

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



NIGER

**COUNTRY DEVELOPMENT
STRATEGY STATEMENT**

FY 82

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**UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523**

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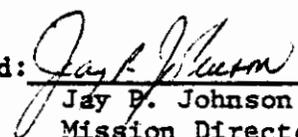
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USAID/NIGER

COUNTRY DEVELOPMENT STRATEGY STATEMENT

FISCAL YEAR 1982

Approved: 
James K. Bishop
Ambassador

Approved: 
Jay P. Johnson
Mission Director

Date: 14, 1980

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INTRODUCTION

In preparing this CDSS the USAID/Niger Mission has built on experience gained over the past year and attempted to respond to issues raised in prior year reviews, continuing dialogue with AID/W, and recent guidance reflecting new AID concerns. However, the stricture on length has prevented the Mission from structuring the format in a fashion which would have highlighted specific responses to each individual request for analysis or information. While the Mission therefore believes it has addressed most concerns, they have been worked into the general narrative rather than provided with separately titled sections.

Space limitations have also prompted the Mission to take discretionary liberties in declining to specifically address guideline issues which the Mission felt to be less critical for essential strategy deliberation on Niger. These have included: (1) Discussion of the inter-relationship of regional funds - which the Mission feels are more adequately covered in the Regional Development Strategy Statement (RDSS) for the Sahel Development Program. (The most important regionally funded activities impacting on Niger are referenced, however, in the "Other Donor" section of this CDSS); (2) Discussion of what the Mission does not intend to do; and (3) IDCS concerns regarding international financial institutions - for which it is felt a much broader discussion of the field missions' role in such matters must first be broached through intra-agency dialogue.

The Mission's Agriculture Sector Assessment was not completed at the time the CDSS was produced due to delays in fielding the assessment team. However, the Mission is in possession of preliminary drafts of individual sections, and although no summary of the assessment or its conclusions are

possible for presentation in the CDSS, the information contained in the drafts and drawn from team members has been considered and incorporated within appropriate sections of the text.

The Mission also wishes to draw the attention of reviewers to the unreliability of statistical data on Niger. Data as presented in the CDSS represents the Mission's best efforts and judgement in reconciling noted differences between various sources and still present a realistic picture. This is most noticable in the elusive case of per-capita GDP. Much of Niger's GDP is reflected in the imputed value of agriculture production - most of which is unmarketed. Even between respected sources, the base of valuating that unmarketed produce varies widely. Reducing the assessment of a farm families wealth to a valuation of his subsistence production in terms of a scarcity market price (which would plummet if the grain were actually put on the market) overstates their well-being. Recent fluctuations in exchange rates make it even more difficult to convert present day GDP into dollar terms and make meaningful comparisons between past year performances. The Mission feels however, that the data presented herein represent a sufficient degree of accuracy for the analytical purpose of the CDSS.

After review of the final typed version of the CDSS it was noted that the AID/W request to include an analysis of production response to price had been inadvertently omitted from the narrative. Therefore, as an addendum to the CDSS discussion of price/marketing policy on page 18 of the text, it should be noted that the data analyzed by the agriculture sector assessment team showed no correlation between price and production response for cereal grains. Production increases were shown to be directly correlated with climatic factors.

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1982-1986

PART I. ANALYSISA. ANALYTICAL DESCRIPTION OF THE POOR:

The People: The nationwide census, completed in late 1977, provisionally established Niger's present population (1977) at 5,098,427. A more detailed statistical breakdown of the census data which will detail population groupings by age, ethnicity (language), marital status, literacy and economic activity has not yet been released. Until this detailed breakdown is available, the best figures on ethnic breakdown are those estimated in 1972 which show percentage figures as follows: Hausa (45%), Djerma/Songhai (21%), Fulani (14%), Touareg (11%), Beri-Beri (8%), others (Arab, Tubu, Gourmantche - 1%).

A basic description of these individual ethnic groups can be set forth in generalized terms. The Hausa are sedentary farmers who predominate the south-central part of Niger and also comprise the major portion of Niger's commercial class of small merchants and traders. The Djerma/Songhai also are sedentary farmers whose geographic locus approximates the western area of Niger. This group accounts for the majority of government civil servants. The Fulani present a mixed group: sedentary farmers with large livestock holdings located in the western portion of Niger and nomadic cattle herders i.e., the Bororo, who traverse Niger's central grazing zones exchanging dairy products for agriculture products and grazing rights in harvested fields in exchange for livestock manure. The Beri-Beri are an ethnic group of sedentary farmers concentrated in Niger's extreme southeastern region. The Touareg are nomadic pastoralists who herd goats, sheep and camels. Of Berber origin, they are widely dispersed over the area ranging between the 15th parallel and the extreme northern regions of Niger.

Rural Area: Although social customs (marriage, family, etc.) house styles and language differ according to ethnic group, the economic activities of the sedentary farmers are much the same. They cultivate and eat sorghum

or millet as their major cereal crop; grow cash crops such as cowpeas, cotton, peanuts and onions (depending on regional soil and climatic conditions); use the same primitive agriculture techniques; are concentrated in the southern quarter of the country beneath the 15th parallel; and are 95% Muslem.

The sedentary rural population is spread throughout approximately 9,000 villages averaging 450 inhabitants but with extremes ranging from 30 to 5,000. There are an estimated 500,000 farms averaging six hectares in size and eight persons per farm. The average farm has the equivalent of 2.8 fully productive workers; an approximate ratio of 2.14 hectares for each productive worker equivalent. This latter figure is the highest in West Africa and is indicative of the extensive and exhausting work effort that must go into the production of a basic subsistence livelihood. A recent survey of farm labor requirements in Niamey Department indicates that the average farm devotes 62 days per month to agriculture cropping activities during the April-November growing season. This translates into 22 days per month for each productive worker or an indication that farms are making maximum use of their labor force during the growing season. Underemployment, however, prevails during the period from December through March.

Present rural society is governed on the basis of traditional chiefdoms alongside a modern political administrative structure. At the village level, the chief is still an integral part of the socio-political system but with varying degrees of authority from village to village.

The complexity of rural society and inter-family relationships varies from region to region, even within ethnic groupings, and is not amenable to simplistic expository reduction. However, a rough sketch of a Hausa village in the Maradi region may be used as an example: Within the village, the tradition of the extended family still holds sway but the combination of population pressures on diminishing land availabilities, migrations away

from the village and increasing monetarization of the economy are giving evidence of a partial breakdown in the strength of the system. In traditional Hausa society the patriarch is responsible for the allocations of family land holdings. Each family has common fields, and married adults (including women) are allotted their personal fields. Although the patriarch is ultimately responsible for the assurance of basic food requirements and the payment of taxes, this responsibility is assumed downward by the male head of each family cell in this extended family. While the communal fields are responsible for furnishing the basic family needs, the proceeds from individual fields accrue to the tiller.

The married men's responsibilities toward meeting the family needs means that the majority of their time is spent on the common fields. The women's role in the common fields is much more restricted and specialized, giving them more time for their individual fields. However, the constraints on women's free time caused by other domestic chores plus the fact that their fields are generally the furthest away from the village, and thus less fertile, means that the production realized is quantitatively inferior in per hectare yields. Women also have considerable holdings of goats and sheep.

The most significant identifiable difference within the Nigerien population is reflected in the life-style which separates the nomadic herders from the sedentary farmers. These herders (Bororo and Touareg) constitute approximately 15% of the rural population and are concentrated in the sparsely settled regions above the 15th parallel. These people were especially hard hit by the drought as their herds, which represent both current income and a store of wealth, were decimated. Livestock losses represent the loss of years of investment and recovery from that loss requires additional years. The farmers' loss of a crop, on the other hand, represents

the loss of one year's labor which can be recuperated with the next one or two rainy seasons. Among the Touareg, the largest source of cash income is from the sale of stock but an important supplement is provided by the sale of handicrafts: belts, sandals, swords, basic tools, axes, jewelry, wickerwork, etc. Among the Bororo, income is earned almost solely from the sale of animals and animal products: milk, butter, cheese and skins.

Among nomadic herders, the Touaregs were hurt relatively less by the drought since their sheep, goats and camels are able to withstand the rigors of drought much more easily than the cattle of the Bororos which are dependent upon heavy stands of rangeland grasses. Nevertheless, both groups suffered heavy losses causing family migration, in some cases, permanent, to urban centers in search of employment.

Although per capita GNP was estimated at \$267 in 1978 (this represents \$132 in constant 1972 prices) there have not been sufficient household surveys to give a valid national estimate of cash income for the average farm family. The GNP averages are based on market economy prices and the extent to which they accurately reflect the value of the non-monetized subsistence economy is open to question. Nevertheless, it would be expected that the median per capita cash income in the rural areas is considerably less than the national GNP average.

While very few people in the rural areas could be classified as wealthy by any world standards there are observable income differences between farmers - both within individual villages and between geographic areas. Within villages, these differences can be accounted for by various factors ranging from social and political standing within the local group, to size of family, accumulated land tenureship and individual industriousness. Between geographic areas the differences can be accounted for by the natural resources base such as soil fertility and rainfall patterns.

Within villages, some family incomes may also be augmented by other activities such as petty commerce or fabrication of handicrafts, tools and utensils. A large family with above average land holdings who also engages in village commercial activities may therefore be considered "well-off" in relation to the family at the lowest end of the village's income scale.

By all standards, however, the rural population in nearly its entirety is poor. Apart from the monetary income consideration, which is a relative factor, this poverty is reflected in the lack of sufficient and diversified foodstuffs, illiteracy and the inadequacy of health and medical care, all of which are compounded by lack of the modern knowledge, techniques and infrastructure which could substantially alleviate these basic deficiencies.

One indication of this is the high incidences of communicable and parasitic diseases which are, in part, responsible for an infant mortality rate (0-1 year age group) of 162/1000, and a life expectancy of only 39 years. A lack of adequate, clean rural water supplies and a lack of basic knowledge of sanitation and hygiene increase the incidence of disease transmission.

Malnutrition is the most important health problem in the 0-5 year age group in Niger. It decreases the resistance of children to endemic disease and decreases their chances for survival once a disease has been contracted. Those children who do survive their fifth birthday may be both physically and mentally disadvantaged due to nutritional deprivation during their early formative years. While little is known about levels of adult malnutrition in Niger, it is assumed that seasonal food deficits decrease work capabilities and increase disease susceptibility. The FAO has estimated that per capita food consumption from 1973-77 averaged 80 percent of minimum caloric requirements.

Urban Areas: The 1977 census shows an urban population of 602,000,

i.e., 11.8% of the population, divided among 42 urban centers. However, these "urban centers", which have a median population of 6,000 range from Niamey with 225,000 people to Kilmá with 1,700. Since as much as 50% of the population of the smaller market centers probably derive the majority of their livelihood from farming the surrounding fields, USAID/Niger would estimate that a maximum of only 10% of the total population should be classified as "urban".

The census figures on the major urban centers, when compared to the previous estimates of 1970, indicate a very high growth rate: Niamey increased from 100,000 to 225,000 for a growth rate of approximately 13%; Zinder from 32,000 to 58,000 (9%); Maradi from 25,000 to 46,000 (9%); and Tahoua from 19,000 to 31,000 (8%). These urban growth rates compare to an estimated 2.7% for the total country and probably reflect a continuing rural/urban migration. Only four other urban centers have a population exceeding ten thousand: Agadez (20.4); Kiri N'Konni (15.2); Tessaoua (12) and Dogondoutchi (10.2).

While there appears to be no problem in the employment market for skilled blue and white collar personnel, as attested by the large number of employees from neighboring countries (Upper Volta, Benin, Togo and Mali), the extraordinary urban growth rate is composed largely of unskilled, manual laborers. Statistics are unavailable on the extent of urban unemployment and, while the GON is cognizant of the situation, neither the urban economy nor government actions, including rural development programs designed to stem it, have been able to effectively address the migration. However, as the situation becomes a "problem" e.g., a growth in the urban crime rate or a vocal unrest on the part of the unemployed, the GON may be forced to refocus or broaden its full array of existing priorities. The problem therefore, is more nascent than fully developed but, as in all

developing countries, presents a situation which must be squarely faced by the GON. The recent growth in physical infrastructure activities in the urban areas such as city water supply systems and building construction have no doubt absorbed a significant amount of manual labor availabilities in the private sector construction industry. However, the extent of such an absorption in relation to the overall availabilities remains a statistical unknown.

A second major problem which urban growth fosters is that of housing and municipal services. Simple observation of the city of Niamey over the past few years clearly dramatizes the problem of "urban sprawl" and squatters settlement which is unfolding. Although the spread of modern sector housing is taking place along orderly lines, the traditional housing quarters are expanding along a village structurization antithetical to the provision of services required by a modern urban area such as sewage and drainage systems, water, electricity and urban streets.

As in the rural areas, the majority of urban dwellers are poor. This poverty, however, is accentuated in the urban areas because of complete dependence upon the monetized economy. Employment for cash remuneration (or ready access to a relative who is endowed with such employment) is required for even basic subsistence. The median household income in Niamey was estimated at \$528 per annum in 1975. Assuming an average family size of six persons this would put per capita income for at least 50% of the urban population at less than \$90.

Equity: The evidence available indicates that poverty is quite evenly spread throughout the population. As will be detailed in another section, the GON has an explicit policy to promote fair distribution of income and services. In full support of this, AID will attempt to ensure that projects do not inadvertently contribute to inequity and that they, in fact, promote

equal opportunity through participation in such activities as cooperatives, herder association and productivity programs. Nevertheless, the primary challenge which the development program in Niger faces is the creation of adequate services and distributable income, rather than the redistribution of existing levels.

There are differences in rates of development between urban and rural areas which, in the immediate future, will tend to increase the income gap in favor of the former (even though income divergencies within urban areas will remain more pronounced than in the rural areas). The urban areas have a development momentum of their own which is accounted for by the concentration of educated people and individual initiative, a dynamic environment, fewer cultural and traditional encumbrances, salaried wage-earners, an advanced market economy, and a greater consumer demand for goods and services.

The rural areas, to the contrary, suffer the enormous constraints imposed by illiteracy, poor health, isolation, tradition and scant resource base which will take many years to overcome before the development rate will even begin to approach the present rate of the urban areas. Even then, it must be recognized that the urban rate will continue to accelerate and, despite advancements in the rural sector, the gap will continue to widen. However, it should be noted that this natural growth in the urban section may well stimulate and complement rural development efforts through such factors as increased demand for rural products, increased tax base, and greater opportunities for skills training.

B. IDENTIFICATION OF THE CAUSES OF POVERTY AND CONSTRAINTS TO DEVELOPMENT:

Niger's present situation needs to be viewed from the perspective of the past 100 years. During these 100 years the population has grown

from 750 thousand to approximately 5 million people and the corresponding need to put more land under cultivation has led to an expansion in the number of villages from 1,500 to over 9,000. The result has been a steady and progressive manmade deterioration of the soil and forest resources. Periodic droughts accentuate the process.

The key factor which accounts for Niger's present state of development and low standard of living is the natural and human resource base. The soil in this arid land is extremely marginal and subject to rapid deterioration by the incessant misuse and mismanagement resulting from population pressures. Using traditional technology and agriculture practices this mismanagement has steadily reduced the capacity to produce sufficient foodstuffs to meet the requirements of an expanding population. The colonial administration and post-independence external assistance, until recently, did little to address these problems and therefore unintentionally oversaw the continuing downward spiral of the rural areas by limiting development actions to geographic concentration on the promotion of export-oriented cash crops such as peanuts and cotton rather than nation-wide on food crops.

The important role that the market economy played in the social change and technological development of the rural areas in the industrialized world was not duplicated in this part of the world as the producers of the cash crops were relatively isolated from the market operations. Consequently, the infusion of new ideas and thought patterns has been negligible and the rural society has continued to follow essentially the same subsistence agriculture practices which served it adequately in coping with a harsh environment 100 years ago. The past failure to develop a governmental infrastructure and human resource base to promote changes leading to economically and environmentally sound agriculture innovations

allowed these traditional practices to continue the steady downward cycle of rural society.

The negative effects of these key factors have been reenforced by the general conditions of rural life. Until recently there were only few schools in the rural area with a result that Niger has a literacy rate estimated at only 7%. Combined with limited access to modern communication media, this illiteracy has greatly inhibited knowledge of and receptivity to new ideas by the rural population.

As medical and health facilities, as well as knowledge of basic sanitation and personal hygiene practices, are still very limited, the rural population shows poor resistance to disease. This has reenforced the downward cycle: as the population becomes less able to provide its basic nutrition requirements due to the deteriorating resource base, it becomes more susceptible to disease and sickness. This in turn debilitates its capacity to provide the increased work effort required to produce basic subsistence on increasingly marginal resources.

These, therefore, are the major factors contributing to rural underdevelopment and poverty in Niger. Improved markets, road and communication networks, government and social infrastructure, trained manpower and access to improved inputs and appropriate technology are the vehicles by which a development program can alleviate and improve the rural condition.

A description of constraints to development efforts follows:

Water: Only the southern 23% of Niger's land lies below the 350 mm isohyet (precipitation measurement) and thus receive the minimum rainfall necessary to be considered agriculturally "useful". Because rainfall is erratic, the risk of crop failure is always present. Only the southern most corner of the Dosso Department and parts of Say Arrondissement (District) lie below the 800 mm isohyet, thereby qualifying, by some

international standards, as fit for "modern" agriculture. Although 30,000 hectares of productive land are now irrigated under both traditional and modern management, the expansion of irrigation is constrained by natural limitations of harnessable water resources outside the Niger river flood plains.

Land Quality: Although 15 million hectares (half of the area south of the 350 mm isohyet) are "arable", numerous reconnaissance soil surveys have rated Niger's soil resources as moderately poor to poor, characterized by fine sands and loamy sands of low fertility and poor structure. These soils have limited capacities to hold water and the retain soluble fertilizer nutrients and are highly susceptible to wind and water erosion.

Natural Vegetation: Niger's grasslands and tree cover have suffered considerable degradation as a result of the drought, persistent overgrazing and over-cutting - factors which, in turn, accelerate soil erosion. Fuel-wood needs, which account for about 90% of wood consumption, are estimated at just under three million cubic meters per year, of which some 12% is used in urban areas. The natural forest and brush-wood supplies in many areas, particularly around Niamey, have been completely cut. Yet, fuel needs will continue to grow far in excess of Niger's present reforestation capabilities. Grass cover has returned to much of Niger's rangeland since the drought but without a system of range management, the carrying capacity of Niger's rangeland is just sufficient for the present national herd which is estimated to be growing at 3.4% per year.

Population Growth: Increasing population pressure on this already limited resource base is steadily reducing the productive potential of the primary sector. Niger's population has increased seven-fold over the past century and grows today at 2.7% annually. The rural population is growing at a 2.2% (there is some rural-urban migration) rate, putting

pressure on available arable land and forcing expansion of cultivation onto marginal lands, including an expansion onto traditional herder pasturelands north of the 350 mm isohyet. With the diminished availability of land, fallow periods have been reduced from the traditional seven years, and many lands now have no fallow period at all. This reduces soil fertility significantly. As a combined result of population growth, increased cultivation of marginal lands, and declining fertility on traditional farm lands, average per hectare yields have declined and per capita grain production has fallen 27% since 1967.

Human Resources: A constraint which will severely limit the rate at which Niger develops is the underdevelopment of its human resource base. A lack of skilled labor, experienced management, and entrepreneurial talent limits growth and effectiveness of private businesses. In the public sector, a lack of administrators, planners, and personnel at all levels constrains the rate at which development programs and projects can be implemented. Proposed plans, for example, would require 2,980 mid-level development service personnel to implement rural productivity projects by 1984. Yet, even with the present expansion of the capacity of its rural training institute, Niger will be able to supply only 1,230.

Approximately 44% of the population is under 15 years of age. This large dependency ratio means both a reduced rural labor force and a strain on Niger's attempt to expand and develop the educational system.

Educational levels are extremely low. A literacy rate of 7% limits the rate at which the poor can absorb new ideas and benefit from new technologies and public services. Enrollment ratios of 17% for primary schools and 2% for secondary schools present critical limits to public programs in need of trained personnel. Although the GON is according public education a high priority, present educational levels will constrain Niger's development

for at least another generation.

Women are not participating to the extent of their productive capabilities in the national development effort. The Sahel's highest mortality rate requires that Nigerien women devote their most productive years to bearing and caring for children (the crude birth rate is 52.2). Much of the rural woman's day is also spent in time consuming and exhausting domestic chores. Although conservative traditional influence in the rural areas is sure to retard the evolution of a modern participatory women's role in society, Niger's women are not cloistered and take an active role in village social and economic life. Many women farm land which has been allotted to them through the extended family division of land.

Unproductive Technologies: (a) Agriculture Production: Production of the staple crops is based primarily upon rain-fed, land-extensive cultivation with hand tools. Such methods enabled farmers to eke out a subsistence living in Niger for centuries, as long as population was in balance with the environment. As population pressure on the land increases, traditional methods of cultivation become more inadequate in fulfilling total food needs.

If farm production is to increase sufficiently, a more land-intensive and quasi-capital-intensive production system must be adopted. Various technologies exist for increasing yields, including the use of animal traction, rotation of cereal crops with legumes, use of chemical fertilizers and pesticides, adoption of improved seed varieties and cultivation techniques, and increased use of organic fertilizer. Most of these technologies have been developed or tested by local research facilities and have shown potential for production increases. Active campaigns to introduce them to farmers through a series of productivity projects is being undertaken in most of Niger's cultivable zones.

Numerous obstacles to the widespread adoption of these technologies persist. The supply of imported inputs (fertilizer, pesticides, equipment) is inadequate, appropriate technical packages have not been developed for each soil and rainfall zone of the country, and too few trained agricultural extension agents exist to bring the new technologies to farmers.

(b) Livestock Production: Although farmers play a significant role in this sector, production is carried on predominantly by nomadic pastoralists. Herd offtake is very low by western management standards; partly because livestock is valued for its milk production and partly because herds are viewed as a store of wealth.

Over the past 20 years sedentary farmers have moved northward into the best watered portions of the pastoral zone, restricting available grazing areas. Consequent overgrazing has deteriorated much of the rangeland and reduced its carrying capacity. It has become clear that man and nature are no longer in balance and that Niger's traditional system of livestock production will have to be modified. The present problem is to determine what system of progressive range management and livestock production would be compatible with the natural resource base, the traditions of the herders, and the needs of the national development program.

(c) Industrial Production: With the exception of mining and some medium-sized para-statal manufacturing and processing enterprises, Niger's industrial/commercial sector is dominated by small-scale concerns, such as those in the production of leather goods, textiles, ceramics, and bricks. Most industries have only 1 to 3 producers of a product and employ fewer than 50 people. The level of technology employed varies from industry to industry. Mining, which represents 60-70% of the monetary value of all industrial activity (a share which will grow), is a high technology industry. Construction, on the other hand, is far more labor intensive. Industrial

development in Niger is constrained by a lack of domestic markets, the high cost of imported inputs, and a scarcity of skilled manpower and management. Modern sector industrial management is heavily dominated by expatriate expertise, especially in construction and in uranium mining. Out of 30 mining engineers only 2 are Nigerien and only 35 out of 165 mining sector technicians are Nigerien. Out of a total population of 5 million only 50-55,000 are wage-earners of which 35-40% are unskilled.

Infrastructure: A lack of physical infrastructure further constrains Niger's development. All of its energy needs, with the exception of firewood, are presently satisfied by imported fuels. Electrical power serves only major towns. Although Niger's external telecommunications network is now using modern satellite technology, its internal system remains inadequate. Niger still has no rail link to the sea and its landlocked position severely limits the competitiveness of its exports as well as increasing the cost of development-related imports.

The inadequacy of the interior rural road network presents one of the greatest obstacles to reaching the rural area and increasing its productivity and standard of living. Niger has 18,377 kilometers of roads and tracks, 6,923 of which are classified as national roads and only 1,761 of which are paved - a network far inadequate for a country of 1,267,000 sq. km. Most of these roads center around the major east-west highway running across the southern edge of Niger. Less than 10% of rural roads are graded and portions of many are impassable in the rainy season. Poor roads mean high transportation costs, a lack of marketing channels for agriculture produce, and a reduced likelihood that development services and farm inputs will penetrate to isolated rural areas.

Effective services cannot expand beyond the capacity of the government to provide the office space, warehouses and living accommodations for

the personnel required to administer its programs. The ultimate effectiveness of government officials cannot be disassociated from the facilities and accommodations available to them and the consequent level of their morale.

Government Policies: As attested by most observers, including the recent Agriculture Sector Assessment, the majority of GON policies are conducive to sound development progress. The most critical and detrimental variable is the GON's policy, or lack thereof, regarding population growth.

(a) Factor Pricing: Based on a minimum cost of living indexed according to the prices of 47 consumer necessities, the GON has set a schedule of minimum wage rates, starting at about \$80/month, for a large number of occupational categories in Niger. Although the regulation only affects approximately 50,000 Nigeriens in the wage labor force, the fact that many employers pay above the minimum wage for semi-skilled labor indicates both a labor shortage and that wage levels are not harmfully high. A second area of public policy affecting relative factor prices is interest rates. Public loans to small enterprises are made at 8.5%, a rate somewhat lower than the opportunity cost of capital but not as subsidized as interest rates in many developing countries. The GON short and medium term lending rate to small farmers was raised in 1978 from 6.5% to 9.5%, reflecting an interest in stabilizing the government's limited agricultural loan funds. Loans to cooperatives are made at 8%.

As a member of the West African Monetary Union (UMOA), Niger shares with five other countries a common currency tied to the French franc. Niger thereby relinquishes an independent exchange rate policy in favor of a hard currency policy and cannot therefore deliberately facilitate capital imports through an overvalued exchange rate. Niger does not make a policy of subsidizing capital imports, with the exception of small farm

agriculture inputs, and tariff structures are set so as to neither facilitate nor discourage capital imports but rather to protect infant industries (e.g. cement, textiles, some chemicals), and to raise financial resources through import tax revenues. The GON is heavily subsidizing modern farm inputs at present to lower the costs of production and encourage farmers to adopt improved technologies.

(b) Fiscal Policies have been conservative and geared for steady growth. The emergence of uranium as a major source of government revenues (36% in FY 1980) has enabled the GON to eliminate regressive taxes (head tax, cattle tax, taxes on low income), and to reverse a flow of public monies that, until the mid-1970's, only returned to the rural sector 1/3 to 1/2 of the revenues taken from it. Each year the GON presents a balanced budget. Following a policy of strict expenditure control, expansion of current expenditures has been kept to a lower rate (25% per year from 1974-1980) than increases in capital expenditures (49% per year over the same period), reflecting a strong commitment to long-term growth.

(c) Monetary policy is largely governed by Niger's membership in the West African Monetary Union, which determines overall credit expansion and sets the Central Bank discount rate for the six member-countries in line with world financial markets. Growth in the money supply, which averaged 17% from 1972-75, accelerated to 30% in 1976-77 due to massive increases in foreign assets. Growth continued in 1978, due to expansion of credit to the private sector, but at a slower rate. Large government deposits into commercial banks have allowed these banks to meet demand for credit without increasing their borrowing from the central bank. These deposits fell somewhat in 1978 as a result of GON prefinancing of public investment expenditures but, their growth is likely to renew as the GON experiences difficulties in dispensing uranium revenues in slow moving

public investment projects. 80% of Niger's commercial credit goes to the public sector and 20% to mixed enterprises.

(d) Private Sector: The GON's approach to this sector is still evolving. The present government came to power in 1974, when the marketing of scarce consumer staples was a powerful political issue. The private commercial sector had been accused of profiteering during the years of drought-caused shortages, and the new government has taken an active role in the regulation of commerce and industry. Nevertheless, the GON has taken steps to encourage private investment domestically and from abroad. The Development Bank of the Republic of Niger has been created to lend money on reasonable terms, to small Nigerien enterprises. Further incentives are offered in the forms of tax concessions (during the first several years of operation), and tariff protection. Foreign investment in Niger has been encouraged and sometimes actively solicited (notably in the mineral sector). Incentives to foreign investors include free repatriation of profits (after three years) and expatriate salaries, tariff protection, and tax concessions that increase with the size of the investment or with the number of jobs created.

(e) Pricing and marketing policies in basic cereals have been established by the GON with the objective of providing the population with an assured supply of cereal grains and a stable market price for both producers and consumers. It is committed to intervening in the market via para-statal, quasi-monopoly control to prevent what it has experienced to be the excesses and abuses of private traders and to guarantee a stable cereals economy. Experience has indicated, however, that the mechanics presently employed in pursuit of that policy are not achieving potential effectiveness, and the marketing board is commercializing only 15-25% of the cereals marketed annually. These mechanics include a fixed seasonal

price and a buying campaign which is limited to the months immediately following the harvest.

The GON also maintains a monopoly policy on the importation of widely consumed basic commodities (salt, sugar, wheat flour, matches, tomato sauce, etc.) and on keeping the retail prices of these goods low.

It is assumed that the GON intends to maintain such a policy approach and will continue to regulate commercial activities on basic subsistence commodities. What therefore must be done by the GON is to refine its present operations and define a structure and system of market mechanisms which will most effectively complement the agriculture production development activities; while at the same time achieve the government's policy of stable prices within the reach of all citizens. In recognition of this, the GON has adopted a more liberal price policy, increasing producer prices by 60% over the past three years, and is increasingly accepting the supplemental role of private traders.

(f) Equity: The GON has recently enacted a number of policies affecting equity and distribution of income and wealth. Although Niger does not yet have a landless peasant problem, population pressure on the land is reducing land holdings in some parts of the country. The government has accordingly decreed that any land unfarmed for several years can be reassigned to farmers in need of more land. The decree is aimed at breaking up family land holdings larger than a family can farm. Several regressive taxes have been eliminated in the last few years, reducing rural cash needs and lessening the likelihood of the rural poor losing their land by falling behind in the seasonal debt cycle. These included the cattle tax (abolished in 1977), and most significantly, the head tax (abolished in 1977/78). Other recent policies designed to increase rural savings include limits on bride prices and on consumption expenditures for marriages, baptisms, and other celebrations.

Enforcement, other than moral suasion, is obviously difficult.

(g) Women: Official GON policy on women is unequivocal in its commitment to steadily broadening the traditional role of women to one of full participation in the development process and equitable sharing in its benefits and opportunities. While recognizing the cultural barriers to a rapid evolution of the female role in society, the GON, through state media, regularly devotes articles and radio programs to increasing recognition of problems facing women. The Association of Nigerien Women has been given official status and mandated to advise the government on the socio-economic problems of women, their career opportunities, and on legislation necessary to improve their status. Educational opportunities for women are officially encouraged, and, although overall enrollment ratios are low, females comprise a significant portion of student bodies given Niger's conservative moslem culture and stage of development: primary level - 35%, secondary - 28%, university - 20%.

(h) Population: The most obvious broad policy area in which the GON position may be detrimental to Niger's future development progress is its approach to population policy. Despite the growing problems, the government has yet to officially discuss family planning. Reluctance to squarely face the population problem is based on a hesitancy to offend a society whose religious traditions and ethnic customs embrace polygamy and encourage large families. Recently, however, the GON has directed the Ministry of Health to study the population issue and formulate draft policies. The Ministry is also working with UNICEF in planning a Family Health Care Center. Recent mention in two national messages by the President of population growth as a major development constraint is another encouraging sign. However, the GON has made it clear to the donor community that it will not be pushed on this issue.

Limited Absorptive Capacity: As larger flows of external assistance increase the level of recurrent cost requirements, the ability of Niger to fund these costs depends on (1) the nature of particular projects; (2) future uranium revenues; (3) future growth in the overall economy and its ability to generate additional public revenues; and (4) long-term success of the BHN development activities in bringing the rural population to a position of financing and managing their own ongoing activities. Based on a ratio formula of recurrent to capital costs in the GON's present project portfolio, a rough analysis in the Mission's recent Ag Sector Analysis draft indicated that a sum equal to the GON's projected uranium revenues would be needed to meet recurrent costs by the end of the century. A more in-depth analysis is obviously required and should be furnished by the Sahel recurrent cost study presently being undertaken by the CILSS/ Club.

Niger is aware of the problem, and in 1978 the Ministry of finance was ordered to examine all external assistance activities to assure budgetary planning for the eventual replacement of expatriate personnel and the concomitant growth of Nigerien personnel required by the development program.

A greater limitation on absorptive capacity comes from the human resource constraints previously discussed. This limitation is especially relevant to rural sector BHN activities which, at the present stage, require large numbers of trained government personnel and extensive, active participation by villagers. Present constraints on both these fronts will limit the magnitude of financial resource increases towards these types of activities over the next five years. On the other hand, absorptive capacity in some large-scale infrastructure is less restricted, and relatively large resource transfers could be absorbed by such activities.

C. RECENT ECONOMIC PERFORMANCE: Real economic growth in Niger averaged 2.7% annually from 1967 (just before the Sahelian drought) to 1978. As this rate equaled that of population growth per-capita income has stagnated. Growth over this period has been highly uneven, due primarily to effects of the drought on primary production. Real gross domestic product fell 14% in 1973 alone. The period since 1976, however, has been one of rapid growth and of structural change. Food grain production has finally rebounded to above pre-drought levels. Uranium production has spurred production in related industrial and service sectors and consequently contributed to a decline in the relative share of agriculture in GDP. As a result of rapidly rising uranium prices and a slow growth in current public expenditure, Niger's financial position has improved significantly since the early 1970's.

The following table shows real growth of the major sectors of Niger's economy from 1972 to 1978. It also indicates the relative contribution of each sector to GDP at the beginning and end of this period.

NIGER'S GROSS DOMESTIC PRODUCT 1972-78

	(in millions of constant 1972 dollars)					(in millions of 1978 dollars)	
	% share in 1972	1972	1974	1976	1978	1978	% share in 1978
Rural Sector	55.9	276	225	256	291	542	40.5
subsistence							
crops	(28.0)	(138)	(135)	(151)	(173)	(267)	(20.0)
cash crops	(8.6)	(42)	(27)	(31)	(33)	(38)	(2.8)
livestock	(19.3)	(96)	(63)	(74)	(85)	(237)	(17.7)
Industry* & Services	23.1	114	116	145	210	384	28.6
Mining	1.4	7	9	11	18	159	11.9
Commerce	14.2	70	70	97	101	185	13.8
Government	5.4	27	30	37	46	70	5.2
TOTALS	100.0	494	450	546	666	1,340	100.0

* - includes construction and transportation.

Agriculture has been and continues to be the most important sector of the Nigerien economy. Crop and livestock production together sustain 90% of Niger's population and account for almost half of the nation's GDP. Throughout the favorable weather conditions of the sixties, the agricultural sector was characterized by small surpluses in food grain production and increasing diversification into cash crops. The drought years in the late 1960's and early 70's depleted food grain reserves and all available resources were put into the production of food grains. It was not until 1977 that food grain production reached pre-drought levels and only in 1979 that the GON considered itself as having a surplus over national consumption needs. It is noted, however, that the mid-sixties surplus of cereals were produced at the same time that considerable quantities of peanuts and cotton were produced. The small surplus produced in 1979 comes at a time when most resources are fully employed in food grain production, and few resources are being allocated to peanuts and cotton.

Production of cash crops, has fallen off dramatically due to a peanut blight since 1975 and an emphasis on food grain production since the drought. Peanut production in 1978 stood at 23% of its 1966 level. Cowpea production however, intercropped with cereal grains, has increased 150% since the introduction of new varieties in 1972, and has become a high protein additive in local diets as well as an important export crop.

The Livestock sector, second only to crop production as a source of livelihood is even more vulnerable and was the sector most severely affected by the drought. The loss of ground cover accelerated soil erosion and reduced carrying capacity. Although goat and sheep numbers have regained pre-drought levels, cattle numbers are at about 70% of the pre-drought figures. However, this is a level that some experts consider optimal. Livestock, meat and hides are Niger's second most important export group.

An important trend in this sector has been the steady increase of meat and live animal prices over the past decade. The value of recorded live animal exports has increased about six times since the early 1970's, although the recorded number of cattle exported is inferior to pre-drought exports. At the same time, constrained supplies of animals and higher prices have generally reduced domestic consumption of red meat in Niger.

The most significant development in the Nigerien economy in this decade has taken place in the mineral sector, principally uranium production. In 1972 this sector contributed only 1.5% to GDP. By 1978 output had tripled; but due to dramatic rises in world prices, uranium production of 2,060 tons in 1978 accounted for 11.9% of GDP, 70% of export earnings, and 30% of total GON revenues. Production is projected at 7,000 M.T. by 1984. Assuming price increases of 5 1/2% per year and 25% of uranium revenues accruing to the government, public income from uranium mining should exceed \$265 million by that time. Given current population trends, this would represent about \$43 in annual investable resources per capita. The mining sector directly touches very few Nigeriens (only 2,000 are presently employed by the mining companies). Its main significance is as a source of public sector investment and as a catalyst for the private sector. Backward linkages have recently stimulated growth in the industrial and service sectors. Other recent potential in the mineral sector includes the mining of rock phosphates for domestic fertilizer production and the exploitation of coal deposits to produce electrical energy for the uranium mining sites and for Agadez. International companies are prospecting for oil in the north and east of Niger but economically exploitable reserves have not yet been found.

Niger's industrial sector suffers from several disadvantages that severely limit its ability to attract foreign investment. These include

a small internal market, high transportation and energy costs and a lack of skilled labor. Lack of growth in this sector from 1972-75 was primarily due to its dependence on the faltering agriculture sector. Agricultural processing, which accounted for 8.2% of GDP in 1972, represented only 3.5% of economic activity in 1974. Peanut processing, in particular, has suffered, first as a result of the drought and then because of a disastrous blight in 1975. Peanut and cotton processing plants are presently operating well under designed capacity.

Since 1975, however, the industrial sector has experienced rapid growth in those industries directly linked to uranium production, especially in construction and transportation. The Route de l'Uranium, Niger's first north-south paved road, is presently under construction, as are entire new towns to house mining employees. The linkage between mining and the transportation sub-sector is underscored by the fact that at least 25 tons of inputs (sulphur and petroleum) must be trucked in to produce one ton of uranium metal.

Mixed enterprises have become increasingly important in the industry and services sector as the GON has taken a stronger hand in managing the economy. In 1976 parastatals and mixed enterprises employed 7% of all non-agricultural wage earners, accounted for the great majority of exports, and for 60% of transportation sub-sector production. Niger's non-agriculture based industries include a textile mill, a bottling plant, a cement plant, paint and chemical manufacturers, a pharmaceutical firm, a plastics factory, a furniture manufacturer, tanneries, a shoe manufacturer, and several brick and tile manufacturers.

Niger's commercial sector contributes about 14% of GDP. The GON has taken a partial role in this sector and has attached particular importance to the equitable distribution of basic foodstuffs. Public corporations have

monopoly marketing rights (enforced in varying degrees) for certain agricultural products and for the importation of certain staple foods, which may be resold by retailers at specified markups.

Factors limiting the growth of Niger's external economy include its landlocked geographic position, distance from major international markets, uncompetitive levels of productivity, and subsistence nature of agricultural production. Transportation costs from Niger's outlets to the sea are such as to severely reduce the competitiveness of exports and substantially increase the costs of imports. Nevertheless, with a limited internal demand, Niger must look to external trade as the market for its limited export potential and as the source of the imports required for its development programs.

Niger's consumer price inflation increased from 3.4% in 1974 to over 23% per year in 1976 and 1977, before abating somewhat in the first quarter of 1978. Causes for this significant increase in the cost of living include rises in the prices of imported goods (fuel prices in particular), the rapid monetary expansion of 1976-77, and supply constraints in basic commodities. This last factor (especially shortfalls in food supplies) was probably the most important cause of the increased cost of living for the average Nigerien. Recent strong performance by Niger's agriculture sector should help ease this supply constraint and reduce the rate of domestic inflation as it applies to basic food-stuffs.

Niger's balance of payments in this decade has been characterized by trade deficits financed by capital inflows, originally in the form of foreign grant aid, but since the establishment of uranium mining, increasingly in the form of foreign investment and loans. Apart from the relatively small deficits of 1974 and 1978, the overall balance of payments has been in surplus, reaching a peak of 36 million dollars in 1976.

The following table shows the composition and volume of exports as they have evolved over the last several years. Uranium has clearly become the dominant export and will continue to be so for an indefinite period. But, to avoid excessive reliance on a single commodity the GON is encouraging promotion of traditional exports from the primary sector, especially a revitalization of the peanut industry. The bulk of the recent growth in imports has been in fuel and capital goods related to the mining sector. Trade is overwhelmingly oriented toward Western Europe (France alone accounts for half of trade), but Nigeria is also emerging as a significant export market, (23% of recorded exports in 1976), and as a source of imported oil and electricity. In addition, unrecorded exports of livestock and food crops to Nigeria are estimated to be as important as recorded exports.

NIGER'S RECORDED EXPORTS 1972-1978
(millions of current dollars)

	1972	1973	1974	1975	1976 ¹	1977 ²	1978 ²
Livestock and animal products	13.9 (22%)	14.1 (22%)	12.8 (22%)	18.7 (21%)	24.9 (17%)	37.1 (18%)	52.7 (18%)
Agricultural products	30.5 (49%)	17.4 (28%)	6.8 (12%)	8.3 (9%)	23.5 (16%)	29.1 (14%)	N.A.
Uranium	10.8 (17%)	24.7 (39%)	28.7 (50%)	54.0 (61%)	93.1 (64%)	129.1 (63%)	213.6 (74%)
Others	7.1 (11%)	6.6 (11%)	9.0 (16%)	7.9 (9%)	3.9 (3%)	8.6 (4%)	N.A.
TOTAL	62.3	62.8	57.3	88.9	145.4	203.9	288.3²

¹ - provisional; ² - estimate.

At the end of 1977, Niger's external debt amounted to \$267 million, 82% of which was loans from France, West Germany, the Peoples Republic of China, and the World Bank. (West German loans have since been forgiven.) 1977 debt service payments were \$9.5 million, or 5.2% of export earnings. Although debt service payments may rise somewhat in the future, the ratio

should increase only very moderately because of expected rises in uranium export revenues.

Although Niger's primary goal is the achievement of self-sufficiency in food production, it is well aware that its development is also dependent on regional concerns. These include the transit of Niger's imports and exports, regional markets for meat and cash crops, and the growth and development of the industrial sector in neighboring countries which could provide cheaper sources of manufactured imports. In light of the recent stagnation of Nigeria's agriculture sector, northern Nigeria looms important as an enormous potential market for Niger's agricultural production. The GON is aware of all these concerns and cultivates its regional relationships through membership in such organizations as the Economic Community of West African States (ECOWAS), the Council of West African States (CEAO), the Entente Council, and bilateral commissions with both Nigeria and Benin.

D. PROGRESS AND COMMITMENT: The present government came to power during the height of the drought in 1974 by a military coup d'etat following disenchantment with mismanagement of the drought emergency and a general laissez-faire attitude towards development which tended to concentrate on investment in the urban, commercial and industrial sectors.

The new government has balanced this development orientation by placing heavy emphasis on the rural sector while recognizing the legitimate needs of continued growth and investment in the urban, commercial and industrial sectors which will be the primary contributors to future government revenues.

The drought which marked the 1965-75 decade has so skewed economic and social indicators as to render meaningless their validity for comparative or baseline data purposes. Coupled with (1) the poor performance of the previous government which dominated the decade up to 1974; (2) the

priority concentration of the new government on drought relief and re-organization during the initial years of its tenure; and (3) the relatively minor interest of the donor community in providing significant development assistance prior to the world-wide attention generated by the drought, it would be both unfair and invalid to establish a baseline to measure progress and commitment prior to the commencement of serious development efforts undertaken by the new government in 1976 with the expanded assistance offered by the donor community. The magnitude and the nature of the development problem in Niger guarantees that the growth reflected in quantitative progress indicators will be slow over the next five-year period. The donor community is thus required to assess commitment and progress through objective analysis and observation of GON statements, planning efforts, implementation actions and resource allocations.

One of the best indicators of this commitment to a balanced, people-oriented development program are policy statements and observation of their implementation. The following, unofficial translation (emphases added) from the introduction to Niger's 1976-78 Three-Year Plan provides the best description of the GON's development policy:

"...The accent has been placed...on the necessity to elaborate a plan essentially aimed at:

- liberating the economy from its dependence on natural forces;
- the building of a developmentally oriented society;
- the search for economic independence.

"In effect, the present situation of the country, as much from the economic point of view as the social point of view, requires us to bring the essential efforts of the nation to the following priorities:

- self-sufficiency in food production for the population, the rebuilding of the livestock herds and the conservation of our forest, animal and fish resource heritage;
- the de-isolation of our country, the improvement of its interior transport network, the provision of village and pastoral water

supplies, and the search for a lesser dependence on imported energy supplies;

- the development of social activities in matters of health, education, animation and information in the search for a greater participation of the population in the national development effort;
- the development of industrial, mining and commercial activities to increase the contribution of these sectors to the GNP and become the master of our own economy."

In clarification of the GON's intentions, the introductory section further elaborates on its goal of building a "developmentally oriented society":

"The national development effort will be, above all, a Nigerien affair. It will revolve around a bold policy of redistribution of the national wealth and full employment and will seek the well-being of our population. In the sphere of social justice the accent will be placed particularly on activities in health, education, information and awareness."

While such statements are commonplace in the developing world and could be interpreted as simple political rhetoric, it is the general opinion of the representatives of the donor community in Niger that the leadership of the GON is committed to its policy pronouncements and is dedicated to the pursuit of activities required for the achievement of its proclaimed goals. The decision of the new government to put the majority of its uranium revenues into a National Investment Fund (FNI) reserved for its development programs provides a convincing example of this commitment.

In mid-1979, the GON launched its latest effort to encourage popular participation in the national development program with the establishment of a broad-based commission to lay the foundations for the "Development Society" movement. This concept, while still vague in form, represents the GON's attempt to arouse and enlist a national consciousness and effort at all levels, and to improve government sensitivity and responsiveness, through participation in nationwide forums for two-way communication and debate between government and people. It appears to be a uniquely "Nigerien"

concept with no ideological basis other than the development program goals as enunciated above. Given the plethora of national movements and ideologies which have emerged throughout the third-world with varying degrees of success and failure, the US Mission in Niger believes this to be an interesting innovation worthy of close observation.

E. HOST COUNTRY DEVELOPMENT PLAN AND BUDGET: A delay in publication of the new Five-Year Plan (1979-83) prevents the analysis which the Mission hoped to present in this year's CDSS and forces the presentation to rest, for one more year, on the analysis of the previous Three-Year Plan. While mission staff have been privy to selected draft portions of the new plan it would be less than prudent to base an analysis on other than the official release.

In drawing up its Three-Year Plan the GON had projected the division of the development investment requirements from public sources (domestic and foreign) among four major sectors: (1) Rural Production (dryland agriculture, irrigated agriculture, cooperative formation, livestock and reforestation) - 33.6%; (2) Infrastructure, Public Works and Water Supply (primary and secondary roads, urban and rural water supply, urban electrification and housing, government services and administrative infrastructure) - 46.8%; (3) Human Resource Development (health, education, information and youth) - 15.3%; and (4) Industry, Mines and Commerce - 4.3%.

Of the total estimated three-year requirement, the GON had pledged to provide 21% from its National Investment Fund (NFI) divided among the above four categories as follows: Rural Production - 10%; Infrastructure - 43.6%; Human Resources - 33.7%; and Industry, Mines and Commerce - 12.7%. The skewing of planned GON allocations away from rural production reflects the awareness of the GON that it is easier to solicit donor financing for rural development activities than it is for the construction of infrastructure

for government administrative services. Those administrative physical plant requirements, identified in the Three-Year Plan are being 99% financed by the GON. The existence of donor community support, which the GON legitimately counts in its overall resource availabilities, provides it with the ability to effect trade-offs within its own internal budget allocations to maintain a balanced development program without jeopardizing the overall distribution of funds to the rural sector.

The unanticipated increase in uranium revenues has expanded the FNI resources and allowed the GON to increase its investment spending. Coupled with project cost inflation, this has both enlarged investment spending and skewed sectoral distribution from the original plan. Although the Three-Year Plan called for \$76 million in GON financing from the FNI, actual allocations amounted to \$110 million. Sector distribution of the FNI investments over the 1977-79 three year period were: Rural Production - 20%; Infrastructure - 35%; Human Resources - 32%; and Industry, Mines and Commerce - 13%.

The donors have responded fairly well to the GON's planned sectoral distribution. The most recent comprehensive reports on external assistance are those prepared by UNDP/Niger for the years 1976, 77 and 78. These reports show a contribution of donor assistance, exclusive of emergency assistance, totaling \$128.6 million (1976), \$179.4 million (1977), and \$173.2 million (1978). Percentage distribution among sectors was as follows:

	<u>1976</u>	<u>1977</u>	<u>1978</u>
Rural Production	36.6	27.6	35.2
Human Resources	16.4	20.2	19.9
Infrastructure	39.5	40.2	32.8
Industry/Mines/Commerce	7.5	6.7	9.3
Research & Planning	—	4.5	2.9

As shown in the table below, allocation of the GON's domestic resources from both current expenditures and the FNI are concentrated in education, infrastructure, health and rural development. The large budget for the Ministry of Finance reflects \$12 million in 1977 and \$17 million in 1978 for subsidies and contributions to these sectors. Substantial portions of the Ministry of Plan's budget are also directly related. Over two-thirds of the FNI funds are concentrated in these sectors. A fifth sector receiving substantial investment is minerals, with 14% of the FNI in 1978. As uranium revenues are channeled into the FNI, reinvestment in this sector is important to the development potential of Niger as well as to its ability to meet future recurrent costs. It should also be noted that only 6.4% of the budget is allocated to defense - a share lower than that existing when the present military government came to power and roughly half of the average for the African continent.

Ministry or Sector	1977 BUDGET			1978 BUDGET			1979 BUDGET		
	Cur. exp.	FNI Inv.	%	Cur. exp.	FNI Inv.	%	Cur. exp.	FNI Inv.	%
Education	21.1	9.4	20	24.0	15.7	20	29.5	16.0	18
Finance*	21.6	.8	14	28.2	.6	15	34.4	.7	14
Infrastr.	15.0	10.3	16	16.0	11.0	14	14.6	19.9	13
Health	9.6	2.2	8	10.8	5.6	8	13.6	8.3	8
Rural Dev.	5.9	3.6	6	6.5	8.1	7	8.3	18.9	11
Defense	8.7	.9	6	10.8	1.8	6	13.3	4.1	7
Debt Serv.	8.5	-	5	10.5	-	5	12.5	-	5
Minerals	.6	.2	1	.7	8.4	5	.9	.1	0
Planning	5.2	.7	4	5.2	1.7	4	5.8	2.3	3
Industry & Commerce	.5	1.3	1	.6	.8	1	1.1	11.7	5
Others**	22.3	7.1	19	24.8	5.4	15	28.4	13.4	16
TOTALS (\$'000)	119.0	36.4	100	138.2	59.1	100	162.4	95.4	100

* - includes undistributable subsidies and support to the other sectors.

** - Interior, Foreign Affairs, Information, Civil Service and Employment, Youth/Sports/Culture, the Presidency, and the National Development Council.

F. OTHER DONORS: In Niger, as throughout the Sahel, the development program is closely associated with the CILSS/Club du Sahel framework of donor/

beneficiary coordination following a broad strategy concept aimed at food self-sufficiency and sustained economic and social development over a long-term horizon. The fact that Niger's original development program and goals, as reflected in the 1976-78 Three-Year Plan, are entirely consistent with the strategy later adopted by the CILSS/Club grouping provides basic assurance that individual donor programs are mutually supportive and complementary. The small size of Niamey facilitates close contact between resident donor representatives and periodic donor meetings chaired by the UNDP/Niger representative assists program coordination.

Several donors are members of common project coordinating groups such as the regional Sahel Water Data Management project, and the national project for the expansion of Niger's rural development training institute.

Major donors such as the EEC, France, IBRD, West Germany and USAID are providing bilateral assistance to department-level "productivity projects" following GON strategy aimed at the introduction of improved technology and cooperative organization among the rural farmers. Support activities at the national level are provided by programs such as AID's Niger Cereals Project and Canada's Plant Protection and Pest Control project. A multi-donor, UNDP/FAO-coordinated activity in support of Niger's Rural Development Institute will shortly provide increased numbers of trained mid-level personnel to the rural development services responsible for the future implementation of expanded activities. The IBRD and AID are undertaking complementary projects in both the Forestry/Ecology and Livestock Production sectors. Various donors, including France, Germany, China, the IBRD and the EEC are assisting the GON in the development of its irrigation potential. With the exception of AID, major donors have balanced their assistance efforts between projects aimed directly at the rural population and assistance to Niger's development program at large through participation in heavy

infrastructure activities and general technical assistance. Major transport trunklines are being assisted by Canada, the EEC, the IBRD, the African Development Bank and Saudi Arabia; the provision of a physical plant at the University of Niamey is assisted by France and Belgium; telecommunications and electrical transmission lines are assisted by Germany, Canada and Algeria; and urban water supply systems are assisted by Germany. The European donors, Canada and the UN agencies provide extensive programs of technical advisory and operational assistance across all sectors. Major sources of academic training scholarships in Niger and abroad are France, Canada, the EEC, Germany, the Soviet Union, Algeria, Belgium, Egypt, UN agencies, and increasingly the U.S.

The main multi-donor regional activities which will directly impact on Niger and reinforce donor activities targeted at rural production are (1) the Sahel Water Data Management project (AID, UNDP, Belgium, France, Switzerland, and the Netherlands) which is centered in Niamey and will establish a regional agrometeorological and hydrological forecasting and information dissemination system as well as undertake applied agricultural research to assist farmers in agricultural planning; (2) the Niger River Development Planning project (AID, UNDP, France, OPEC and Canada) which, if internal problems can be overcome, would provide long-term prospective planning and a regional coordination capability for the development of the agriculture, hydrologic and river transport potential of the Niger River Basin; (3) the development program of the Lake Chad Basin Commission (AID, UNDP, France, Canada, Switzerland, Germany and the Netherlands) which will develop and execute projects in agriculture, livestock and fishing production, and transport and telecommunications networks within the four-country region comprising the Lake Chad Basin; and (4) the CILSS Crop Protection Program (AID, UNDP, West Germany, the

Netherlands) which will develop a broad-front attack on pest control for both pre and post-harvest protection of agricultural crops.

G. HUMAN RIGHTS: Niger's record on human rights is good. Following the 1974 coup d'etat, a considerable number of government administrators and national assembly representatives were imprisoned. Most have been gradually released to resume their private lives or reinstated within the government administrative structure - many in high positions. The former president remains the most obvious exception.

Despite the predominance of the minority Djerma/Songhai in the top levels of political and military leadership, there is no record of ethnic discrimination. The GON conducts its adult literacy program in the local language of the area and is encouraging the use of these languages in the elementary schools. Development programs are being evenly undertaken in all parts of the country with no pattern of concentration by ethnic area.

Although the only local information media is that which is under government sponsorship, there is a free availability of worldwide press publications with no apparent attempt at censorship or restriction. Nigerien citizens are free to travel internally or internationally as they wish. Exceptions are the annual spring round-ups of young rural migrants to send them back to their village for planting time.

II. AID ASSISTANCE STRATEGY

A. OBJECTIVES

AID assistance strategy in Niger is to re-enforce the long-term goals of the GON within the parameters of AID development policy and the CILSS/ Club du Sahel strategy. AID objectives, perforce, concentrate on the rural area in agriculture and livestock production, health and human resource development. The ultimate target groups are the sedentary farmers and

livestock herders who together comprise 85-90% of the population.

Following the CILSS/Club strategy which recognizes the necessity for a program which integrates development concerns in the Sahel across a broad front, mission strategy interprets the concept of "sector" in its broadest terms and incorporates the various components of BHN and critical rural area concerns as sub-sectors within the global rural sector. The Mission believes this interpretation to be in conformity with AID's world-wide efforts to have country programs concentrate on a limited number of sectors, as well as AID's policy to support the unique strategy concept of the multi-national CILSS/Club program.

The long-range, end of century goals which the strategy targets are those of self-sufficiency in basic cereals requirements; improved range management and livestock production; the arrest of natural resource deterioration and improved resource management; and improved health and physical well-being for the entire rural population.

These goals are reflective of the close inter-relationship between the sub-sectors: Improved food production, for example, will increase both the economic and nutritional standards of the population while improved health conditions will enable the population to supply the increased physical demands required to actively participate in the development effort. Similarly; successful production gains could be reversed or invalidated without a concomitant attack against the continued deterioration of the resource base which supports that production.

Achievement of these goals requires - at a minimum - sustained involvement over the next generation. The five-year period to which this strategy statement is addressed must continue to target and overcome the constraints which inhibit the initiation of a full-scale push towards goal achievement by preparing the basic groundwork and setting in motion

the momentum required for acceleration in the next five year planning period.

Full achievement of the long-term goals will be dependent upon Niger's capacity to carry out development program actions with its own human resources. This includes the technical and managerial capacity of the government services as well as the capacity of the rural population to participate forcefully in its own development. The rate at which these will advance, and thus development in the rural areas, cannot be predicted with any reasonable degree of assurance. Quantitative targets in production level gains, etc., therefore provide elusive indicators of success.

In recognition of these and other constraints, the broad objectives of AID's program over the next five years will be modest and consist of assisting the GON to: (1) re-enforce the human resource and physical infrastructure element of the government's rural development services to enable it to plan, manage and execute the expanding and increasingly complex development actions deemed necessary for goal attainment by the year 2000; (2) undertake sector development projects aimed at agriculture and livestock production increases which are both (a) within the assessed capability of the GON development services and (b) reflective of the time-frame required for the build-up of the target populations capacity to participate in the degree of magnitude required for significant impact on the long-range development goals; (3) continue actions to encourage increased response and initiative from the rural population through introduction of improved technology, informal education and mass-media efforts, establishment of basic rural cooperative structures, and improved health conditions; and (4) establish a strategy planning capability and develop effective technologies and implementation methodologies for the protection of fragile natural resource and the production of firewood.

The conduct and continuous evaluation of project actions carried out in pursuit of these medium-term objectives over the five-year period will also provide implementation and planning experience for GON personnel, further observation and refinement of activities, and assist planning efforts for second and third generation projects.

Increased AID budgetary resources within the five-year CDSS planning period would allow these objectives to be expanded by participation in infrastructure projects complementary to the basic rural development effort. These would include, as examples, rural feeder road construction, irrigation activities and water supply systems for rural villages and livestock grazing areas, as well as participation in multi-donor projects for the construction of proposed large-scale river-dams for irrigation and hydro-electric production.

In the context of Niger, the nature of the development problems which the assistance program hopes to overcome are such that strategy must be primarily directed toward the national level. Geographic concentration alone would be unsuccessful without developed national level programs and institutions which must provide the ultimate backup support for inputs, distribution systems, personnel, planning, research and training.

Intensive actions at the local level, however, will primarily be concentrated in Niamey Department within the context of the department level "productivity" projects being supported by individual donors.

The immediate impact on the target population of actions carried out under this strategy will not be great during this five-year period. However, their ongoing, cumulative effect in conjunction with the expected increase in development momentum during the next five-year period (1987-91) should provide significant statistical changes in progress indicators. Given the foundation-laying character of the development program over the CDSS planning

period, success measurement must rely upon objective observation of decreases in project implementation problems, i.e., a measurement of improved organizational and management capability; and quantitative increases in physical undertakings and their functional utilization, e.g., numbers of cooperatives formed, personnel trained, literacy classes operating and amounts of inputs distributed. Attempts to measure changes in living standards, food production, mortality rates, etc., as direct results of program actions at the end of this period would be premature. However, by the end of the CDSS planning period, national services should be capable of providing sufficient program support for local operations to begin making significant impact on long-term goals.

B. STRATEGY:

Rain-Fed Agriculture Production: The GON's goal of national self-sufficiency in cereal grains is one that is achievable. As the sedentary farming community approximates 70 percent of the total population, a national policy which attempts to assure that each of these individual families can provide themselves with basic food needs is also both a social, economic and political necessity. Self-sufficiency in this context is defined as the ability to produce sufficient grain in normal years so that the country would be able to survive at least one year of disastrous crop failure through the efficient management of stock reserves and orderly imports. The improved seed, technology and organizational methods utilized in meeting this on-farm production goal, should make it possible, in normal rainfall years, to produce the extra margin required to provide for the 30% non-producing sector who consume proportionally less grain in their normal diet. Radical shifts in the ratio between the producing and non-producing sectors would, of course, alter such conclusions - as would an unchecked population increase relative to arable land.

Strategy over the CDSS planning period will focus on the maintenance and, where possible, expansion of actions which have been initiated under such activities as the Niger Cereals project (NCP) and the Niamey Department Development project (NDD). Although experience has shown that the projected outputs for both of these activities had been too optimistic, Phase II follow-on projects, planned for FY's 80 and 81, will build on the Phase I outputs and continue activities on a basis commensurate with such increased capacity of the rural development services and increased receptivity of the rural farmer as have been engendered by project actions to date.

At the national-level, strategy will continue to target agronomic research; sector level support to national production goals; institutional development support, and human resource development at the upper, mid and low levels of the Ministry of Rural Development services.

GON agricultural research results have not yet provided the proven technology required to assure production goals in all parts of the country. Thus, project actions will continue and increase support to the research service in the search for improved seed varieties which are area-specific in their response to soil and climatic peculiarities of the country, and further applied research and testing of agronomic practices and appropriate technologies.

The agriculture and cooperative services at the national level will be given assistance to: expand and improve the distribution and credit systems for agriculture inputs; continue development of the seed production and distribution system; increase personnel training; and provide improved backup support for the departmental projects.

As complementary activities, the departmental projects carry the improved seeds and techniques developed at the national level down to the village for introduction to the farmer. The area-specific aspect of these

projects follow the GON strategy goal of decentralizing project implementation and granting more responsibility and decision-making power to the departmental and district authorities. The logical, sequential step in this strategy is an ultimate devolution of decision-making to the village and cooperative level.

AID supports this strategy through sponsorship of development actions in Niamey Department. Specific strategy incorporates a semi-integrated development approach with secondary interventions targeted at pilot mixed farm/livestock activities; support to adult literacy and community information programs; pilot village forestry and soil conservation activities; and experimental village grain mills. At the base of project actions is the formation of village cooperatives which provide the focal point of interaction between the rural population and the government services.

Experience under the first phase of the NDD project has shown that the rural development services at the department and district levels are operating at the limit of their present capacity. Phase II will thus recognize this limitation and modify previous plans to greatly increase the number of villages covered until such time as more trained government agents are on-board and the national credit and input distribution systems have been expanded and improved in sufficient degree to respond to the increased demands generated by project actions. Strategy at the department level will thus primarily be aimed at consolidating and expanding upon those gains made within the same villages and cooperatives which have been organized under the Phase I project. However, progress will be closely monitored and evaluated so that AID can be responsive to improvements noted during the course of project implementation, such as increased personnel availabilities, which would provide opportunities for expansion of project activities and area coverage within the department.

AID's future participation in a separate project aimed at "New Lands" development in regions of Niamey Department recently freed of onchocerciasis, and thus available for a specialized program approach aimed at migration and settlement, is not to be ruled out within the planning period as it would add to total coverage of Niamey Department's development program. Such participation, however, would be through a multi-donor effort and utilize the managerial capability of an international agency such as the UNDP.

Irrigation: The GON is also emphasizing the development of its irrigated agriculture potential. While primarily along the Niger River, there are a few other selected areas within the southern portion of the country where year-round water flows or potential for water storage are developable. The potential for managed irrigation perimeters is presently estimated at 15,000 ha along the Niger River (plus an addition 60,000 ha. when the Kandadji Dam comes on stream), 5,000 ha in Tahoua Department, and 15 to 30,000 ha in the eastern portion along Lake Chad and the Komadougou Valley. Although relatively minor when compared to the total potential attributable to rain-fed production, the high yields realized from irrigated production the majority of which goes on the market, make it significant and may well provide the margin required for ultimate self-sufficiency in cereal production.

The GON has recently created a new para-statal agency (ONAHA) which is assuming complete responsibility for the planning, construction and major maintenance of managed irrigation perimeters. In this effort it will work closely with the national cooperative service which will be responsible for the complementary organization of farmer cooperatives. While the mission wishes to reserve decisions on future participation in this small but important sub-sector pending publication and analysis of the 1979-83 Five

Year Plan, it has already received an official request from the GON to assist in the financing of a central maintenance garage for the large complement of heavy equipment for which ONAHA will be responsible. While this would represent a "turn-key" project it would provide AID with an opportunity to provide significant sub-sector assistance with minimal demands on mission management requirements. The ONAHA concept and organization is presently receiving support from the IBRD, West Germany and France.

Livestock Production: The importance of the livestock industry to the Niger economy through the export of meat, live cattle and hides, and the dependence of 15% of Niger's population on this single economic activity makes the livestock sector another priority concern of the GON. AID strategy under this rubric deals primarily with the nomadic herders in the central grazing areas. Notwithstanding, livestock production is also a component of the development strategy aimed at the sedentary farmer, i.e., mixed farming, and is closely integrated within the Niamey Department Development project actions.

As in agriculture production, the primary livestock strategy will build and be based upon the results of the Phase I activities presently being carried out under the Niger Range and Livestock (NRL) project. Phase I of the NRL is attempting the introduction of new concept necessary for the long-term survival and development of the sector through testing, study and experimentation with such innovations as herder cooperatives, controlled grazing patterns, improved animal nutrition and reproduction, and improved marketing mechanisms. These actions are complemented by reinforcement of the Livestock Service's technical capability through long-term academic and practical training in such presently lacking skills as range management, animal husbandry, rural sociology/extension and animal nutrition. The cultural milieu of the nomadic peoples within which such

innovations must be introduced presents a formidable challenge and progress will be slow.

Although Phase II program actions had been projected to commence in FY 81, delays in the implementation of Phase I will likely postpone this until FY 82 or 83. The exact action plan of this second phase cannot be detailed with certainty but assumptions necessary for future planning would predict strategy interventions consisting of (1) expanded organizational and educational activities among the herders; (2) continued support to the livestock service for technical assistance, operational requirements and training of livestock service personnel, and (3) physical activities such as construction of catchment basins and vaccination chutes. The basic objectives to be realized by the termination date of the Phase II project activities, which will roughly correspond with the end of the present CDSS planning period, will be (1) wide diffusion among the nomads as to the concept and necessity of controlled herd size and range management through herder organizations; (2) the organizational capability of the Livestock Service to pursue the long-term sector goal of orderly and effective range management and herding practices; and (3) the initial establishment and functioning of marketing facilities and mechanisms designed to reinforce the control of herd size and maximize the livestock sector's contribution to export earnings. Assuming achievement of these objectives, succeeding efforts over the 1987-91 period will be able to produce the widespread acceptance and adherence to those practices required for the achievement of sector goals.

Rural Health: The health sector strategy adopted by the CILSS/Club du Sahel is a reflection of the rural health program strategy which the government of Niger has developed and pursued since 1964. AID's strategy in Niger is one of support and assistance to this program as exemplified

by AID's present Rural Health Improvement project (RHI). This strategy and subsequent project actions are based on a consultancy study undertaken in Niger by the American Public Health Association in 1976, a comprehensive health sector assessment performed by AID in 1977, and a special two volume report on Rural Health Policy and Village Health Services in Niger prepared in 1977 by Family Health Care, Inc. The resulting five-year project, signed in June 1978, represents a joint effort towards the promotion of health, prevention of disease and the treatment of Niger's rural population through a wide range of resources. These include: (1) the selection and training of volunteer village health workers and their organization into functioning teams; (2) expanding a health program which emphasizes a system of preventive medicine, midwifery and simple curative medicine; (3) promoting health and sanitation education and the provision of waste disposal systems, and (4) improving and expanding the capability of the national health service to provide material and supervisory support to the basic health teams. The immediate goal to be achieved by this project is to increase the capacity of the Ministry of Health to a projected coverage of 3,500 villages in 1982. This target, if achieved, would mean that 39% of the country will be provided with basic health care. Recognizing the limited manpower and finances available to the GON for its health sector, the health strategy places great emphasis on the volunteer aspects of the existing program. 65% of the project's budget will go to human resources development with the major share being directed to the improvement and enlargement of the volunteer force or village health workers. The remaining 35% of the budget addresses critical issues such as supervision, physical infrastructure, transportation and supplies. In consideration of Niger's limited resources, the GON strategy represents the most feasible method of extending health services to the rural populations with the least recurrent cost burden. An in-depth

evaluation of the RHI scheduled for mid 1980 will be helpful in confirming or modifying the validity of the approach.

Under the assumption of successful completion of the present AID assistance project in 1983, a Phase II project is envisaged which would expand the program's coverage into villages not touched by the first phase. Increased experience and human resources capability within the GON Ministry of Health should allow for a rate of implementation and coverage exceeding that of the present project.

Of major concern is the problem of population growth. Given GON reluctance to discuss this subject on the official plane, the most productive AID strategy in the short term is to remain low key on the issue but be prepared to respond quickly when opportunities arise. Certain groundwork has been laid to encourage internal GON discussion such as AID sponsorship of high-level Ministry of Health participants to international seminars. Continuation of these initiatives plus increasing discussion within the CILSS framework and the initiation of the proposed demographic survey by the CILSS sponsored Sahel Institute, will encourage the GON to publicly broach the issue and address it forthrightly. Discrete signs of attitudinal change and concern are becoming evident - these include public expressions of concern by the President on the population growth rate. The GON's present negotiations with UNICEF on the implementation of a "Family Health Center" which, as unofficially recognized by some GON officials, can easily be expanded to incorporate a family planning role, could productively be supported by AID resources in the interest of overall population strategy with no increase in mission managerial responsibilities.

Natural Resource Preservation and Management: The long-term success of rural development interventions has a primordial dependence on the

ecology sector. Nevertheless, the GON strategy for this sector has been less a "strategy" than a simple listing of specific activities for immediate implementation. The basic and priority element that has been ignored is the necessity for resource surveys and integrated planning which would allow the rational and imperative integration of this sector's activities with the production sector projects and a concerted attack on the problems of desertification and natural resource deterioration. Initial AID efforts must therefore begin at the most basic level and assist the GON in preparing a strategy approach.

A Forestry and Land-Use Planning Project has recently been approved which will permit the Forestry Service to improve its planning capacity and ability to integrate projects within an ecological framework designed to rehabilitate and conserve the natural resource base. This is an essential first step toward a long-term solution to the environmental problems which have threatened animal, land and human productivity in Niger, and are posing an energy, i.e., firewood crisis in the rural areas. Through 1984, this project will assist the GON's Forestry Service in the establishment of a central planning unit; the pursuit of a natural resource survey; the training of personnel; assistance to research and pilot activities to test economically feasible technical approaches to soil conservation and forestry production; the launching of an ecology awareness program; and, appropriate logistical, material and technical assistance. Follow-on activities in this sector for the period beyond 1984, will be a function of the planning results emerging from the above project which will have identified specific technologies, projects and strategies. These may be proposed for implementation by AID, other donors or the GON itself in the enormous fight against environmental degradation. Incorporation of resulting activity proposals within the integrated development approach

being carried out in the departmental projects by various donors would be especially relevant for success in this sector.

In recognition of the urgent need to commence concrete actions, a reforestation/soil conservation component has been included within the Niamey Department Development project which proposed a program for the establishment of district level tree nurseries; extensive training of low-level forestry service extension agents in the department; awareness programs for villagers; and, assistance in the preparation of village land-use plans, including wood-lots, for each village touched by Phase I.

This component has been less than successful and reflects the need for development of the national level backstop and support service. While a retrenchment in the complexity of the forestry component will be required in the second phase of NDD, the project will continue to assist villagers in the critical establishment of village woodlots. At the same time, the Forestry and Land-Use project will begin to develop and test economically feasible technologies and operational methodologies for a program of nationwide replication. Pilot activities have also been included within the Niger Range and Livestock project, although following a different framework in recognition of the ecological and cultural differences between the sedentary agricultural and nomadic pastoral zones.

Human Resource Development: Development constraints caused by both insufficient numbers and inadequately trained government service personnel, as well as a basically illiterate population remote from the modern concepts and ideas of technology and health required for development progress, are a major impediment to rapid program implementation and goal achievement in the rural sector.

In simplified form, the AID strategy in Niger to address this constraint consists of emphasizing the improvement and expansion of training

for government service personnel involved in planning, management and implementation of projects in the rural development production sectors. As a result of progress towards this objective a greater percentage of AID's future financial resources can be devoted to direct production inputs rather than the high percentage of present technical assistance costs; thus improving the impact and cost-benefit ratio of AID dollar inputs. A second, equally important objective, emphasizes expanding and improving the effectiveness of non-formal education and training aimed at the rural farm populations who are the ultimate key in assuring success of the development program.

Each AID project in Niger includes a training component as part of the project strategy. This ranges from long-term academic training for technical personnel of the services responsible for implementation of that project, medium-term local training in improved agricultural techniques for husband/wife teams, to short-term organizational and technical training for cooperative leaders and members. The inclusion of such training components will continue to be an integral and growing part of project design in the future.

The training aspect which has thus far received the least attention is that of low-level extension personnel. These workers are the ones in most close and frequent contact with the rural population and are thus prime actors in the implementation of development actions. Mission strategy will thus incorporate two new components into the national level Phase II agriculture sector support activities: (1) a learning and information center which will provide the major link between village level extension personnel and agriculture research; and (2) a cooperative training center for the improved training of expanded numbers of village level UNCC agents. This latter component had been planned as a separate project but will be incorporated with the larger activity in the interest of project consolidation.

USAID/Niger is also assisting a specific project aimed at improved formal technical training for the rural development services. This project consists of participation, through 1984, in a multi-donor support program, coordinated by the UNDP/FAO, for the improvement and expansion of Niger's Rural Development Training Institute. This school provides the core of mid-level personnel to the various services making up the Ministry of Rural Development (Agriculture, Livestock, Rural Engineering, Forestry, Cooperatives, and Animation).

Another specific component of USAID/Niger strategy is provision of material support to the National Literacy Service to assist its efforts in improving and expanding the GON's literacy goals. Given present literacy rates in the rural areas, such support is a necessary complement to the production strategy goals of functionally effective, villager operated rural cooperatives.

Although women are an important element in the total human resource picture, they will not be the object of specifically targeted projects. Rather, their concerns will be integrated within the thrust of overall development actions. This is especially evident in the health strategy as it affects women's family concerns and a large percentage of the village health workers and nursing supervisors to be trained will be women. In development activities at the village level, initiatives in firewood production and village grain mills will address the drudgery that presently occupies a large portion of their time. The inclusion of wives in the NDD farm couples training centers will provide skills to improve their contribution to agriculture productivity and small animal production programs will increase their contribution to family income. It is also noted that a separate dormitory is being constructed at the above mentioned Rural Development Training Institute to accommodate women students for mid-level

positions in the development services.

Apart from the continued inclusion of training components within individual projects, further interventions in this sub-sector in the latter part of the CDSS planning period will be a function of the results and experience gained from project intervention, and an analysis of ongoing requirements. These may include, among others, technical assistance to the GON for the establishment of both project management training facilities for development service personnel and a companion center in Maradi to the Rural Development Training Institute at Kolo.

Complementary Program Activities: A continuation of funding allocations at the 1979-80 level would allow AID to initiate Phase II follow-on activities to the present and planned project portfolio. New or increased interventions in support of rural sector program goals over the CDSS planning period are, therefore, a function of increased funding availabilities. Aside from physical infrastructure inputs, the absorptive capacity of the production sub-sectors will remain relatively low until such time as the overall capability of the technical services has been increased and the rural population has received sufficient organizational experience to more actively participate in development strategy actions. However, opportunity targets exist for the expansion of resource transfer levels over the planning period. Such targets would be of high impact, supportive of strategy goals, and could be implemented with minimum managerial requirements on the part of AID by reliance upon other donor or GON capability. Assuming the availability of funds, examples of the priority areas which could be addressed by AID are: (1) rural feeder and secondary roads; (2) village water supply; and (3) dam construction.

The rate of progress for rural production activities is seriously impeded without a basic road network to afford both increased market access

and the dependable provision of government extension services and input distribution systems. AID program initiatives in this area could be carried out through a straight financial contribution to a multi-donor project under the coordination and management of the IBRD.

The success of basic rural village health programs will be diminished without an assured supply of potable water which would eliminate one of the primary causes of disease and debilitation among the rural populations. Initiatives in this area to expand the physical ability of Niger to provide more wells could be carried out through the simple provision of materials, equipment and operating expenses. Such a program of a purely mechanical nature could be fully managed under contract by an American drilling firm working in conjunction with the Niger para-statal organization responsible for village wells.

Niger's highest-priority infrastructure project is the Kandadji Dam which will span the Niger River near the Mali border. Although feasibility studies are not yet complete, the purposes of long range strategy planning will be served by the assumption of economic feasibility and the initiation of construction by 1984 or 85. Given the potential for increasing irrigated production by 60,000 hectares and providing electrical power, this project is supportive of AID strategy in food production and new concerns relative to alternative energy resources. As in the above, AID participation in this multi-donor project could be carried out with the management assistance of an international agency.

AID has previously provided assistance to Niger's solar energy research center (ONERSOL) for expanded research in the application of solar energy water pumps for the rural areas. While this assistance provided basic research tools for the immediate future, early breakthroughs or significant progress may provide opportunities for increased research

assistance or the widespread application of proven technology.

The GON's new Five-Year Development Plan (1979-83) which had been expected by mid-1979, has been further delayed in publication. An ultimate review and analysis of this document, while not expected to change the basic strategy goals set forth in the preceding pages, may present project opportunities which would complement AID's strategy in ways presently unforeseen.

PL 480: In light of Agency policy to restrain growth in overseas personnel, USAID/Niger is presently rethinking its previous approach to PL 480. Alternative options include relying upon international agencies such as the WFP or other donors such as West Germany to manage a PL 480 contribution to Niger's grain reserve storage program. Such an option would reduce the requirement for a mission FFPO and free the slot for project related positions which may have a relatively higher impact on the achievement of development strategy goals. This approach would also reduce the demands on overall mission management and the consequent dilution of time and effort available for other program elements.

Full development of new approaches will require detailed discussion between the field and AID/W. USAID/Niger is therefore not proposing a specific strategy in this year's CDSS other than to strongly suggest channeling available PL 480 stocks through specifically earmarked contributions to international agencies or other donors.

While the mission is retaining planning efforts for eventual Title II contributions to Volag MCH programs, it is noted that efforts to date have been discouraging and it is becoming less and less certain that present planning efforts and negotiations between the GON and concerned Volag's will reach fruition.

PART III. PROPOSED ASSISTANCE PLANNING LEVELS:

The PAPL table reflect illustrative levels of magnitude which USAID/Niger believes to be an appropriate division of resources among sectors in accordance with the general strategy and identified constraints. Experience over the past four years has shown that projects aimed at direct benefits to the rural population which require active participation on the part of the target group, as well as effective organization and management capability on the part of the implementing services, will move slowly with small measurable impact over at least the next five years. However, while building this capacity, growing levels of absolute financing will be required to both maintain the momentum which has thus far been established and to provide physical infrastructure directly related to development support.

The Mission has elected to respect the upper limit of the PAPL supplied by AID/W - not because it is optimum, but rather because it reflects the maximum level which can be expected. It therefore provides a more realistic planning figure upon which to formulate a sound program. In reality, although the absorptive capacity in direct benefit projects is relatively low, the capacity to absorb large amounts in complimentary hard infrastructure - as well as the need - is figuratively unlimited and the Mission ventures, without qualification that AID resource transfers which would triple the PAPL could be effectively utilized in Niger.

The PAPL breakdown presents the estimated financial inputs required for the implementation of: (1) ongoing projects which have been approved or for which approval is expected shortly - \$6.5 million; (2) Phase II project proposals which have already been identified in previous ABS's and Congressional Presentation for FY 80-81 starts - \$23.5 million; (3) Phase II projects which are probably areas of continued intervention following the ultimate termination of present projects - \$38 million; and (4) Projects which have been

PROPOSED ASSISTANCE PLANNING LEVELS

	Fiscal Years (\$'000)					TOTAL
	82	83	84	85	86	
<u>Categories:</u>						
<u>Agriculture:</u>	<u>7,500</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>12,000</u>	<u>(49,500)</u>
Research	(1,500)	(1,500)	(1,000)	(1,000)	(1,000)	(5,000)
Production Spt.	(2,500)	(3,000)	(3,000)	(3,000)	(4,000)	(15,500)
Integrated Dev.	(4,000)	(3,000)	(3,000)	(3,000)	(4,000)	(17,000)
Irrigation	--	(3,000)	(3,000)	(3,000)	(3,000)	(12,000)
<u>Livestock & Range Mgt.</u>	<u>--</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>8,000</u>
<u>Forestry/Ecology.</u>	<u>890*</u>	<u>1,275*</u>	<u>2,000</u>	<u>3,000</u>	<u>3,000</u>	<u>10,165</u>
<u>Human Resources.</u>	<u>1,335*</u>	<u>1,500</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>8,835</u>
<u>Health/Population:</u>	<u>3,500</u>	<u>3,500</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>19,000</u>
Rural Health	(3,000)*	(3,000)	(3,000)	(3,000)	(3,000)	(15,000)
Population	(500)	(500)	(1,000)	(1,000)	(1,000)	(4,000)
<u>Infrastructure:</u>	<u>2,000</u>	<u>7,000</u>	<u>7,000</u>	<u>17,000</u>	<u>19,000</u>	<u>54,000</u>
Rural Roads	(2,000)	(5,000)	(5,000)	(5,000)	(5,000)	(22,000)
Dams	-	-	-	(10,000)	(12,000)	(22,000)
Village Water	-	(2,000)	(2,000)	(2,000)	(2,000)	(8,000)
<u>Volags.</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>5,000</u>
<u>TOTAL SDP</u>	<u>16,225</u>	<u>26,275</u>	<u>28,000</u>	<u>39,000</u>	<u>43,000</u>	<u>152,000</u>
<u>PH 480 (Metric Tons)</u>	<u>12</u>	<u>12</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>45</u>
Title II	(5)	(5)	-	-	-	(10)
Title II (Volag)	(7)	(7)	(7)	(7)	(7)	(35)

* Approved projects or in approval stage.

identified as possible expansions or new areas of intervention within the basic program - \$22.5 million. The total of both the ongoing, identified and projected projects accounts for \$90.5 million or 59% of the PAPL. This therefore represents the basic level required to sustain an effective AID program in Niger and provide the follow-on necessary to ensure effective impact and maximum benefit from AID investment levels to date.

Funding increases for the agriculture sector in FY 86 begin to reflect the initiation of third phase efforts in which the capacity to utilize greater resources in direct production efforts should have been realized. As this should correspond with a concomitant decrease in expensive technical assistance, the percentage of resources devoted to development impact will be even greater.

The remaining 41%, or \$62 million represents mission estimates for the initiation of new activities complementing the basic program interventions. These include relatively high-dollar investments in rural infrastructure requirements such as village water systems to reenforce health program initiatives; a significant increase in assistance for the construction of the rural road network to reenforce investments in the production sector; participation in multi-donor assistance programs for the construction of the Kandadji and Mekrou dams; and contingency funding for (a) population program assistance following the expected formulation of GON policy on the subject, and (b) opportunities of increased assistance to institutional development for human resource training.

The PAPL represents an illustrative division of resource allocations within sectors based on present information and experience. Specific breakdowns of inputs within the priority sectors will be a function of ongoing evaluation of existing projects, further experience gained over the course of implementation, and the subsequent design of follow-on activities.

In the event of significant sector successes which may increase the anticipated rate of development progress, and consequently the inputs required to reinforce such opportunities for acceleration, the possibility of increases in the PAPL should be considered. In the more likely event that Congressional appropriations are much reduced from those required to meet the PAPL as presented, AID strategy would lessen its emphasis on the proposed complementary infrastructure.

While the Mission is in total agreement with the concept of Life-of-Project funding, the exercise of such an option under presently restricted OYB's would disrupt the rhythm with which the Mission hopes to bring projects on board and thereby disrupt strategy implementation. If, on the other hand, Congress would be prepared to vote an outsized bill in one particular year, this would allow several large projects to be fully funded and reduce OYB constraints in succeeding years.

In recognition of AID concerns on personnel constraints, the Mission believes that the strategy can be implemented with little or no increase in direct-hire staffing. However, this will require broadening the present concept of "intermediaries" to include taking maximum advantage of other donors, including international agencies, and relying upon their managerial capacity in the execution of joint project endeavors. Examples where this could be utilized include the "New Lands" development of Say Arrondissement, rural roads, irrigation and perhaps PL 480. In order to effectively achieve this purpose however, the use of other donor intermediaries would require a change in monitoring requirements on the part of AID. For example, Mission experience has shown that despite AID's intended reliance upon the WMO for execution and management of the regional Sahel Water Data Network and Management project, AID's operational style and requirements have necessitated one mission staff member to devote almost full time to this activity

in a "project manager" role.

The use of contract firms for full project implementation and management in the case of village water supply programs can also be considered - although ultimately more expensive and therefore a less optimum use of resources.

The Mission has begun to utilize Peace Corps volunteers as staff assistants in the implementation of the Niger Range and Livestock project. This concept has also been written into the Forestry and Land-Use Planning project and is being considered for activities presently under design such as Phase II of the Niamey Department Development project. However, the use of Peace Corps volunteers requires both training and extra supervision. They can neither be considered as substitutes for experienced technical assistance personnel nor expected to play an independent role in the administrative management of AID projects.

The use of Voluntary Agencies (PVO's) in the implementation of small or experimental projects will be relied upon in an expanded fashion. However, increased reliance, as a general policy, upon PVO's as implementors and managers of large-scale projects at the national level - such as are included within the USAID/Niger strategy - is considered less appropriate, and with exceptions, less effective in the direct dealings required with the Niger government for successful project execution.

Although Title XII assistance will be utilized in the implementation of research activities, it is not considered effective for projects which are operational in nature and its use has little effect on reducing Mission management burdens.

A critical element in effective project execution is the non-direct-hire technical assistance component. Present AID policy toward the restricted use of Personal Service Contractors (PSC's) should be reappraised. Increased

use of this instrument would allow missions the same opportunity to recruit technicians as would be done by PVO's or Title XII institutions, while avoiding the extra overhead charges and maintaining control over technician selection. Increased flexibility in the use of PSC's under operating expenses for mission administrative requirements of a non-policy making nature would also enhance the Mission's management capability, even with limited direct-hire staff, and possibly allow shifts to more critical positions within established ceilings. This would be especially appropriate for mission requirements in secretarial services, controller office staff personnel and project management functions such as local procurement and records management.

As evidenced by the Part II strategy analysis, the Mission is taking efforts to combine projects where practicable. While some instances of this have been previously mentioned, this effort also includes incorporation of the geographic area covered by the Africare OPG project for rural health delivery into the national level Rural Health Improvement project. On the other hand, Mission experience has shown that implementation and managerial problems which emerged under the ongoing Niger Cereals Project will be best resolved by splitting off the research component into a separate project for the Phase II continuation of activities.

The Mission's strongpoint in program management, however, rests upon the concept of its Project Management Support Unit (PMSU) which combines joint procurement, administrative and technical backstopping for all projects. With this administrative backstopping, one man will be able to perform as the "project manager" for two, or perhaps three, projects - depending upon their size and complexity. Thus, while not strictly combining discrete projects, the Mission is consolidating the administrative/management functions required for their execution.