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FY 1981

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USAID/NIGER COUNTRY DEVELOPMENT STRATEGY STATEMENT
1981 - 1985

Part I. ANALYSIS

A. Analytical Description of the Poor:

Rural Area: A description of the poor is a description of nearly the entire population of Niger. The nationwide census, completed in late 1977 with the assistance of the UNFPA, has recently been tabulated and has provisionally established Niger's present population (1977) at 5,098,427 (2.514 million males and 2.584 million females). A more detailed statistical breakdown of the census data is planned for release during 1979 which will detail population groupings by age, ethnicity (language), marital status, literacy and economic activity. 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. Their ranks also supply the major portion of Niger's commercial class of small merchants and traders. The Djerma/Songhai also are sedentary farmers and their geographic locus approximates the western area of Niger. This group also accounts for the majority of government administrators and top military leaders, which places them in the top role for policy decision. The Fulani present a mixed group: sedentary farmers located in the western portion of Niger and nomadic cattle herders i.e., the Bororo, whose seasonal transhumant movements in Niger's central grazing zones put them in a symbiotic relationship with the sedentary

farmers in the southern agriculture zone - exchanging dairy products for agriculture products and grazing rights in harvested fields in exchange for the fertilizer supplied by livestock manure. The Beri-Beri are an ethnic group of sedentary farmers concentrated in Niger's extreme south-eastern region. The Touareg are semi-nomadic pastoralists who herd goat, sheep and camel. Of Berber origin, they are widely dispersed over the area ranging between the 15th parallel and the extreme northern regions of Niger.

With the exception of social customs (marriage, family, etc.) and such obvious differences as house styles and language, there is little to economically differentiate the sedentary farmers of these ethnic groupings. They cultivate and eat sorghum or millet as their major cereal crop; grow cash crops such as cowpeas, cotton, peanuts and onions (depending upon the regional soil and climate conditions); uniformly use the same primitive agriculture techniques; are concentrated in the southern quarter of the country beneath the 15th parallel; are 99% Muslim; and, by any standard, are poor.

The sedentary rural population is spread throughout approximately 9,000 villages averaging 500 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 giving approximately 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 on Niamey Department farm labor requirements 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.

The major and 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 recent 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 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, in some cases, permanent migration to urban centers in search of employment.

Although per capita GNP is estimated at $156 (1977) there have not been sufficiently extensive household surveys which would 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 would be considerably less than the national GNP average. A recent construction of an average farm model in

the Niamey Department project zone based on a compilation of existing data and small local surveys, would seem to bear this out. Although not validated as completely accurate, this model shows a gross annual product of $125 per farm family member and a net annual cash income of $32 per family member.

An Overseas Liaison Committee report by John Caldwell, "The Sahelian Drought and its Demographic Implications" provided the following descriptions of nomadic consumption patterns in Niger:

A Niger survey of nomads (Ganon 1975) showed the average Touareg household of approximately six people consuming about $225 per year, of which $125 was value-imputed subsistence consumption* and $100 was goods received through purchase or barter. The Fulani (Bororo) pattern of consumption was similar but at a lower level: $70 value imputed subsistence consumption and $75 purchase/barter. Among the Touareg, the largest source of income is from the sale of stock but an important supplement is provided by the sale of handicrafts: wallets, sandals, swords, agricultural 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.

While very few people in the rural areas could be classified as wealthy by any world standards there are observable income differences between poor farmers and "successful" 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 and accumulated land tenureship, to individual industriousness, progressiveness and consequent attitudes. Between geographic areas the differences can be accounted for by the natural resource base such as soil fertility and rainfall patterns.

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*Represents nomad estimations of production costs rather than market values.

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 and the inadequacy of health and medical care, both of which are compounded by a lack of the modern knowledge, techniques and infrastructure which could substantially alleviate these basic deficiencies.

Malnutrition is the most important health problem in the 0-4 year age group in Niger. Such malnutrition decreases the resistance of children to endemic disease and decreases their chance for survival once a disease has been contracted. For every ten births in Niger approximately half survive to their fifth birthday. Those who do survive may be both physically and mentally disadvantaged due to nutritional deprivations during their critical first years of growth and development.

A lack of adequate, clean water supplies for the rural populations and a lack of basic knowledge of sanitation and hygiene interact to increase the incidence of disease transmission and compound the dangers facing a malnourished, disease-susceptible population.

While little is known about levels of adult malnutrition in Niger it is assumed that seasonal food deficits, which correspond with the agriculture work season, decrease work capacities and increase disease susceptibility.

The Republic of Niger has no officially announced population policy, yet several key population issues which are discussed below are at the crux of acknowledged problems which pose major constraints to the nation's overall development. According to the United Nations, Niger has one of the highest birthrates (crude) in the world.

1. Mortality: The crude death rate, per thousand persons, is estimated at between 25-30. Mortality rates, as reported by the GON Ministry of Health

are 314 per thousand among infants (0-1 year) and 327 per thousand for children (1-4 years). These figures are among the world's highest.

2. Life Expectancy: The United Nations Population Division estimates that life expectancy at birth in Niger for mid-year 1975 was 38.5 years for males and 41.6 years for females.

3. Migration: The problem of the outflow of manpower from the rural areas, both to the towns and cities of Niger and to neighboring countries on the coast, has been an issue of concern since independence. This "rural exodus" has led to a population depletion which is so severe in some areas that researchers at the National Institute for Research in the Social Sciences (IRSH) question the ability of certain zones to sustain a rural development network. At the same time, public service facilities of the capital city, Niamey, are severely strained by the inflow of migrants whose expectation of urban employment cannot be met.

4. Dependency Ratio: Ministry of Health figures indicate that 43.8% of the population is under 15 years of age. This large proportion of young people means both a reduced rural labor force and a strain on Niger's attempt to expand and develop the educational system.

5. Land/Man Support System: Living in the Sahel means living in an arid land of short, uncertain rainfall and a highly fragile ecology. The drought of the early 1970's has served to underline the vulnerabilities of this area. The past century has witnessed a severe loss of bush and wood cover resulting in widespread soil and grassland deterioration. In the past decade the country has not been able to produce the food it needs to feed its people. The drought resulted in the perishing of an estimated 35% of the country's cattle which meant that the nomads, who are heavily dependent on their livestock, had to outmigrate or had to cope with severely reduced herd sizes for a number of years.

With over 90% of its people located in the Sahelian zone, Niger has at least twice the Sahelian population of either Mali, Chad, Mauritania or Senegal. The country's situation needs to be viewed from the perspective of the past 100 years. During these hundred years, the population has grown from 750,000 to approximately 5 million people. The increase in population and the corresponding need to put more land under cultivation has led to the settlement of new communities. The number of villages has grown from 1,500 to over 9,000 today. The result has been a steady and progressive manmade deterioration of the soil and forest resources. Periodic droughts accentuate the process.

On the financial side, the rural population is equally deprived of cash availability. However, it is less evident that they conceive this as a major problem in their life pattern. While some development strategies may argue that agriculture producers are not receiving an adequate price compensation for their endeavors (implying that a higher price would bring forth more produce and a consequent increase in income), it is not clear that market and cash income considerations alone are predominant for the average Nigerien farmer. For example: Folowing the elimination of the head tax, (1977) many farmers chose to increase their on-farm reserve stocks rather than sell to the government marketing board (OPVN) (in spite of a 60% price increase to producers since 1976) or even to private traders who offered higher prices. It has been speculated that one reason is that within their own perspective they did not need the cash to pay the tax and preferred to rebuild on-farm stock to pre drought levels of a 2-5 year reserve which was common at the time. Others speculated that in the absence of a good rural banking system and there being no cash saving tradition, there is more sense of security in holding food than the present

cash income which that surplus could provide. Consumer demand is very limited and there is lack of confidence in being able to buy food on the open market or from the government when needed. Simple observation would show that: (1) the officially controlled producer market price for cereal grains has risen steadily over the past three years (25 CFA/kilo in 1976, 30 CFA/kilo in 1977, and 40 CFA/kilo in 1978; and (2) due to the recent drought, the majority of farmers have been without a significant cash income from surplus produce since 1972. This would lead to the normal western expectation that a great deal of latent consumer demand (if it exists) would have been built up and farmers would have been eager to sell their surplus produce to increase their cash availability to satisfy these latent demands.

Such a phenomenon is also found among the nomadic herders whose socio/economic needs are satisfied more by the accumulated wealth represented by the size of their herds than by the cash income they could receive through regular marketing of the meat. As stated in the previously referenced Caldwell study: "The nomads are not ranchers: their aims are to <u>live</u> in the country rather than to make their fortune out of it; their chief concern is not to profit out of the good times but to survive the bad times and to see that their families and society remain intact."

<u>Urban Area</u>: The provisional census results show 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 Bilma 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 minimum of 90% of the total population should be classified as "rural".

The recent 1977 census figures on the major urban centers, when compared to the previous estimates of 1970, indicate a very high growth rate: Niamey has increased from 100,000 to 225,000 for a growth rate approximating 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. A question remains however, as to how much of this urban growth is attributable to the anomolous drought-caused migrations (a portion of which resulted in permanent urban residencies) and how much is attributable to "normal" third-world rural/urban migration patterns.

Only four other urban centers have a population exceeding ten thousand: Agadez (20.4); Birni N'Konni (15.2); Tessaoua (12) and Dogondoutchi (10.2). Past population figures on these towns, which could be used for assessing growth rates in secondary urban centers, are unavailable.

While there appears to be no problem in the employment market for blue and white collar skilled 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 it is assumed that the GON is cognizant of the situation, it does not appear that the urban economy or government actions have been able to effectively address it. This is probably indicative of the fact that the situation has not yet become a "problem" e.g., a growth in the urban crime

rate or a vocal unrest on the part of the unemployed, which would force the GON 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 in the very near future. 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. The upcoming census tabulation by employment categories should assist in clarifying this question.

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, i.e., following the extension of water, electrical and street systems, the traditional, indigenous housing quarters are expanding along a traditional village structurization which is antithetical to the provision of services required by a modern urban area such as sewerage and drainage systems, water, electricity and urban streets.

As in the rural areas, the majority of the urban dwellers are poor. This poverty is accentuated, however, in the urban areas as there is 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 population at less than $90.

The evidence available indicates that poverty is quite evenly spread throughout the population. The Government, as will be detailed in another section, has an explicit policy to promote fair distribution of income and services. The mission, however, will continue to monitor the situation to ensure that AID projects do not inadvertently contribute to inequity and that they, in fact, promote equity through participation in such activities as cooperatives, herder association and productivity programs. The investigative and experimental nature of efforts such as the Niamey Department Development and Range and Livestock projects lend themselves to gathering such data and adjusting activities accordingly. However, 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. 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, a market economy, and the consequent consumer demand for goods and services which is thus generated and which supplies its own self-perpetuation in an upward spiral.

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. This is a worldwide socio-economic phenomenon which, even in the United States, has not been resolved. However, it should be noted that this natural growth in the urban sector may well stimulate rural growth 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:

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 resource base 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 oversaw the continuing downward spiral of the rural areas by concentrating on the promotion of export-oriented cash crops such as peanuts and cotton rather than 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 of the seigneurs. Consequently, as is the case in Niger, the infusion of new ideas and thought patterns has been negligible and the rural society has continued to follow essentially the subsistence agriculture practices which served it adequately

100 years ago and allowed it to cope with the harsh environment. The past failure to develop a governmental infrastructure and human resource base to promote changes leading to economically and environmentally sound agriculture has allowed the traditional practices of rural society to continue the steady downward cycle.

The above key factors have been reenforced and abetted 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 the limited access to modern communication media, this illiteracy has greatly inhibited receptivity to new ideas within 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 resistence to disease. This has resulted in reenforcement of the downward cycle whereby 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 which in turn debilitates its capacity to provide the increased work effort required to produce basic subsistence on increasingly marginal resources.

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

Structure of the Economy: Real economic growth in Niger was only about 1% annually from 1960 to 1971. The prolonged drought of the early 1970's further depressed the economy and gross domestic product fell by 14% in

real terms in 1973 alone. The effects of the drought have still not been fully overcome. It was not until 1976 that real GDP exceeded the 1971 level. Over this same period of time Niger's population has grown at an annual rate of approximately 2.7% which, coupled with inflation, has resulted in a downward trend in real GNP per capita.

In sharp contrast to this depressing picture of the real economy, Niger's financial position has improved significantly as the result of a slow growth in public spending and the development of the country's uranium mining industry.

The following table shows the real growth of the major sectors of Niger's economy from 1972 to 1976. It also indicates the relative contribution of each sector to GDP at the beginning of this period.

TABLE I

Real Gross Domestic Product 1972-76

(Index: 1972 = 100)

Sector	weights (1972)	1972	1973	1974	1975	1976
Crop Production	36.6	100	71	99	86	120
Livestock	19.3	100	64	66	70	76
Industry & Services	23.1	100	119	103	119	122
Mining	1.4	100	109	129	150	184
Commerce	14.2	100	98	105	116	128
Government	5.4	100	96	100	98	114
Total GDP Index	100.0	100	86	95	96	114
GDP at 1972 Prices*		494.1	425.0	469.5	474.5	563.2
GDP at Current Prices*		494.1	475.9	540.0	597.7	743.2

* millions of U.S. dollars

Agriculture has been and continues to be the most important sector of the Nigerien economy. Crop production and livestock raising together sustain over 90% of Niger's population and account for about half of GDP. However,

agriculture, and thus the people, are subject to the vagaries of the Sahelian climate. Production of staple grains fell by 40% in 1973 as a result of that year's devastating drought. Real crop production did not surpass 1972 levels until 1976. The fall in 1975 production was attributable to insufficient rain and to the decimation of the peanut crop by pests and diseases. Only an excellent harvest of cowpeas kept 1975 crop production from falling to levels close to those of 1973. The GON has set as a national priority self-sufficiency in the production of basic foodstuffs. But even under normal rainfall conditions production of staple cereal (millet and sorghum) is not likely to fill domestic requirements before the latter part of the next decade, when new technological practices, cooperative organization, and input distribution and credit systems have become sufficiently widespread to produce a significant impact on agricultural production.

The livestock sector, second only to crop production as an employer of Nigeriens (15%), is even more vulnerable and was the sector most severely affected by the great drought. The national cattle herd fell by about 35% in 1973. Much of Niger's Sahel region (the so-called pastoral zone) is too dry for sedentary agriculture and is best fit for animal grazing. But the ecology of this zone was severely weakened by the great drought and root systems of many perennial grasses were completely wiped out causing a reliance upon annual grasses in many areas. The loss of ground cover has resulted in soil erosion and reduction in grazing capacity. Areas near water sources were severely overgrazed during the drought and have not been restored to their former productive capacities.

The lack of growth in Niger's industrial sector since 1973 has been primarily due to its linkage to the agriculture sector. Groundnut pro-

cessing (an important industry and export) fell off dramatically in 1973 and again in 1975 and 76 as a result of the 1975 peanut blight. Government objectives in this sector have been the promotion of import substitution and agro-based industries to maximize the value added to local inputs for export. The bulk of Nigerien manufacturing has, indeed, been in agriculture-related industries - primarily leather and food processing (cereals, flour, mild and other beverages, a proposed sugar cane refinery). Non-agriculture based industries include a textile mill, a brewery, a soft drink bottling plant, and a cement plant (a second is planned).

Mixed enterprises have become increasingly important as the new government has taken a stronger hand in managing Niger's economy. In 1976 these para-statals employed 7% of all non-agricultural wage earners and accounted for 70% of total export and 60% of the transportation subsector. Many of the mixed enterprises are plagued by management problems, however. The cement factory and textile mill, for example, lose money each year, and the groundnut shelling and cotton ginning industries operate with excess capacity.

The most significant development in the Nigerien economy in this decade has taken place in the mineral sector, principally in uranium production. Niger's first uranium mine came on stream in 1971. In 1972 this sector contributed less than 1.5% of GDP, and by 1976 production had less than doubled. But due to a dramatic increase in the world price of uranium in 1975, the mineral sector's contribution rose to 6% of GDP that year, measured in current prices. Subsequently, the price of uranium has risen significantly each year. The importance of this new industry to the Nigerien economy is best indicated by its share of export earnings and by its contribution to government revenues. As shown in table II, uranium exports provided a share of Niger's foreign exchange earnings rising from 17% in 1972 to 64% in 1976.

A study conducted by the European Development Fund has predicted that given present trends in production of traditional exports, uranium sales may comprise as much as 96% of Nigerien exports by 1984. Just as significantly, uranium earnings have provided a portion of government revenues rising to 30% in FY 78 and estimated at 37% in FY 79. These revenues have greatly increased the GON's capacity to invest in development projects and programs. Projections of government uranium revenues and discussion of their implications for financing the recurrent costs of development programs are presented below in the section on absorptive capacity. Any projections, however, are subject to a great deal of uncertainty. World uranium prices are subject to the unpredictable growth in demand for nuclear power in the industrialized countries and to the rate at which other world-wide reserves of uranium (e.g. Australia, Namibia) are mined and marketed. Other developments in the mineral sector may soon include the mining of phosphate deposits for domestic fertilizer production and the exploitation of coal deposits to produce electrical energy for the uranium mining areas and for Agadez. International companies are prospecting for oil in various parts of Niger but have not yet found economically exploitable reserves.

Since faltering in 1973 as a result of the shortfall in agricultural production, Niger's commercial sector has shown steady real growth. The new government has taken an active role in the sector and has attached particular importance to the equitable distribution of basic foodstuffs, especially in times of shortage. Public corporations have monopoly marketing rights (enforced in varying degrees) for certain agricultural products and for the importation of certain staple foods. However, the present limited infrastructure of these para-statals throughout the country has limited their ability to exercise these monopoly rights and control prices through market interventions.

Uranium revenues and conservative fiscal policies have provided strength to the financial position of the public sector. In the opinion of the International Monetary Fund, public wage and salary increases in the 1970's have been modest and consumer subsidies have not been excessive.

One can roughly estimate the extent of Niger's monetized economy by excluding from the computation of GDP the contributions of subsistence agriculture, most of the livestock sector, and a small portion of services. By this reckoning, the monetized sector comprises approximately 60% of economic activity in Niger. It is safe to say, however, that the great majority of Nigeriens live essentially outside this sector.

Niger has a relatively closed economy due to its landlocked, geographic position, distance from international markets, uncompetitive levels of productivity, and subsistence nature of agricultural production. Its ratio of imports to GNP, for example, was the lowest of the Sahelian countries in 1975. Niger's outlets to the sea include Cotonou, Lagos, Abidjan, Lome, and Port Harcourt. But transportation costs are such as to severely reduce the competitiveness of its exports and substantially increase the costs of imports. For example, it costs as much to ship a ton of grain from Cotonou (the nearest port) to Niamey as the grain itself was worth in Cotonou. Nevertheless Niger must continue to develop its export industries in order to finance the imports required for its development programs. Table II 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 with an unpredictable price, the GON is encouraging promotion of its traditional exports from the primary sector. Trade is overwhelmingly oriented toward Western Europe (France alone bought 73% of

Niger's exports and supplied 59% of its imports in 1976), but Nigeria is emerging as a significant export market, too (23% of exports).

TABLE II

Niger's Exports 1972-1976

(thousands of current dollars)

	1972	1973	1974	1975	1976
Livestock & animal products	13,924 (22.4%)	14,126 (22.5%)	12,834 (22.4%)	18,692 (21.1%)	24,929 (17.2%)
Agricultural products	30,522 (49.0%)	16,427 (26.1%)	7,795 (13.6%)	6,996 (7.8%)	24,213 (16.6%)
Uranium	10,770 (17.2%)	24,672 (39.3%)	28,738 (50.1%)	54,007 (60.8%)	93,074 (64.0%)
Others	7,109 (11.4%)	7,578 (12.1%)	8,001 (13.9%)	9,194 (10.3%)	3,141 (2.2%)
	62,325	62,803	57,368	88,889	145,357

While the development of Niger's rural sector to a level of basic self-sufficiency is not dependent upon its immediate neighbors there are several inter-regional concerns which will bear upon the upper level which Niger can hope to achieve. These relate to the transit of Niger's imports and exports, the regional market for meat and such cash crops as peanuts, and the growth and development of the industrial sector in neighboring countries which could provide a cheaper source of manufactured imports. Niger is aware of these concerns and cultivates its relationship to the West African region through membership in such organizations as the Economic Community of West African States (ECOWAS), the Entente Council and bilateral commissions with both Nigeria and Benin.

Level of Technology: Production of the major staple crops is based primarily on extensive cultivation methods in rainfed areas using locally

made hand tools. The majority of farmers practice intercropping and field rotation. Irrigation schemes have been introduced in recent years for rice and cash crops; however, these irrigated crops account for less than 5% of the total production and future expansion is limited to the banks of the Niger river and a few other scattered areas in Niger. Although the available irrigation potential is important, it does not provide an alternative to rainfed agriculture.

Average yields of the major rainfed crops vary from three to five hundred kilos per hectare. Some of the constraints affecting possible yield increases in addition to present technology levels are (1) low soil fertility, (2) lack of sufficient land to permit adequate fallowing, (3) labor shortages during the peak work season, and (4) drought and insect attacks.

Various technologies exist for the increase of yields which include the use of animal traction, rotation of cereal crops with legumes, use of chemical fertilizer and pesticides, use of improved varieties, improved cultivation techniques and the increased use of organic fertilizer.

Most of the above technologies have been either developed or tested by local research facilities which are currently concentrating applied agronomic research on those techniques which have shown potential for production increases. Niger has begun an active campaign to introduce these technologies to the farmer via a series of productivity projects which are beginning operation in almost all of Niger's cultivable zones.

These productivity projects are concentrating on the development of extension and cooperative services. However, the agencies currently performing these services suffer from insufficient numbers of trained personnel. These personnel limitations have resulted in inadequate planning, organization and implementation.

The expense of imported inputs (fertilizer, pesticides and equipment) has led to the implementation of a program which is presently heavily subsidized but for which the infrastructure for the supply and distribution of credit and material inputs is still weak. Farmers need to master an entire technology and management package before such inputs can be used effectively and economically enough to guarantee an adequate yield in years of normal rainfall to maintain the private and public buffer stocks required to guarantee food availabilities in years of insufficient rain and to produce a cash income supplement to the farmer.

In summary, if Niger is to become self-sufficient in food production, a quasi-capital (fertilizers, fungicides, animal traction) intensive type of agriculture will have to be adopted. The increasing pressure upon available cultivable land, the short growing season, capricious rainfall patterns, and labor supply shortages which limit alternative farm practices and crop diversification makes the economical adoption of such a type of agriculture imperative. Many years and much effort at every level will be required before the conversion from traditional methods currently used to improved methods will be made by a sufficient number of farmers to have a measurable impact upon the volume of Niger's total crop production. Increased production resulting from the present rate of adoption of new agriculture techniques is insufficient to keep up with the food needs of the people added each year to Niger's census roles.

With the exception of mining, Niger's industrial/commercial sector is dominated by small-scale concerns such as leather goods, textiles, ceramics, brick kilns, bottling plants and cement plants which represent both private and para-statal ownership. Most industries have only 1-3 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 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, a scarcity of skilled manpower, and a lack of a trained management cadre. 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 our of 165 mining sector technicians are Nigerien. Out of a total population of 5 million only 45-50,000 are wage-earners of which 35-40% are unskilled. Although the opportunities for skilled and semi skilled labor are substantial a national literacy rate of 7% assures that such occupations are presently beyond the reach of most Nigeriens.

Development Constraints: In addition to the natural resource constraints, one of the broadest constraints to Niger's development progress is its human resource base. A 7% national literacy rate limits the rate at which rural populations can be exposed to and assimilate new ideas and productive techniques other than through direct contact and verbal communication. Chronic malnutrition, a lack of clean, dependable village water supplies, and endemic diseases severely reduce their productivity.

At the same time, a lack of trained manpower limits the capability of the government services to design and implement the public programs required to increase the productive potential and well being of the rural areas and to effectuate the direct contact programs presently required. The Ministry of Rural Development, for example, projects a need for 3,500 more trained personnel at the high and mid-levels to implement its programs in the next decade, a number far in excess of its present training capacity. These

personnel constraints are spread throughout Niger's government services and presently limit the rate at which it can effectively utilize foreign development assistance in the rural sector.

A lack of physical infrastructure further constrains Niger's development. All of her energy needs, with the single exception of firewood, are presently imported, and electrical power serves only major towns. Although Niger's external telecommunications network will soon use modern satellite technology its internal system remains woefully inadequate. Despite promising mineral deposits, Niger still has no rail link to the sea and its landlocked position severely limits the competitiveness of its exports as well as the economic viability of development-related imports without substantial subsidization. But it is the inadequacy of the interior rural road network that presents one of the greatest obstacles to reaching the rural areas 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 RN 1, 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. In time of natural disaster remote villages are inaccessable to relief programs. Even in the best of times, poor roads mean high transportation costs, a lack of marketing channels for agricultural produce, and a reduced likelihood that government-sponsored agricultural 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 accomodations for the personnel required to administer its programs. Despite AID reservations

about financing administrative infrastructure it must be remembered that government officials are not missionaries and their ultimate effectiveness cannot be disassociated from the facilities and accomodations available to them.

Government Policies: A number of government policies may be facilitating or constraining Niger's development progress. Among them are factor pricing policies, public investment priorities (including rural-urban priorities), the government's approach to the private sector, pricing policies, Niger's position on food self-sufficiency, and the official stand on population policy.

Government policies can affect the relative prices of the factors of production and thus the proportions in which they are used in productive processes. Of primary concern in developing countries are policies which might overprice labor or underprice capital, causing the substitution of capital for labor. The GON has set a schedule of minimum wage rates for a large number of occupational categories in Niger, starting at about $60/month. These wage floors are based on a minimum cost of living, indexed according to the costs of 47 basic consumer necessities. It may be argued that the very existence of a minimum wage pushes wages above a free market level and puts some people out of work. But the fact that many employers pay above the minimum wage for relatively unskilled labor is an indication that these minimum wage levels are not harmfully high. (In fact, current salary levels represent 10 percent less real value than the levels of 1963.) In any case, the regulation only affects the approximately 50,000 Nigeriens in the wage labor force. 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 in

Niger 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. A third determinant of relative factor prices are policies affecting the importation of capital goods. As a member of the West African Monetary Union, Niger shares with seven 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.

Public sector investment policy is very developmentally oriented in Niger. Over 2/3 of public investment in 1978 was allocated to the Ministries of Education Health, and Rural Development and to economic infrastructure. These are the sectors identified by the GON as priority development sectors.

The GON's approach to the private 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 shortage, and the new government has since taken an active role in the regulation of commerce and industry.

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 at a low price. Experience has indicated, however, that the present mechanics of that policy are not working effectively. Notwithstanding, the GON is presently committed to intervening in the market via para-statal, semi-monopoly control to prevent what it would fear to be the excesses and abuses of private traders and guarantee a stable economy in the cereals market. The GON also maintains a monopoly policy on the marketing of widely consumed imported commodities and on keeping the retail prices of these goods (salt, sugar, wheat flour, matches, tomato sauce, etc.) low in the urban areas. This has helped the GON keep public sector wages under control. (Wage schedules have been adjusted only twice since the government came to power and both times the lower grades received the larger increase.) It is unlikely that the GON will abandon such a policy approach and a free-wheeling, free-market economy, at least in the realm of basic subsistence commodities, is not likely to be in the cards for Niger's future policy. What therefore remains to be done is to assist the GON in refining its present mechanisms and defining that level of market prices which will most effectively complement the agriculture production development activities being designed and implemented while at the same time achieve the government's policy of stable prices within the reach of all citizens.

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 at reasonable terms to small Nigerien enterprises. Further incentives are offered in the forms of tax breaks (during the first several years of operation) and tariff protection. Foreign investment in Niger has been encouraged and sometimes

even 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 breaks that increase with the size of the investment or with the number of jobs created.

The GON is heavily subsidizing modern farm inputs at present to lower the costs of production and encourage farmers to adopt improved technologies. These technologies have proven economically viable on government-controlled experimental farms but their mass acceptance at the rural farm level has been too minimal to date to allow a study of the long-term validity of this practice.

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. Niger's agricultural population is fast approaching the limit of its available arable land. Half the Nigeriens are less than fully productive (under 15 years or over 60) and the population continues to grow at about 2.7% per annum. Notwithstanding these danger signs, the government has yet to actively discuss family planning except in the context of a nascent interest in family spacing. The past reluctance to squarely face the population problem has been based on the constraints of religious tradition and ethnic custom which embraces polygamy and encourages large families. Recently, however, the GON has directed the Ministry of Health to study the population issue and formulate draft policies. However, the GON has made it clear to the donor community that it will not be pushed on the population issue.

C. Progress and Commitment:

The present government came to power during the height of the drought in 1974 by a military coup d'etat following general mismanagement

of the drought emergency effort and years of a general laissez-faire attitude towards development which tended to ignore the needs of the general population and concentrated on investment in the urban, commercial and industrial sectors which corresponded to vested interests within the national assembly.

The new government has reversed this development orientation by placing emphasis on the rural sector while retaining a balanced approach which recognizes 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 1965-75 decade was marked by a devastating drought which has so skewed economic and social indicators as to render meaningless their validity for comparative or baseline data purposes. Coupled with the indifference of the previous government which dominated the decade up to 1974, the priority concentration of the new government on drought relief and reorganization during the initial years of its tenure, and 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 for progress and commitment measurement prior to the commencement of serious development efforts instituted by the new government in 1974 with the new 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 domestic resource allocations.

One of the best indicators of this commitment to a balanced, people-oriented development program are policy statements and observation of follow-up actions. The following, unofficial translation (emphases added) from the introduction to Niger's 1976-78 three-year plan provides the best evidence 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 disenclavement 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 could be interpreted as simple propaganda or political rhetoric with little meaning in practice or intent, it is the general opinion of the representatives of the donor community in Niger and other close observers on the scene, that the leadership of the GON is committed to its policy pronouncements and is dedicated to the pursuit of those activities required for the achievement of its goals. The decision of the new government to put fully 100% of its uranium revenues into a national investment fund (FNI) reserved for its development programs provides one example of this commitment. The following section analyzes the GON's development plan and budget and provides further concrete evidence.

B. Host Country Development Plan and Budget

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 electification 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 of $364 million, the GON had pledged to provide $77 million (21%) from its National Investment Fund 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 GON funds allocation away from rural production reflects the awareness of the GON that is is easier to

solicit donor financing for rural development activities than it is for the construction of, say, infrastructure for government administrative services. These physical plant requirements, which have been identified in the three-year plan ($13.2 million), 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. It should be cautioned that the relatively small proportion of financial requirements dedicated to the Human Resource Sector in the three-year plan does not represent a reduced level of priority or commitment to that sector but rather reflects the disproportionate level of costs required by the physical construction inputs of the other sectors.

It is also noted that approximately $200 million in investment funds from private and para-statal sources was planned for the same period. 59.2% for Public Works, Energy and Telecommunications, and 40.8% for Industry, Commerce and Mines (chiefly uranium exploration and development, with minor amounts for small industry).

Although the official term of the three-year plan has drawn to a close there has been no comprehensive analysis of the extent to which the plan has been achieved or how responsive the donors have been to the various projects contained therein. Such an analysis, when performed, will undoubtedly show many projects being carried over to the forthcoming five-year plan (1979-83) and a difference in the amounts of financing actually garnered for individual projects. This in turn will skew the percentage dollar amounts originally planned per sector. Nevertheless, the planning effort still serves as an indication of the GON's development policy and goals.

Some reporting, however, does show that the donors have responded fairly well to the planned sectoral distribution. The most recent comprehensive reports on external assistance are those prepared by UNDP/Niger for the years 1976 and 77. These reports show a contribution of donor assistance totaling $128.6 million in 1976 and $179.4 million in 1977 (exclusive of emergency assistance) distributed among sectors as follows: (1976) Rural Production - 36.6%; Infrastructure - 39.5%; Human Resources - 16.4%; and Industry, Mines and Commerce - 7.5%; (1977) Rural Production - 27.6%; Infrastructure - 40.2%; Human Resources - 27.6%; Industry, Mines and Commerce - 6.7%; and 4.5% in unattributable assistance in Research and Planning activities.

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 and substantial portions of the Ministry of Plan budget is also directly related. Over two-thirds of the public investment funds (FNI) are concentrated in these sectors. A fifth sector receiving substantial investment is minerals with 14% of the FNI in 1978. As all uranium revenues are channeled into the FNI, reinvestment in this sector is an important investment in the development potential of Niger as well as 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 Current Expenditure	1977 BUDGET FNI Investment	1977 BUDGET % of Total	1978 BUDGET Current Expenditure	1978 BUDGET FNI Investment	1978 BUDGET % of Total
Education	21,106	9,277	19.56	24,037	15,712	20.15
Finance	21,591	779	14.40	28,215	627	14.62
Infrastructure	14,990	10,291	16.27	16,007	11,040	13.71
Health	9,538	2,205	7.56	10,827	5,571	8.31
Rural Development	5,873	3,550	6.07	6,521	8,056	7.39
Defense	8,697	918	6.19	10,829	1,836	6.42
Debt Service	8,470	-	5.45	10,471	-	5.31
Minerals	669	186	0.55	740	8,393	4.63
Planning	5,223	723	3.83	5,182	1,691	3.48
Economic Affairs, Commerce, and Industry	538	1,315	1.19	567	781	0.68
Others*	22,282	7,120	18.93	24,804	5,384	15.30
TOTALS ($'000)	118,978	36,364	100.00	138,200	59,091	100.00

*Interior; Foreign Affairs; Information; Civil Service and Employment; Youth and Sports; Justice; the Presidency; and the National Development Council.

E. Absorptive Capacity

Niger is aware of the problem of financing recurrent costs of donor-financed projects. In 1978 the Ministry of Finance was ordered to examine the activities of all external assistance donors to assure that proper budgetary planning would be undertaken to provide for the eventual replacement of large numbers of expatriate personnel and for concomitant growth in indigenous personnel staffing required by the development program. As larger inflows of external aid increase the level of recurrent cost requirements, the GON's future ability to fund these costs rests partly on the nature of the aid projects (some production projects are designed to ultimately generate public revenues sufficient to cover project operating costs) and partly on the uranium industry which has been providing an annually increasing proportion of its public financial resources. Uranium production is forecasted to increase to 8,400 tons in 1984 when Niger's

fourth mine reaches full operating capacity. If prices increase at 5 1/2% per year (as the GON predicts) and if 40% of uranium sales continue to accrue to Niger, public revenues from uranium mining should exceed $530 million in 1984. Given current population trends this sum would represent over $85 in investable development resources for each Nigerien (or $61 in current purchasing power). Assuming uranium prices remain high, this projected inflow of financial resources should enable the GON to easily meet project recurrent costs for some time to come and give it some flexibility in mounting its development program. An analysis of the investment resource availabilities from uranium mining must be tempered with the assessment that reserves are presently estimated to be sufficient for only 30 years of active exploitation. Niger will therefore be constrained to provide the maximum development investment from this depleting resource over the next two decades to ensure, in conjunction with donor assistance programs, that its socio-economic development program will achieve the projected goals of a basically self-sufficient economy endowed with a completed infrastructure base by the year 2000.

Although Niger is still desperately poor (even with these mining revenues, per capita income is among the lowest in the world), the financial constraint is not the greatest limiter on the amount of foreign aid that Niger can effectively utilize. A greater constraint is in the human resource sector, which as discussed above, limits the pace of Niger's development program. The lack of an adequate planning capacity and a shortage of project design and management personnel constrain Niger's ability to direct and coordinate the large inflows of foreign assistance necessary for its development. Lack of trained cadres at the field level limits the present rate at which production projects can be implemented and programs expanded. Nowhere is this constraint more obvious than in

the area of basic-human-needs-oriented programs. Education programs cannot proceed apace without adequate supplies of teachers. A shortage of agricultural extension and cooperative agents constrains programs aimed at increasing small farm productivity. These sorts of manpower constraints do represent an impediment to effective utilization of the increased levels of donor assistance required to address Niger's development goals in the rural areas.

While the initiation and pursuit of rural development production projects will be rather costly in the medium term, GON strategy supported by AID and other donors is obviously to develop programs which envisage an ultimate end to project intervention and concomitant heavy budget support from government resources. The ideal is to build a rural agriculture economy and society which is both self-supporting and capable of producing a contribution to the public revenues required for residual government service and support activities. The greatest recurrent cost component will be those required for maintenance and operation of non-revenue producing infrastructure such as the road transport network, educational/training institutions and medical facilities, and for rising manpower levels.

USAID/Niger has not attempted an independent recurrent cost study to include within this statement for two reasons: (1) a study related to AID project activities in isolation from the larger program being assisted by the entire donor community and independently by the GON would provide neither a meaningful nor useful analysis. The effort required for a valid in-depth analysis far exceeds the time availabilities of present mission staff; and (2) the CILSS/Club du Sahel is presently planning a definitive study of recurrent costs in the Sahel which should provide sufficient analyses to ensure that project design and forecast planning will not result in an undue encumberance on national resources at the phase-out of donor support.

In the meantime, although AID projects are being designed to minimize recurrent costs, it would seem prudent to assume the necessity for continued donor assistance until such time as Niger has achieved its development goals.

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 and consultation following a broad strategy conception aimed at food self-sufficiency and sustained economic and social development through integrated planning and programming 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 representatives ensures basic coordination of program initiatives.

Representatives of several donors are members of common project coordinating groups such as the regional Sahel Water Data Management project (of which the USAID/Niger Mission Director is the presiding officer), the Niger River Development Planning 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 the department-level productivity projects following GON national 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 levels of adequately trained mid-level personnel to the rural development services responsible for the future implementation of expanded activities under these projects. 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 straight 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 reenforce donor activities targeted at rural production are (1) the Sahel Water Data Management project (AID, UNDP, Belgium, France, Switzerland, Germany 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 is

designed to provide a long-term prospective plan and a regional coordination capability for the development of the agriculture, hydrologic and river transport potential of the Niger River Basin; and (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.

Donor assistance flows (exclusive of emergency assistance) to Niger's development program over the 1975-77 period were respectively 160, 128 and 179 million dollars. The magnitude of these flows is expected to continue over at least the next decade.

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. Many have been gradually released to resume their private lives or reinstated within the government administrative structure.

Despite the previously mentioned 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.

In recognizing the traditional and cultural barriers to increasing the status of women, the GON, through its press media, regularly devotes

articles which encourage increased recognition of the particular problems facing women which need to be addressed in order to increase their contribution to the national development effort. The Association of Nigerien Women has been given official status and mandated to advise the government on the condition of women as regards socio-economic problems, professional career opportunities, and legislative requirements. Educational opportunities for women are officially encouraged.

Although the only local information media is that which is under government sponsorship and control, 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.

II. AID Assistance Strategy

A. Objectives:

The objective of AID assistance strategy in Niger is to reenforce the long-term goals of the GON within the parameters of AID development policy and the broad strategy statements of the CILSS/Club du Sahel. These AID objectives, perforce, concentrate on the rural area in the present sectors of rain-fed agriculture, range management and livestock production, rural health, and human resource development. Increased funding availabilities in the future would allow an expansion and broadening of activities within these sectors to incorporate complementary, hard infrastructure activities such as feeder roads, irrigation activities, rural water supplies, dam construction and shelter programs.

The present government is only four years old. After organizing the drought emergency and recovery program following the 1974 coup d'etat, the next order of priority for the new government was a review and analysis of the Five-Year Development Plan promulgated by the previous government. This plan was rejected as unresponsive to the development needs of the country and the present Three-Year Plan (1976-78) was produced as the interim guiding document until a new plan could be thoroughly developed. Although in the final stages of preparation, this latter plan (1979-83) has yet to be published and analyzed. The interim three-year plan, which was produced within only one and a half years of the present government's ascension to power, therefore still serves as the guideline document. As is evident from a reading of Section I.D, this plan presents less of a strategy than a statement of long-term development goals and a selection of sector-related project proposals to meet those goals. The goals, philosophy and objectives of

this development initiative, however, present a program that can be clearly and confidently supported within the framework of AID's policy directives.

The long-range goals which USAID/Niger proposes to target over the coming generational period in support of the GON development program are those of self-sufficiency in basic cereals requirements; improved range management and livestock production; the arrest of natural resource deterioration and a concomitant improvement in resource management; and an improvement in the health and physical well-being of the rural population. These goals address both economic and social issues as improved food production will increase both the economic and nutritional standards of the population while improved health conditions will enable the population to supply the increased demands required for higher production and development progress.

The achievement of these goals requires at a minimum the above-mentioned generational involvement. The interim five-year period to which this strategy statement is addressed can at best target and hope to 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 and take-off in the next five-year planning period.

One of the constraints is the present limited capacity of the rural population to participate forcefully in its development. The GON is highly cognizant of the necessity and desirability of enlisting full participation of the populace in the planning and implementation of economic and social action requirements. An immediate step being

taken to strengthen participation is to find out what the people want and need. Thus AID's Phase I Niamey Department and Range and Livestock projects are specifically designed, in part, to gather data through studies of, and consultation with, farmers and herders as a means of developing realistic designs for the larger Phase II operations. At the same time, the GON, with the help of donors including AID, is introducing improved technological practices, providing an infrastructure base, mounting informal education and mass-media efforts, and introducing a cooperative structure--actions intended to encourage increased response and ultimately development initiatives from the rural people.

The rate at which development in the rural areas will advance cannot now be predicted with any reasonable degree of assurance, and quantitative targets in production levels, etc., provide elusive indicators of success. The objectives of AID's program over the next five years will therefore be to assist the GON in: (1) reenforcing the human resource element of the government rural development services to enable it to plan, manage and execute the expanding and increasingly complex level of development program actions deemed necessary for goal attainment by the year 2000; (2) undertaking sector development projects aimed at production increases which are both within the present capability of the GON development services and realistically reflective of the time-frame necessary for the progressive build-up in the capacity of the rural population to respond in a degree of sufficient magnitude to have a significant impact on the long-range developmental goals. These projects will be designed to achieve five basic medium-term objectives: (a) project implementation and planning experience for GON personnel; (b) further observation and refinement of project activities; (c) an increase in

agriculture and livestock production commensurate with the limited resources being made available for direct production activities out of total AID resource transfers and commensurate with the response capability of the targeted rural populations; (d) planning efforts for second and third generation activities; and (e) an improved physical infrastructure and human resource base for the government services charged with responsibility for the development program.

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 and supportive of the basic rural development effort. These would include rural feeder road construction, irrigation activities and water supply systems for villages and livestock grazing areas, as well as participation in a multi-donor effort for the construction of proposed large-scale river-dams for irrigation and hydro-electric production.

During this interim period, prior to the achievement of significant progress in meeting the long-range goal of food self-sufficiency, Niger will continue to be faced with the annual food deficit with which it is chronically plagued even in "good" years. A further objective of AID will therefore be to assist the GON meet these food requirements through a rationally programmed source of food imports under a PL 480 Title II program. This approach will: (1) lessen the necessity for the GON to make annual appeals to the donor community for emergency assistance (a necessity which is becoming less and less palatable to Niger's national pride and sense of dignity); (2) enable the GON to move away from ad hoc and crash programs and engage in long-term forward planning for food

distribution and the management of reserve stocks; and (3) provide an additional budgetary resource with which the GON can complement the development program effort.

Lastly, AID objectives in the urban areas will be to assist in the improvement of shelter and urban services planning for the low-income areas of the burgeoning cities and rural towns.

B. Strategy:

Rain-Fed Agriculture Production: Projects aimed at agriculture production will attempt to maintain and expand the actions which have been initiated under such projects as the Niger Cereals (NCP) project and the Niamey Department Development (NDD) project. The NCP is a national-level project aimed at improved millet and sorghum seed research and production for rain-fed agriculture, farmer demonstrations and institutional development support (including human resource development) at the upper and mid-levels of the Ministry of Rural Development services. The NDD is a complementary project which carries the improved seeds and techniques developed at the national level down to the village level for introduction to the farmer. The area-specific aspect of this project follows the GON strategy of decentralizing development project implementation and granting more responsibility and decision-making power to the departmental and district (arrondissement) authorities. It is noted that the logical, sequential step in such a strategy is an ultimate devolution of decision-making to the village and cooperative level.

The NDD village level activities go beyond the NCP national-level focus on major cereals production and incorporate a rural integrated development approach with secondary interventions targeted at pilot village 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 will be the focal point of interaction between the rural population and the government.

The NCP and the NDD will be completing their Phase I activities in FY's 80 and 81 respectively. Phase II, follow-on projects are being planned which will build on the Phase I results and continue activities on an expanded basis commensurate with the increased capacity of the rural development services and the increased receptivity of the farmer to the proffered techniques and organizational schemes. These Phase II projects will last through the end of the planning period covered by the CDSS.

As the GON's research service has not reached a sufficient level of seed and agronomic research and development on which to base assured production goals, project actions will call for continued and increased support to this service in the pursuit of further refinements of existing research results, the search for improved seed varieties which are area-specific in their response to the soil and climatic peculiarities of the various regions of the country, and further research and testing of agronomic practices and appropriate technologies.

As the departmental development programs under the sponsorship of AID and other donors will soon be in full operation, the development services at the national level will be given a wide range of AID assistance to enable them to expand the distribution and credit systems for the agriculture inputs required by the local cooperatives, planning and implementation guidance, personnel training and general backstop

and support for the departmental projects--as well as those areas not yet covered by projects.

AID's assistance to Niamey Department will expand to bring more villages under cooperative organization, persuade more farmers to adopt the new techniques, and provide more intensive support to those earlier cooperatives formed under Phase I. Based on results of Phase I pilot efforts, the expanded program will provide more extensive support for the promotion of mixed farm/livestock activities, market town development, small-scale agro-industries, village water supplies and grain mills. The latter two will especially benefit women by reducing the drudgery required by simple domestic chores and release their time for more productive efforts in such other project-supported areas as small ruminant, poultry and vegetable production. A consultant's report soon to be received by the Mission will be used as a starting point for the development of a special WID program to complement the participation and benefits received by women throughout the spectrum of Mission projects. Coverage in Niamey Department will also be expanded through the proposed inauguration of a separate project aimed at the "New Lands" development of Niger's southern-most district, Say Arrondissement, which has recently been freed of onchocerchiasis and is available for settlement and agriculture exploitation.

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 available and can be developed. The potential for irrigated production is relatively minor when compared to the total potential attributable

to rain-fed production. Nonetheless, the potential is significant and may well provide the margin required for ultimate self-sufficiency in cereal production. Given the large number of donors providing assistance to this sub-sector the Mission is reserving decisions on future participation pending publication and analysis of the 1979-83 five-year plan and analysis of assistance requests received from the GON.

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 economy base has made the livestock sector a priority concern of the GON. AID sector strategy under this rubric deals primarily with the nomadic herders. Although livestock production is also an important component of the development strategy aimed at the sedentary farmer, i.e., mixed farming, that element is closely integrated within the Niamey Department Development project and has therefore been subsumed under the agriculture production sector.

As in agriculture production, the livestock sector strategy will build and be based upon the results of the Phase I activities being carried out under the Niger Range and Livestock (NRL) project. Phase I of the NRL is attempting the introduction of new concepts necessary for the long-term survival and development of the livestock 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 the reenforcement of the technical staff capability of the Livestock Service 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 obviously presents a formidable challenge and progress will be slow. An education effort aimed at GON officials is as necessary as that aimed at the herders. Despite the experiences of the drought, which showed that stocking rates far exceeded the capacity of Niger's grazing lands, the GON is proud of its claim that recent efforts at herd reconstitution have succeeded in bringing animal numbers back to nearly pre-drought levels--although there is no guarantee that current grazing patterns on the present resource base can efficiently sustain these numbers.

The Phase II program is projected to commence upon the completion of the Phase I preparation and planning stage in FY 81. The exact action plan of this second phase cannot be detailed with certainty but assumptions necessary for future planning would predict a project outline consisting of physical activities such as construction of catchment basins and vaccination chutes, expanded organizational and educational activities among the herders, and continued support to the livestock service for technical assistance, operational requirements and training of livestock service personnel. The basic objective 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 the complete organizational capability of the Livestock Service to pursue the long-term sector goal of orderly and effective range management and herding practices, the initial establishment and functioning of marketing facilities, mechanisms and practices designed to reenforce efforts to control herd size and maximize the livestock sector's contribution to export earnings,

wide diffusion among the nomads as to the concept and necessity of controlled range management, herd size and consequent herder organizations so that succeeding efforts over the 1985-90 period will be able to produce the widespread acceptance and adherence to those practices required for the achievement of sector goals.

Rural Health: The 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 the ongoing GON/AID rural health project. This project 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: the selection and training of volunteer village health workers and their organization into functioning teams; expanding a health program which emphasizes a system of preventive medicine, midwifery and simple curative medicine; promoting health and sanitation education and the provision of waste disposal systems; and improving and expanding the capability of the national health service's physical and personnel infrastructure 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 by 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 project retains great emphasis on the volunteer aspects of the existing program. Sixty-five percent of the project's budget will go to human resource development with the major share being directed to

the improvement and enlargement of the volunteer force of village health workers. The remaining portion of the budget (35%) addresses critical issues such as supervision, transportation and supplies.

Under the assumption of successful completion of the present AID assistance project in 1982, 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 resource capability within the GON Ministry of Health should allow for a rate of implementation and coverage exceeding that of the present project.

Natural Resource Preservation and Management: The GON strategy for this sector appears less a "strategy" than a simple listing of specific types of activities which could be immediately implemented. The basic and priority element that appears to have 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.

In the past, AID joined forces with the GON and other donors in contributing to the "shotgun" approach. Under the Sahel Drought Emergency Program, approximately 3,000 hectares of "Gao" tree plantations were seeded throughout the country. USAID/Niger has since incorporated a reforestation/soil conservation component within the Niamey Department Development project (NDD) which proposes a program for extensive training of forestry service extension agents, awareness programs for villagers, and the preparation, with villager assistance, of individual land use plans for each village touched by Phase I of the NDD. Similar activities have been included with the Niger Range

and Livestock project, although following a different framework in recognition of the ecological and nomadic tradition differences between the agricultural and pastoral zones.

Most importantly USAID/Niger and the Niger Forestry Service have prepared a Forestry and Land-Use Planning Project which will permit the Forestry Service to improve its planning capacity so as to better integrate projects within an ecological framework designed to rehabilitate and conserve the natural resource base as part of a long-term solution to the environmental problems which have threatened animal, land and human productivity in Niger. The 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, the launching of an ecology awareness program, and appropriate logistical, material and technical assistance. Follow-on activities in this sector for the period 1983-85 will be a function of the final planning results emerging from the above project which will have identified specific projects and strategies complementary to the national production sector activities which may be proposed for implementation by AID, other donors and the GON in the enormous fight against environmental degradation.

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 all sectors.

In simplified form, the AID strategy for human resource development in Niger to address this constraint consists of two goals integrated with

the thrust of the production sectors. The first, which requires immediate attention, emphasizes the improvement and expansion of training for government service personnel in planning, management and implementation of projects in the rural development production sectors and an increase in the technical capability of the services through long-term, academic training. The second goal, more long-term in scope, emphasizes expanding and improving the effectiveness of non-formal education and training aimed at the rural farm populations who are the key element in assuring success of the development program.

Each AID project in Niger includes a human resource development component as part of the project strategy. This ranges from long-term academic training for personnel attached to or slated for the services responsible for implementation of that project to short-term local training in agriculture for young farmers, and organizational and technical training for cooperative leaders and members. The inclusion of such training components will continue to be an integral part of project design in the future.

In response to a request from the GON, USAID/Niger is assisting a distinct project aimed at broad support to human resource development in the rural development sector. This project will complement AID's rural sector production projects through 1982 and will provide an increased stream of trained, mid-level personnel to the rural services through AID's participation in multi-donor support to Niger's Rural Development Training Institute and an improved core of village-level cooperative agents through bilateral support of a low-level training center for the national cooperative service. Other components of the project provide assistance for the expansion of Niger's literacy service programs in the rural areas; the

establishment of a development project management training program within the National School of Administration for local training of large numbers of high and mid-level personnel responsible for project planning, implementation and evaluation; and the formation of a manpower planning system (initially targeted at the rural development services) within the GON Ministry of Plan.

Further interventions in this sector beyond 1982, apart from the continued inclusion of training components within individual projects, will be a function of the results and experience gained from the HRD project and an analysis of ongoing requirements. These may include, among others, technical assistance to the Ministry of Plan for the establishment of a project evaluation division and the establishment of a sister institute in Maradi to the Rural Development Training Center at Kolo.

The goal of this sub-sector strategy is the progressive build-up of the rural development services' capacity to plan and execute a large-scale development program push with a minimum of outside technical assistance by the late 1980's. As a result of goal achievement, a greater percentage of limited AID financial resource transfers will be able to be devoted to direct production inputs rather than the high proportion of technical assistance costs which are presently being incurred, thus improving the cost-benefit ratio of AID dollar inputs.

Complementary Program Activities: A continuation of funding allocations at the 1979-80 level would allow AID to initiate the Phase II follow-on activities of the present project portfolio. New interventions in support of sector program goals over the 1981-85 planning period are therefore a function of increased funding availabilities. Assuming such

availability, the priority areas which should be addressed by AID are in (1) rural feeder and secondary roads; (2) village water supply; and (3) shelter construction.

The rate of progress for rural production activities is seriously impeded without a basic road network to afford increased market access, the mobility required to strengthen and reenforce progressive attitudes and ideas among an isolated population, and the dependable provision of government extension services and input distribution systems. Program initiatives for this activity would require a straight financial contribution to a multi-donor project which would be coordinated and managed by the IBRD.

The success indicators of basic rural village health programs are seriously diminished without an assured supply of potable water which would eliminate one of the primary causes of disease and debilitation among the rural populations. The Niger para-statal organization responsible for village wells is one of the most technically competent of development services. Project inputs would thus require a mere addition of materials, equipment and operating expenses to expand the physical ability of the service to provide sufficient wells.

The provision of planning assistance beginning in 1979 for shelter problems (both urban and rural) would be greatly reenforced with a follow-on phase for the construction of model sites. This would require only a small technical advisory team and a construction fund. Assuming successful completion of this stage it would be prudent to envisage a DL/HIG for the private expansion of low-income housing.

Certain reservations must be made in the specificity of AID development initiatives in Niger over the 1981-85 planning period. The GON's

III. Proposed Assistance Planning Levels

	Fiscal Years ($'000)					
	81	82	83	84	85	TOTAL
Categories:						
Agriculture:	6,500	7,500	10,000	8,500	8,500	41,000
Research	(1,000)	(1,000)	(1,000)	(500)	(500)	(4,000)
Production Support	(2,000)	(2,500)	(3,000)	(3,000)	(3,000)	(13,500)
Integrated Dev.	(3,500)	(4,000)	(3,000)	(2,000)	(2,000)	(14,500)
Irrigation	-	-	(3,000)	(3,000)	(3,000)	(9,000)
Livestock & Range Mgt.	400*	2,000	2,000	2,000	2,000	8,400
Forestry/Ecology	900*	1,000*	2,000	3,000	3,000	9,900
Human Resources	3,550	1,550	1,850	2,500	3,500	12,950
Training/Institutional Support	(2,800)*	(1,300)*	(850)*	(2,000)	(2,000)	(8,950)
WID	(500)	-	(750)	-	(1,000)	(2,250)
Technical Assistance (evaluation, planning, etc.)	(250)	(250)	(250)	(500)	(500)	(1,750)
Health/Population	3,000	3,500	3,500	3,750	4,000	17,750
Rural Health	(3,000)*	(3,000)*	(3,000)	(3,000)	(3,000)	(15,000)
Population		(500)	(500)	(750)	(1,000)	(2,750)
Infrastructure	2,500	8,000	7,500	7,000	17,000	42,000
Rural Roads	(2,000)	(5,000)	(5,000)	(5,000)	(5,000)	(22,000)
Dams	-	-	-	-	(10,000)	(10,000)
Village Water	-	(2,000)	(2,000)	(2,000)	(2,000)	(8,000)
Housing	(500)	(1,000)	(500)	-	-	(2,000)
Volags	1,000	1,000	1,000	1,000	1,000	5,000
TOTAL SDP	17,850	24,550	27,850	27,750	39,000	137,000
HIG	-	-	-	2,000	2,000	4,000
PL 480 (Metric Tons)	27	22	22	7	7	85
Title II (Volag)	(7)	(7)	(7)	(7)	(7)	(35)
Title III	(20)	(15)	(15)	-	-	(50)

* Approved, ongoing projects and projects in approval stage

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The PAPL table reflects in good part the financial inputs required for the implementation of: (1) those ongoing projects which have already been approved or for which approval is shortly expected - $13.2 million; (2) those Phase II projects which have been identified as specific project proposals in previous ABS presentations such as the Ag Sector Production Support Project and the Niger Cereals Research Project which would continue activities through the 1981-85 planning period - $17.5 million; (3) those projects which have previously been identified in ABS submissions as new areas of intervention such as Say Arrondissement Development, Evaluation Assistance to the Ministry of Plan, Housing Sector Pilot Project Grant, and Rural Roads - $11 million; and (4) those Phase II projects which have been identified as probable areas of continued intervention following the termination of the present Niamey Department Development Project, the Niger Range and Livestock Project, the Rural Health Improvement Project, the Forestry and Land-Use Planning Project, and the Rural Sector Human Resources Development Project - $39 million. The total of both these identified and assumed projects accounts for $81 million, or 59% of the $137 million PAPL. This $81 million therefore represents the basic level required to sustain the AID program in Niger at a minimum level and to provide the follow-on necessary to ensure effective impact and maximum benefit from AID investment levels to date.

The remaining 41% or $56 million, represents the initiation of new projects complementing the basic program interventions. These include relatively high-dollar investments in rural infrastructure requirements such as village water systems to reenforce the health program, a significant increase in assistance to the construction and/or maintenance 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 assistance to Women in Development opportunities and a population program following the expected formulation of GON policy in this area.

Specific breakdowns of inputs within the priority sectors will be a function of ongoing evaluation of existing projects, experience and studies gained over the course of this implementation and the subsequent design of the follow-on activities.

It should be noted that the above PAPL represents an illustrative division of resource allocations within sectors based on present information and experience. The publication and release of the GON's 1979-83 Five Year Plan, expected by mid-1979, may require a change in the mix following AID review and analysis of the plan's strategy and specific proposals.

It should also be noted that the Mission did not choose the option of a straight-line progression in building up to the 1985 IPL of $40 million recommended by AID/W which has resulted in PAPL of $13 million less than would have been called for in a straight progression, i.e., $20, 25, 30, 35 and 40 million.

The possibility of increases in the PAPL should thus be considered in the event of significant sector successes which may increase the anticipated rate of development progress and consequently the inputs required to reenforce and sustain that momentum.

In the more likely event that Congressional appropriations are much reduced from those required to meet the PAPL, AID strategy would lessen its emphasis on the proposed complementary infrastructure.

Although the degree of annual food grain deficits cannot be predicted with precision, thus defying attempts to analytically justify future

assistance programs, past experience leads to the conclusion that these deficits will continue to occur over the immediate future.

The GON's efforts to supply grain to both urban non-producers and deficit rural areas at stable prices will be greatly assisted by the existence of a Title III program which will afford it the previously unavailable luxury of being able to engage in some forward planning and implementation of its distribution and marketing program. As the tonnages proposed in the PAPL are far below prior-year requirements the GON will continue to rely upon its own import program, buying campaigns, and other donor assistance to completely stabilize the market and provide grain to all deficit areas until such time as its production development efforts begin to provide sufficient domestic yields.

The inclusion of Housing Investment Guarantees beginning in FY 84 represents contingency estimates based on the probability of assistance to low-income housing following the termination of AID's technical assistance to the urban shelter planning division of the Ministry of Public Works and a proposed model site pilot project in 1981-83.

The PAPL as proposed should not require an appreciable increase in Mission direct-hire staffing levels. The present ceiling of 29 would have to be augmented by the addition of project managers for the following new projects: WID (1981), Say Arrondissement Development (1981), Village Water Supply (1982), Forestry/Ecology (1983), and Irrigation (1983). Project technical assistance through PSC's or institutional contracts will remain high intensity for Phase II activities in Ag Research, Ag Production Support, and Livestock and Range Management. Phase II activities in Integrated Rural Development, Human Resource Development and Rural Health will continue at medium intensity. Minimal technical assistance, if any, should be required

for new initiatives in rural roads (TA provided by the IBRD) and rural water supply (requiring primarily equipment, material and operating expenses). Substantial participation by other donors in the irrigation sector will presumably minimize the requirement for U. S. technical assistance inputs under future projects. Regional programs with the exception of the Niger River Development Planning project should not affect Mission staffing levels. An estimate for the full program would predict a requirement for approximately 35 full-time project TA positions by 1983. Project staff assistant requirements could be increasingly filled by Peace Corps Volunteers as is being attempted in the Range and Livestock Project.

[redacted]

The Mission believes that the facts cited in the CDSS clearly show that Niger ranks high among nations concerned with their development and particularly with increasing the quality of life of their rural poor. The principal thrusts of U. S. and GON development philosophies are identical. Yet, this does not mean that Niger shares all of the nuances and intermittently changing emphases of the American assistance program. AID ranks 6th among external donors. Our procedures are not always well understood and at times baffle or irritate the GON. In contrast to other donors, we place great stress on the advisory role of our technical assistance and our programs consecrate larger amounts to the financing of personnel, research and assessment elements than do other foreign donors who emphasize bricks and mortars and equipment contributions. However, on balance, the Mission believes that the basic congruity between Niger and AID makes our program one of the most potentially successful ones in our quest to help friendly