Board Meeting of November 11, 1997
Statement by Jan Piercy

**Niger - Country Assistance Strategy**

1. I was pleased to have the opportunity in March to visit Niger with other EDs. Although I was there more briefly than my colleagues, I was impressed by a number of people I met, including a group of recent university graduates who, no longer able to count on civil service employment, were actively seeking new opportunities and ways to advance Niger’s progress and their own prospects. There is talent, energy and a recognition of the essentiality of economic reform in Niger and this is crucial to the transformation needed.

2. I appreciate the Bank’s frank assessment of the development challenges facing Niger. I agree that development in Niger is a long-term undertaking which will require increased discipline by the government of Niger (GON) and perseverance among donors.

3. The CAS correctly notes that the unresolved political situation constitutes a major risk to sound economic management. Many of the problems facing Niger are beyond the scope of the Bank and the donor community to address directly. The lagging structural adjustment program, inadequate revenue collection, late payment of salaries, stagnating civil service reforms, and slow pace of privatization are all symptoms of inadequate government action and, perhaps, means as well.

4. I urge the Bank to use the CAS review to remind the government that the donor community continues to monitor performance under Fund and Bank structural adjustment programs. Unfortunately, available information indicates that there has been no significant progress on key structural reforms since the IMF approve the last tranche of its program.

5. I am concerned by reports that the GON is engaging in off-budget spending for the military and would appreciate staff comment on this point.

6. I understand that the IMF has postponed the visit of its review team, originally scheduled for November. I am concerned by the implication that a mid-term review of the ESAF at this time would find Niger out of compliance. Niger cannot afford to let macroeconomic management slip.
7. Donors will not continue to support a reform program which does not have the full support of the government itself. I urge the GON to take the steps required to improve performance and keep its ESAF on track.

8. I appreciate the Bank’s critique of its past involvement in Niger. With more than one-half of closed IDA projects rated unsatisfactory, the Bank must adapt its approach to project design and implementation. Setting realistic objectives, avoiding complex projects, and focusing on implementation are good departure points for a re-designed approach. I applaud Bank staff for moving in this direction.

9. I am encouraged that intensive efforts to improve portfolio performance in 1997 paid off. The Bank should continue heightened supervision of the Niger portfolio until implementation problems have been resolved.

10. In general, I concur with the CAS objectives and welcome the effective integration of gender concerns into this CAS. The CAS objectives are consistent with the Bank’s goal of developing projects which are realistic and implementable. However, before embarking on new social sector projects, the Bank needs to clearly understand why three decades of donor-funded health and education efforts have failed to improve Niger’s social indicators and reduce poverty. Could Bank staff comment on what they will do differently under this CAS to ensure that investments in health and education actually lead to improvements in social indicators and a reduction in poverty?

11. The emphasis in the CAS on population is appropriate. The single largest cause of environmental degradation in Niger is the shift of agricultural activities to marginal lands because of population pressures. The Bank should continue its dialogue with the GON on population and take the lead, along with the UN, to improve the government’s understanding of the linkages between continued rapid population growth and poverty. As the CAS rightly notes, addressing the population issue will require increasing the provision of family planning services as well as complementary efforts in education for girls and female literacy. What are other donors doing to expand the delivery of family planning services in Niger?

12. I am particularly pleased that, in addition to family planning services, the Bank will address a broad range of issues surrounding reproductive health, including prenatal care, containment of the spread of HIV/AIDS and other sexually transmitted diseases, and female genital mutilation.

13. The emphasis on regional economic links is encouraging. Niger will not develop based on its own resources, unless oil discoveries turn out to be much greater than forecast. However, linking Niger’s growth to that of Nigeria raises a host of potential problems. Many donors are unwilling to work with the Government of Nigeria. Moreover, I doubt that Nigeria will make economic decisions based on their impact on Niger.

14. For a regional development strategy to succeed, it seems to me that the Bank should work with other multilateral and bilateral donors to create and implement a plan of action. What are the Bank’s plans to coordinate with existing regional institutions, such as CILSS and
UEMOA? Since Niger is already a member of UEMOA, I question the focus in the CAS on regional economic links with Nigeria and the lack of discussion about the linkages with UEMOA.

15. There is little mention in this CAS of either governance or corruption issues. Given the new anti-corruption guidelines, I had hoped that future CASs would include a discussion of such issues.

16. Although the CAS discusses lending triggers, neither the high case nor the low case scenarios are discussed in detail. Could staff indicate which loans might be added or removed from the pipeline if Niger’s performance is better or worse than anticipated?