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Final Report

Evaluation of the Policy Analysis and Monitoring Project in Niger

SUBMITTED TO
USAID/Niamey, Niger

SUBMITTED BY
Nathan Associates Inc.

UNDER
Contract No. AEP-5451-I-00-2058
Delivery Order #17



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Arlington, Virginia

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Preface

This is the first evaluation of the Policy Analysis and Monitoring (PAM) project in Niger since the project was approved in 1991. It was carried out by two consultants, Edgar Gordon of Nathan Associates Inc. of Arlington, Virginia, and Maina Boukar Moussa of Niamey, Niger; and by Harvey Bronstein of A.I.D./W, Bureau of African Affairs. The report is based on (1) information gathered in Niamey during November 1994 from participants in and beneficiaries of the project and (2) discussions with the contractor, Development Alternatives, Inc., in Niamey and Bethesda, Maryland. Edgar Gordon, as team leader, drafted this report in Bethesda, incorporating ideas and text supplied by Maina Boukar, who remained in Niamey, and Harvey Bronstein, who was reassigned to other work in the African Bureau after returning from Niger.

Executive Summary

The purpose of this evaluation is to examine the relationship between the performance and the objectives of the Policy Analysis and Monitoring (PAM) project and to use the conclusions drawn from that exercise to make recommendations for change. (Chapter 1) Niger, a very poor country with a low level of literacy, is undergoing a difficult transition from a public sector-dominated economy to a market-oriented economy and from a military regime to representative government. (Chapter 2) The current objective of the PAM project is to improve the quality of economic policymaking through a combination of training and research. This is a real but difficult objective to measure. (Chapter 3) The clients are USAID and the Government of Niger. USAID's objective is to help improve the macroeconomic framework in which the agency can pursue its specific project goals, mainly in the rural areas. The government, which is desperately short of resources to carry out its difficult task, welcomes the project as a supplement to its own efforts. (Chapter 4)

A survey of the project's history to date (Chapter 5) leads to the following conclusions:

- The project design has been completely revised from the original one, which was built around advanced graduate training abroad and model-building at home, to one emphasizing policy-oriented research and short-term training locally.
- The consequence of this change has been a delay in implementation so that although the project was authorized in 1990, it only became operational at the beginning of 1993.
- Long-term training is nearing completion, given the project's current projected completion date of 1996.
- Short-term training, taking place almost entirely in-country, will continue because it has a quick payoff.
- Although much good research has been undertaken, the project lacks direction because there is no annual program that mediates between the Research Agenda, which sets the outer bounds of the topics to be considered, and the deliberations of the Research Management Committee, which has been handling requests on a case-by-case basis.
- The principal administrative problem is that the resident adviser cannot spend sufficient time supervising research. This leads either to delays or to a decline in quality.

In Chapter 6 we examine the relationship between performance and objectives and reach the following conclusions:

- Performance in the areas of short-term training and research has conformed to the project's objectives as revised in 1992.
- The volume and quality of output of research studies and training have been reasonable given the human resources involved and the short time the project has effectively been operating.
- The project has had only a modest impact so far on analytic capacity and policymaking.
- The lack of influence arises in part from (1) the dispersion of effort, which reflects a lack of consensus between the resident adviser and his government counterpart on PAM's

proper role, and (2) the absence of both a program instrument and sufficient supervision. Both problems arise from defects in project design.

- The basic concept of the project is sound, and there is no question that there is a need for its services.
- The question is how to make the project more effective with organizational changes.

The recommendations contained in Chapter 7 are as follows:

- The project's original academic orientation should be dropped and returned holders of master's degrees should be employed in project research and training activities.
- Rather than being demand-driven on an ad hoc basis, the annual work program, which can substitute for the updating of the Research Agenda, should limit the number of fields of inquiry and specify certain studies but leave room for unanticipated research in these same areas.
- More expatriate supervision of both training and research will be needed if the quality of both is to be improved.
- The resident adviser position, instead of being terminated in 1995, should be extended until the end of the project.
- Information about the project's research and training activities should be more widely disseminated through a newsletter and personal contacts by the resident adviser.
- Consideration should be given to prolonging the project's current activities by establishing an independent institute supported by A.I.D. and other donors.
- Given the lack of research leaders in Niger, as part of post-project planning, a program of training Ph.D.s should be explored that uses, in part, PAM's master's degree graduates.
- Cooperation with other donors should be explored to take advantage of the resources that they can contribute, generally in the form of experts.

1. Introduction

This is the first evaluation of the Niger Policy Analysis and Monitoring (PAM) project and the only one that will potentially affect project operations, given the project's scheduled completion date in 1996. The original objectives were ambitious in light of the situation in Niger and the volume of resources allotted to carry them out, and those objectives were modified before the project was well under way. Finally, because the project's effect on the analytic capacity of Niger policymakers is intrinsically difficult to measure, the element of judgment based on insufficient data is even more important than is usually the case in evaluations. Nevertheless, the objective—improving the quality of economic policymaking—goes to the heart of the development process, making the result of an evaluation more valuable than usual in terms of potential lessons for other types of technical assistance.

The following objectives for the PAM evaluation were accepted by representatives of USAID and the Government of Niger at a meeting at the PAM project office on November 8, 1994.

1. To examine the project's work output in relation to its objectives,
2. To evaluate the impact of activities to date on the participants and the users of its products,
3. To summarize lessons learned and issues that arise from this review as a basis for making recommendations for the future, and
4. To summarize administrative issues and make recommendations that are consistent with the proposed future work program.

2. Country Background

Niger is a landlocked country in the Sahelian region of West Africa. Its economy can be divided into three parts: (1) the uranium mines, largely a foreign enclave; (2) a large rural sector containing most of the population; and (3) a small semimodern urban sector dominated by the government except in the area of commerce and artisanal production.

The country is one of the poorest in the world, but perhaps its most relevant characteristic in connection with this project is the low level of literacy: about 25 percent. The pool of university-educated people is very small. Unfortunately, but perhaps understandably, having a degree has become a badge of rank and a requirement for senior positions in the government. Because the rewards are greater, many highly skilled people prefer to be managers rather than make use of their technical qualifications. Since the brief prosperity of the uranium export boom of the 1970s, which reinforced the bias toward a state-led development strategy, Niger has been undergoing a period of economic readjustment. Moreover, since the late 1980s Niger has been undergoing a transition from a military-style regime toward democracy. The government thus has had to manage its economic transition in the more complex atmosphere of electoral politics.

The government has been moving toward an economic policy, proposed and supported by the World Bank and the International Monetary Fund (IMF), which would limit its role to

- Defining an appropriate macroeconomic policy to ensure stability,
- Promoting market-based growth, and
- Creating sound public investment programs.

Unfortunately, the government has had to accomplish all this when it is having great difficulty paying already very low salaries to its employees.

The role of PAM is to try to fill a part of the intellectual and budgetary gap implied by this policy by supplementing or improving the government's ability to develop and execute well-founded economic policies.

3. Analysis of the Project's Objectives

The project's goal inheres in its name: Policy Analysis and Monitoring (PAM).¹ Specifically, the project's current objective is to improve the capacity of the Government of Niger to make better-informed economic policy choices and to monitor and quantify the impact of the policies selected.

Although the most obvious outputs of the project are the studies conducted and the persons trained, these are really only a means to an end. The end is the improvement of the government's ability to make economic policy choices, a more difficult concept because it implies potential rather than actual results. For this reason the ability of PAM to directly influence the government's economic analysis capacity will be limited and sometimes hard to judge.

Because PAM's original goal was simpler and more limited, its impact would have been easier to measure. The goal was to train selected civil servants at the master's degree level in the United States and, after their return to Niger, have them undertake dissertation-type research under the guidance of a resident adviser. For reasons explored later, the new dominant objective was adopted without changing the long-term training program originally envisaged.

The project's two principal vehicles—(1) a series of economic research studies, including development of sources of economic data by Nigerois, and (2) training of several government employees in the United States at the master's degree level and for larger numbers of employees through local workshops and seminars in Niger—can be subsumed in the larger goal of improving the quality of policymaking in the long run. However, these vehicles beg more questions than they answer when the project's leaders have to answer operational questions. For example, can the government afford to wait for the results of long-term training? Can the quality—and, therefore, the value—of research output be maintained when using inexperienced Niger personnel, or should some projects be regarded as training exercises? How much effort should be devoted to the necessarily time-consuming task of improving data rather than carrying out studies, which have a more immediate payoff but are prone to significant degrees of error? Is there a well-defined hierarchy of research or training priorities, or must decisions always be made on a case-by-case basis?

While the project's overall goal is clear, if very ambitious, the subgoals that should control implementation are not well defined. The consequences have been disputes over which activities are appropriate and a dispersion of effort in an attempt to please all the expressed interests.

¹*Projet d'Analyse et Suivi de la Politique Economique (PASPE).*

4. Clients

The parties to the agreement establishing PAM and the principal clients of the project and this evaluation are the Government of the United States, represented by USAID, and the Government of Niger, represented by the Ministry of Finance and the Plan.

The funds appropriated for PAM are equal to 2.5 percent of USAID's current project portfolio. The project is classified under the category "Economic Reform and Micro-Enterprise." More broadly, the focus of the mission's economic activities, as distinct from population and health on the one hand and democratic governance on the other, is agriculture and related marketing and processing. The original PAM proposal emphasized the rural economy. Although USAID's partner in the Niger government, the Ministry of Finance, is more concerned with macroeconomic policy than with measures that specifically relate to agriculture, the rural sector is such a dominant part of the economy that it cannot hope to flourish if the macroeconomic framework in which it functions is not stable and does not provide adequate incentives to produce and sell. Although the mission is not directly involved in macroeconomic management, its sponsorship of PAM enables it to assist those organizations that are—the Government of Niger, the IMF, and the World Bank—in doing their jobs more effectively.

USAID is now in the process of recasting its goals and consolidating several of its activities (of which PAM is one) into a single group aimed at supporting economic reform. In its draft plan the goal most relevant to this project is the following: "Increase access and utilization of decentralized financial services by poor families, especially women, and improve the environment for the marketing of their production."

Therefore, this evaluation can serve the mission not only as a useful external review of the project's performance to supplement its own management reports, but also as an independent point of view to assist in realigning activities to conform with USAID's new objectives.

Within the government, the Ministry of Finance and the Plan plays the major role. In the ministry, the *Direction d'Analyse des Etudes Economiques et des Finances Publiques (DAEEFP)* of the *Direction Générale de l'Economie* serves as manager and contact point. It must balance its own interests against those of the rest of the ministry, other ministries concerned with economic activities, and the Chamber of Commerce in the choices of whom to train and what research to undertake. This is a large task for a relatively small office headed by middle-ranking officials who already have a heavy work load.

One of the issues that has arisen in the course of this evaluation is whether this internal coordination mechanism best serves the interests of the government and is an efficient way of running the project. This question is particularly important given the lack of clarity of the subgoals of the PAM project noted earlier. Ambiguous guidelines make a difficult management task even more so.

Ideally, in addition to the government, there ought to be broadly based Niger organizations representing major economic activities that would be considered project clients. Currently, because of the importance of government enterprises and foreign investors in the urban economy and the lack of organization in the rural areas, these organizations do not exist. The one group that has played a role in the project's activities, the Chamber of Commerce, is at best a semiautonomous public enterprise whose members are required by law to be a part of it and pay its dues.

5. Project History

ORIGINAL AGREEMENT AND AMENDMENTS

The PAM project was authorized in August 1990 for a total of US\$5 million for the life of the project, which is now expected to be completed in June 1996. A bid was issued in July 1991 and the contract was awarded in late August 1991 to the prime contractor, Development Alternatives, Inc. (DAI). The original objective was to increase local research capacity by training seven Nigerois through a master's degree program. A research program of dissertation-quality topics involving modeling was to be drawn up and carried out by Nigerois at the Ph.D.-candidate level, with expatriate help as necessary. A resident adviser was to be placed in Niamey during the second half of the contract as the overseas graduates returned.

In February and March 1992, a DAI team visited Niamey to gather material to develop the Research Agenda. After meeting with government officials and representatives of the university, the private sector, and donors, the team decided to modify both the orientation and pace of research activity to make it more responsive to the needs of the economic reform program to which the government was committed. In an aide-mémoire of February 14, 1992 (and supporting memoranda of March 9 and 13), the following amendments to the PAM contract were proposed:

- The resident adviser was to arrive in late 1992,
- Nigerois who were not Ph.D. candidates could be used to conduct research,
- Policy analysis and monitoring were to be added to the research program
- Training conducted locally rather than overseas would be emphasized, and
- The project would focus its capacity-building efforts on the DAEEFP rather than on itself.

In June, a meeting was held to draw up the Research Agenda. The DAI document² summarizes the research and training plan and provides a roster of Niger economists. It is a fairly elaborate document that is discussed in Chapter 6 in connection with implementation.

The delay in having project letters approved delayed the Phase II implementation stage until early 1993, when the first research was begun by TDY personnel from DAI. The delay in approval by A.I.D. of the first candidate for resident adviser, and the need to begin quickly, led to a decision to send the candidate to Niamey to work on a research project and to begin, at the same time and on a part-time basis, the duties of resident adviser. The difficulty of performing both tasks simultaneously led to some dissatisfaction on the part of USAID, and he was replaced by the present resident adviser, Stéphane Conte, who arrived in Niamey in October 1993 and took over with an overlap of a few weeks. Under the terms of his contract, he will remain until late 1995.

It is obvious from this history that official delays and the difficulty of recruiting a resident adviser have set the project back at least a year. Since the start-up in 1993, possibly the biggest disappointment has been the absence of the yearly Research Agenda workshops. These were

²DAI, *Research Agenda, Policy Analysis and Monitoring Project*. Final Report, June 1992.

intended to serve as a "reality check" for PAM, a forum for the users of PAM's outputs, and a means to adjust the research studies to the needs of the users. Since the original workshop and Research Agenda were developed in June 1992, there have been no further meetings. The 1994 workshop was postponed twice, first to allow for the effects of the January 1994 CFA devaluation to be assessed, and again until after the results of this midterm evaluation were known. The evaluation itself, another cross-check, was also deferred from its original date in January to May 1994. A workshop is tentatively planned for January 1995.

TRAINING PROGRAM

Long-Term

Three candidates were sent in 1992 and four in 1993, all to the United States. An eighth candidate went to Burkina Faso in 1994. The first four were chosen by the USAID training office. The contractor chose and administered the programs for the last four.

Of the eight persons sent on scholarships, two have returned with master's degrees and another is expected shortly. One was withdrawn at a very early stage. At this point, the other four, with one exception, are pursuing their education and are expected to return with their degrees in 1995 or early 1996. Because the project is scheduled to end in June 1996, there will not be enough time to send more trainees abroad.

Short-Term

From February 1993 to September 1994, six separate operations (variously labeled "seminars," "workshops," or "training courses") took place involving 152 persons. These activities were devoted to statistical and macroeconomic training, the informal sector, industrial strategy, and the study of English. One trainee went to the University of Pittsburgh for a one-month training course in October–November 1994.³ This activity will continue to be an important part of PAM because it has obvious payoffs in increasing local skills.

OUTPUT OF STUDIES

The core of the project is the production of research of a type that will assist economic policymaking either directly or indirectly by improving the quality of data or the understanding of how the economy works. Training is an input into research but can also be a by-product of it, if properly supervised.

Overall guidance for selection of proposals is contained in the June 1992 Research Agenda. Requests for studies, mostly originating from Niger government ministries, are channeled through the director of the DAEEFP office, Hamid Ahmed, in the Direction Générale de l'Économie in the Ministry of Finance and the Plan. He can screen and, in principle, stop requests at that stage if he wishes. Requests are then considered and either approved or rejected by the Research Management Committee (RMC), which consists of the A.I.D. project officer, the PAM resident adviser, and the DAEEFP director. Proposed studies can also come from other sources such as the prime minister's office, the University, World Bank, and certain semiprivate sector organizations such as the Chamber of Commerce or the labor unions.

³See Appendix A for details.

Research appears to have been undertaken in two bursts of activity: the first 9 months of 1993 and the second and third quarters of 1994. In between, the newly arrived resident adviser concentrated on improving the quality of ongoing studies and reorganizing administration.

According to PAM's classification, 20 studies have been initiated. This number seems to have a more bureaucratic than a functional significance. It appears to mean that the RMC approved each study's start-up as a discrete piece of work, the endpoint of which was expected to be a printed study distributed to a list of individuals and agencies. However, the list contains work that has been abandoned or delayed indefinitely, one project where PAM has provided only some input, and several listings that are parts of a single ongoing study. On the other hand, neither a major price and exchange rate survey nor the computerization of the Chamber of Commerce's company files is classified under "research."

In Chapter 6 we propose a more analytic classification in connection with the discussion of the effectiveness of research.⁴ Our conclusion, to set the stage for that discussion, is that although much good work has been done, it is spread across many different areas, and some of it will only be valuable as a basis for further research. What is missing in the current organization is a program to mediate between the broad Research Agenda and the users of the project's services.

Another question is the way in which research requests are processed. The relationship between the entity that requests the study and PAM tends to define what happens to the results as well as their ultimate utility. PAM now functions like a workshop that takes a customer's order, consults with him during the production process, then delivers the product to him. Nobody else receives the study or is even aware of the process until the study is published and distributed more widely. Of the 20 studies that PAM lists only 4 have reached this status even though most of the rest are finished for all practical purposes.

Finally, there is the question of supervision. The use of local and sometimes inexperienced researchers puts a burden on the supervisors of the study and on the resident adviser, through whom all studies must be channeled for final editing and approval. Some local observers believe that production could be sped up with more supervision. Given the limited pool of Nigerois who have the proper training and experience and who are available, that help would have to come from expatriate experts.

ADMINISTRATION

The physical organization of the project took place in the first half of 1993. By the end of that period, the office had been set up in a rented house and equipped with furniture, computers, and cars. Secretaries, guards, drivers, and a Nigerois administrator had been hired. At this stage administrative problems in this category include

- The need for more computers to give access to local researchers and speed up the production of research, and
- The regularization of a secretary and a computer programmer (presently in temporary employee status) for the same reason.

Of perhaps greater significance for the future of the project is the way it is managed. The original conception was that the principal role of the resident adviser would be to supervise the content of research and training while the Niger administrator ran the office and took care of

⁴See Appendix B for details.

paperwork and logistics. In practice, the resident adviser is doing a great deal of administration. He estimates the proportion of his time spent on the three categories of activities as 70 percent administration, 25 percent research, and 5 percent training.

Given the resident adviser's background and the fact that the project has been running for almost 2 years, the proportion of time spent on administration should probably be closer to 30 percent and that devoted to other activities closer to 70 percent. If this is not the case, the problem is either insufficient delegation by the adviser or the incompetence of the administrator. Whatever the reason, this problem must be resolved. Management time is probably the most important bottleneck to be overcome in improving performance.

SUMMARY

- The project design has been completely revised from the original one, which was built around advanced graduate training abroad and model building at home, to one emphasizing policy-oriented research and short-term training locally.
- The consequence of this change has been a delay in implementation so that a project authorized in 1990 only became operational at the beginning of 1993.
- Long-term training is on its way to completion, given the project's current projected completion in 1996.
- Short-term training, conducted almost entirely in-country, will continue because it has a quick payoff.
- Although much good research has been undertaken, the project lacks direction because there is no annual program that mediates between the Research Agenda, which sets the outer bounds of the topics to be considered, and the deliberations of the Research Management Committee, which has been handling requests on a case-by-case basis.
- The principal administrative problem is that the resident adviser cannot spend sufficient time supervising research, a situation that leads either to delays or to a decline in quality.

6. Issues Raised by the Project's Experience to Date

In this chapter we shall try to answer, in view of the history summarized in the preceding chapter, the following questions:

1. Have the training and research activities been in conformity with the project's objectives as modified?
2. To the extent that it can be measured, what has been the project's impact on analytic capacity and policymaking? and
3. Have the organization and performance of the project's administration supported its objectives?

EVALUATION OF EXPERIENCE TO DATE

Relation Between Objectives and Performance

This question has to be answered separately for each element of the project.

Long-Term Training

The original objective was to improve analytic capacity through long-term training abroad and employment of the returned graduates in dissertation-type research. That part of the project is still in its early stages. It takes 2 to 2½ years to complete the master's degree course, and the first group left only in 1992. Only two candidates have returned to Niger, both quite recently. They were from the Ministry of Finance and the Plan and have resumed work there, although not in their old positions.

The fact that both candidates were awarded degrees indicates that they had both the ability and the discipline to absorb the training. However, in order to contribute locally they have to make use of their new skills and pass them on to others. Currently, they are working on a revision of the Plan. One has also made a summary, in the form of a PAM research paper, of the existing literature on the Niger tax system. His supervisor, the resident adviser, was impressed by the thoroughness and speed with which he completed the research and drafting. The two candidates are not, however, being used as intended by the original project design that was in part incorporated in the 1992 revision.

Research

The modification of the project in 1992 put the emphasis on beginning research sooner, orienting research toward supporting the government's economic reform program, and using existing local human resource skills with the help of some foreigners, either directly or as supervisors. Seven types of research were considered, ranging from very short-term efforts in support of policymakers to doctoral and master's dissertations. The selection of research topics was to be governed by the Research Agenda drawn up in 1992 after extensive local consultations. It was divided into 9 core subject categories and further broken down into 21 subgroups.

The questions are

- The relation between the type of research that was undertaken and the Agenda and
- The number and importance of the studies.

Because there has been no research conference since 1992, the original Agenda has not been modified. The choices made by the Research Management Committee are, therefore, a combination of those suggested in the Agenda and the proposals of policymakers. The order of application seems to have been more important than any annual program. There has been tension between the very short-term planning of government officials and the goal of the resident adviser to conform to the longer-term objectives of the Research Agenda. By type, short-term policy-oriented pieces have been very important, probably because they had the highest priority. For the same reason, the most popular agenda category was "IX. Policy Monitoring Studies."

The answer to the first question is that the work undertaken conformed to the Agenda because, in practice, it is so broad that almost any well-supported proposal related to understanding the economy, including the financial system, would be acceptable.

With respect to research output, the project list of 20 topics covers some false starts but also leaves out work not classified formally as "research." There are two other studies under the category of "data collection." The first, a statistical reporting system the project has organized in the area of prices and the exchange rate of the CFA franc against the naira (the currency of Nigeria), is more comprehensive than anything undertaken by the government. The second is support for the computerization of the Chamber of Commerce's roster of companies, the best source available of the characteristics of Niger business. These two studies have value both as an aid in monitoring developments and as raw material for other research studies.

The total of 22 studies authorized as of the end of October 1994 can be reduced to 14 because

- The three parts of the Niger–Nigeria trade study can be considered one study;
- Three were cancelled because they did not measure up to the required standard;
- One is delayed;
- One is suspended; and
- One involves a collaboration where the other party, the World Bank, is responsible for the product.

The other 14 studies can be classified by purpose as follows:

- Five are intended to increase and/or improve the organization of statistical measurement;
- One is connected to policy monitoring;
- Three are concerned with economic issues other than statistics that arise from the Research Agenda;
- Two support academic research; and
- Three are policy papers concerned with pre-devaluation planning.

To put the program into perspective, the following points are relevant:

- Research activities have been under way for only about 1½ years. Begun under TDY experts, they were continued under the auspices of a provisional resident adviser for 4 or 5 months until his departure; they are now supervised by an adviser who has been in place for about a year.

- The organization of materiel support for research activities was not completed until mid-1993.

It was only at the beginning of 1993, after a shift in direction had been agreed on, that work actually began. Because of the delays inherent in organizing activities and the need to build up data for certain kinds of research, this program is just getting started. In addition, the program has suffered from discontinuity of local supervision. As a consequence, there has been some work that has not been properly controlled, and studies have been delayed or taken too long to be finished. Nevertheless, some substantial work has been accomplished, particularly in the statistical area, and some preliminary studies of the literature have been carried out, both of which can underpin further research.

Short-Term Training

Where the training of Nigerois outside the scholarship program is concerned, there are three separate paths: (1) formal short-term training abroad for specific technical skills, (2) workshops for a few days to a week to train technicians, and (3) participation in the research studies of Nigerois, all of which have been employed.

There has been only one instance of the first category; this has been taking place almost at the same time as this evaluation.

The workshops and seminars that have been conducted to teach statistical skills—for the most part to civil servants who employ them in their work—are in line with the objectives of the project. How appropriate those workshops and seminars concerned with industrial strategy and informal sector were is more questionable.

In the category of "learning by doing," Nigerois have provided almost all the research personnel for the studies that have so far been undertaken. The largest single group is made up of government officials, followed by local consultants, professors, and students. Expatriate researchers have been employed in a few cases to assist the resident adviser in training and supervising work carried out by local personnel.

Impact of Project Activities on Analytic Capacity and Policy Making

In this area, there is no way to quantify results. We shall have to rely on qualitative appreciations and anecdotal information that cannot be held to the same objective standards. As in the previous section, the discussion is broken down by the type of activity.

Long-Term Training

The performance cited in the previous section and the progress the students now in the United States are making in their studies are indications that a potential is being developed, but it is too early to draw any conclusions about what impact they will have on local policymaking.

Research

While it is easier to analyze the impact of research output, the results are not that much clearer because the limited distribution of the research has kept the project's work from being well known. Although the existence of the project is fairly well known within the government and among international institutions, what it does is not. Reports are not widely distributed until they

are published, which may be several months after they are finished for all intents and purposes. Within the government, the existing coordination mechanism is not very effective according to officials outside the DAEEFP, whose director is the official representative to the project. Aside from the four published studies, other ministries only receive research that they have ordered for their own purposes. Only those intimately involved in the operation of the project really know what is going on. The result is to limit the impact of each study, often to just a few people.

One of the exceptions to this generalization is the *Tableau des opérations financières de l'état (TOFE)*, the purpose of which is to give a comprehensive and coherent view of public finance. A manual was created for technicians who had to produce the statistical system. It was then complemented by a training seminar (noted under "short-term training" above) attended by 46 professionals from the Ministry of Finance. Another study cited by a number of officials with whom the evaluators spoke, *Evaluation des stratégies de gestion des effets de la dévaluation du franc CFA dans le secteur manufacturier nigérien*, looked at how the Niger industrial sector reacted to the devaluation of the CFA franc in January 1994. The study's particular value to them was the survey of the impact of (1) how firms reacted to the devaluation and (2) its estimates of the effectiveness of the special accompanying measures that the government had taken.

Another study that has circulated and may become the basis for more research in the area of statistics is *Les bases de données macro-économiques et financières au Niger*. It is a review of all the major statistical series with emphasis placed on how their shortcomings affect their reliability. There is clearly much work to be done to improve the statistical underpinnings of policymaking. Currently, some series are not based on periodic censuses, data publication is so slow that it is no longer relevant except for historical research, and coverage is incomplete. The paper is comprehensive, well written, and useful as an introduction to nonspecialists in the subject. It would have been even more useful if it had ranked the most serious shortcomings and recommended, as a result, the priorities for new work.

The same lack of strong conclusions (when there is a basis for them) and recommendations afflicts the study of Niger–Nigerian trade. It consists of two surveys of wholesalers engaged in cross-border trade as well as households living in the frontier areas. The study created a new source of data showing that official statistics grossly underestimate the actual volume of trade. While knowledgeable observers were aware of the problem, no one had ever quantified it before. In addition, there is information on factors influencing trade. The data have been computerized and can serve as the beginning of a new series. However, apart from the obvious conclusions from the comparison of its figures with official ones, the study contains no suggestions for future work.

Other work not classified as "research," such as the price survey, really is the first stage of other potential studies. It already provides a larger geographic coverage than the official consumer price index and also includes the CFA franc–naira exchange rate.

A second effort now beginning is the computerization of the Chamber of Commerce's file of business firms. It will be a major input into a new study of the "informal" sector, which includes almost all the economy except the public sector and a small number of large private enterprises. An earlier attempt was rejected as too simple and flawed from the methodological point of view.

We have reviewed 4 of the 12 projects worthy of note. Of the remaining eight, three are still being worked on, three were prepared for a conference in Maradi that sought to explore the consequences of the CFA franc devaluation rumored at the time, and two are concerned with a study of taxation and of tourism.

From this survey, it is clear that the *TOFE* paper and the one on the impact of devaluation had the greatest effect in the sense that in one case a better monitoring tool was created and in the other the effect of a policy was better understood. The effects of the other two—the database study and the cross-border trade with Nigeria study—are more tenuous. Only the Ministry of Commerce and the IMF seemed to appreciate them.

Short-Term Training

Of all the workshops conducted, the *TOFE* workshop received the most favorable comments. As for those working on research projects, it is difficult to measure the impact of Niger participation in analytic capacity. Anecdotal evidence from the participants themselves suggests that there is some participation, particularly where extensive statistical sampling is connected with analysis.

Adequacy of Administration

As noted in Chapter 5, the project has two elements: the provision of services to researchers and trainees and the management of the direction and quality of output. On the first score, the basic framework has been set, but it appears that computer capacity is inadequate and there is a need to regularize the temporary personnel needed for research support. The second problem is more serious: the resident adviser cannot spend enough time on the supervision of research and training. This is in part because he spends too much time on administration and in part because he probably needs help, particularly in certain technical areas outside his field of specialization. As a consequence the production cycle tends to be too long if high quality is to be maintained.

Conclusions

- Performance in the areas of short-term training and research conforms to the project's objectives as revised in 1992.
- The volume and quality of output of research studies and training have been reasonable given the human resources involved and the short time the project has effectively been operating.
- The project has had only a modest impact so far on analytic capacity and policymaking.
- This lack of influence arises in part from the dispersion of effort, which reflects (1) a lack of consensus between the resident adviser and his government counterpart on PAM's proper role and (2) the absence of both a program instrument and sufficient supervision. Both problems arise from defects in the project's design.
- The basic concept of the project is sound and there is no question that there is a need for its services.
- The question is how to make the project more effective with organizational changes.

7. Options and Recommendations for Change

The purpose of this chapter is to examine the principal issues that have emerged from the earlier discussion and make recommendations for change. Given the project's ambitious agenda and shifting goals over time, the points to resolve as a basis for recommendations are

- Definition of the goals of the project and
- Establishment of priorities that should be attached to these goals, as well as ways in which they may be embodied in a more effective management structure.

Related but subordinate issues are

- Dissemination of results to interested parties,
- Post-project planning and institutionalization, and
- Coordination with other projects and donors.

DEFINITION OF PROJECT GOALS

PAM has a split personality. Having begun as a very academically oriented project to train Ph.D. candidates, it has been engaged more in practical applied economics—gathering statistics, mounting training workshops, and turning out studies closely related to current economic developments. However, the original structure embodied in the Research Agenda still gives the project an academic cast and, to a certain extent, style of operation.

Although it is no longer expected that the returned holders of master's degrees will work on models, it is not clear what they will do except conduct ad hoc research. The government believes that the project should be available to assist in any study or type of training that is called for by its economic reform policies. Both the government and USAID have emphasized the participation of Nigerois in research but neither has really addressed the practical problems that this creates, leaving them instead to the resident adviser to resolve. Falling back on the broadest definition of the project's goals—(1) to increase the capacity of Nigerois to analyze their economy and, therefore, (2) to enable them to make more soundly based decisions—begs the question. There are simply too many ways to carry out the project's goal.

A new definition of project goals should arise out of the broad objectives of the project's clients. For USAID the goal now under consideration, as cited in Chapter 4, is to "increase access and utilization of decentralized financial services by poor families, especially women, and improve the environment for the marketing of their production." For the Government of Niger the objective is to facilitate the economic reform process that is a self-proclaimed policy and part of the dialogue with the IMF and the World Bank. Both clients want (1) high-quality research speedily carried out mainly by Nigerois and (2) high-quality training done locally with a minimum of participation by expatriate experts—without an explicit recognition that these requirements may in some cases be contradictory.

The problem, as PAM project experience so far demonstrates, is translating those objectives into a workable, effective annual program. The project's greatest problems result from dispersion

of effort. The issue that raised so much heat during the course of these consultations was not the balance between longer-term studies and those oriented to immediate policy issues, but the proliferation of subjects. The problems of execution are multiplied. The agenda has to be narrowed and adapted to the managerial and expert resources available; or, if that involves too great a compromise with the objectives, managerial and expert resources have to be augmented.

Any redefinition of PAM's goals should build on the project's existing assets. They are as follows:

- A few American-trained economists and the prospect of several more in the next 18 months,
- Considerable research into several areas of statistics,
- Some experience in monitoring the impact of policies, and
- A group of researchers who are beginning to understand the disciplines involved in their work.

The weaknesses are that the resident adviser is over-extended and that there are not enough experts in Niger to act as research leaders.

To create a narrower, more workable, annual agenda the following three decisions should be made:

1. Formally abandon the academic aspirations of the original project in favor of what is generally called "applied economic research,"
2. Decide on a very limited number (perhaps three or four) of permissible areas of study, and
3. Make the annual training program a function of the annual research objectives.

The rationale for a few of the research topics has been that they are thesis subjects. Decision 1 would eliminate that possibility in the future unless the topics could be supported for other reasons.

Decision 2 would reduce the 1992 Research Agenda to a list from which to pick permissible areas of study. The fact that a proposed topic is relevant to some aspect of economic reform would no longer be sufficient by itself. Also the loophole in the 1992 document for policy monitoring is so large that almost anything can pass through it. This complicates management and, by diffusing effort, lessens the project's effect on policymaking. There have been few dominant themes in research so far and the applications for support are even more diverse.

Training activities have been as diverse as research. Although the standard proposed in Decision 3 may seem somewhat rigid, it has the virtue of discouraging frivolous applications that may be difficult to refuse.

ANNUAL PROGRAMMING CONFERENCE

Once made, these decisions should become the components of an annual programming exercise. Instead of being determined on an ad hoc basis, demand should be filtered through a program drawn up by a conference convening once a year. The conference would be composed of senior government officials at the Director General or Secretary General level; the USAID Director; and representatives from the University of Niamey, the Chamber of Commerce, the contractor, DAI's home office, and the membership of the RMC. The resident adviser, in addition to being a

member, could serve as secretary to ensure that decisions were documented and agreed to in writing. This body could serve as a substitute for the research conference.

Each representative would have a somewhat different role to play. The government, along with the Chamber of Commerce, would be the consumers; the contractor and the University would advise on how to shape research proposals; and members of the RMC would advise on the feasibility of execution. USAID, in the dual role of consumer and paymaster, would be responsible for overseeing the agenda to make sure it is feasible. Our impression is that in the past USAID concerned itself largely with seeing that projects were administered correctly, only occasionally intervening in the choice of a study. We propose that it take a more substantive role for two reasons:

1. Its new objectives may require some special research, and
2. It may need to modify government initiatives that may not completely conform to the terms of the project.

The point is that although the major purpose of the project is to strengthen the policymaking role of the Ministry of Finance, USAID has a few legitimate research objectives of its own that should be satisfied. The Mission should add its clout to that of the resident adviser in order to vet both research and training proposals to ensure that they serve a policy purpose and are not just the result of bureaucratic compromise.

Once agreement on the list of permissible topics is reached, the conference would decide on

- Acceptable types of studies in each subject area (e.g., sectoral, basic data, policy decision memoranda);
- Appropriate training programs to support research; and
- A budget that would estimate, for preprogrammed studies, expenditures, manpower required (broken down by researchers and supervisory personnel), and a global limit on contingent studies.

SUPERVISION

The issue of supervision must be faced. Management time, not the budget, is the chief bottleneck of this project. The primary supervisor of research and training is the resident adviser. He needs to reduce the time spent on administration by delegating it to his administrator or, if the administrator is not satisfactory, finding another one. In either case, the time needed to supervise and the variety of subjects on which one needs to be an expert would require help from expert sources. With the pool of qualified and available Nigerois limited in size, more expatriate experts will be needed to fill the gap. They should be recruited for short stays to be research leaders and mentors for the Nigerois, who will do most of the work. The graduates of the American program should be considered an important research and training resource for the project, and the project should have a privileged claim on their time once they return.

If this conclusion is accepted, it follows that the resident adviser position, instead of being terminated in 1995, should be extended until the end of the project. The proper functioning of the resident adviser is one of the keys to the success of PAM.

OTHER ISSUES

Dissemination of Work in Progress and Results

While the existence of the project is well known, the range and detail of its research are not. Our conversations with actual and potential consumers indicate that even other parts of the Ministry of Finance and the Plan are not aware of the range of research being conducted. As noted earlier, the work of the project only becomes generally known when it is published. Before that time only DAEEFP and the project managers have the full picture. Others know nothing or just their own study. Although only 4 of the 12 papers have been published, 5 more are essentially ready for publication. Publicity attracts interest, and possibly contributions, from knowledgeable people. It also enhances influence by involving in its production officials and others who may be consumers of the product.

This problem can be solved in four ways:

1. The resident adviser can contact interested parties in both the Niger and donor communities more often to discuss the project output, including studies under way;
2. Drafts, following the initial stage, can be circulated more widely;
3. The publication process can be accelerated; and
4. A short newsletter describing ongoing research, published perhaps once a month, can be widely circulated.

Post-Project Planning and Institutionalization

The operational phase of the PAM project is only about 2 years old. This type of effort—assembling teams of researchers, identifying study leaders, improving skills—requires considerable time to become fully operational. There is no question that the project fills a need. Basic questions about the economy have not been answered and no one else is doing this type of work. Therefore, there is a good case for continuing beyond the scheduled 1996 termination date in some form.

The issue is to determine the most appropriate institutional formula for assisting the Ministry of Finance in providing good policy advice to the government. The experience of PAM and the example of governments elsewhere, including those of France and the United States, indicates that there is a certain tension between the need to respond to government demands and the need to ensure quality. The difficulty lies in calculating the degree of autonomy a research unit requires in order to be able to argue for the proper standards and still be responsive.

If the PAM project were made part of a government ministry, it would tend to degenerate into a memo shop, its staff always worrying about the next day's deadline. If it were attached as an institute to the University (which, while public, enjoys some autonomy), there is the danger that it might become too academic.

To build a strong, permanent institution, a third solution might be more appropriate: make PAM an institute of applied economic research supported by not only A.I.D. but other donors (e.g., the World Bank, UNDP, and the French) and linked to one or more foreign universities that are interested in this kind of work. Although the Ministry of Finance would have a priority claim on the its resources, the institute would be open to study requests from other entities if such requests fell within areas related to economic policy objectives.

Finally, the experience of this project indicates that too few Nigerois have the necessary education to be research leaders and, especially, to mentor others. There is no substitute for Ph.D.s educated in good American graduate schools as a core group with which to improve the quality of local students. A long-range program could be established, perhaps using some of the better graduates of the master's program. These graduates would have to agree to return and work in Niger as a condition for financing.

This sort of proposal would only make sense if the graduates could be assured of employment at a decent wage when they do return. The institute proposed above might be the place to put them.

Coordination with Other Donors

Except for PAM's input into a study of the agricultural sector being carried out by the World Bank, there have been no joint projects or coordination. This seems to be a general problem in Niger, where there is no institutional mechanism to coordinate technical assistance. The advantage to PAM of cooperation is that it may be able to use experts, paid for by other programs, for its own purposes. For example, if it is decided to integrate the Niger-Nigeria trade data into the balance of payments, PAM, with the government's assistance, could obtain an expert from the IMF's technical assistance department. The IMF also has experts on statistics and monetary policy whom it will furnish, at its own expense, in response to a government request. The French are training technicians in the public finance area and have a few well-qualified researchers resident in the country. This point merits exploration on a case-by-case basis.

SUMMARY

The recommendations of this chapter are as follows:

- The project's original academic orientation should be dropped and returned holders of master's degrees should be employed in project research and training activities.
- Rather than being demand-driven on an ad hoc basis, the annual work program, which can substitute for the updating of the Research Agenda, should limit the number of fields of inquiry and specify certain studies but leave room for unanticipated research in these same areas.
- More expatriate supervision of both training and research will be needed if the quality of both is to be improved.
- The resident adviser position, instead of being terminated in 1995, should be extended until the end of the project.
- Information about the project's research and training activities should be more widely disseminated through a newsletter and personal contacts by the resident adviser.
- Consideration should be given to prolonging the project's current activities by establishing an independent institute supported by A.I.D. and other donors.
- Given the lack of research leaders in Niger, as part of post-project planning, a program of training Ph.D.s should be explored that uses, in part, PAM's master's degree graduates.
- Cooperation with other donors should be explored to take advantage of the resources that they can contribute, generally in the form of experts.

Appendix A

SUMMARY OF THE TRAINING PROGRAM

Long-Term

1. Six economists from the Ministry of Finance and the Plan (MFP) and one from the Chamber of Commerce were sent to the United States for master's degrees in economics.
2. One, also from the MFP, was sent to Burkina Faso for a 2-year public finance program.
3. Two of the eight are women.
4. Three left in 1992, four in 1993, and one (to Burkina Faso) in 1994; two have graduated and returned as of the end of 1994.

Short-Term Local

1. A total of 152 persons participated in 1993 and 1994.
2. Specific activities were
 - A workshop on the use and formulation of *TOFE (Tableau des opérations financières de l'état)*; 46 economists from the MFP; 2/22-3/5/93;
 - A seminar on the informal sector; 47 senior government staff and private sector; 7/16-18/93;
 - A workshop on the definition of an industrial strategy; 18 departmental directors from the Ministries of Commerce, Industry and Plan; 11/22-25/93;
 - A course in English; 15 MFP/DAEEFP; 3-9/15/94;
 - Training to produce macroeconomic forecasts required by the World Bank/IMF during their visits to Niger; 18 MFP/DAEEFP; 8/17-9/19/94;
 - First of four macroeconomic training courses; 8 MFP/DAEEFP; 9/12-30/94.

Short-Term Abroad

1. Project management and planning; one person at the University of Pittsburgh; 10/12-11/11/94.

Appendix B

SUMMARY OF THE RESEARCH PROGRAM

As pointed out in Chapter 6, the project's classification of research projects is not very useful from an analytic point of view. According to it there have been 20 projects. We have added 2 more for a total of 22. From this total, 8 titles have been subtracted for a total of 14. The following list classifies the 22 by type and disposition.

TITLE	DISPOSITION
A. Subtractions	
<i>Estimations des échanges commerciaux Niger-Nigeria</i>	Three parts consolidated into one
<i>Analyse de ciment</i>	Sub-standard
<i>Importance du secteur informel</i>	Sub-standard
<i>Fraude dans le marche des produits petroliers</i>	Sub-standard
<i>Problematique du financement au Niger</i>	Delayed
<i>Revue de litterature: secteur informel</i>	Suspended
<i>Strategies de croissance de l'agriculture</i>	World Bank study with PAM inputs
B. Effective List	
1. Statistical	
<i>Estimations des échanges commerciaux Niger-Nigeria</i>	Finished
<i>TOFE</i>	Finished
<i>Bases de données macro-économiques et financières au Niger</i>	Finished
<i>Enquêtes sur les prix et les taux Naira-FCFA</i>	Continuing
<i>Computerization of business files of the Chamber of Commerce</i>	Continuing
2. Maradi Conference	
<i>Parité du franc CFA</i>	Finished
<i>Competitivité de l'économie nigérienne</i>	Finished
<i>Rachat des billets FCFA par la BCEAO</i>	Finished
3. Policy Monitoring	
<i>Les effets de la dévaluation sur le secteur industriel</i>	Finished

4. Support of Academic Studies

Management du tourisme au Niger

Finished

Formation de l'épargne en milieu rural, cas de Matameye

Continuing

5. Research Agenda

Législation du travail et le secteur privé

Continuing

Constitution filières agricoles (rcvue de littérature)

Continuing

Examen analytique des écrits sur la fiscalité nigérienne

Finished

Appendix C
PERSONS INTERVIEWED

Name	Date (1994)	Title and Affiliation
FORMER PARTICIPANTS		
Greg Baker	Oct. 17	Economist, A.I.D./Wash. Asia Bureau/SEA. Was mission economist, Niamey 1991-1993
Ousmane Samba	Nov. 4	Former mission economist USAID, Niamey, now at CERDI, Univ. d'Auvergne Clermont-Ferrand, France
DAI PERSONNEL		
Mohamed Seydatou	Nov. 4	Manager, PAM, Niamey
Stéphane Conte	Various times Nov. 7-17	Resident Adviser
Scott Simons	Nov. 28	Director, Economics and Policy Analysis, Bethesda, MD
GOVERNMENT OF NIGER		
Hamid Ahmed	Nov. 4,7	Director, Office of Economic Analysis, Financial Research and Forecasting
Malaki Barhouni	Nov. 9	Secretary General, Ministry of Commerce, Transport and Tourism
Boubacar Mourmouni Saidou	Nov. 9	Director General of the Plan, Ministry of Finance and the Plan
Saidou Sidibe	Nov. 10	Director, Office of Exchange Rate and Financial Policy, Ministry of Finance
Moustapha A.K. Gaoh	Nov. 11	Deputy Program Director Ministry of Finance
Maidaji Abdou	Nov. 16	Director General, Economy Bureau

INTERNATIONAL ORGANIZATIONS

Abderahamane Remili	Nov. 10	Principal Economist, UNDP, Niamey
Abdul Haji	Nov. 11	Resident Representative, World Bank

PRIVATE SECTOR

Bernard van Miekert	Nov. 14	Consultant
Gani Rabou	Nov. 15	Chamber of Commerce, Industry, Agriculture and Handicrafts

RESEARCHERS

Ly Samba	Nov. 10	Agricultural Economist, INRAN
Soulemane Georges	Nov. 10	Statistician, Ministry of Finance
Moha Aliou	Nov. 10	Economist, Ministry of Agriculture
Dioffo Ibrahim	Nov. 10	Ministry of Finance
Simon Oueadragogo	Nov. 10	Consultant
Saidou Djibo	Nov. 10	Ministry of Finance
Sani Yacoubou	Nov. 10	Consultant

Appendix D

DOCUMENTS EXAMINED

Organization and Administration of the Project

Policy Analysis and Monitoring Project (PAM), Project Paper (683-0266). August 1990.

Aide-memoire of a meeting held on February 14, 1992 between DAI and A.I.D. on five specific modifications to PAM, based on Phase I experience.

Two memos on modifying the original PAM project, from Eric Nelson, DAI, to Beatrice Beyer PGM, A.I.D., March 11 and 12, 1992.

DAI. *Research Agenda, Policy Analysis and Monitoring Project*, Final Report. Niamey: June 1992.

Weaver, Robert (DAI). *Implementation Plan for the Research Agenda*. Mission Report. Niamey: PAM, August 23-September 4, 1992.

USAID. Project Implementation Reports. Niamey: April 5 and October 3, 1994.

Two Memos to Evaluation Team from resident adviser summarizing training, research and resident adviser's time utilization pattern. November 14, 1994.

USAID/Niger Project Portfolio. June 1994.

PAM Studies Analyzed

TOFE (Tableau des opérations financières de l'état)

Estimation des échanges commerciaux Niger-Nigeria

Les bases de données macro-économiques et financières au Niger

Les effets de la dévaluation sur le secteur industriel

Examen analytique des écrits sur la fiscalité Nigerienne

Resultats de nos enquêtes sur les prix et les taux Naira-FCFA dans quelques centres urbains du Niger

Background

IMF. *Recent Economic Developments*. September 22, 1993.

IMF. *Staff Report for the 1993 Article IV Consultation*.

World Bank/IDA Niger. *Economic Recovery Credit*. March 1, 1994.

Lama, Joachim. *La dévaluation du franc CFA: Essai de bilan pour l'économie du Niger*. 1994.