

**POLICY ANALYSIS  
AND  
MONITORING PROJECT  
683-0266**

AUG - 6 1990

**ACTION MEMORANDUM FOR THE MISSION DIRECTOR**

**FROM:** PDO, Erna Kerst *E/kt*

**SUBJECT** Approval to Authorize the Policy Analysis and Monitoring Project,  
Number 683-0266

**I. ACTION:**

Your approval is requested for a grant of \$5,000,000 from the Development Fund for Africa (DFA) Appropriation to Niger for the Policy Analysis and Monitoring Project, Number 683-0266. It is planned that a total of \$1,300,000 will be obligated in FY 1990.

**II. DISCUSSION:**

**A. Description:**

The goal of the PAM project is to assist in the process of increasing production and incomes in rural Niger. The project's purpose is to strengthen the Ministry of Plan's ability to analyze policy options and monitor the impact of prior policy decisions. The project finances research and training related to economic analysis.

**B. Financial Summary (obligations):**

	<u>Year 1</u>	<u>LOP</u>
	(\$000)	
Technical Assistance	700	1,290
Training	200	940
Commodities	150	150
Studies	200	1,460
Monitoring/Evaluation	-	150
Audit	-	50
Mission Support Costs	20	350
Contingency/Inflation/Other	30	610
<u>Total:</u>	1,300	5,000

(There is no host country contribution requirement.)

C. Mission Review of Project Paper:

The Mission's review committee met on June 19, 1990.

D. Special Concerns:

1. Conditions and Covenants:

The project has standard conditions as set forth in the Project Authorization attached to this Action Memorandum.

2. Implementing Agencies:

The lead agency for the Grantee is the Ministry of Plan. An American or other Code 935 (Free World) organization will be selected through competition to manage most project activities under direct AID contract.

3. Training:

USAID will manage long-term degree training and some short-term training in year 1. The T.A. contractor will manage the majority of short-term training.

4. Local cost Financing:

The program is dollar funded. The contractor will follow standard procurement policies for local purchases.

5. The Gray Amendment

Use of Gray Amendment entities will be encouraged. The lead technical assistance contract must include Gray Amendment involvement for at least 10% of total contract value, if the lead institution does not itself so qualify. All solicitations will so state.

6. Project Officers:

USAID: Frank Martin  
AID/W: AFR/PD/SWAP

E. Waivers

There are no waivers required.

F. Section 121 (d)

No DFA funds will be transferred to the Government of Niger. All funds will be controlled either by USAID or the technical assistance contractor.

III. JUSTIFICATION TO CONGRESS:

A Technical Notification was sent to Congress on July 24, 1990. The waiting period expired on August 7, 1990, per State 260894

IV. AUTHORITY:

The Mission has been authorized to complete the PID and Project Paper and approve the Policy Analysis and Monitoring Project (PAM), Number 683-0266, in the field in accordance with DOA 551, as amended, and in accordance with cable guidance, 89 State 304504.

V. RECOMMENDATION:

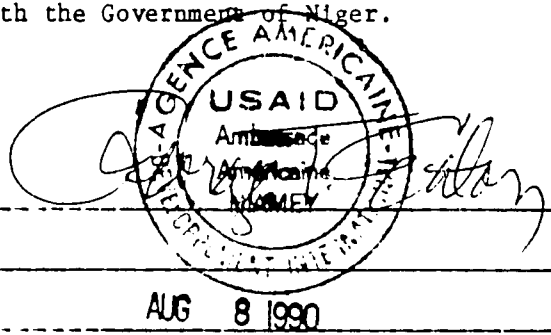
It is recommended that:

You sign the attached Project Authorization for the subject project for a \$5,000,000 grant from the Development Fund for Africa to be executed through a Grant Agreement with the Government of Niger.

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_



Draft:PDO:EKerst	<i>EK</i>	Date	WG:1315b/SI
Clear:P/ECON:FMartin	<i>FM</i>	Date	6/24/90
PROG:BKBeyer	<i>BKB</i>	Date	6-25-90
EXO:AVodraska	<i>AV</i>	Date	6-25-90
CONT:PCallen	<i>PC</i>	Date	6-25-90
ADO:GTaylor	<i>GT</i>	Date	29/01/90
GDO:JSlattey	<i>JS</i>	Date	7/3/90
RLA:Mfittipalari	<i>mf</i>	Date	

PROJECT AUTHORIZATION

COUNTRY: Republic of Niger  
PROJECT NAME: Policy Analysis and Monitoring  
PROJECT NUMBER: 683-0266

1. Pursuant to Section 121 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Policy Analysis and Monitoring Project (the "Project"), for Niger involving planned obligations of not to exceed Five Million U.S. Dollars (\$5,000,000) in grant funds over a six year period subject to the availability of funds in accordance with the A.I.D. OYB allotment process, to help in financing foreign exchange and local currency costs for the Project. The planned life of the Project is six years from the date of initial obligation.

2. The Project finances research and training related to economic analysis, and provides technical assistance to the Ministry of Plan to set up data systems needed for economic analysis and monitoring. The Project will finance the costs of technical assistance, studies, training, equipment and other goods and services necessary for achieving the Project purpose and attaining the Project outputs.

3. The Grant Agreement which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such terms and conditions as A.I.D. may deem appropriate.

A. Source and Origin of Commodities, Nationality of Services:

1) The authorized source, origin and nationality for procurement under the project shall be the countries included in A.I.D. geographic code 935.

2) At least 50% of the gross tonnage of all A.I.D.-financed commodities shipped on ocean vessels must be shipped on U.S. Flag commercial vessels if such are available at fair and reasonable prices.

3) Air travel and transportation to and from the United States must be upon certified U.S. Flag carriers.

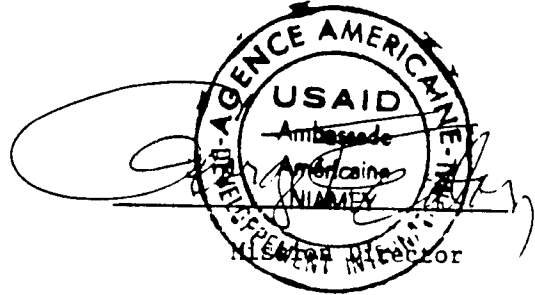
B. Conditions Precedent:

The Grant Agreement will provide conditions precedent in substance as follows:

Prior to any disbursement, or the issuance of any A.I.D. documentation pursuant to which disbursement will be made, the Grantee shall furnish to USAID/Niger names and titles of the persons who will act as the representatives of the Government of Niger, together with a specimen signature of each person specified in such statement.

AUG 8 1990

Date \_\_\_\_\_



<u>Draft:</u>	PDO:Ekerst,	<u>[Signature]</u>	date	5/22/90	, WG:1315b/SI
<u>Clear:</u>	P/ECON:FMartin	<u>[Signature]</u>	date	7/10/90	
	PROG:BKBeyer	<u>[Signature]</u>	date	6-25-90	
	RLA:MFittipaldi	<u>[Signature]</u>	date	7/24/90	

**AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**PROJECT DATA SHEET**

1. TRANSACTION CODE: **A** (A = Add, C = Change, D = Delete) Amendment Number: \_\_\_\_\_ DOCUMENT CODE: **3**

COUNTRY/ENTITY: **Niger**

2. PROJECT NUMBER: **683-0266**

4. BUREAU/OFFICE: **AFR**

3. PROJECT TITLE (maximum 40 characters): **Policy Analysis and Monitoring**

6. PROJECT ASSISTANCE COMPLETION DATE (FACD): MM DD YY **016 | 310 | 916**

7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4)  
 A. Initial FY **910** B. Quarter **3** C. Final FY **915**

8. COSTS / \$000 OR EQUIVALENT \$1 = \_\_\_\_\_

A. FUNDING SOURCE	FIRST FY <b>90791</b>			LIFE OF PROJECT		
	B. FX	C. LIC	D. Total	E. FX	F. LIC	G. Total
AD Appropriated Total						
Grant			1,300			5,000
Loan						
Other						
U.S.						
Host Country						
Other Donor(s)						
<b>TOTALS</b>						<b>5,000</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	661	710				1,300		5,000	
(2)									
(3)									
(4)									
<b>TOTALS</b>									

10. SECONDARY TECHNICAL CODES (maximum 8 codes of 3 positions each): **968**

11. SECONDARY PURPOSE CODE: \_\_\_\_\_

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)  
 A. Code: **RGEN**  
 B. Amount: **1,400**

13. PROJECT PURPOSE (maximum 480 characters):

Strengthen the Ministry of Plan's ability to analyze policy options and monitor the impacts of prior policy decisions.

14. SCHEDULED EVALUATIONS: Interim MM YY **016 | 913** Final MM YY **019 | 915**

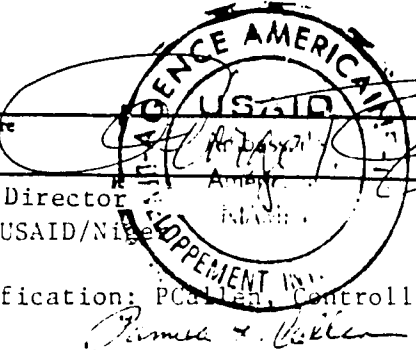
15. SOURCE/ORIGIN OF GOODS AND SERVICES:  000  941  Local  Other (Specify) **935**

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment.)

17. APPROVED BY: Signature: \_\_\_\_\_ Title: **Director USAID/Niger** Date Signed: **AUG 2 1991**

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY \_\_\_\_\_

Certification: PCA, Controller: \_\_\_\_\_



Policy Analysis and Monitoring Project  
(683-0266)  
Project Paper  
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DOC:1290b

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I. Project Background and Description

A. Background

1. Economic Overview

Traditional agriculture is the base of Niger's economy. An enclave mining sector (uranium) contributes to government revenues but it does not have extensive linkages with the rest of the economy. The small industrial sector is dominated by one public utility and handicraft industries. Manufacturing is a negligible component of the economy. The service sector, including trade and transportation but excluding government, is the second largest sector after agriculture.

Annual changes in the level of economic activity are explained more by rainfall patterns than by any other single factor. At the end of the decade of the 1980's real gross domestic product (GDP) is equal to its beginning-of-the-decade level. The poor rainfall patterns in 1984, 1987 and 1989 led to declines in real GDP of seventeen, five and six percent respectively. GDP growth in non-drought years was not sufficiently strong to lift the economy above pre-drought levels.

Employment is concentrated in the rural sector. Ninety-one percent of the labor force earns all or a part of its income there, seven percent of the labor force is in the service sector (including government) and the remaining two percent is in industry. The annual growth rate of the labor force is in excess of two percent.

Per capita income is low (\$260) because of the large proportion of the labor force in agriculture and the low productivity of agricultural workers. Use of animal traction is not widespread. Fertilizer consumption per unit of land is lower in Niger than in the other Sahelian countries and is less than ten percent of the average for low-income Sub-Saharan Africa. At mid-decade the index of food production per capita was four percent below the base year (1979-81). The predominant crops are millet and sorghum, most of which production is for on-farm consumption.

The value of livestock production is nearly forty percent of total rural production in normal rainfall years. Livestock herders' practices can be described as traditional. Herders generally attempt to maximize herd size. Sales are made to meet cash needs for household consumption. Competition for land between herders and cultivators is increasing as population pressures push cultivators north and lack of pasture pushes herders south.

Both livestock and agricultural products are exported. Niger's major export market for rural products is Nigeria, which purchases substantial quantities of livestock and cowpeas. Onions are exported to Cote d'Ivoire and other coastal markets. The contribution of the rural sector to export receipts is dwarfed however by uranium export revenues. Three-fourths of all export receipts come from uranium. The financial sector's structure and performance are what one would expect given Niger's economic structure. One development bank, six commercial banks and three non-bank financial institutions comprise the

financial sector; lending is dominated by the development bank. Three banks hold ninety-six percent of total private deposits. Outstanding credit is predominantly short and medium-term; less than one percent is long-term. Most banking activity is concentrated in the capital. Only two banks operate a system of branch offices. The national development bank is undergoing rehabilitation during which time its banking operations are severely curtailed.

Government fiscal strategies have been preoccupied with several problems: a large external debt, weak domestic resource mobilization and poor resource management. The government sector is the country's major investor, yet government revenue can fund no more than five percent of the public investment budget. Donor funding pays for ninety-five percent of the public investment budget as well as a portion of the government operating budget. Indirect taxes (including foreign trade taxes) are the principal sources of public funds. The government revenue/GDP ratio is below ten percent. Fiscal and external imbalances are serious economic management problems facing the government.

The structural transformation of Niger's economy will occur slowly under the best of circumstances. Educational levels are low. The primary school enrollment is twenty-eight percent. The adult literacy rate is ten percent. Productivity gains in agriculture through research have been difficult to find. The low-level of rural purchasing power constraints industrialization prospects. Urban demand for food is also constrained by low levels of income. Many urban households rely for their food consumption requirements on transfers from rural relatives of grain and other foodstuffs. Cash expenditures, and hence effective market demand, are quite low. Low incomes, small domestic markets and weak demand suggest the need for an outward looking development strategy.

## 2. Government of Niger Development Strategy

The GON adopted a Five-Year Economic and Social Development Plan (1987-1991) in 1987. This document announced the two precepts which are guiding development planning. First, the rural sector must be the engine of growth, and second, the economic role of the state vis-a-vis the private sector must shrink. It also formalized a shift in GON policy that had been taking place since the onset of its stabilization program in 1983. Restrictive trade policies and other forms of inappropriate government intervention in the economy have been and continue to be eliminated, both under the USAID-funded policy reform grants (Agriculture Sector Development Grant and Niger Economic Policy Reform Program) and, especially since 1986, with the initiation of a formal Structural Adjustment Program. As its legal books are being cleared of impediments to economic growth, the GON needs to turn its attention to improved monitoring of policy reforms and formulation of the next generation of policy initiatives. The need for new policies and programs which incite economic activity and induce private investment in accordance with Niger's comparative advantage is acknowledged in the Five-Year Plan without specific details. The Government of Niger must now develop short- and medium-term policies and programs to achieve these goals with impact monitoring viewed as an integral component of the policy formulation and implementation process.

### 3. USAID Development Strategy

The Niger CDSS, approved in 1986, focuses in the medium term on helping Niger support policies and undertake actions necessary for structural adjustment. Using sector program grants, USAID is concentrating on policy changes, better resource management and increased efficiency of human and financial resource use in agriculture/rural development and health/family planning. A significant constraint in policy formulation and implementation has been analytical limitations complicated by an inadequate data base. The PAM project will play a critical supporting role in facilitating the USAID's expanded involvement in policy reform initiatives. PAM is one of a number of efforts financed by USAID that will improve knowledge of the rural economy, and understanding of the impact of policy and project interventions in rural Niger. Other activities include:

- Agriculture Sector Development Grant I (1984-92) and II (now in design for 1990-95) which focus on policy reform related to rural development, particularly agriculture and pastoralism. PAM will provide data and analysis for present and future rural sector development efforts. Policy analysis and institutional development activities under ASDG will increase the potential impact of economic analysis undertaken through the PAM project.
- Niger Economic Policy Reform Program (1988-91) emphasizes policy reforms relating to agropastoral exports. Data gathered under the auspices of this program may be useful to PAM studies. The impact of changes in governmental export policy on actual export marketing needs to be monitored by the GON and USAID within the NEPRP context and on a larger scale, given the importance of regional trade in the Nigerien economy.
- Policy Reform and Poverty (Cornell study). A researcher from Cornell University is assisting DAEP over a two-year period (1990-91) to improve analysis and monitoring of the effects of structural adjustment on the poor. The analytical work carried out under this project will help the GON, USAID and the project implementor to design an appropriate research agenda.
- Family Health and Demography (1988-93). Family Health and Demography Project has a component which is aiding the Ministry of Plan (Direction of Statistics) in incorporating demographic data into macroeconomic analysis.
- Niger Health Sector Support Grant (1986-1992). Provides assistance to the Ministry of Public Health to restructure the health delivery system in a way that emphasizes the importance of preventative care and health care delivery in rural areas.

This project also takes into account the Development Fund for Africa (DFA) commitment to strengthen A.I.D.'s performance-based programming approach over the coming years. Enhanced monitoring by the GON of changes in the rural economy will also assist USAID in developing programs which reflect such trends, and in monitoring the impact of its portfolio.

#### 4. Perceived Problem

The core problem to be addressed by this project is the inability of the Ministry of Plan to subject policy options to a rigorous analysis of their likely impacts or to track the impacts of policy decisions. The problem arises because the ministry does not have the necessary data and analytical methods. In May 1989 the Minister of Plan wrote to the Director of USAID/Niger requesting assistance in strengthening the GON capacity in policy analysis and the evaluation of the impacts of these policies on the economy. The letter stressed the need to improve this capacity in the rural sector.

The GON has been liberalizing its economic policies since 1983. Market forces are replacing government fiat. Underlying this reform program is the notion that public policies can stimulate, encourage and facilitate economic activities but that it is counterproductive to think that public policies can direct economic agents to undertake economic activities or that public enterprises themselves should take the lead in the production of goods and services. The new policy framework changes the nature of policy analysis and the data requirements of analysts.

Economic decision-makers in the Government of Niger are called upon to conceive and elaborate economic policies which will foster the structural transformation of an economy in which the rural sector predominates. It is the country's only potential engine of growth, yet its behavior and its responsiveness to economic incentives and disincentives (whether policy generated or exogenous) are only poorly understood. The policy-making system in Niger is handicapped by the lack of reliable statistics on both the structure and behavior of the rural economy. Adequate basic data collection and sufficiently systematic data analysis rarely precede policy formulation. Moreover, once public policies are put into place, reliable data on their impact are also lacking so that essential inputs into what should be a periodic refinement and adjustment process are not there. This situation increases the likelihood of inappropriate policies being initiated and lengthens the time it takes to recognize their inappropriateness and assess their unintended impacts.

The Direction of Economic Analysis and Forecasting (DAEP) of the Ministry of Plan is charged with oversight of the structural adjustment process (including bilateral elements such as USAID's Niger Economic Policy Reform Program) and the development of Niger's economic development strategy. The Direction is currently updating a 1981 Input/Output model and is developing an education sector planning model. Multi-market commodity models and farm production simulation models are essential tools for analyzing the interaction of market forces and public policies. These models of the Nigerien economy have not been developed.

The DAEP has eleven professional employees, of whom only the Director and Deputy have received economics training beyond the B.A. level. Undergraduate economics training does not provide an adequate basis to enable one to design and carry out impact monitoring and research activity, to develop or calibrate economic models or to analyze and interpret the output of economic models. Thus, the level of academic training within the DAEP is also a constraint to effective policy analysis and monitoring.

The PAM project has been developed to respond to the interrelated needs for information on the structure of the rural economy which can be used to plan policies and to monitor their effect, and the need for training of GON staff to manipulate and interpret these data bases once established.

## B. Project Description

### 1. Project Goal and Purpose

The goal of the Policy Analysis and Monitoring Project is to assist in the process of increasing production and incomes in the rural economy of Niger.

The project's purpose is to strengthen the Ministry of Plan's (DAEP) ability to analyze policy options and monitor the impacts of policy decisions.

### 2. Outputs

This project will strengthen the DAEP's ability to analyze policy options and monitor the impacts of policy decisions. Outputs of the project will be systems and data bases for monitoring the rural economy, and by extension the effects of policy reform measures. Outputs will also include a set of studies and research reports on the rural economy which will be available to economic decision makers (GON, donor, private sector), as well as to academics concerned with Niger's rural development. At end of the project the staff in the Division of Economic Analysis and Forecasting (DAEP) of the Ministry of Plan will be trained to analyse and to maintain the data bases.

Ministry employees, now or in the near future, are unlikely to undertake economic research themselves. They have neither the luxury of time, nor generally the depth of expertise required for field research. What is important to build is the capacity to determine particular research needs, to analyze research proposals, and to use the results of such research for economic decision making. The GON does not now have sufficient numbers of cadres with appropriate academic training to be able to carry out these tasks effectively. Nor does it have large numbers of cadres who can be made available for long-term academic training in economics at the graduate level (M.A.). Taking these constraints into consideration, the project will provide funding for seven cadres to receive M.A.-level training in economics, and will program in-service training in economic analysis for cadres who have appropriate academic credentials already. Priority will be given to employees of the DAEP in Plan. The project will provide this training to employees of a number of ministries having roles in the analysis of economic policy (Plan, Finance, Agriculture, Economic Promotion and the Prime Minister's Office). This common training, whether short or long-term, can foster a more fruitful interministerial collaboration in the design and analysis of policies. Shared analytical tools can elucidate the commonalities and differences in ministerial positions and focus the interministerial negotiations on essential points of dispute.

After completion of long-term training, the Plan staff will work with project researchers on the research projects and with the long-term senior resident advisor to apply the research outputs to the analysis of policy options and to complete the development and implementation of policy monitoring systems. It is expected that they will be able to run the computer models, carry out sensitivity analyses, interpret the outputs of the models for policy makers and update and refine the models as the information base expands.

A minimum of forty GON professional staff will have received short-term, specialized training under the project, which will allow them to carry out specific aspects of the analytical work of the ministry at project end. A larger number of employees (numbers not predetermined) will benefit from seminars and other in-country training opportunities on subjects relating to methodology, computer techniques and particular economic analysis issues. Exposure of a broad range of staff to the principles and techniques of economic analysis will add to the project's potential for sustainability. The government's needs in this domain go beyond the limits of a particular office in Plan. For this reason, in-country training will be offered to personnel of other ministries and various sections of Plan.

### 3. Project Components

The project will provide a range of technical assistance and training to analytical units of the planning ministry and several technical ministries. The project will have five components:

- I. Assessment of Policy Analysis and Monitoring Requirements
- II. Workshop on the Research Agenda
- III. Research and Analysis
- IV. Integration of Research Results in the Policy Analysis Framework
- V. Short and Long-term Training.

The planned life of project is six years. It is anticipated that the first year of the project will be devoted to selection of the long-term contractor, and some short-term training managed by USAID, but that active project implementation will not begin until Year 2.

#### I. Assessment of Policy Analysis Requirements.

In the 1980s, the Government of Niger undertook a major economic reform program which had as its major goal the improvement of the government's fiscal position. The anticipated impacts on the government's fiscal position were well known and agreed upon. The reform program also affected the rural economy. However, the economic linkages and behavioral patterns of economic actors are not well known. Consequently it was difficult to agree on the likely impacts of the reform program on the rural economy. This lack of information on the rural economy will prevent the government from doing ex-ante assessments of policy alternatives in the future.

The data requirements of rural development policy analysis and monitoring will be explored in the first phase of the project. The contractor will

interview decision makers in the GON to determine their priorities in economic policy formulation: policy objectives, economic and social decision criteria and range of policy options. Technical staff within the GON will be interviewed to determine their current ability to respond to the needs of decision makers. The contractor will then prepare a proposed research agenda based on this needs and capabilities assessment. This agenda can include both short and long-term studies. All proposed studies must address a priority policy issue and the set of proposed studies must fit into an economic policy analysis and monitoring framework. For the first component of the project, the contractor will provide four persons with the following areas of expertise: macroeconomics, public finance, international trade and rural development. The draft agenda will be the basic document of the second project component.

The project will develop a research plan which will be aimed at giving GON and USAID technical staff adequate knowledge of the structure of the economy to assess the probable impacts of alternative policies and to monitor the impact of in-place policies, during and after the project. The project will then fund selected research efforts on topics related to rural economic growth and development. The lack of data on the rural economy will necessitate a primary data collection component in most research efforts. Illustrative examples of the type of research to be undertaken are: analysis of crop competitiveness, determinants of rural investment patterns, the structures of urban and rural household demand, the role of foreign currencies in a border zone, the importance of transportation in comparative advantage and the impact of fiscal policy changes on rural production and consumption patterns. The empirical results of this research will enable economic policy makers to reach better-informed decisions about the efficacy of related economic development policies.

The selection criteria for inclusion of a specific research proposal in the final research agenda are: 1) the proposal will provide GON decision makers with information on the rural economy that is not currently available, 2) the information is directly relevant to policy decisions on rural development and 3) the set of proposals, taken together, represent a coherent, focused agenda on fiscal, trade and rural development policies.

A critical corollary to the above is enabling the GON to build up a system, including a data base, for ongoing policy reform monitoring so that policy impacts can be adequately analyzed and understood. Each research effort will produce an analytical model or method for policy analysis work. In view of the need to consider all policies within the context of the overall economy, the monitoring system will be geared towards the entire GON reform program, not only those programs being promoted by the USAID.

## II. Workshop on the Research Agenda

The workshop will bring together representatives of the GON, USAID, the contractor and independent experts, to discuss, evaluate, modify if necessary, and approve the research agenda. The final decision on the composition of the research agenda rests with the GON. The workshop



participants will reassemble annually to review project progress and to program research funds not allocated by the initial workshop. The contractor will be responsible for workshop logistics and will prepare the final report of the workshop.

The workshop will provide a focal point for research activities undertaken under project auspices, allowing presentation of findings, discussion of key issues by a panel which includes GON and USAID representatives, experts from international research organizations (such as IFPRI), and advisors financed by the project. The research coordinator of the technical assistance contractor will be responsible for organization of these meetings. The agenda for a typical meeting will include presentation of progress reports/major findings from ongoing and completed research, presentation and decision on proposals for research over the next 12 months, discussions of the status of project research efforts in general and agreement on modification of approaches, if necessary.

### III. Research and Analysis

This third component will take place primarily in the second to fourth years of the project. This component will feature implementation of studies and research. Long-term research studies will be of "dissertation quality." To the extent possible Nigeriens will be selected to do the long-term research. The project will prepare a roster of Nigerien economists and Nigerien PhD students in economics. Their participation in the research component will be actively solicited prior to selection of researchers. Long-term researchers will be financed via stipends and will not receive the normal long-term TA compensation and support package.

The monitoring aspect of the project will be incorporated into the design of the research projects. Each long-term research project will produce an in-depth "picture" of one or more parts of the economy at a particular time period. The "dissertation quality" of the research applies to the statistical reliability of the picture. Data collection methodologies will conform to standard data collection norms for social science research. The financial and labor costs of conforming to these norms prevent the GON or USAID from taking another picture of the same part of the economy one or two years later. However, policy makers need a dynamic picture of the economy. To satisfy this requirement of policy makers, each research project will include the development of a system of simple, low-cost follow-up surveys. The data outputs of these surveys will allow inferences, via the long-term research results, to be made about important but non-observable variables in the economy. It is expected that this policy monitoring will be institutionalized during the fourth component. A potential extension of these periodic surveys is the preparation of one or more "state of the economy" reports. It is unlikely that this additional step could be fully implemented during the life of PAM, but it may be possible to produce a prototype report near the end of the project. This final activity is not integral to project success, but may be an activity which the GON would be interested in pursuing after this project.

#### IV. Integration of the Research Results into the Policy Analysis Framework

The fourth component of the project will consist of a long-term senior advisor resident in the DAEP for the last 24 months of the project. The task of this advisor will be to operationalize the research results. This work will include the integration of the planning and analysis models into the work of the DAEP, and training of DAEP staff in the application of the models and verification of inter-model consistency.

The fourth component work on policy impact monitoring will consist of field testing and implementation of the follow-up surveys. By the fourth year of the project the research studies will have produced a variety of analytical tools and economic data bases. The analytical models or tools may be quite specific, such as a model of the livestock export subsector, or more general, a methodology for calculating the recurrent costs of public investments so that planning models of the investment and general budgets can be linked. The long-term senior advisor will train GON staff in the use of these models. The advisor will assist the Ministry of Plan, and possibly other ministries, to incorporate these models into the everyday operations so that their use becomes routine and value widely accepted. Employee training will include guidance on updating parameter models and interpretation of results in addition to "running" the models. It is expected that by the end of the project the DAEP of the Ministry of Plan will have a toolbox of analytical models, tools and methodologies at its disposal with which it will be able to provide timely and accurate responses to policy makers "what if...?" questions, and to provide periodic, statistically accurate assessments of policy impacts on the economy.

#### V. Long and short-term training

The fifth component of the project is devoted to training, and will be implemented over the course of the project. The project will fund graduate training in economic analysis (M.A.-level) for seven cadres from the Ministry of Plan and other agencies affiliated with the economic policy analysis functions of the government (e.g., MA/L, MH/E, MEP, MF). USAID will manage this activity directly. The long-term training of GON cadres will begin as soon as candidates are approved. The experience of other USAID projects in Niger suggests that this training will not begin until the second year of the project. USAID experience in prior projects is that identification of qualified and available cadres (given GON civil service rules and staffing constraints) for such degree training is not easy. If more than seven candidates are named who are appropriate (serve in analytical capacity, have requisite B.A. training), USAID will reprogram contingency funds for a limited number of additional candidates and/or propose candidates to the regional training program ATLAS.

Short-term training will take place throughout the six year life of project. Annual training plans will be prepared by the contractor and submitted to USAID and the GON for approval. The objective of the short-term training program is improved skills in the participating ministries in the following areas: computers (including data processing), sectoral analysis, statistical analysis and economic analysis. Particular emphasis will be given to trade policy, fiscal policy and

public investment policy. The short-term training will upgrade the skills of a wide range of individuals whose work relates to economic analysis. Repeating certain types of short-term training (e.g. in seminar form) over time, and incorporating on-the-job training will help to assure that training is not concentrated on only a small group of individuals. The intention of the short-term training is to provide a broad base of familiarity with the techniques and concepts to be applied in maintaining the analytical systems after project completion.

Short-term specialized training will be provided to up to ten participants per year at U.S. or third country academic institutions. This training will be in aspects of economic analysis, in research methodology and other related skills. The selection of training will depend on courses offered in French in any one year (which vary over time), and the particular needs of the project as it develops.

The project will also feature in-country seminars for discussion of research findings and workshops on techniques of economic policy analysis. The contractor will manage these activities.

## II Project Analyses

### A. Economic and Financial Considerations

#### 1. Economic considerations

The economic benefits of the project cannot be quantified. As a research-based activity, benefit/cost equations are not directly calculable or required. The project will be successful if it guides the GON to a development strategy which increases the productivity of its public investments. A hypothetical B/C ratio can be constructed as follows. Public investment spending in Niger is about \$200 million. An increase in the return on that investment of one-half of one percent has a net present value of \$20 million (at a discount rate of five percent). An additional return of \$20 million on each year's investment budget compared to a \$5 million project cost yields an astronomical benefit-cost ratio. A second way to approach the B/C ratio is to calculate the required increase in investment productivity that is just sufficient to pay for the project. The required one-year increase is one-eighth of one percent (again at a five percent discount rate). Since the project can be expected to improve public investment decisions over a multiple-year period the required minimum productivity increase is indeed very small.

The broad areas of policy analysis within which the research will take place are fiscal policy, trade policy and investment policy. These areas of emphasis respond directly to the current economic situation in Niger (see section I.A.1.). Public policies in Niger must address the fiscal and trade imbalances. This can be done by a combination of policies which increase domestic resource mobilization while minimizing the disincentive effects of taxation and stimulate the production of cash crops for export and reduce constraints to trade. The public investment budget for rural development is \$118 million. Allocation decisions for these resources should be based on estimates of the productivity of capital in alternative uses. Public investment works in tandem with fiscal and trade policies to bring forth increases in productivity,

production and incomes. The research undertaken in the PAM project will furnish empirical data and analysis with which fiscal, trade and investment policies can be developed in an internally consistent framework.

Policy analysis and monitoring includes three types of activities. Basic data collection is an activity which provides information either directly useful to policy makers or useful after it has been analysed by technicians. This work is normally done by public statistical offices or other specialized agencies. The PAM project will use data currently collected and make recommendations for new data collection efforts. The second activity is policy-based research. This work is long-term and usually undertaken by experts who have specialized in applied research. Most developing countries rely on experts outside of government to do this work. The PAM project research will be this type of activity. The third activity is quick-turn-around policy analysis. This analysis relies on the other two activities. Generally done by public employees, it entails using available data and the insights of policy-based research to assess policy options and impacts. The training and analytical tools of the project will improve the capacity of the DAEP to carry out this type of policy analysis.

The data requirements for monitoring policy impacts will vary depending on the specific policy of interest. One can, however, describe a minimum composition of data which should be included in a system which attempts to provide a comprehensive assessment of economic development in a country. These data are usually either the targets of policy interventions or instrumental variables through which policies are expected to affect the targets. The following list shows the basic elements of a monitoring system.

Data for monitoring policy impacts

- Aggregate and sectoral economic performance
- Internal terms of trade
- Prices of intermediate inputs
- Product prices and inflation
- Price transmission elasticities
- Deviation of official and parallel prices
- Labor markets
  - wage level
  - agriculture/non-agriculture wages
  - employment statistics
- Public expenditures
  - levels
  - sectoral composition
  - subsidies and transfers
- Credit and investment
- Social indicators
  - mortality/morbidity
  - nutrition surveys
  - school enrollment rates

Given the stringent fiscal situation in Niger post-project sustainability is an issue. The monitoring systems established under the project will

be inoperative unless the required data continues to be collected in a timely fashion. The project will address sustainability in two ways. First, the monitoring systems will rely directly on data already collected by the government to the maximum extent possible. Macroeconomic and sectoral aggregates, public expenditures and tax and customs data are examples of data available to the Ministry of Plan. These data sets are part of the standard data collection procedures of the GON, and will continue to be with or without the project (they are data collected by any national government). As a result of project inputs (research), analysts will have better knowledge of the context in which to place these data. Improvements in the quality of these routinely collected data are not necessary under this project.

Second, the research projects will establish the relationships between variables which are of interest for policy analysis but expensive to collect and data which are inexpensive to collect but not useful without information on the relationship. An example of this type of relationship is remittances from abroad. Nigerien households obtain a portion of their income from family members working temporarily in coastal countries and elsewhere. These remittances are sent via trusted travelers, brought by workers at conclusion of the work abroad, and sent via the postal system (money orders). Household income studies will show the relative importance of each means of transmission. Once the portion moving through the postal system is known, its magnitude can serve as a basis for estimating total flows. The postal data are inexpensive to collect, but will not be useful until postal remittance share of total remittances is known. Once this ratio is known, the GON analysts may use this easy to collect information on postal money orders (available already) to estimate total remittances from year to year. Thus easy to collect data can be made meaningful and usable by analysts who are not economists when that data is given a context thanks to the results of field research. PAM project research will provide this context for a variety of data sets, so that they can be used routinely for analysis by GON cadres.

Sustainability can also be jeopardized by frequent turnover of personnel within DAEP. The DAEP has experienced an excessive turnover in personnel in the past, as is typical throughout the Government of Niger. The fact that the GON has not had access to trained economists (most cadres who describe themselves as economists have at best B.A. training with a major in economics, which does not qualify as an economist by international standards), has certainly contributed to the revolving door policies of Plan, in which B.A. generalists rotate among divisions gradually picking up expertise on the job. Stability after the project cannot be guaranteed by the inclusion of conditions or covenants in the project paper. The reality is that the problem of job stability is a government-wide dilemma, with roots in the archaic and inappropriate civil service system inherited from France and little modified in thirty years or more. The World Bank and other multilateral organizations have expressed interest in tackling the problems of the civil service system as a whole. Even if the GON did covenant or agree to a C.P. that staff would remain in the DAEP, such an agreement would be difficult to enforce, as personnel movements are frequently outside of the control of the parent ministry. This project is designed on the premise that the best guarantee of staff stability is for the DAEP staff, with the assistance of the project, to provide useful policy analysis which

demonstrates to the Government the value of continuity and experience in an analytical office.

In addition, experience from the Evaluation Assistance project indicates that, if in-country and on-the-job training is offered over the course of time to a wide range of individuals, then systems installed by the project can be maintained after project end. Under EA, which assisted the evaluation unit of the Ministry of Plan, a variety of ex ante project evaluation systems were put in place. These systems are being used now, nearly three years after PACD. The individuals using them are not all the same as those present during project life. While there may have been losses in efficiency, and some of the more complex aspects of the system may not be operational now (and perhaps were not appropriate at the time), basic analytical tools can continue to be used even in a situation of personnel turnover.

Participants having received a Masters degree in economics will be eligible for "A" rated positions in the civil service system in Niger. These positions can be expected to be within the Ministry of Plan, as it is unusual in Niger that a professional employee changes ministries or leaves government service permanently. Not all of the participants from Plan will necessarily work immediately in DAEP. Given the fluid structure of the government, in which ministerial divisions and their responsibilities are not immutable, it is not of extreme importance to the realization of project objectives that all personnel return and stay for prolonged periods in DAEP. While it would, of course, be preferable that participants trained in economics be assigned immediately, and for long duration, in DAEP, the aim of enhancing economic analysis skills in the government is more important than the needs of a particular unit which may not exist in its present form tomorrow or next year. The reality of Niger, with less than 20% functional literacy in any language, is that the government ranks are thin. Holding any one individual in place, if that person is competent, is not likely to happen over the long term (except in highly specialized disciplines such as cardiology or sorghum breeding). USAID projects must work within the limitations of the Nigerian situation.

Note again the example of Evaluation Assistance. Of three participants receiving M.A. degrees in public administration, no one now works in the evaluation unit of Plan. One returned to his original position in the national administrative training school, as foreseen in the project design. Two returned to the evaluation unit. Within three years one had married an American USAID contractor and left the country with her (and now works for UNICEF). The loss was not the ministry's fault. The third had become Secretary General of Plan. The promotion was a loss to the particular project, but theoretically a net gain to the realization of project objectives, as the skills learned through training and exposure to American public administration theory can be applied to the ministry as a whole from S<sub>1</sub> level.

In considering sustainability issues, it is necessary to keep in mind that the bulk of this project is research. It is not a classical technical assistance project by any means.

## 2. Financial considerations

The project is being designed with a view to minimizing costs of technical assistance, so as to maximize funding available for research and training. Field research is to be conducted by individuals receiving stipends, rather than the standard T.A. compensation package. The contract in-country coordinator should be a local resident who does not require housing allowance, differential or similar emoluments. This individual might be a Nigerien national with English language fluency and appropriate education or training, or American or third country national.

The project will not require increased GON staffing or operational expenses over the long term.

### B. Social Considerations

The direct output of the project will be the policy analysis and monitoring tools generated by the studies. These, in turn, will support the policy formulation and evaluation process of the Government of Niger. The indirect benefits of the project will be an increased probability of appropriate rural development policies. The ultimate beneficiaries will be farmers and herders whose productivity and income rise as a consequence of these policies as well as urban dwellers who trade with rural areas. Impact on the lives of individual rural inhabitants will not be visible within the life of this project. The actual project activities, studies and training, will have little direct effect on rural populations, with the exception of a small number of people who may receive payment for being enumerators or key informants.

Direct beneficiaries of the project are GON employees who receive long and short-term training under the project, and who will receive on-the-job training from project technical advisors. Those Nigerien researchers whose work is financed by the project are also direct beneficiaries of the project's intervention. To the extent possible, selection of women trainees will be encouraged. GON staffing patterns limit flexibility in this regard, as the number of women serving as economic analysts is limited.

Research proposals will be required to consider gender factors, to the extent feasible given the topic (some topics, such as exchange rates, are not amenable to such distinctions). The USAID social scientist will participate in the review of the policy agenda to assure that decisions made reflect socio-political factors.

### C. Technical Considerations

#### 1. Alternative Approaches to the Problem

The core problem to be addressed by this project is the inability of the Ministry of Plan to subject policy options to a rigorous analysis of their likely impacts or to track the impacts of policy decisions. The problem arises because the ministry does not have the necessary data and analytical methods. The only alternative approach to dealing with this problem, other than the Policy Analysis and Monitoring Project approach,

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is to "make do" with existing data and educated guesses about the unknown data. This option is rejected for two related reasons. First, the volume of existing data, relative to data demands, is extremely small; thus the analytical results would be based on educated guesses. Second, economic research in the Sahel during the 1980s has shown significant areas where the conventional wisdom, and therefore educated guesses, are wrong. An example of erroneous conventional wisdom in the Sahel is the case of rice consumption. It was widely believed that rice was primarily a luxury good, consumed by well-to-do urbanites. A tariff or tax on rice would thus be a progressive tax, with no adverse impact on the poor. Research by the International Food Policy Research Institute (IFPRI) in Burkina Faso uncovered the importance of rice in the diet of the poor in urban areas of Burkina Faso. These research results dramatically changed the expected distributional impact of rice price policies. It is quite probable that there are other cases in which economic reality differs from current perceptions. Without research, policy analysis will be based on suspect assumptions about how the Nigerien economy works.

USAID also considered less costly ways in which PAM activities could be carried out, and determined that investing all support responsibilities in the technical assistance contractor (and paying overhead and fees to do so) was the only feasible means to operate the project. Neither USAID nor the GON can afford to devote personnel and scarce operational budget funds to support of field research.

2. Structure and Performance of the Direction of Economic Analysis and Forecasting.

The Direction of Economic Analysis and Forecasting (DAEP) is one of seven directions in the Ministry of Plan. Its function is to conceive, monitor and evaluate economic and social development plans and strategies. The direction is divided into two services: Economic and Social Reform Programs and Economic Forecasting. The former service is further divided into a rural sector office and a social sector office. The rural sector office is responsible for all aspects of rural development policy. The social sector office concentrates on health, employment and education.

The Service of Economic Forecasting monitors the evolution of the economy and the impact of economic policies. It prepares macroeconomic forecasts and formulates recommendations on short and medium-term economic policies. The service is responsible for coordinating economic information flows among technical ministries.

The DAEP has eleven professional employees (two are category A1 and nine are category A2). The staff of the DAEP is fairly young; the average age is thirty-two and eight of the staff are younger than thirty. The average number of years of service of section chiefs is twelve. For the remainder of the staff the average years of service is less than four. Seven of the staff have received the Maitrise after four years of university study (six in economics and one in sociology). Two other employees have four years of university training, the two remaining professional employees have three years of university training. None of the staff has had specialized long-term economics training (such as public finance or health economics). The staff of DAEP has received short-term training but there has been at best a weak correspondence

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between the subject matter of the course and the work responsibility of the employee receiving training.

The DAEP is understaffed from the point of view of its responsibilities. However, it is likely to remain understaffed given the current budgetary situation of the Government of Niger. For the indefinite future any sector of the economy will have at most two employees working on it. In light of this staff shortage, opportunities for staff to take long-term training will be limited. Specialized short-term training can improve the analytical capability of the direction, provided there is relative stability in personnel assignments. Hence the decision to offer M.A.-level training in economics to a small number of cadres (who might be absent during different periods over the six year life of project) and short-term and on-the-job training to remaining staff.

### 3. Other Donor support to DAEP

UNDP is implementing a project of technical assistance and training within the DAEP. The project, Development Strategies, Policies and Planning, has a budget of \$2,950,200 over a three year life. It began in April 1989.

The project goal is to directly reinforce the technical capacities of the Nigerien Government in order to reestablish economic and financial equilibrium and launch a process of growth and socio-economic development. The specific objectives of the project are (1) direct support for the elaboration and monitoring of macroeconomics, rural and human development policies and programs, and (2) training of Nigerien staff to develop in-house capability to set up and use the tools necessary for the elaboration and monitoring of short and medium term policies.

The project will complete a set of activities in support of the two specific objectives. Activities in support of objective 1 are:

#### Produce

- An External Debt data base and model.
- A Balance of Payments data base and model.
- An updated (1987) Input/output Table.
- A Macro-economic data base.
- A rural sector data base.
- Methodologies for collection and analysis of data regarding economic operators in the rural economy.

Formulate long-term rural development policy.

Build an education sector model.

Equip a documentation center at the Ministry of Plan.

Activities in support of Objective 2:

#### Training through

- Seminars on modeling techniques.
- On the job training in economic methods.
- Short-term training at the IMF Institute.
- Long-term training in mathematics, statistics and applied macroeconomics.

- Training in data collection.

The project will provide thirteen person years of long-term technical assistance; a librarian for one year and a macroeconomist, an economic analyst, a rural development expert and a human resource planner for three years each. The long-term technical assistance will be supplemented by forty-two person months of short-term technical assistance.

Equipment purchased under the project is to include ten microcomputers and five vehicles in addition to office equipment. The project agreement between the GON and UNDP stipulates that the GON will put in place systematic means of cooperation between the Ministry of Plan and other ministries and public institutions.

The activities of this project concentrate in areas where data is already available (foreign debt, the education system). The PAM research agenda will be coordinated with the UNDP project. Duplication of research effort will be avoided since PAM will concentrate in areas where data gaps are significant. The training components of both projects will be coordinated.

4. Relevant Experience with Similar Projects

The Ministry of Plan is quite familiar with working with USAID in project development and implementation. PAM benefits from the experience of the Evaluation Assistance project (683-0229), which assisted the Ministry of Plan's Division of Planning and Programming over a six year period (1981-87) in development of capacity to undertake ex ante and ex post evaluation and project monitoring. As it developed over time, Evaluation Assistance played a role in design of systems for planning and analysis of the GON Investment Budget, analysis of socio-economic data in program planning, and improvement of documentation systems of the Ministry, as well as training of cadres. Although at onset the project intended to carry out in-depth evaluations using cadres, the Ministry eventually determined that it is more important that cadres be able to design, monitor and assess the results of research conducted by consultants (who might be from other sections of the government, provided by donor organizations, or consulting firms), while limiting direct participation to short-term studies. This same approach is to be used in PAM.

D. Administrative Analysis

USAID has determined that the most efficient way to implement the project is to contract with an institution or consortium to manage almost all research activities, short-term training (with the exception of pre-contract training opportunities), technical assistance and procurement (again, with exceptions as noted in II.E.).

DAEP does not have the requisite staff or management capacity to coordinate a complex research schedule, or to provide support to researchers. This will be a time-consuming logistical task. There would be little benefit to the GON in building such a capacity in DAEP or other divisions of Plan, as fielding long-term research efforts is not part of that organization's normal workload. Indeed, there is no one unit of the

government which carries out such work. Researchers are normally responsible for their own logistics, except in the case of research which is conducted for a particular institution such as INRAN, the agricultural research institute.

The project will concentrate on building capacity in areas which are integral to DAEP's mandate: economic analysis and monitoring. This will be carried out through long and short-term training in economics and related skills, and through on-the-job training conducted by the economic analyst assigned to DAEP for the last two years of the project (when trainees will have returned from MA-level studies).

USAID has also taken into consideration its own management capacity in designing approaches to this project. Given declining staffing and O.E. budget levels, it has been determined that maximizing responsibility of the direct AID contractor and limiting USAID direct relationships with researchers is necessary to carry out the project. The proven management capacity of institutions making proposals for the long-term contract will be a major factor in selection of the contracting entity.

E. Implementation Plan

1. Administrative Arrangements

a. USAID Management

The PAM Project will be organized as a structure to build Ministry of Plan (DAEP) capacity to determine priority research needs on aspects of the rural economy, and to analyze the results of the research in a systematic manner and to provide information to decision-makers on the impact of alternative policies. Actual project activities will be largely studies and training.

Project management for USAID will be the responsibility of the USAID Economist assigned to the Program Office. USAID intends to invest logistical responsibilities fully in the contracting organization. There will be no direct USAID support for any research activities. Graduate students carrying out field research will receive stipends from the contractor to cover expenses, and will not be employees of the contracting institution, nor will they have any direct relationship with USAID. Any logistical support which they receive will be provided by the contractor.

Any logistical support to contractor office or policy analyst residence by USAID will be on a fee for service basis. This approach is necessary to make the project, with its several research activities at various sites within the country, manageable by the Mission.

The USAID Program Economist shall serve as project officer throughout the life of project. The officer will provide technical oversight to project activities, and will coordinate decision making on project implementation with the project director named by the GON. The project contractor shall be under the direct supervision of the USAID project officer.

The USAID Education and Training office (GDO/ET) will be responsible for management of long-term academic training (estimated 5 MA candidates) for the project. Short-term training will be the responsibility of the contractor (with possible exception of training before contract start-up).

Management support to project activities in Niger will be invested in the contractor. The budget of each research activity will include funds for logistical support. USAID will provide advice to the contractor, but will not intervene except in emergencies.

Project procurement shall be the contractor's responsibility, except for those items to be purchased before contract start-up (see procurement plan).

The contractor shall establish an account in a commercial bank in Niamey in order to finance in-country expenses. The contractor will be responsible for all financial management. No funds will be transferred to the Government of Niger.

b. GON Management

The Government of Niger chief implementing agent will be the Division of Economic Analysis and Forecasting (DAEP) in the Ministry of Plan. DAEP provides the GON with macroeconomic projections and studies, and has related planning functions. The division is involved in formulating and proposing economic reforms, and is charged with monitoring the compliance with and effect of such reforms. The office includes planning, studies and forecasting services, which use computer-based economic modeling systems for macroeconomic forecasting and planning. The DAEP is the site of the Cornell Policy Reform and Poverty Project, which began operations in February. Under this project, an economist will spend two years working with DAEP on analytical frameworks for analyzing the effects of macroeconomic reform on poverty. The experience of the Cornell economist will be valuable in implementation of PAM.

The DAEP shall provide project direction for the GON, including signing Project Implementation Letters and Project Implementation Orders (PIO/T, PIO/C, PIO/P). DAEP will coordinate activities on behalf of the government. It is anticipated that DAEP personnel will be actively involved in the project's implementation, participating in short-term studies, conducting certain analyses in conjunction with the project, participating in training courses and in-country seminars. DAEP will be the immediate beneficiary of the development of elements of analysis and monitoring tools and methods for Niger.

c. Joint Research Committee

At the beginning of project implementation, a joint GON-USAID-contractor research committee will decide on priority areas for research and monitoring (including studies and field research). This committee will continue to review the progress of work throughout the life of the project. A contractor representative will serve as secretariat of the committee, charged to implement the research agenda, to manage project research funds and administer the short-term training program. Government of Niger membership of the committee shall be decided by the

GON. The Ministry of Plan (DAEP) will lead the committee on behalf of the government. Decisions on short-term studies and training may be made by the DAEP and USAID without recourse to the full committee, if necessary to respond to sudden, one time opportunities. However, the rule for the project will be that the majority of short term training and studies must be planned on an annual basis, with concurrence of the committee. Day to day decision making for project implementation will be the responsibility of USAID and the GON project director.

d. Project Structure

The project will be simple in structure. USAID will enter into a contract with a public international organization, or U.S. (or other Free World) organization, which might be a for-profit business, a university or consortium of universities, to implement the project.

The contractor will provide the following inputs over the course of the project:

- A local-hire project coordinator who will provide logistical and administrative support (4 person years). It is anticipated that the individual will start work in early FY 92. The individual will provide liaison with Government of Niger agencies, particularly in implementation of field activities, and will assure record keeping for the contractor. The contractor will hire support staff (driver, secretary/bookkeeper) to staff a small contract office in Niamey during FYs 92-95.
- A senior research advisor, non-resident in Niger, who will have overall responsibility for the quality and timelines of the research undertaken by the project. Oversight on individual research projects can be the responsibility of the senior research advisor or of another research advisor depending on areas of expertise. The senior advisor will also have overall responsibility for the policy monitoring system. The senior advisor will provide services over a four year period, averaging four months per year work time.
- Three additional research advisors, who will work under the general direction of the senior research advisor in the preparation of the project research agenda. The areas of expertise of the four advisors will be macroeconomics, public finance, trade policy and rural development.
- A resident economist/policy analyst during the final 24 months of the project to carry out component four.
- Services of short-term consultants to carry out studies as determined by the GON-USAID-contractor committee for PAM, and to provide periodic short-term assistance to DAEP analysts. Eligible consultants should include Nigerien nationals, to be recruited and paid by the contractor. The total person/months of service will be negotiated in contract amendments (see contracting plans, section II.E.2).

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- Doctoral candidates to carry out field research (1-2 year periods). The total number and duration of studies will be negotiated in contract amendments (see II.E.2).
- Home office technical and operational support. Technical support is to include periodic visits to Niger by academic advisors of the above-mentioned doctoral candidates, as well as selection and coordination of short and long-term researchers.

The project coordinator and intermittent consultants will be located physically in rented office space until the project reaches component four, at which time the one remaining contractor will be located within DAEP.

It will not necessarily be the case that all research studies will be undertaken by the principal contractor. USAID will determine if any of the approved research studies would require a type of expertise more likely to be found in another organization or if the issue of timeliness suggests an alternative contracting mechanism. An example of this type of work is further analysis of the survey data collected by IFPRI in Niger (1989-90). This work, as well of the services of two outside experts during the workshop on the policy agenda, will be obtained through a Basic Ordering Agreement with IFPRI.

## 2. Contracting Arrangements

USAID will execute a direct AID contract with an institution, firm or consortium of institutions to implement the research, technical assistance and short-term training aspects of the project. Competition will be open to code 935 countries, which means that the institution selected could be a Canadian university. It is unlikely that offerors from other countries than the United States or Canada would meet the dual language requirements of the contract, as described below. USAID will assure that no less than 10 percent of all contracting is awarded to entities eligible under disadvantaged enterprises legislation. Given the nature of the project, it is likely that firms/universities or consortia of universities will apply for contracting. A requirement to subcontract will be placed on any organizations which do not themselves meet the requirements of the legislation. The solicitations for the major contract will so state.

After consultation with the Regional Contracting Officer (REDSO/WCA), USAID has decided to negotiate a core contract with the institution selected, and to afterwards modify the contract on an annual basis to incorporate research activities approved by the GON and USAID. Contracting responsibility will reside in REDSO for this action. The contractor is not guaranteed to receive all available funds set aside in the project for research and technical assistance, as USAID may choose to program some funds directly. However, the contractor (assuming satisfactory performance) will manage the bulk of these funds. The core contract will be amended to add the necessary funds to carry out the research agenda. In the event that all project research funds are not budgeted in the amendment a second amendment will be prepared after the second workshop at which time the remaining research funds will be allocated.

The technical assistance contract will be awarded on the basis of full and open competition. This competition will not be restricted or set-aside as it has been determined that there are not a sufficient number of qualified small businesses or 8(a) firms with appropriate linkages to educational institutions to produce adequate competition. The participation of qualified Gray Amendment and minority and socially disadvantaged firms will be encouraged to the maximum extent practicable. The subject of the project is not agricultural in nature and thus the provisions for setting this aside for Title XII entities does not apply.

A portion of the funds set aside for technical assistance/studies will be managed by USAID outside of the major technical assistance contract, to be programmed to buy-ins to centrally funded projects and AID/W-managed Basic Ordering Agreements with institutions such as the International Food Policy Research Institute (IFPRI), with which USAID has an ongoing relationship for research in rural Niger.

The contractor shall provide the following as part of its core service contract:

- The services of a senior advisor, intermittently over a four year period (averaging 4 months per year). This individual will make field visits to Niger, but will not reside in Niger.
- The services of a project coordinator (or administrative assistant) for a period of three years in Niger. This individual will manage the logistics of research.
- The services of three economic advisors during the preparation of the research agenda (up to three months per person).
- The services of an economic analyst who will work in the Ministry of Plan in Niamey for the last two years of the project.
- Staff and management of a project office in Niamey.
- Home office backstopping of all of the above.

The contractor will, on the basis of amendments to the core contract during project implementation, provide the following:

- The services of experts in fields such as economics, agricultural economics, political science, to undertake selected short-term studies relating to the rural economy of Niger, and to provide periodic short-term assistance in economic analysis. All individuals, whose candidacies must be improved in advance by USAID, must speak French. Use of qualified Nigerien candidates is encouraged where feasible.
- Doctoral candidates who will carry out field research (1-2 years) in Niger on approved topics under contractor supervision and support. The individuals will receive stipends, and will not have status as contract employees. All candidates must speak French. Selection of qualified Nigerien candidates is encouraged where feasible.

Nigerien researchers employed by the GON will be subject to AID indemnity regulations.

Management of funds for short-term training under the project. This shall include identification of suitable training courses, preparation of candidates applications, processing of necessary documentation and travel arrangements, financial management and reporting following AID regulations.

The contractor shall have full responsibility for logistical support of all its affiliated personnel in Niger.

As stated in section II.E.2., above, the International Food Policy Research Institute (IFPRI) will offer periodic consultancies in support of the project. IFPRI will also attend annual research meetings, and will offer advice on research proposals in light of IFPRI's research on rural consumption and incomes in Niger.

### 3. Procurement Plans

The project is fully funded under the Development Fund for Africa. All procurement is governed by Code 935, Free World. U.S. source and origin will be encouraged to the extent that such selection does not impair implementation of the project. Procurement of motor vehicles will not be from U.S. source/origin for this reason. USAID/Niger has had approved blanket waivers for non-U.S. procurement of vehicles for several years, as U.S. vehicles cannot be serviced effectively in this country.

Following is the proposed procurement plan. This plan is subject to modification during project implementation, as precise plans for commodity support to research can only be made as research plans are developed and approved during the course of the project.

#### Procurement Plan

<u>Item</u>	<u>Value (\$000)</u>	<u>% U.S.</u>
Technical Assistance (including research)	2,750	80
Computer and Office Equipment	50	90
Office and Residential Furniture	70	85
Operating expenses	350	25
Vehicle, parts	30	0
Long-term training	490	100
Short-term training	450	50
Evaluation	150	100



Audit	50	100
Contingency/inflation/other costs	610	N/A
Total	5,000	

It is anticipated that USAID will procure commodities required for contract start-up (such as vehicle, computer and office equipment, furniture). Any further procurement will be part of the technical assistance contract and responsibility of the contractor, who must follow AID regulations as to source, origin and competition.

All technical assistance procurement will be by direct AID contracting.

Use of Nigerien nationals for studies will be encouraged. This causes the expected percentage of U.S. procurement to decline.

#### 4. Monitoring and Evaluation Plan

Monitoring of project activities (delivery of inputs, realization of outputs, financial management) by USAID will be the responsibility of the project officer (economist), with the assistance of the project committee. The USAID project committee will include representatives of Program, Executive, Controller and Project Development Office, as well as the technical officer. The USAID Deputy Director serves as chair. USAID holds reviews of project progress on at least a semi-annual basis.

Joint monitoring of project progress with the GON will be done at informal and formal levels. Informal review will be through day-to-day contacts between the USAID project officer and his/her counterparts at DAEP. Semi-annual reviews of progress will be held, with review of management, financial and technical issues.

Annual reviews of research will be held by the research committee, constituted of key GON, USAID, contractor and independent research organizations (to be selected). As described earlier, the contractor will be responsible for organization of these meetings, and will report on progress in studies underway or completed, and present detailed proposals for future studies.

Monitoring of the progress towards realization of project purpose will be managed by the USAID project officer, with assistance from the project contractor. All efforts in this regard will be shared with the GON, but the responsibility for carrying out the monitoring will rest with USAID (which has requirements for Congressional reporting which shape the approach to monitoring issues). Indicators to be used in assessing project impact will be developed during the first year of the project, and will take into consideration the decisions made by the GON and USAID on primary areas of research (which decisions will require several months). As this is a research and analysis project without direct intervention in the rural economy itself, indicators must include a strong element of "process" as opposed to actual verifiable changes in rural income or productivity in the short and medium term. "Process" refers in this case to changes in the ways in which the government undertakes economic analysis, and to changes in efficiency of the same.

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It should also be noted that research results from PAM will contribute to Mission-wide monitoring of the effects of the USAID program. Hence, monitoring approaches developed for PAM will have to take into consideration the broader monitoring plan. Whereas each individual USAID project has its own monitoring plan and systems, a portfolio-wide system for monitoring purpose and goal-level impact of our program is now under design. Completion of plans will be carried out by the Program Office, specifically the IDI economist, prior to the end of CY 1990. Hence a gradual plan for design of monitoring systems for PAM is warranted.

Evaluations of project progress will be held at mid-point in implementation, and in the last year of project operations. The purpose of the mid-term evaluation is to assess progress in input delivery and outputs, and to gauge whether systems are in place to track progress towards achievement of the project's purpose. The mid-term evaluation will make suggestions as to modifications in the project design or management approach, as necessary.

The final evaluation will concentrate on indicators of purpose-level achievement, as well as recommending any future support to similar activities. The final evaluation will provide lessons learned which can be shared with other donors, and other AID missions.

#### 5. Audit Plan

Funds have been set aside to perform non-federal audits, as may be determined to be necessary during the course of the project. AID also reserves the right to ask for assistance of the Inspector General, AID in performing compliance or financial audits.

Note that no funds will be transferred from USAID to the Government of Niger. All funds will be controlled either by the direct A.I.D. contractor or by USAID.

#### 6. Conditions and Covenants

The project has standard conditions precedent for project assistance (naming of a project director and individual(s) with signatory authority).

#### 7. Implementation Schedule

Grant Agreement signed	8/90
Conditions Precedent met	11/90
Technical assistance contract signed	3/91
T.A. coordinator (U.S.-based) starts work	5/91
Selection of first long-term trainees	3/91
Completion of initial research plan (contractor/GON/USAID)	8/91

Workshop on the Research Agenda	10/91
Admin assistant arrives	1/92
First long-term researchers arrive	3/92
Annual review of research	10/92
Mid-term evaluation	6/93
First M.A. students return	8/93
Annual review of research	10/93
First long-term research reports received	3/94
Economic analyst arrives	4/94
Annual review of research	10/94
All research results received	3/95
Final evaluation	9/95
Annual review of research/lessons learned from project	10/95
Economic analyst leaves	4/96
Project Assistance Completion Date	6/96

F. Estimated Costs and Methods of Financing

1. Methods of Implementation and Financing

Category	Method of Implementation	Method of Financing	Amount (\$)
Technical Assistance	Direct procurement	Direct reimbursement	1,290,000
Training, long-term	Direct procurement	Direct payment	490,000
Training, short-term	Direct procurement	Direct reimbursement	450,000
Commodities	Direct procurement	Direct payment	150,000
Studies	Direct procurement	Direct payment	1,460,000

Evaluation	Direct procurement	Direct payment	150,000
Audit	Direct procurement	Direct payment	50,000
Support Costs	Direct procurement	Direct Payment	350,000
Conting./inflation	N/A	N/A	610,000
Total			5,000,000

2. Detailed estimates

Note: Organized to differentiate between procurement placed under technical assistance contract and procurement controlled by USAID.

Item \$000

I. Research and Analysis (Elements of technical assistance contract)

A. Technical Assistance (all associated costs)

1. <u>In Niger</u>	
- Admin/logistics (3 P/Y), local hire	150
- Policy analyst (2 p/y)	400
(of which: mission support costs)	(8)
2. <u>U.S.-based</u>	
- Research advisors (Intermittent)	440
- Home office support	200
- External Advisors	100
<u>Subtotal:</u>	1,290

B. Studies

- Short-term studies, field research  
(including all associated costs, overhead)

Subtotal: 1,460

C. <u>Commodities</u>	
- 1 4 X 4 vehicle	30
- Computers and software	50
- Office/household equipment/furniture	70
<u>Subtotal:</u>	150

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D.	<u>Operating expenses</u>	
-	Office rental (3 Yr), utilities, guards, driver etc.	200
-	Supplies/vehicle maint., POL, etc.	150
	<u>Subtotal:</u>	350
	<u>Subtotal Research and Analysis</u>	<u>3,250</u>
II.	<u>Training</u>	
-	U.S.: 5 M.A.	490
-	U.S./Third country: Short-term*	450
	<u>Subtotal:</u>	<u>940</u>
III.	<u>Evaluation</u>	<u>150</u>
IV.	<u>Audit</u>	<u>50</u>
V.	<u>Indirect costs, Contingencies, Inflation</u>	<u>610</u>
TOTAL		<u>5,000</u>

3. Estimated Obligation Schedule (\$000)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	Total
	1,300	1,400	500	900	700	200	5,000

4. Estimated Disbursement Schedule (\$000)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	Total
Technical Asst	0	160	204	217	342	272	95	1,290
Training	0	265	335	160	90	90	0	940
Commodities	0	50	50	0	40	10	0	150
Studies	0	50	635	443	282	50	0	1,460
Evaluation	0	0	0	0	50	0	100	150
Audit	0	0	0	50	0	0	0	50
Support Costs	0	0	69	104.5	104.5	59.5	12.5	350
Other*	0	0	21	124	139	154	172	610
TOTAL	0	525	1314	1098.5	1047.5	635.5	379.5	5,000

\*indirect costs, contingencies, inflation

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PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Life of Project:  
From FY 90 To FY 95  
Total U.S. Funding: \$ 5 million  
Date Prepared: 4/2/90

Project Title & Number: Policy Analysis and Monitoring

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><u>Program or Sector Goal: The broader objective to which this project contributes: (A.1)</u></p> <p>Increasing production and incomes in the rural economy of Niger</p>	<p><u>Measures of Goal Achievement (A.2)</u></p> <ul style="list-style-type: none"> <li>- Increased agro-pastoral production and farmer/herder incomes</li> <li>- Increased off-farm incomes in rural areas</li> </ul>	<p><u>(A.3)</u></p> <ul style="list-style-type: none"> <li>- Surveys</li> <li>- Crop reports</li> <li>- Independent evaluations and assessments</li> <li>- GON monitoring systems</li> </ul>	<p><u>Assumptions for achieving goal targets (A.4)</u></p> <ul style="list-style-type: none"> <li>! GON commitment of increasing rural incomes remains high.</li> <li>! Climate, rainfall and other natural environmental factors do not deteriorate drastically.</li> <li>! Implementation of GON policies is adequate to reach and improve the rural economy.</li> </ul>
<p><u>Project Purpose: (B.1)</u></p> <p>Strengthen the Ministry of Plan's ability to analyze policy options and monitor the impacts of prior policy decisions.</p>	<p><u>Conditions that will indicate purpose has been achieved: End-of-Project Status. (B.2)</u></p> <ul style="list-style-type: none"> <li>! Analytical models and methodologies are used at DAEP and other GON offices for policy analysis and monitoring</li> <li>! Economic data bases are maintained and updated</li> </ul>	<p><u>(B.3)</u></p> <p>Evaluation of the DAEP in the Ministry of Plan</p>	<p><u>Assumptions for achieving purpose: (B.4)</u></p> <ul style="list-style-type: none"> <li>! Economic facts are important in the decision-making process in the GON.</li> <li>! GON technicians, supplemented by foreign technical advisors, will take account of the research findings in their policy design work.</li> <li>! GON allocates sufficient budgetary resources to permit collection of data required for monitoring system.</li> </ul>

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
			Research studies produce usable analytical tools.  GON will use cadres for policy analysis and monitoring once trained.
<u>Project Outputs: (C.1)</u>  A set of research studies  Low-cost systems for monitoring policy impacts  MA degrees in economics  GON staff have skills to maintain data analysis systems in place.	<u>Magnitude of Outputs: (C.2)</u>  8-20 studies  8-20 monitoring systems established  5 GON staff earn MA degrees  At least 40 GON staff trained short-term in specialized aspects of analysis.	<u>(C.3)</u>  Project reports GON reports	<u>Assumptions for achieving outputs: (C.4)</u>  Nigerien cadres can successfully complete US long-term training.  Foreign researchers can successfully complete long-term research programs in Niger.
<u>Project Inputs: (D.1)</u>  Technical Assistance Studies Training Equipment Evaluation Audit Associated Costs	<u>Implementation target (type and Quantity) (D.2)</u>  TA/studies           \$2,700,000 Training             \$940,000 Commodities/Operating Expenses     \$500,000 Evaluation           - Audit                 \$150,000 Audit                 \$50,000 Other                 \$610,000  <u>Total:</u> \$5,000,000	<u>(D.3)</u>  Contractor reports Site visits Audit/Evaluation	<u>Assumptions for providing Inputs: (D.4)</u>  Selected inputs are appropriate to needs, qualified researchers can be identified, fielded and complete studies within time allowed.

CONSEIL SUPERIEUR  
D'ORIENTATION NATIONALE

MINISTRE DU PLAN

No. 1225 /MP/DAEP



Niamey, le 24 JUIL. 1990

LE MINISTRE DU PLAN

Référence :

Monsieur le Directeur de l'USAID

Objet : Projet "Analyse et Suivi des  
Politiques" (PASP).

Monsieur le Directeur,

J'ai l'honneur de vous demander d'introduire officiellement auprès des autorités compétentes de votre institution une requête relative au projet visé en objet.

Il convient de rappeler que l'instruction de ce dossier a été conjointement menée par vos services et la Direction de l'Analyse Economique et de la Prévision.

L'objectif de cette opération est d'appuyer les services du Gouvernement dans les efforts d'analyse des mesures de politique économiques et financières prises par le Niger.

En renouvelant nos sincères sentiments quant à la contribution de l'USAID à ces programmes, je vous prie d'agréer, Monsieur le Directeur, l'expression de ma considération distinguée.



AL-MOUSTAPHA



5C(1) - COUNTRY CHECKLIST - USAID/NIGER

Listed below are statutory criteria applicable to: (A) FAA funds generally; (B)(1) Development Assistance funds only; or (B)(2) the Economic Support Fund only.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FY 1990 Appropriations Act Sec. 569(b). Has the President certified to the Congress that the government of the recipient country is failing to take adequate measures to prevent narcotic drugs or other controlled substances which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully? No.
  
2. FAA Sec. 481(h); FY 1990 Appropriations Act Sec. 569(b). (These provisions apply to assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance from the Child Survival Fund or relating to international narcotics control, disaster and refugee relief, narcotics education and awareness, or the provision of food or medicine.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs Not Applicable.

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are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government): (a) Does the country have in place a bilateral narcotics agreement with the United States, or a multilateral narcotics agreement? and (b) Has the President in the March 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without Congressional enactment, within 45 days of continuous session, of a resolution disapproving such a certification), or has the President determined and certified to the Congress on any other date (with enactment by Congress of a resolution approving such certification), that (1) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals agreed to in a bilateral narcotics agreement with the United States or in a multilateral agreement, to prevent illicit drugs produced or processed in or transported through such country from being transported into the United States, to prevent and punish drug profit laundering in the country, and to prevent and punish bribery and other forms of public corruption which facilitate production or shipment of illicit drugs or discourage prosecution of such acts, or that (2) the vital national interests of the United States require the provision of such assistance?

3. 1986 Drug Act Sec. 2013. (This section applies to the same categories of assistance subject to the restrictions in FAA Sec. 481(h), above.) If recipient country is a "major illicit drug producing country" or "major drug-transit country" (as defined for the purpose of FAA Sec 481(h)), has the President submitted a report to

Not Applicable.

Congress listing such country as one:  
(a) which, as a matter of government policy, encourages or facilitates the production or distribution of illicit drugs; (b) in which any senior official of the government engages in, encourages, or facilitates the production or distribution of illegal drugs; (c) in which any member of a U.S. Government agency has suffered or been threatened with violence inflicted by or with the complicity of any government officer; or (d) which fails to provide reasonable cooperation to lawful activities of U.S. drug enforcement agents, unless the President has provided the required certification to Congress pertaining to U.S. national interests and the drug control and criminal prosecution efforts of that country?

4. FAA Sec. 620(c). If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where:  
(a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity? No.
5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including any government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.

6. FAA Secs. 620(a), 620(f), 620D; FY 1990 Appropriations Act Secs. 512, 548. Is recipient country a Communist country? If so, has the President: (a) determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism, or (b) removed a country from applicable restrictions on assistance to communist countries upon a determination and report to Congress that such action is important to the national interest of the United States? Will assistance be provided either directly or indirectly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, South Yemen, Iran or Syria? Will assistance be provided to Afghanistan without a certification, or will assistance be provided inside Afghanistan through the Soviet-controlled government of Afghanistan? No.
7. FAA Sec. 620(i). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? No.
8. FAA Sec. 620(l). Has the country failed to enter into an investment guaranty agreement with OPIC? No.
9. FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made? No.

10. FAA Sec. 620(q); FY 1990 Appropriations Act Ser. 518 (Brooke Amendment). (a) No.  
Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA?  
(b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1990 Appropriations Act appropriates funds?
11. FAA Sec. 620(s). If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) No ESF is planned for FY 1990.
12. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No.
13. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the "Taking into Consideration" memo.) The GON is not in arrears in its obligatic to the UN.

14. FAA Sec. 620A. Has the President determined that the recipient country grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism? No.
15. FY 1990 Appropriations Act Sec. 564. Has the country been determined by the President to: (a) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or (b) otherwise support international terrorism, unless the President has waived this restriction on grounds of national security or for humanitarian reasons? No.
16. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures? No.
17. FAA Sec. 666(b). Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? No.
18. FAA Secs. 669, 670. Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) No.

19. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? No.
20. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the "Taking into Consideration" memo.) Niger was represented at the meetings, but subsequently entered written reservations.
21. FY 1990 Appropriations Act Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance? No.
22. FY 1990 Appropriations Act Sec. 539. Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin? Not Applicable.

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

a. FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy? No.

b. FY 1990 Appropriations Act Sec. 535. Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No.

2. Economic Support Fund Country Criteria

a. FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest? No.

b. FY 1990 Appropriations Act Sec. 569(d). Has this country met its drug eradication targets or otherwise taken significant steps to halt illicit drug production or trafficking? Not Applicable.

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5C(2) - PROJECT CHECKLIST

listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? Yes

A. GENERAL CRITERIA FOR PROJECT

1. FY 1990 Appropriations Act Sec. 523; FAA Sec. 634A. If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified? N/A
2. FAA Sec. 611(a). Prior to an obligation in excess of \$500,000, will there be:  
(a) engineering, financial or other plans necessary to carry out the assistance;  
and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? Yes
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? N/A

4. FAA Sec. 511(b); FY 1990 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) N/A
  
5. FAA Sec. 511(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? N/A
  
6. FAA Sec. 509. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No
  
7. FAA Sec. 501(a). Information and conclusions on whether projects will encourage efforts of the country to:  
(a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations;  
(d) discourage monopolistic practices;  
(e) improve technical efficiency of industry, agriculture and commerce; and  
(f) strengthen free labor unions. N/A
  
8. FAA Sec. 501(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). U.S. private sector will participate in contracting

9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. N/A
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No
11. FY 1990 Appropriations Act Sec. 547. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar competing commodity? N/A
12. FY 1990 Appropriations Act Sec. 547. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? N/A
13. FAA Sec. 119(q)(4)-(6) & (10). Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other N/A

wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)? No DFA funds released to Grantee
15. FY 1990 Appropriations Act, Title II, under heading "Agency for International Development." If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? N/A
16. FY 1990 Appropriations Act Sec. 537. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? N/A
17. FY 1990 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures? N/A

51

18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). N/A
19. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2. Does the project use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Yes
20. FY 1990 Appropriations Act, Title II, under heading "Women in Development." Will assistance be designed so that the percentage of women participants will be demonstrably increased? Yes
21. FY 1990 Appropriations Act Sec. 592(a). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies, has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account? N/A

Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

N/A

Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

N/A

If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

N/A

5/2

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1990 Appropriations Act Sec. 546 (as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

N/A

b. FAA Sec. 107. Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

N/A

c. FAA Sec. 281(b). Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to

The project will use Nigerien research institutions/analysts to extent possible for studies and will train cadre to undertake economic analysis

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d. FAA Secs. 101(a). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes, over long-term

e. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will: (1) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

The project builds the capacity of the Ministry of Plan to analyze and monitor the impact of GON economic development policies. As such it supports the country's efforts to develop.

Women will benefit from training, and gender issues will be incorporated into research.

f. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Does the project fit the criteria for the source of funds (functional account) being used?

Yes

g. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Have local currencies generated by the sale of imports or foreign exchange by the government of a country in Sub-Saharan Africa from funds appropriated under Sub-Saharan Africa, DA been deposited in a special account established by that government, and are these local currencies available only for

N/A

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use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of Section 102 of the FAA and for necessary administrative requirements of the U. S. Government?

h. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

N/A

i. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

N/A  
(Sahel)

j. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes

k. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

See answer on p. 17

l. FY 1990 Appropriations Act, under heading "Population, PA," and Sec. 535. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

N/A

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? N/A

Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? N/A

Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? N/A

In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? N/A

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? N/A

m. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes

n. FY1990 Appropriations Act Sec. 579. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and Minimum 10% of T.A. contract

private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

o. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a

Yes

Rest N/A

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condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; and (11) utilize the resources and abilities of all relevant U.S. government agencies?

p. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project: (1) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (2) take full account of the environmental impacts of the proposed activities on biological diversity?

N/A

q. FAA Sec. 118(c)(14). Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?

N/A

r. FAA Sec. 118(c)(15). Will assistance be used for: (1) activities which would result in the conversion of forest lands to the rearing of livestock; (2) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (3) the

N/A

colonization of forest lands; or (4) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

s. FY 1990 Appropriations Act  
Sec. 534(a). If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

N/A

t. FY 1990 Appropriations Act  
Sec. 534(b). If assistance relates to energy, will such assistance focus on improved energy efficiency, increased use of renewable energy resources, and national energy plans (such as least-cost energy plans) which include investment in end-use efficiency and renewable energy resources?

N/A

Describe and give conclusions as to how such assistance will: (1) increase the energy expertise of A.I.D. staff, (2) help to develop analyses of energy-sector actions to minimize emissions of greenhouse gases at least cost, (3) develop energy-sector plans that employ end-use analysis and other techniques to identify cost-effective actions to minimize reliance on fossil fuels, (4) help to analyze fully environmental impacts (including impact on global warming), (5) improve efficiency in production, transmission, distribution, and use of energy, (6) assist in exploiting nonconventional renewable energy resources, including wind, solar, small-hydro, geo-thermal, and advanced

biomass systems. (7) expand efforts to meet the energy needs of the rural poor, (8) encourage host countries to sponsor meetings with United States energy efficiency experts to discuss the use of least-cost planning techniques, (9) help to develop a cadre of United States experts capable of providing technical assistance to developing countries on energy issues, and (10) strengthen cooperation on energy issues with the Department of Energy, EPA, World Bank, and Development Assistance Committee of the OECD.

u. FY 1990 Appropriations Act, Title II,  
under heading "Sub-Saharan Africa, DA"  
(as interpreted by conference report upon  
original enactment). If assistance will  
come from the Sub-Saharan Africa DA  
account, is it: (1) to be used to help  
the poor majority in Sub-Saharan Africa  
through a process of long-term  
development and economic growth that is  
equitable, participatory, environmentally  
sustainable, and self-reliant; (2) being  
provided in accordance with the policies  
contained in section 102 of the FAA;  
(3) being provided, when consistent with  
the objectives of such assistance,  
through African, United States and other  
PVOs that have demonstrated effectiveness  
in the promotion of local grassroots  
activities on behalf of long-term  
development in Sub-Saharan Africa;  
(4) being used to help overcome  
shorter-term constraints to long-term  
development, to promote reform of  
sectoral economic policies, to support  
the critical sector priorities of  
agricultural production and natural  
resources, health, voluntary family  
planning services, education, and income  
generating opportunities, to bring about  
appropriate sectoral restructuring of the  
Sub-Saharan African economies, to support  
reform in public administration and  
finances and to establish a favorable  
environment for individual enterprise and  
self-sustaining development, and to take

The project will assist the Government of Niger to improve its policy analysis and monitoring capacity, so as to make development efforts more reflective of the realities of rural Niger, and the needs of the poor majority.

As a project whose activities are primarily economic research and analysis, other elements of this question are not directly relevant. The project will assist government, donors in economic decision making which will support achievement of the objectives stated in this paragraph u.

into account, in assisted policy reforms, the need to protect vulnerable groups; (5) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

v. International Development Act Sec. 711, FAA Sec. 463. If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (1) the world's oceans and atmosphere, (2) animal and plant species, and (3) parks and reserves; or describe how the exchange will promote: (4) natural resource management, (5) local conservation programs, (6) conservation training programs, (7) public commitment to conservation, (8) land and ecosystem management, and (9) regenerative approaches in farming, forestry, fishing, and watershed management.

N/A

w. FY 1990 Appropriations Act Sec. 515. If debt/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

N/A

2. Development Assistance Project Criteria  
(Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

c. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

3. Economic Support Fund Project Criteria

a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes?

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?



INITIAL ENVIRONMENTAL EXAMINATION

COUNTRY: Republic of Niger  
PROJECT TITLE: Policy Analysis and Monitoring PAM (683-0266)  
FUNDING: Proposed Life of Project Funding - \$ 5,000,000 (DFA)  
PERIOD OF PROJECT: Six years (6/90 - 6/96)

Activity Description: The goal of the PAM project is to assist in the process of increasing production and incomes in rural Niger. The project's purpose is to strengthen the Ministry of Plan's ability to analyze policy options and monitor the impact of policy decisions. The project consists of dollar disbursements for technical assistance, commodities, training, studies, evaluation, audit and local costs which support the overall objectives of the project.

Environmental Action Recommended: Categorical Exclusion in accordance with Regulation 16 Section 216.2 (c)(2)(xiv). This is a technical assistance program intended to develop the capability of the recipient country in development planning. There will be no construction or other activities directly affecting the environment.

IEE Prepared by: Erna ~~Kerr~~ *all*, Project Development Officer, USAID/Niger

Reviewed by: George F. Taylor *II*, Mission Environmental Officer, USAID/Niger

Determination: Valerie Dickson-Horton, Acting Mission Director, USAID/Niger

Approved: *Valerie Dickson-Horton*

Date: *23rd May 1990*

Bureau Environmental Officer's Recommendation:

Approved: *Gary R. Cohen*

Disapproved: \_\_\_\_\_

Date: *May 31, 1990*

Clearance:

Gc: *199*

Date *1 Jun 90*

ANNEX E

Gray Amendment Statement

USAID will make every effort to involve entities eligible under Disadvantaged Enterprises Legislation (Gray Amendment) in Project Implementation.

No less than 10% of the value of the major technical assistance contract must be for a Gray Amendment eligible subcontractor, in the case that the lead contractor is not itself eligible. It has been determined by the Regional Contracting Officer that limitation of contracting to small disadvantaged entities (8 a or women owned) is not feasible, given the nature of the procurement (which requires access to English-French speaking researchers, doctoral candidates in economics, economic analysts).

USAID actively promotes the hiring of minority/female U.S. citizens on an individual basis, and the placement of participants in HBCUs and institutions having predominately Hispanic student body, where feasible.

DOC:1314b

- 65 -

ACTION: AID INFO: AMB DCM / 5

683-0256

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ANNEX  
F

USAID/NIGER

ACTION: CONT  
INFO: DIR: DD  
LEO  
CHRON

AIDAC

E.O. 12356: N/A

SUBJECT: FAA SECTION 121(D) DETERMINATION FOR NIGER

DUE DATE: 7-6-90

REFERENCES: NIAMEY 05546, (B) NIAMEY 05238, (C) NIAMEY 02208

1. AID/W VER: PLEASED TO REPORT THE SEMI-ANNUAL FAA SECTION 121(D) DETERMINATION FOR NIGER WAS SIGNED BY DAA/AFR, EDWARD L. SAJERS, JUNE 22, 1990.

2. COPY OF SIGNED DOCUMENT POUCHED TO MISSION JUNE 25. BAKER BT #0796

NNNN

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STATE 210796

*NAN for action board*

ACTION RECORD

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 APPL: [REDACTED]  
 PRST: [REDACTED]  
 ORAN: 1. COM: [REDACTED]  
 2. [REDACTED]  
 DIST: 411 [REDACTED]

IPAC

TO: AFR/SIA, NANCY MCKAY

INFO: 12356: N/A

SUBJECT: NIGER MISSION DIRECTOR'S FAA SECTION 121(D)  
 ANNUAL CERTIFICATION REPORT FOR JUNE 1992

I, VALERIE DICKSON HORTON, ACTING MISSION DIRECTOR,  
 CERTIFY THAT NO SAHEL DEVELOPMENT PROGRAM FUNDS OR  
 DEVELOPMENT FUNDS FOR AFRICA WILL BE MADE AVAILABLE TO  
 THE GOVERNMENT OF NIGER FOR DISBURSEMENT CONCERNING THE  
 PROJECTS LISTED BELOW:

(1) PROJECT NUMBER	(2) PROJECT NAME	(3) CODE
25-2971	SAHEL PRIVATE ENTERPRISE DEV.	A
25-2973	SAHEL WATER DATA III, AGRHYMET	A
25-2977	SHRD III	A
25-2969	SEMI ALL EXCEPT LOCAL COSTS	A
23-2242	SMALL PROJECT ASSISTANCE	A
23-2242	AFRICAN FOOD SYSTEMS INITIATIVE	B
23-2246	ASFG TECHNICAL ASSISTANCE ONLY	A
23-2247	ASEG (RURAL) TECHNICAL ASSISTANCE ONLY	A
23-2254	WHSS TECHNICAL ASSISTANCE ONLY	A
23-2255	NAAR ALL EXCEPT COMMODITIES LOCAL COSTS	A
23-2256	NAAR COMMODITIES	C
23-2258	FAMILY HEALTH AND DEMOGRAPHY	A
23-2261	NIGER PROGRAM DEV. AND SUPPORT PROJ.	A
23-2263/2262	NIGER ECON. POLICY REFORM PROG.	A
23-2264	AFRICARE CHILD SURVIVAL	A
23-2266	POLICY ANALYSIS AND MONITORING	A
23-2261.23	HUMAN RIGHTS	A
23-2402.23	FAMILY HEALTH INITIATIVES II	A
23-2421.23	CCCD	A
23-2417.23	AFRICA EMERG. GRASSHOP. & LOCUST APP. PROJ.	A
23-2407.23	HUMAN RESOURCES DEVELOPMENT ASSISTANCE	A
23-2419.23	NIGER POLICY REFORM AND POVERTY	A

SECTION IS THE PAYING OFFICE FOR ALL THE PROJECTS LISTED  
 IN THIS SECTION OF THE CABLE. THEREFORE NO SAHEL  
 DEVELOPMENT PROGRAM FUNDS OR DEVELOPMENT FUNDS FOR AFRICA  
 WILL BE MADE AVAILABLE TO EITHER HOST COUNTRY OR REGIONAL  
 ORGANIZATIONS FOR DISBURSEMENT.

15

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DATE: 11/27/92

b1

I, VALERIE DICKSON HORTON, ACTING MISSION DIRECTOR  
 CERTIFY THAT THE GOVERNMENT OF NIGER MAINTAINS A SYSTEM OF  
 ACCOUNTS WITH RESPECT TO SAHEL DEVELOPMENT PROGRAM (SDP)  
 FUNDS OR DEVELOPMENT FUNDS FOR AFRICA MADE AVAILABLE TO  
 THE GOV FOR DISBURSEMENT WHICH PROVIDES ADEQUATE  
 IDENTIFICATION OF AND CONTROL OVER THE RECEIPT AND  
 EXPENDITURE OF THOSE FUNDS CONCERNING THE PROJECT LISTED  
 BELOW:

(1)	(2)	(3)	(4)	(5)	(6)
PROJECT NUMBER	PROJECT NAME	CODE	LAST VISIT	LAST VOUCHER	ADVANCE (1984) BAL.
683-2868	SFHI	E	05/29/90	02/90	2

3. I, VALERIE DICKSON HORTON, ACTING MISSION DIRECTOR,  
 CERTIFY THAT THE GOVERNMENT OF NIGER DOES NOT MAINTAIN AN  
 ADEQUATE SYSTEM OF ACCOUNTS WITH RESPECT TO SAHEL  
 DEVELOPMENT PROGRAM (SDP) FUNDS MADE AVAILABLE TO THE GOV  
 FOR DISBURSEMENT AND THEREFORE DOES NOT PROVIDE ADEQUATE  
 IDENTIFICATION OF AND CONTROL OVER THE RECEIPT AND  
 EXPENDITURE OF THOSE FUNDS CONCERNING THE PROJECT LISTED  
 BELOW:

625-2856	MAAR	E	05/31/90	05/90	245
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4. RE 86 STATE 155979, PARAGRAPH 1.A, THE PROJECT LISTED  
 IN PARA 2 ABOVE OBSERVES THE GOV'S PROCUREMENT AND  
 INVENTORY SYSTEM WHICH IN ITSELF IS CONSIDERED ADEQUATE.  
 ALTHOUGH MINOR DEFICIENCIES WERE NOTED, COMPLIANCE WAS  
 SATISFACTORY.

5. FYI: THE ABBREVIATED PROJECT INITIALS SHOWN ABOVE  
 ARE IDENTIFIED AS FOLLOWS:

NHSS	NIGER HEALTH SECTOR SUPPORT
SHRD	SAHEL HUMAN RESOURCES DEVELOPMENT III
SFHI	SAHEL FAMILY HEALTH INITIATIVE

## ANNEX G

### Information Plan

The USAID information plan for PAM is described following in accordance with the A.I.D. Evaluation Handbook (April 1989).

#### A. Users of the Information

Key users of the information are:

- USAID
- Government of Niger, Ministry of Plan
- AID/Washington, which may find certain elements of use for knowledge of the rural economy of Niger

#### B. Principal Objectives

The principal objectives of the project are described in the Project Paper to which this is an attachment.

#### C. Priority Information Needs

The project is intended to produce data on the rural economy necessary for economic decision makers, to set up data systems and train Ministry of Plan staff to maintain and interpret these data systems. In addition, USAID will use data assembled on project activities to determine if the project is meeting its objectives, and if revision of the approach is needed. USAID and the GON review progress on a semi-annual basis, and conduct mid-term and final evaluations which will analyze in depth the progress of the project.

#### D. Management Information System and its Operation

There are two systems related to the project. The major data collection/analysis system will be designed and operated by the technical assistance contractor in collaboration with USAID and the GON. This will be a part of the contractor's scope of work.

In addition, USAID uses project data and its own visits to the GON office (DAEP), review of administrative records, periodic internal evaluation studies to verify project progress. The project progress will be reviewed formally at least semi-annually and at project officer level on a monthly basis. The USAID Project Office (P/ECON) will also maintain computer-based systems for tracking disbursement rates, procurement, training and other management aspects of the project. Data from the MIS will be reviewed semi-annually with USAID management in the Project Implementation Review process.

#### E. Host Country participation

The Direction of Economic Analysis and Forecasting (DAEP) of the Ministry of Plan will be the lead agency in the project. Other agencies will be invited by Plan to participate in planning and analyzing research results. DAEP will be integrally involved in all information aspects of the project.

F. Budget

The budget for monitoring, evaluation and audit is \$200,000 which will be managed by USAID (\$150,000 for monitoring and evaluation and \$50,000 for audit). USAID will also use OE and Trust Fund resources as necessary and available (shared with other USAID monitoring activities).

The budget for information systems includes computer software, one vehicle, equipment/furniture for the T.A. contractor. Additional equipment will be purchased, as appropriate, for individual research efforts which may be planned during project implementation. Computer equipment and software will be procured for DAEP as well.

G. Estimated Evaluation Requirements

USAID plans formal mid-term and final evaluations, and internal evaluations as necessary.

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NNNN

AGRICULTURAL SECTOR DEVELOPMENT GRANT  
NIGER AGRICULTURE APPLIED RESEARCH  
COMBATting CHILDHOOD COMMUNICABLE DISEASES  
NIGER.

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ADM 6-5 x 683-0266

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CN: 45129  
CHRG: AID  
DIST: AID

ACTION: PDO

INFO: DIR

DD

ADO

GDO

PROG

CHRON

DUE DATE: 10/2/89

E.O. 12356: N/A

SUBJECT: POLICY ANALYSIS AND MONITORING PROJECT  
(683-0266); REQUEST FOR DOA TO APPROVE PID

REF: NIAMEY 06875

1. WHILE AID/W HAS NO OBJECTION TO DELEGATING AUTHORITY TO THE MISSION TO APPROVE BOTH THE PID AND PROJECT PAPER FOR THIS PROJECT, WE SEE NO REASON TO CIRCUMVENT THE NORMAL DESIGN PROCESS BY COMBINING BOTH PID AND PP INTO A SINGLE DESIGN PHASE. ALTHOUGH THE PROJECT IS SEEN AS STRAIGHTFORWARD AND WITHOUT SIGNIFICANT ISSUES, THE PID STAGE STILL PROVIDES A VALUABLE OPPORTUNITY TO THINK THROUGH THE PROJECT CONCEPT AND TO FORMULATE A BASIC DESCRIPTION, A GENERALIZED BUDGET, A RATIONALE OF HOW THE ACTIVITY RELATES TO THE MISSION STRATEGY, AND TO PREPARE A PRELIMINARY LOGFRAME. IF NONE OF THIS THINKING IS DONE IN ADVANCE OF THE COMPLETE FINAL DESIGN WITH ITS EMPHASIS ON ANALYSIS AND DETAILED IMPLEMENTATION PLANNING, PROJECT PAPER PREPARATION IS MADE MORE DIFFICULT AND COMPLEX WITHOUT THE FRAMEWORK PROVIDED BY THE PID. ALSO, INSTEAD OF LEAVING THE TOPICS FOR LONG-TERM STUDY TO BE DETERMINED DURING PROJECT IMPLEMENTATION, THE MISSION SHOULD ESTABLISH

CRITERIA FOR SELECTION OF STUDY TOPICS AND PROVIDE ILLUSTRATIVE EXAMPLES OF PROSPECTIVE STUDIES AS PART OF THE DESIGN PROCESS.

2. TO BE AS RESPONSIVE AS POSSIBLE TO THE MISSION'S REQUEST, IN LIGHT OF THE NATURE OF THE PROJECT, THE MISSION MAY PREPARE A SOMEWHAT ABBREVIATED PID OR CONCEPT PAPER COVERING THE ABOVE ELEMENTS, FORWARDING IT TO AID/W FOR INFORMATION. THE MISSION WOULD BE THE APPROVAL AUTHORITY FOR THE PID AND THE SUBSEQUENT PROJECT PAPER, WITH THE TIMING BASED ON THE MISSION'S SCHEDULING REQUIREMENTS.

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3. IN ACCORDANCE WITH THIS SCENARIO, THE ACTING AA FOR AFRICA HEREBY APPROVES AN AD EOC DELEGATION OF AUTHORITY TO THE DIRECTOR OF USAID/NIGER FOR PID AND PROJECT PAPER OF SUBJECT PROJECT, IN AN AMOUNT NOT TO EXCEED FIVE MILLION (5,000,000). EAGLEBURGER