reform which can be investigated more in depth in the design of ASDG II.

4. Program Design

Based on the above mentioned reviews, analyses and consultations, the team will prepare a proposal in the form of a PID-like document. In addition to outlining the major project areas and focus of intervention, presumably based upon experience gained in APS and NDD, the team will also be responsible for identifying technical assistance requirements, additional studies needed in support of the project design, and training needs in support of the implementation of the ROD project. Specifically, recommendations should be formulated for:

- (a) Long- and short-term technical assistance (skills mix, beneficiary agencies or institutions, and suggested scopes of work);
- (b) Terms of reference for any additional studies, training, assistance requirements and estimated budgets;
- (c) Types of training, whether in-country or other, seminars, workshops or study tours; and
- (d) The design of an information baseline, and a collection and analysis system to measure achievement of goal and purpose.

The team should use as guidance in the initial proposal design A.I.D. Handbook 3, as well as A.I.D. guidelines for design of PVO field support grants (available at post).