



# **ISLAMIC REPUBLIC OF MAURITANIA**

**Honor — Fraternity — Justice**

**Ministry of Economy and Finance**

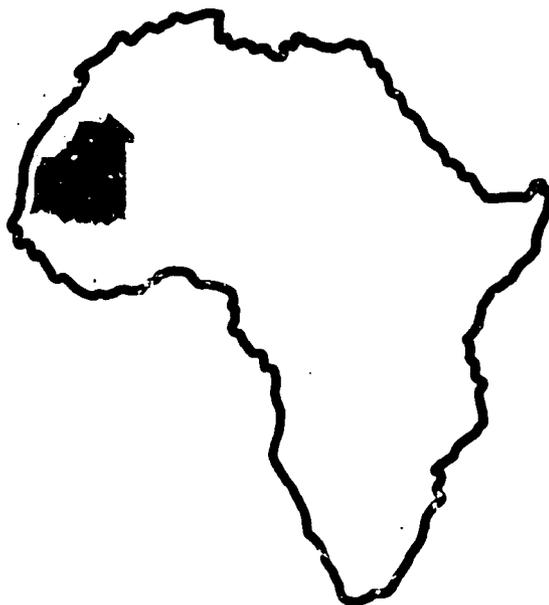
**Directorate of Studies and  
Programming**

## **RAMS PROJECT**

**Rural Assessment and Manpower Surveys**

The Public Sector:  
Organization and Operation of Rural  
Development Activities

AE-4-2



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## 1. Summary and Conclusions

This report examines the structure and operations of Mauritania's public institutions, focusing on the rural development aspects. It is a companion piece to another RAMS study on the Private Sector which should be consulted to obtain a rounded view of Mauritania's overall institutional framework.

As a general rule, documentation on the public services of governments that have gained their independence in the not-too-distant past is sparse. Mauritania, which gained its independence in 1960, is no exception. The information-gathering process for the compilation of this report has consisted as much in personal interviews as in the diverse and disparate collection of issues of the Journal Officiel, other official pronouncements and newspaper articles. The result is a subjective analytical treatise, the intention of which is to provide a perception, in an historical context, of the evolution of the government's organic make-up. An insight into the lessons of the past, hopefully, will provide guidance for the strengthening of institutions in the future. With this perspective, the occasional critical observations may, therefore, be forgiven.

The body of literature that has emerged in the past 35 years on what is commonly known as the "development process" reveals inter alia a series of truths, that is, lessons that have been learned through experience. Interestingly, developed and developing countries, despite vast differences in levels of technology and sophistication, have found that the same principles of management and organization, as well as common

sense, have applied to their respective development processes. No magic formula has emerged, and no simple solutions have been found for either or both groups of countries. What has become clear, however, is that each country must set the pace and manner of its own development effort.

Mauritania faces a number of major financial and economic constraints in the development process. Within the limits of these constraints the development potential is deterred to a great extent by administrative and institutional problems which center around issues of organization and management.

Public growth has been substantial over the years as indicated in Tables 1 and 2. The numbers of government employees has increased on a yearly average of 7% since 1973. During the same period government services as a contribution to GDP increased at a faster rate.

The major characteristics of Mauritania's public institutions and their operating practices may be summarized as follows:

1. A highly centralized structure;
2. Frequent reorganizations to reflect short-term modifications of political and economic policies;
3. Complex financial and other procedures;
4. Multiplication of institutions;
5. Lack of adaptability to meet the critical needs of the rural population;
6. Absence of an effective planning mechanism; and coordination between planning budgeting and implementation;
7. Meager operating budgets;

8. Insufficiency of qualified personnel;
9. No effective application of national policy;
10. Official status and responsibilities of government departments ill defined;
11. Excess of external influence on development programs;
12. Lack of mechanisms for program evaluation and measurement of investment impact.

While the foregoing is an essentially negative inventory, it would be a mistake to discount a number of positive elements. Chief among these is the avowed aim of the government to decentralize authority and delegate responsibility to the local levels of government. Although this policy is **yet** to be transformed into action, it is important to note and underscore the significance of the government's political expression. Furthermore, regional governments are becoming more involved in the development process. Mauritania's administrative institutions, as will be seen from this report, are still in a state of transition.

Clearly, a long, perhaps even tortuous, road lies ahead to create a more efficient and responsive administration. Clearly, also, a few short steps have already been taken.

Table 1. Growth of Civil Service Personnel, 1973-1980 <sup>1)</sup>

Year	Number of civil servants	% Change
1973	7,939	
1974	8,345	+ 5.1
1975	9,235	+ 10.7
1976	10,192	+ 10.4
1977	11,155	+ 9.4
1978	10,753	- 3.6 <sup>2)</sup>
1979	11,482	+ 6.8
1980	12,731	+ 10.9

1) Excludes armed forces, police and parastatal organizations

2) Transfer of civil service personnel to parastatal organizations is probably the reason for this decrease.

Source: National Budgets, 1973-1980.

Table 2. Contribution of Government Services to Gross Domestic Product in Current Prices, 1973-1979  
(000 UM)

Year	GDP at Factor Cost	Government Services	Government Services as % of GDP
1973	10,874	1,327	12.2
1974	14,160	1,568	11.0
1975	16,252	2,087	12.8
1976	19,904	2,977	14.9
1977	21,100	3,947	18.7
1978	22,314	4,515	20.2
1979	25,985	4,740	18.2

Source: IMF Report, 1980.

## 2. Introduction

"Economic and social planning is an important means for the mobilization and proper utilization of productive resources and an instrument for promoting national policy objectives. Experience has revealed that the feasibility of plans depends not only on proper coordination of their objectives and instruments, as well as on technical, economic and financial factors, but also on the capability of the public administrative system." (1)

In the absence of dynamic market forces, the goal of equitable social and economic development in Mauritania is largely dependent on the government for the mobilization and allocation of productive resources. In this highly dualistic economy where the contribution of 80% of the population in the traditional sector was only 21% of the GDP in 1980 following a downward trend over the past 20 years, public intervention represents the only catalyst for the development process. This situation is perpetuated by the absence of private savings for investment, the lack of technology suited to the country's resource base and insufficient market incentives.

Prior to the drought of the late 1960's, Mauritania's traditional sector maintained a fairly stable equilibrium in the context of an independent non-monetarized subsistence

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(1) United Nations, Organizational Systems for National Planning New York, 1979.

economy. Beginning in 1968 and continuing to the present, the deterioration of the natural resource base has caused a major transformation in which a majority of the population was forced to seek a livelihood from resources outside of the traditional sector. The mutations within Mauritania over the past 12 years are well known and have been studied by RAMS from various points of view: decline in productive activities, demographic transformations (migration, rural exodus, urban population pressures, etc.) social change, environmental degradation, etc.

As a result, the rural sector in Mauritania has become totally dependent on a new set of resources which are to a great extent the monopoly of the State. The government has become, directly or indirectly, the motive power of different initiatives to satisfy the needs of the population. Because of its meager resources, the government has also become increasingly dependent on foreign assistance; approximately 90% of the development effort is financed by external sources.

In the context of a traditional subsistence sector which can no longer provide the means for its survival and a modern economic sector responsive only to the urban communities, the government is undeniably the focal point of national growth and development. This recognition is by no means an indication that the development process will be undertaken in the absence of private sector initiative or popular participation. It does mean, however, that public institutions and public investments will create, in a medium-term perspective the necessary conditions for any "take off" (2) of the

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(2) W.W. Rostow uses the term "take off" in his theory of economic development in which an economy passes through five stages of growth.

Mauritanian economy. The evolution of the public sector's role in the national economy will certainly depend on a myriad of factors too complex and uncertain to predict accurately. Nonetheless, in present circumstances the predominant position of the State and its institutions as the mobilizing force of change and development must be accepted.

Public institutions in general are organized functionally in terms of their area or sector of responsibility. Some are outward looking in that they deal with activities that relate to the population at large or with the exterior, while others are more concerned with internal aspects within the public sector itself. Both spheres of action are necessary, even inextricably linked, and have in common the complexities of conservative and dynamic forces in a constantly changing environment. This environment encompasses an important number of conflicting interests which continually place the State in a position of having to choose between various alternatives.

The criteria for decision-making are, in a formal sense, based on public policy, which can be the result of a political process (popular or otherwise) or based on technical considerations, or a combination of both. The structure and modalities of decision-making in the public domain therefore depend to a large extent on the political system of a country as well as the capacity of its public institutions to provide information of a technical nature in a coherent and rational manner.

The Government of the Islamic Republic of Mauritania (GIRM) recently announced its intention to promote the creation of democratic political institutions in the nation. This will in the long run undoubtedly influence the mechanism of decision-making in Mauritania and perhaps alter substantially

the position of public institutions vis-a-vis the population at large. At present it is, however, impossible to determine with any degree of certainty the evolution of the democratic process and, therefore, for purposes of analysis in this report the existing structure of public organizations must be taken as a point of departure..

In placing the government and its institutions as the forerunners in the development process, a specialized role is assigned to them as agents of change. The process of social and economic mutation in developing countries is not altogether understood, and in many cases the errors committed by governments, even with the best of intentions, have at times resulted in deleterious consequences of impoverished and dependent masses, weakened national economies, political instability and dependence on international assistance for survival.

Although the preceding statement is made in a general context, the description finds application to Mauritania. Despite a national policy placing the rural sector as the focus of development intervention, the productivity of this sector as noted above, has declined over the past two decades, resulting in a worsening of the living conditions of the people dependent on the sector for their livelihood. There is a causal relationship between this situation and the Sahelian drought of the late 1960's and early 1970's, with the Saharan conflict which turned attention away from economic and social priorities, and with the general worldwide economic crisis of the past decade. These factors, however, can be considered as regrettable events of history. The important lesson to be learned is that during this difficult period government institutions were ill-equipped to respond effectively

to the needs of the Mauritanian people.

There is safe ground in assuming that agencies, departments, and organizations exist for the benefit of the majority of the population which, in Mauritania, means the 80% living in the rural areas. The structure of these government institutions must be such that their activities respond to the needs and aspirations of this majority and that they be flexible to the point of being able to adjust their actions to the changing needs of the population.

The institutional structure of the GIRM is largely based on a Western model inherited from the colonial period. It is a complex system of public entities which undertake activities in the context of a traditional society having little in common with these modern institutions. These circumstances make it inherently difficult for the State to carry out its mission for the benefit of the society, and often results in the misallocation and waste of scarce resources.

These assertions are by no means a revelation to those familiar with the Mauritanian administration. It is widely recognized that the public administration is not at the present time adapted to fulfilling its role as the primary motive force in the development process. In an auto-critique, the Government has gone as far as to say that there is no means by which the situation can be improved within the present institutional framework. (3) Despite this recognition, no comprehensive study of the Government administration has as yet been

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(3) Ministry of Economy and Finance, "Methodologie de Preparation du IV Plan", May 15, 1980.

undertaken, and the attempts to improve government institutions through reorganizations and reforms have been sporadic and inconclusive. The impact of the few measures taken has been negligible.

This study represents a modest attempt to observe and analyze the public administration in Mauritania in a distinctly broader context and with a particular optic on the work flow within and between the various organizations and institutions of the GIRM which intervene directly or indirectly in the rural sector. Essentially, therefore, although the study deals primarily with the public administration, its responsibilities, and internal modus operandi, the basic reference point is the rural population and the improvement of their living standards. It would be erroneous to deal with the administration in isolation from the people who justify its very existence. The public sector is considered in terms of its ability to inter-act with the local population and create the necessary conditions which will allow the people to become the masters of their own development.

Moreover, this study is presented as an issues-related analysis focusing on the most salient aspects of the public sector's role in the development of the Mauritanian economy. These aspects are demonstrated in part through case studies and concrete examples as a means of describing organizations and the workings of the government machinery.

More specifically, the study is concerned with:

1. The organization and responsibilities of selected ministerial departments and government institutions at the national and regional levels;

2. Policy formulation, decision-making, and transmission of decisions to implementing agencies;
3. The flow of information and the mechanisms of communication among the various governmental departments;
4. The role and influence of multilateral and bilateral organizations on development activities; and
5. The organization of public services, in terms of their ability to promote direct involvement of the population in the development process.

In a functional sense the study is organized around an integrated system of policy making, planning and programming, budgeting, and implementation as forces at play in the development process. The integration of these functions should be considered as a circular flow, in which the implementation phase includes control and measurement functions feeding back into policy and planning mechanisms which allow for the adjustment of programs and budgetary allocations for the improvement of performance and outputs.

It is recognized that a fuller analysis of public sector institutions should include the element of manpower, particularly its qualitative aspects. Although this study does not enter this subject matter, its importance should not be minimized. Personnel administration, including the administrative management aspects, is a field which is ripe for exploration insofar as the Mauritanian civil service is concerned. It is, therefore, hoped that this subject will be treated in the not-too-distant future in a separate study.

The state-of-the-art in the discipline which has become known as 'development administration' does not provide either detailed or standard formulas for the organization and operations of public administration in developing countries. The functional cycle adopted in this study is entirely subjective and is intended to dissect various parts of the public service, diagnose its weakness and prescribe in analytical fashion the possible remedies to help achieve overall development objectives. Well-conceived development strategies implemented through a coherent and realistic national plan, accompanied by corresponding budgetary allocations, remain theoretical undertakings in the absence of appropriate organizational structures for implementation. This is the underlying principle on which this study is based.

### Methodology

A brief word is in order on the methodology employed during the research phase of this study. Aside from the GIRM Official Journals and ministry documents, little has been written on the bureaucratic procedures and decision-making processes in the government. Rarer still are texts describing the mechanisms of coordination among various governmental departments and agencies. It was, therefore, necessary to rely to a great extent on personal interviews with a wide range of government officials and representatives of international organizations. As a point of departure, however, the Mauritanian Official Journals and the national press dating from the late 1960's through the present were systematically reviewed for content on the organizational elements of interest to the study. The national development plans were also useful sources of

information, particularly in their allusion to problems of government organization and recognition of the inadequacies of the government machinery. Numerous documents of an official and non-official nature were also consulted in the context of the case studies presented.

In general, the interviews conducted over a seven-month period from July 1980 through January 1981 were the most fruitful source of information.

The persons contacted are too numerous to list but included government officials and technical assistants from national institutions in Nouakchott as well as personnel in regional administrations in the regions of Trarza, Guidimakha, Gorgol, Brakna and Hodh El Charbi. These interviews, together with relevant documentation, provided insights from various perspectives. Regrettably, senior levels of the GIRI were inaccessible for consultation and their views are, therefore, not included in the report.

Editorial Note

Although English organizational titles are used in the text that follows, the French acronyms are usually used in order to familiarize readers with those used in official, as well as everyday press and other usages in Mauritania.

### 3. The National Level of Government

#### a. Its structure

The structure of governments, as a rule, follows certain norms: sectoral and functional divisions of responsibility define separate departments or ministries. The organization of governments, however, varies depending essentially on their political personality. States that have had a long history of political institutions reorganize themselves less frequently than those that have only relatively recently been established. It is, therefore, not unusual to find constant changes in the make-up of public administrations in "young" governments. Mauritania created as an independent political entity in 1960, is no exception to this rule.

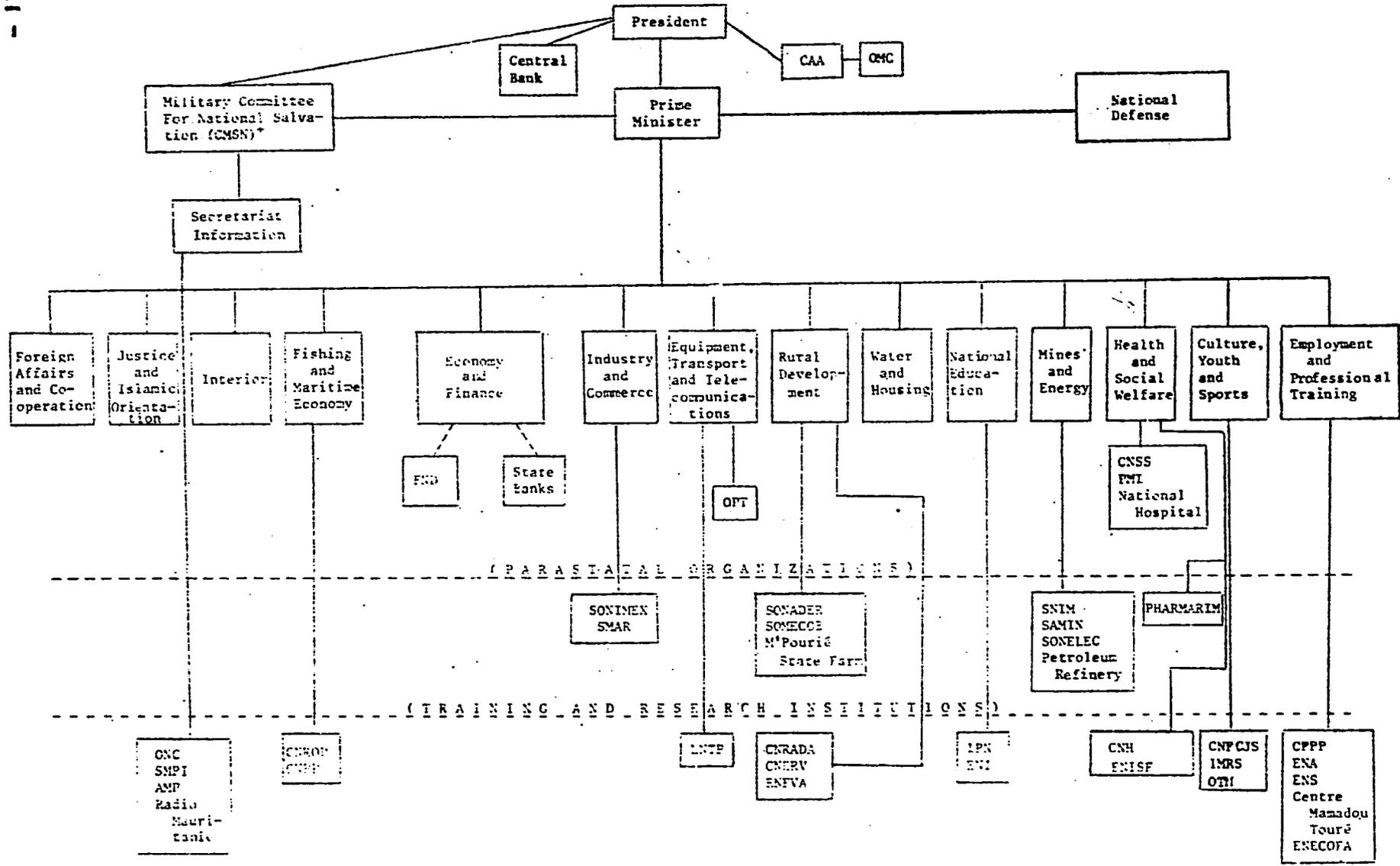
The structure of the national government is depicted in Figure 1. It reflects the latest organizational set-up (as of April 25, 1981), the third in 1981 alone. It consists of 15 ministries, 10 parastatal organizations and 24 dependent institutions.

It should, at the outset, be recognized that Mauritania's institutional development is still at a relatively early age. Institutional "maturity" is an evolutionary process which keeps pace with the development of a country's political processes. Mauritania's public administration has, therefore, gone through and, in fact, is still passing through, a transitional stage. The transformations of the planning function in the past 20-odd years, reviewed in this report, is but a reflection of this continuing process.

Significantly, as will be seen, decisions are yet to be taken on fundamental adaptations of institutions (and procedures) to make them more effective and responsive to the needs of the society and economy.

Figure 1

National Government of Mauritania  
(as of April 25, 1981)



LIST OF ABBREVIATIONS

AMP	Agence Mauritanienne de Presse (Mauritanian Press Agency)
CAA	Commissariat à l'Aide Alimentaire (Office of the Commissioner for Food Aid)
CFPP	Centre de Formation et de Perfectionnement Professionnel (Center for Professional Training and Skills Upgrading)
CNERV	Centre National d'Elevage et de Recherche Vétérinaire (National Livestock and Veterinary Research Center)
CNFCJS	Centre National de Formation des Commissaires de la Jeunesse et du Sport (National Training Center for Youth and Sports Commissioners)
CNH	Centre National d'Hygiène (National Public Health Research Center)
CNRADA	Centre National de Recherche Agronomique et de Développement Agricole (National Center for Agronomic Research and Agricultural Development)
CNROP	Centre National de Recherche Oceanographique et de Pêche (National Center for Oceanographic Research and Fisheries)
CNSS	Caisse Nationale de Sécurité Sociale (National Social Security Fund)
ENA	Ecole Nationale d'Administration (National School of Public Administration)
ENECOFA	Ecole Nationale d'Etude Commerciale et Familiale (National School for Commercial and Home Economics Studies)
ENFVA	Ecole Nationale de Formation et de Vulgarisation Agricole (National Training and Agricultural Extension School)
ENI	Ecole Nationale des Instituteurs (National Teacher Training School)
ENISF	Ecole Nationale des Infirmiers et Sages-Femmes (National School for Nurses and Midwives)
ENS	Ecole Nationale Supérieure (National College of Education)
FND	Fond National de Développement (National Development Fund)
IMRS	Institut Mauritanien de Recherche Scientifique (Mauritanian Institute for Scientific Research)
IPN	Institut Pédagogique National (National Pedagogical Institute)
LNTF	Laboratoire National des Travaux Publics (National Public Works Laboratory)
OMC	Office Mauritanien des Céréales (Mauritanian Cereals Office)
ONC	Office National de Cinéma (National Film Office)
ONPP	Office National pour la Promotion de la Pêche (National Fisheries Development Office)
OPT	Office des Postes et Télécommunications (Post and Telecommunications Bureau)
OTM	Office du Tapis Mauritanien (Mauritanian Carpet Weaving Center)
PHARMARIM	Pharmacies de la République Islamique de Mauritanie (Pharmacies of the Islamic Republic of Mauritania)
PMI	Protection Maternelle et Infantile (Maternal and Child Protection Centers)

SAMIN            Societé Arabe des Mines de l'Inchiri  
                  (Inchiri Arab Mining Corporation)

SMAR            Societé Mauritanienne d'Assurances et de Reassurances  
                  (Mauritanian Insurance Corporation)

SMPI            Societé Mauritanienne de Presse et d'Impression  
                  (Mauritanian Printing Company)

SNIM            Societé Nationale Industrielle et Minière  
                  (National Industrial and Mining Corporation)

SOMECOB        Societé Mauritanienne d'Elevage et de Commercialisation de Bétail  
                  (Mauritanian Livestock and Animal Marketing Corporation)

SONADER        Societé National de Développement Rural  
                  (National Corporation for Rural Development)

SONEL'EC       Societé Nationale d'Eau et d'Electricité  
                  (National Utilities Corporation)

SONIMEX        Societé Nationale d'Import et Export  
                  (National Import Export Corporation)

b. Rural Development Activities

The development of the rural areas in Mauritania is the collective responsibility of an important number of ministerial departments and public institutions. As the vast majority of the population and geographical area of the country falls under the category of "rural", it is apparent that a large segment of the public services are active, directly or indirectly, in rural development. (See figure 2). For analytical purposes, however, the responsibilities of only the Ministry of Rural Development, the activities of which are most directly concerned with the productive aspects of the rural sector, are reviewed herein. (See Figure 3 for the organization chart of the ministry).

The rural sector has been the object of particular attention of GIRM policy makers since 1968 when the national development strategy adopted for the Second Plan focused on this area. (4) For over twelve years, despite the acceptance of this basic strategy, the interventions of public institutions in the rural sector have been sporadic, fragmented, inadequate, and to a large extent ineffective. The principal manifestations of this neglect have been the decline in levels of production, the decrease in its contribution to gross domestic product and, as a direct consequence, the impoverishment of the population concerned.

In the Third National Development Plan the analysis of the organizational deficiencies of the departments involved in rural development activities cites the weaknesses of sectoral

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(4) See section on the planning and organization and particularly reference to the creation of Ministry of Planning and Rural Development.

relations. This recognition underlined the need for coherent inter-sectoral planning and particularly on complementary interventions such as transport, marketing, credit, training, research, etc., as a means of achieving and sustaining improvements in production. In addition, the Plan wisely sought to make maximum use of the limited number of government agents by regrouping functions to allow for a minimum number of administrative services and parastatal organizations, and decentralizing them through a small number of regional subdivisions (5).

Both of these elements (sectoral integration and functional integration) have been the basis of study and reflection by government authorities over the past several years. Unfortunately, there has been a contrary trend, characterized by the dispersion of activities, an increase in the specialization, sectoral isolation, and centralization of various organizations and departments operating in the rural sector. Moreover, the effectiveness of the interventions has been reduced by the absence of supportive measures and financial allocations corresponding to the primary objectives of the Plan. In this context, it is evident that the rural sector has suffered from a rupture between the policy-making centers of the government, its planning apparatus, the budgetary mechanism, and the implementing agencies.

Clear examples of this situation can be found in the size of the budgetary allocations provided to the Ministry of Rural Development (see below) and the lack of appropriate actions to resolve the major problem of land tenure.

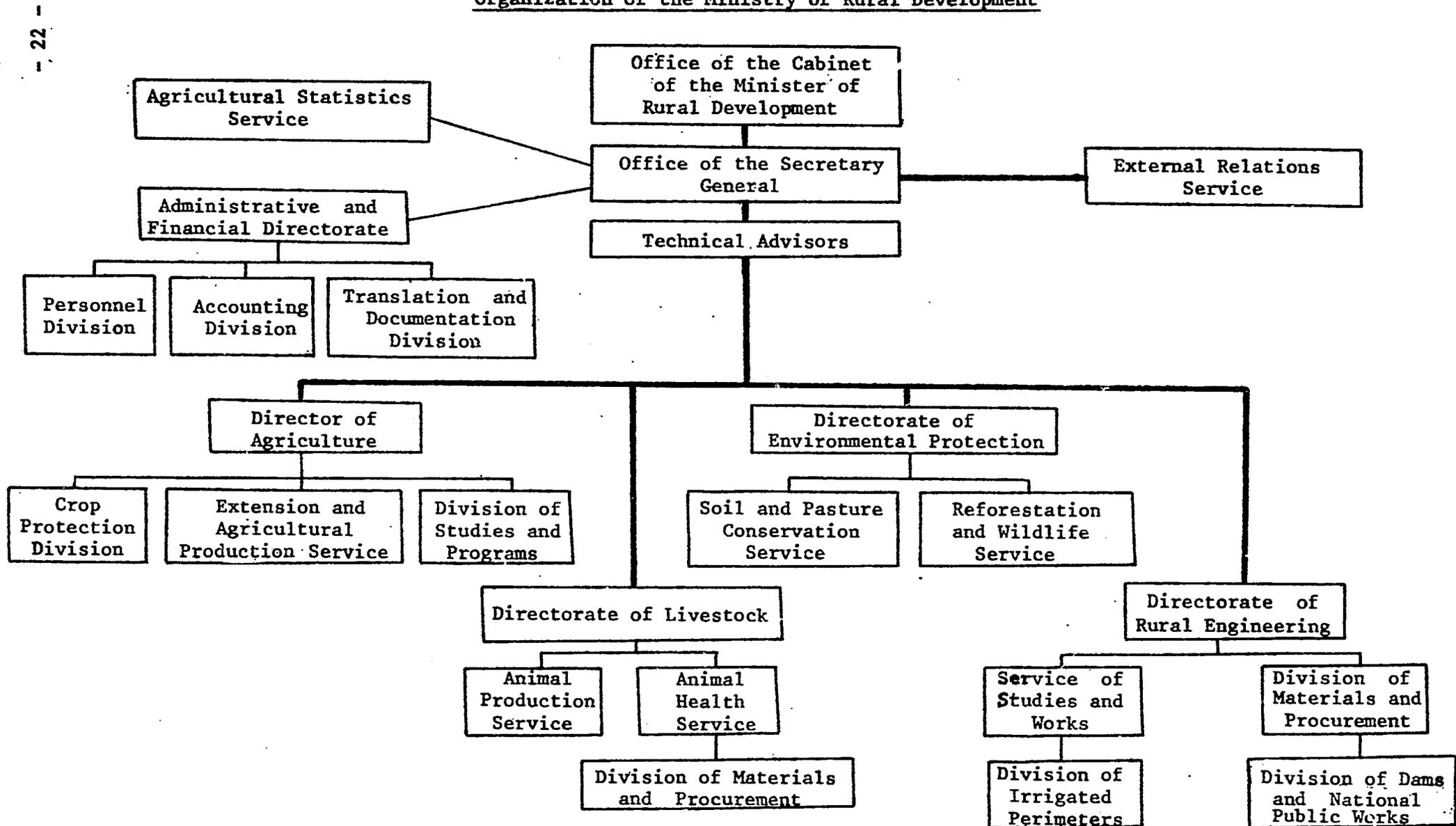
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(5) Third National Development Plan, p. 98.



Figure 3

Organization of the Ministry of Rural Development



- Affiliated : National Center for Agronomic Research and Agricultural Development (CNRADA)
- Public : National Center for Livestock and Veterinary Research (CNERV)
- Organizations : Farm of M'Pourié
- National Corporation for Rural Development (SONADER)
- National Agricultural Training and Extension School of Kaédi (ENFVA)

Table 3. Ministry of Rural Development (MRD) Operating Budget  
(in thousand UM)

Year	Total National Operating Budget	Total MRD Operating Budget	MRD Operating Budget as % of Total
1979	10,726,069	135,862	1.27
1980	9,947,317	164,877.5	1.66
1981	10,300,000	266,035	1.61

External sources of financing also bear a certain measure of responsibility regarding the deficiency of rural institutions.

A number of factors have over the years contributed to the fragmentation of policy, planning, budgeting, and implementation, not the least of which has been the government's notable reliance on external funding and foreign technical assistance. In the wake of the recent drought which focused the attention of the international community on the plight of the rural Sahelian population, both the GIRM and the donor organizations have acted urgently to mitigate the crisis. Yet, the investments made in the rural sector for equipment, infrastructure, factors of production, and technical assistance have had no solid institutional foundation to assure that these investments would produce long-lasting positive effects on the productive capacity and well-being of the rural population. As most donor financing is often confined to certain visible types of activity, institution building and the improvement of the operational efficiency of government services at the local level have been left to a large extent to government initiative. What has unfortunately been ignored are considerations relating to the GIRM's capacity for supporting counterpart and recurrent costs,

its ability to plan and design projects, and its creation of institutions capable of carrying them out. The pressures of coordinating, negotiating, and implementing donor-funded projects have regrettably drawn the GIRM's attention away from fundamental questions of organization and management. Government reorganizations have generally tended to concentrate on top-heavy structures of the central government offices, with little thought to their operational efficiency in the rural areas.

c. Budget and Finance

An analysis of the role of Mauritania's budgetary and financial institutions must be seen within the context of a cycle of coordinated policy, planning, budgeting, and implementation. Ideally, the national budget is prepared in line with stated policies and objectives of a national plan, the coordination of which is reflected in the operations of the Central Bank and the various credit institutions operating in the country. Thus, the institutionalization of a strong relationship between the financial institutions, in particular the Ministry of Finance, with the central planning organization is a pre-condition of successful implementation of development policy.

As will be seen in the chapter on planning organizations, planning was integrated in 1980 into the Ministry of Finance which became the Ministry of Economy and Finance. In principle, such a fusion would seem axiomatic since planning, in order to be effective, must function with full cooperation and support of the budgetary and financial processes. In Mauritania, however, the situation is more complex. In recognition of this, the government issued guidelines for the preparation of the Fourth National Development Plan and

specifically set forth as a primary objective the integration of the plan and the budget. The separation of these two functions in the past rendered the practical application of this integration a difficult undertaking. The dependence of the GIRM on foreign financial and technical assistance further complicates the problem as these contributions are uncertain and most often do not coincide with the scheduling of plans and budgets.

An examination of the actual system employed by the GIRM for the annual preparation of the national budget will be useful in determining how this system could be modified to respond more effectively to development needs.

#### (1) The National Budget

The "Plan de Redressement Economique" (Economic Rehabilitation Plan) has served as the foundation of financial policy since its institution in 1978, placing stringent financial limitations on all Government activities. The austerity program, adopted at the behest of the International Monetary Fund, has guided the elaboration of the national budget by the services of the Ministry of Finance in the last three annual budgets. The "Rehabilitation Plan" has had two objectives: (1) austerity with regard to all government expenditures to eliminate waste and absorb the enormous budgetary deficit, and (2) improvement of budgetary expenditures with the intention of optimizing the allocations for a better contribution of public finance to the economic development of the country.

For the annual preparation of the National Budget, the Ministry of Economy and Finance (MEF) prepares an official

communication in conformity with national policy which is presented to the Council of Ministers. Over the past three years, the timing of this first step in the preparation of the budget has varied. For the 1981 budget the MEF minister outlined the general orientation and guidelines of the budget in June 1980. (6) Immediately following the Council of Ministers' approval, the Minister of Finance addresses a circular to all the Ministries requesting the preparation of individual ministerial budget proposals. In this notice, more detailed guidelines are provided: limitations of the new budget are cited, the levels of the preceding year are indicated, a deadline for the submission of budgetary proposals is established. (For the 1981 budget, the deadline was set for the end of July 1980.) Specifically, terminology is provided along with explanatory comments, and a check list is made available to justify budgetary requests.

The preparation of ministerial budgets is the responsibility of the Secretaries General. In the office of each Secretary General, there is an accountant who is named by and is responsible to the Minister of Finance. It appears that in a number of cases the budgetary exercise has taken place

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(6) For the 1980 budget, the procedure was initiated in September of the preceding year, whereas for the 1979 exercise the minister's communication was not presented until December 1978. According to the instructions issued in conjunction with the 1981 budget, the relatively early start was intended to allow the collection of better information on budgetary requirements of the various government services and to result in more vigorous control.

with little or no consultation among the Secretary General's office and the various directorates and departments of the ministry. It has been observed that the services of the MEF in reviewing specific budgetary proposals, have called upon ministerial directors who were unable to provide any justification for certain items and claimed total ignorance of the contents of the budget for their department.

In formulating budgetary requests, ministries first provide an inventory of the ministerial personnel. The salaries of existing personnel are automatically carried over in the following year's budget, and a provision for new personnel is made. As there is a ban on recruitment except for students financed under State scholarships, the inclusion of new personnel in the budget must be certified by the Ministry of Employment and Professional Training (which include the civil service functions). Additional control on the increases of personnel is manifested through the authority which the Ministry of Finance has over its accountants in each ministry.

Aside from personnel expenses, the ministries tend to maintain the line items and the levels of budgetary provisions from the previous year. There are cases, however, where major increases are requested, usually in the instance of an internal ministerial reorganization in which a new service or function is created. Most pressure for increases in budgetary allocations come as a result of such reorganizations which, as previously noted, have been quite frequent during the period of austerity.

There is a noteworthy peculiarity in the budgetary process, this concerning parastatal organizations. Their

budgets are submitted by the organizations' executive council directly to the Minister of Finance when the organizations' own capital is involved. The minister has the power to approve these budgets without recourse to a higher authority. Parastatals requiring a special subsidy from the government, however, submit requests to their titular ministry, and such requests appear as a lump sum in the national budget.

As ministerial requests are submitted to the Ministry of Finance, there is a phase of control and adjustment within the established guidelines and the limits of projected government revenues. An examination of existing staffing levels and new recruitment, as well as the requests for operational costs and expendable materials, is held. At this point there is no formal consultation between the minister's staff which reviews the proposals and the other ministries, although certain elements may be discussed between them with regard to new line items or extraordinary increases in budgetary levels.

For the 1979 and 1980 exercise a budgetary commission was established to review all proposals. This commission was composed of the Minister of Finance and his cabinet, as well as the Directors of Plan, Taxes, Budget, and the Central Bank. For the 1981 budget this commission was not convened, and the review was limited to the Director of the Budget, the counselors of the minister, and the minister himself.

As there are no pre-established allocations by sector or ministry, the review process is conducted mainly by analyzing the previous year's expenditures and overall projected State revenues. The end result is a unified provisional budget regrouping all the individual ministerial requests with the adjustments which have been made.

The provisional budget is then reviewed in an inter-ministerial council consisting of the principal ministers of the government. This intermediate step is taken essentially to avoid an excessive amount of detail and arbitration during the Minister's formal presentation of the budget to the Council of Ministers. Thus, the inter-ministerial council is the forum in which MEF explains any major adjustments to individual proposals and/or changes in the basic budgetary guidelines. Following this detailed review, the budgetary presentation to the Council of Ministers becomes more or less a formality in which only the major chapter headings are noted; approval is granted perfunctorily. The budget is then passed into law and signed by the Chief of State.

## (2) Expenditure Procedures

The centralization in the management of the national budget and the procedures for disbursements are a severe handicap to the functioning of government services. The main actors in the execution of the budget are the accountants of each ministry in the Secretary General's office, the Director of the Budget, the Financial Controller, and the Treasurer. As no cash advances are provided to the different ministries, the circuit described below and presented schematically in Figure 4 precedes all expenditures at the ministerial level. Aside from salary payments which are made automatically through the data processing department of MEF, all expenditures for goods and services must pass twice through the ministry before payment is made.

The first step in the expenditure process consists of preparing a purchase order which must be submitted by the

accountant in the Secretary General's office to the Director of the Budget. Here, the proposed expenditure is checked against the corresponding amount of the budgetary line item and the balance remaining. The purchase order is then passed on to the Financial Controller whose verification is made in terms of applicable budgetary rules and regulations.

If the purchase order is approved following these two steps, it is returned to the Secretary General's office, and the supplier is contacted for the delivery of the requested goods or services.

The second step following the delivery of goods or services repeats the same circuit with a payment voucher from the Secretary General's office through the Director of the Budget who enters the item in his records, then forwards the voucher to the Financial Controller who makes a final verification before instructing the Treasury to make payment to the supplier.

This circuit is applied to all types of expenditures, thereby making any response to urgent processing practically impossible. Projecting this system to a rural area gives vent to the imagination. The system, in effect, retards the activities of public services and inhibits creativity and initiative.

The prices paid by the administration for goods and services are in many cases higher than those normally practiced on the open market. The delays encountered by a private supplier from the time of delivery to the time of payment oblige him to demand higher prices to cover the loss of working capital. The system also discourages certain suppliers from

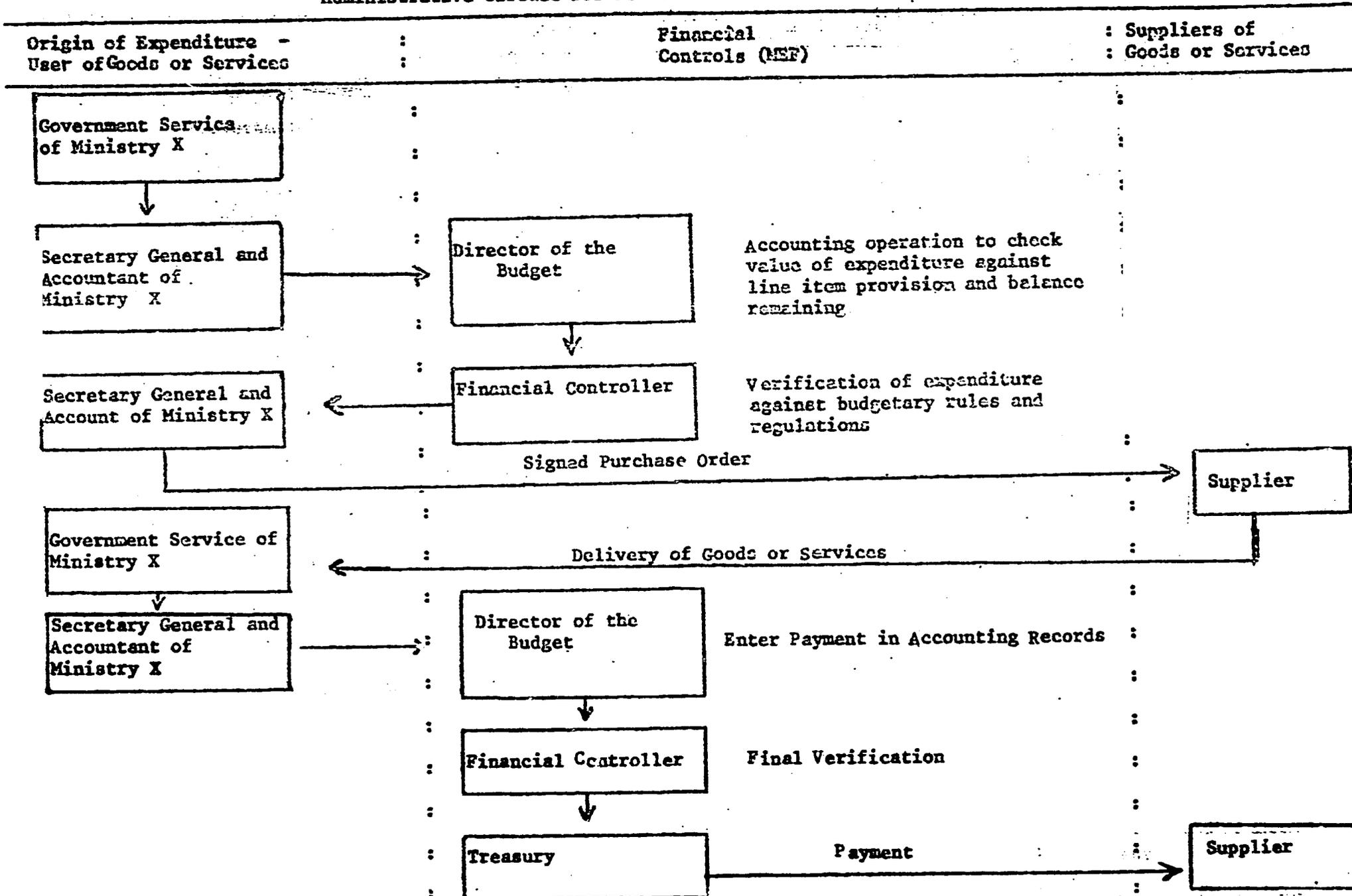
dealing at all with government services.

The rate of budgetary expenditures is maintained at a fairly constant rate throughout the year. The system allows 10% of a line item (or project) to be made available at the beginning of the fiscal year; thereafter, expenditures are limited to equal montly proportions. Government services that have seasonal concentrations of activity requiring higher expenditure levels at various times throughout the year are faced with obvious problems. The integration of programs and budgets would help alleviate this problem.

Within the MEF, controls are facilitated by the Directorate of Data Processing which provides computer print-outs with an analysis of the expenditures of all ministerial departments every two or three days. The use of these modern facilities presents a significant potential for the design of a less cumbersome system for public expenditures.

While it is obviously necessary for the MEF to exercise control over the expenditures of the National Budget, implementing agencies encounter excessive delays in acquiring the necessary means to carry out their work. Thus, the rigidity of the administrative apparatus thwarts the operational efficiency of many government departments. A more flexible system of advances with periodic controls rather than one which obliges all ministerial departments to follow an a priori procedure would seem to be in order.

Administrative Circuit for Disbursements from the National Budget



(3) The National Development Fund

In the face of rigid institutional mechanisms which have repeatedly led to the inability of the financial agencies to implement the credit policies of the State, the Government in October 1979 issued the following directive:

"The Government should define the guidelines for an increase in available credit. This increase is indispensable for stimulating the economy. In this way the priority sectors (agro-pastoral, fisheries) can be favored."

In the context of a restrictive and selective monetary policy it was recommended that four specialized banks be created with a priority being accorded to a National Development Fund (FND). (7) It was proposed that the FND be divided into a fund for agricultural credit, for industrial credit and for real estate. (8)

The proposal originated in a study by the Central Bank, which pointed out that the financial institutions of the country operated uniquely in the modern sector and, as commercial enterprises, were concerned only with short-term profits and the security of their investments. As a result, the traditional sector of the economy, as well as small- and medium-scale enterprises and in general all development financing, were ignored. The study concluded that, if the application of a development-oriented credit policy was to be pursued, it was imperative to set up financial institutions which could

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(7) Fond National de Développement.

(8) Supplément Chaab No. 1318 October 24, 1979 "Communiqué final du CMSN".

provide the necessary impulse and support to the national development effort. (9) It set forth a number of recommendations concerning the creation and organization of the FND:

- It would be under the direction of an executive committee composed of representatives of development ministries, the Central Bank, and the State enterprises, which would provide the initial capital.
- In the initial stages of operation the Fund would be managed by the Central Bank under the terms of a contract to be signed by the two organizations.
- Despite the budgetary constraint on personnel, an effort would be made to establish regional branches of the Fund.
- A transfer of funds would be made from the deposits of certain public enterprises in the primary banks to the Fund. The consequence of this measure would oblige the banks to take recourse to "discounting", thereby increasing the control of the Central Bank on the primary banks.
- 50% of specifically identified resources of fiscal revenue would automatically be deposited in the Fund. Foreign capital from international organizations would also be sought.
- In order to be effective, the operations of the Fund would have to be accompanied by certain institutional measures (such as extension programs and land tenure laws).

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(9) Undated document entitled "Note Relative au Fond National de Développement".

- The interest rates applied would be as low as possible and vary with the duration and type of loan.
  
- The Fund would have the capacity to provide assistance and advice on feasibility studies and project management.

A number of years elapsed between the original proposal of the Central Bank and the enactment of the law in September 1980 which officially created the FND. (10) Although the basic approach proposed by the Central Bank has been maintained, the details cited above are not included in the official texts. It is, therefore, too early to determine if the Fund will set into motion new flexible banking procedures which will enhance the development process. The potential of the FND to coordinate and assure the application of national financial policy is evident. If the proper linkages are created between the Fund and the technical ministries operating in priority sectors, the possibilities for the implementation of a coherent development strategy are enormous.

Further, the attempt to liberalize the financial market and to orient credit to productive sectors in the interest of national development objectives will depend to a great extent on the creation of an effective demand in the rural sectors, accompanied by the availability of appropriate technological innovations, new types of organization for productive activities, and a resolution of land tenure and resource ownership problems.

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(10) Public law No. 142.

The initial capital of the FND is 400 million ouguiyas (under \$10 million equivalent). Although a relatively small sum, it is sufficient to make an important contribution to financing small- and medium-scale projects. In light of the precarious financial position of the GIRM with its heavy balance of payments deficit, it would seem questionable for it to pursue a liberal credit policy or to monopolize the financing of selected sectors by a public institution. (11)

The necessary conditions must be present to make alternative investments a viable choice for the limited financial resources of the State. The injection of scarce capital into projects in which such conditions are not present will lead to the waste of valuable resources and an aggravation of the already difficult situation. The problem is not necessarily one of the availability of capital but of the absorptive capacity of the productive sectors, and the ability of the government to coordinate, control and implement financial policy.

#### (4) Financial Institutions

As national and regional budgets provide the financial means to public services to execute their respective responsibilities, the banking system is instrumental in providing capital to the private sector as a necessary complement to the development activities of the State. Thus, the primary banks and their official correspondent, the Central Bank,

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(11) The text accompanying the law which created the FND stipulated that the activities of the Fund would supercede financial interventions of the BMDC in similar sectors (see below).

have a decisive role to play as financial intermediaries in the promotion of economic development through the application of credit policies in accordance with national development objectives.

As noted in the Third National Development Plan (see below), the composition of credit available to the private sector is not directed towards the productive sectors of the economy and, therefore, does not favor development-oriented investments. Short-term credit for speculative ventures in commerce and real estate characterize the attractions of the banking system. The Third Plan proposed that interest rates be structured to encourage private savings and to favor investments in activities which would have a potential impact on social and economic development. (12)

The basic structures for a dynamic financial sector are present in Mauritania, but they do not function as a development resource because of the lack of financial and monetary policies and the absence of integration and coordination of the public financial institutions. The principal institutions that have a potential contribution to a development-oriented financial sector are:

- The Ministry of Economy and Finance (MEF) and its various services
- The Central Bank of Mauritania
- The primary banks (13)

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(12) Third National Development Plan, p. 135.

(13) BMDC-Banque Mauritanienne de Développement et du Commerce  
BAAM-Banque Arabe-Africaine de la Mauritanie  
SMB-Société Mauritanienne de Banque  
DIMA-Banque Internationale de la Mauritanie  
BALM-Banque Arabe-Libienne de la Mauritanie

- . Mauritanian Bank for Development and Commerce (BMDC)
- . The Arab African Bank of Mauritania (BAAM)
- . The Mauritanian Banking Corporation (SMB)
- . The International Bank of Mauritania (BIMA)
- . The Arab Libian Bank of Mauritania (BALM)
- The National Development Fund (FND)

The MEF has the ultimate responsibility for establishing the basic orientation of monetary and financial policy (including credit) in the country. Its power to control the implementation of policy among the various financial institutions operating within Mauritania, however, is limited by several factors. The GIRM's limited capital resources impose a severe restriction on the volume of the working capital of the primary banks which constitute Mauritania's principal credit institutions. In most cases this lack of indigenous capital is substituted by foreign capital and, as a consequence, there is a loss of government control in tying credit policy to national development objectives.

The Central Bank has an important part to play in the country's financial mechanism, while the MEF has an overall responsibility in this field. The relations between these two important entities are unclear and lead to a lack of coherent policy of formulation and implementation. In its management and daily operations of the national currency, the Central Bank is not in a position to contribute significantly to the promotion of priority sectors of activity as may be determined by the planning organization and financial services of the MEF.

Created by public law No. 73.118 of May 30, 1973, the Central Bank's mandate provides for the control of credit and transfers of the national currency in order to establish favorable conditions in the management of the national economy. Its responsibilities within this general context include a contribution to the mobilization of productive resources and the protection of the internal and external stability of the national currency in the framework of national economic policy. More specifically, the Central Bank is charged with the control of the monetary flow, the control and distribution of credit, and supervision of the operations of the banking system.

In the area of credit policy, the Central Bank has the power to fix interest rates and the commission that banks and financial institutions can demand on loans. In addition, they can determine the purpose for which loans can be granted, the maximum delay of repayment, and the types and value of collateral to guarantee credit. The volume of outstanding loans for any local bank, as well as the upper limit allowed on all categories of loans, advances, and other credit operations, are also determined by the Central Bank.

These responsibilities are carried out in consultation with the MEF, although the institutional mechanism for this consultation is unclear. The important aspect to consider, however, is the result of credit policy.

As noted earlier, short-term credit consists essentially of minimum-risk speculative enterprises: imports, construction, and real estate. Long- and medium-term credit is largely absorbed by the mining sector, petroleum products, and water and electricity distribution. The Third Plan clearly

indicates that current credit policy does not favorize investments in development-oriented activities. (14)

The potential for productive investments in Mauritania is limited to the traditional agricultural sectors (crops, livestock, fisheries, forestry) and to industries for transformation of local products and natural resources (artisan, milling, conservation, etc.). The level of technology available and adaptable to the skills of the population in these sectors, not to mention the fragile state of the environment, place such investments in a category of high-risk ventures. The creation of financial markets in these sectors is a prerequisite to the active participation of credit institutions in financing productive undertakings. However, it is also the responsibility of the financial institutions to assist in establishing the necessary conditions for the monetarization and thus the demand for credit in these fields of activity.

The factor inhibiting the adherence to financial and monetary policies directed towards the development of productive activities in Mauritania include several institutional elements. The Central Bank, in its mission to protect the stability of the national currency, is obliged to follow a fairly conservative policy with regard to the volume of credit from the primary banks. It is also the correspondent of the International Monetary Fund (IMF) whose power and control in supporting the national currency predetermines the policies of the Central Bank. In respecting the financial and monetary criteria established by the IMF, the Central

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(14) Third National Development Plan, p. 135

Bank is forced to minimize the risks of the investments financed directly by it or by the primary banks under its control. As a principal shareholder in several of the primary bank, the Central Bank extends its control and the application of low-risk use of capital to the financial intermediaries much the same as do the foreign interests in these banks.

The BMDC (The Development and Commercial Bank of Mauritania)

The BMDC is a semi-public institution whose mandate was fixed by ministerial decree in 1974. The official texts determined the principal objective of the bank as the promotion of economic and social development through technical and financial assistance to viable projects in the fields of industry, commerce, agriculture, livestock, fisheries, housing, as well as to cooperatives, and other professional organizations. Its statutes provide for a wide range of savings and loan activities within the private and public sectors, including financial participation in parastatal enterprises. At the time of its creation, the operations of the bank were under the watchful eye of the Ministry of Plan and Industrial Development. At the present time its relationships with the planning organization are for all practical purposes non-existent. The Bank is governed by a Board of Directors composed of the Director General of the bank and its principal shareholders which include the Central Bank and a Tunisian banking corporation.

In its early years of operation the BMD, the Banque Mauritanienne de Développement (predecessor to the BMDC), because of its official mandate and under pressure from the government, loaned out a large part of its original capital for various enterprises, including loans to the agricultural

sector. The absence of a legal framework in which the Bank could pursue the repayment of these loans, many of which were invested in unprofitable or non-existent ventures, resulted in a severe drain of the Bank's capital. Without any judicial recourse, the BMD was obliged to suffer losses. The government in the meantime failed to adopt policy measures and create institutional mechanisms supportive of the objectives of the Bank.

In this situation the newly created BMDC was provided with new working capital by a Tunisian banking corporation, accompanied by technical personnel who maintained tight control over the uses of its resources. The Central Bank has also loaned additional capital to the BMDC but, in the event of defaults on loans made with this capital, the BMDC will be obliged to reimburse from its own funds. These factors have lead the BMDC to reduce its credit program to a minimum of low-risk investments and to limit its major activities to direct transfers from its depositors to pay import bills.

In 1979, the MEF negotiated an \$8 million loan with the World Bank for the development of small- and medium-scale enterprises, irrigated agricultural perimeters, and crafts. The management of \$2 million of this loan was given to the BMDC's Development Service insofar as the small- and medium-scale businesses were concerned, in accordance with loan criteria developed by the World Bank. Moreover, project dossiers must be approved by the IBRD staff in Washington when loans are extended. The circuit for the approval process is as follows: A project proposal is submitted directly to the BMDC by individuals or through a government ministry to the BMDC. A pre-selection and prefeasibility study is performed by the Development Service of the BMDC and resubmitted to the

Director General who may or may not authorize a complete feasibility study and financial evaluation of the proposed project. When a project undergoes a thorough evaluation and meets established criteria in terms of its internal rate of return and its contribution to national development, it is presented to the BMDC's Board of Directors for decision. Approved at this level, the dossier is sent to Washington for final approval.

It should be pointed out that, prior to seeking credit, a loan applicant goes through an equally complicated procedure with an Investment Commission to determine if the enterprise is eligible for certain fiscal exonerations. This step is essential, as the decision of the Investment Commission can alter considerably the costs of an undertaking and, therefore, be a determining factor in its financial viability. The decision of the Commission on any single application has been known in certain cases to take several years.

Since the start of the loan program, 108 project dossiers have been presented. Only 5 out of this total were considered viable investments, and among these some required considerable financial review before being judged favorable in Washington. Of the total \$2 million available, only 40% has been loaned by BMDC. The balance remaining constitutes the only source of investment capital of the Bank.

The Development Service of the BMDC is composed of two individuals, a Mauritanian and a consultant of the World Bank. In light of the situation described above, it is evident that considerable promotion is necessary in order to assist the private sector in the identification and formulation of viable investment projects. The BMDC has requested the

Ministries of Commerce, Finance, Plan, Rural Development and Industry to collaborate in this effort, but despite the interest expressed by them, close working relations have apparently not been developed.

The problems associated with the credit operations of the BMDC indicate that certain improvements could be effected:

- Streamlining the procedures for loan approval within the confines of acceptable economic and financial criteria;
- Rapid processing of applications by the Investment Commission;
- Increase in the number of technical personnel of the BMDC specialized in management, agriculture (production and agribusiness), light industry, and appropriate technology;
- Closer collaboration between Government ministries and the BMDC;
- Liberalization of credit accompanied by an effective legal framework and guarantees by individuals, or preferably by cooperatives.

Interest rates and repayment schedules should also be flexible and applied on a case-by-case basis, depending on the nature of the enterprise, its potential returns on the investment, and its relation to the priority sectors as established by government policy. Effective coordination between the MEF, the BMDC and the Central Bank is also indispensable for the adjustment of interest rates and the application of subsidies for certain priority sectors and for employment-generating enterprises.

d. Planning Organizations

The quotation introducing this report underlines the utility of economic and social planning as a means of defining and promoting national development objectives and the importance of having an effective organization for the formulation and implementation of national development plans. The section that follows deals with the complexities of the planning function and its organization in the Mauritanian Government. As the experience of national planning in Mauritania has been relatively unsuccessful, the analysis focuses on the fundamental problems faced and provides a perspective within which corrective measures could be considered.

Organization and Evolution of the Planning Function

The use of national planning as an instrument for development and the administrative structure to carry it out were introduced at the time of Mauritania's independence in 1960. The planning function was initially combined with lands/property, housing, and tourism in a single ministry. In 1962, a Ministry of Planning was created, responsible for the formulation of the First National Development Plan (1963-1966).

The importance the government placed on the First Plan led to the creation of a special bureau in February 1963 headed by a Commissioner General attached to the Presidency. The "Commissariat Général au Plan", as the organization was known, was made responsible for the administrative services and consultative agencies dealing with the formulation, application and control of the plan document. The bureau was composed of a secretariat, a planning unit and a statistical service.

In 1965, the Commissariat Général was dissolved and shifted to the Ministry of Finance along with the Department of the Civil Service. This reorganization was short-lived, as in late 1966 the planning function was integrated into the Ministry of Foreign Affairs. Mr. Richard M. Westebbe, a World Bank consultant who came to Mauritania in 1967, made the following observations of the situation at that time.

"The (planning) organization had no authority to coordinate the development activities of the various parts of the government, nor could it supervise the execution of projects. Even the process of studying, gaining approval, and finding finances for new projects often escaped its control, since individual ministries frequently dealt directly with higher authorities and external sources of financing. Finally, the organization was inadequately staffed to perform real planning functions. There were neither qualified personnel to draw up new plans, which involves examining the alternatives and selecting the optimum way of using scarce resources to achieve objectives, nor people capable of evaluating the economic impact of programs under way." (15)

A change in development strategy focusing on rural development, which was to become the central theme for the Second National Development Plan, brought the planning function to a new home as part of the Ministry of Planning and Rural Development in 1968. (16) Recognizing the necessity to coordinate the planning and financial processes, the government created two new bodies:

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(15) Westebbe, Richard M., The Economy of Mauritania, p. 31

(16) Presidential Decree No. 68.091 dated March 16, 1968.

1. An Inter-ministerial Programming Committee, established in May 1968 to:

Study the technical problems of planning and programming of social and economic development;

Examine the legal, technical, administrative, economic, and social character of projects to be included in the national plan and in particular review requests from the business community to benefit from special fiscal dispensations;

Coordinate the design and implementation of programs, and;

Study the National Investment Budget and provisions of the Operating Budget to ensure conformity with overall plan objectives.

The Committee was a purely technical body, conceived only to prepare dossiers and proposals for submission to the political authorities and/or the Council of Ministers. Due to a lack of decision-making responsibilities and of adequately trained personnel, the Committee never became operational. While it was a conceptually sound undertaking it could not effectively coordinate government programs nor evaluate specific proposals and undertake special studies. (17)

In 1972, the permanent members of the Committee were expanded to include a broader spectrum of offices engaged in economic and political activities. (18)

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(17) Westebbe, R.M., p. 34.

(18) Decree No. 72.063, dated March 16, 1972.

2. A Budgetary Coordinating Committee, was set up in 1969 to evaluate all spending proposals affecting the national plan. The Committee was chaired by the President and included the Minister of Planning and Rural Development and the Minister of Finance as permanent members. It was organized to reduce the conflicts in budgetary allocations and to ensure that development targets were duly considered in relation to other national objectives.

Despite the apparent attempt to harmonize the annual budget with the national plan, the two coordinating committees proved unsatisfactory. The Budgetary Committee existed for only one year and was unable to fulfill its role, and the Programming Committee, as previously noted, never became truly operational and served primarily to approve special fiscal benefits for new private enterprises.

In August 1971, as part of a general government reorganization, the planning organization was placed in a separate ministry, the Ministry of Planning and Research (MPR). (The Rural Development Ministry reverted to a single agency.) In December of the same year, the MPR modified the organizational structure it inherited. Its responsibilities included the formulation of national development plans as well as the funding and control of programs. In addition, the ministry was authorized to undertake surveys, produce statistical documentation, and coordinate and supervise all economic, financial and technical research in the country. Importantly, the minister was designated as Chairman of the Interministerial Programming Committee and charged with the responsibility of maintaining liaison with the Mauritanian Development Bank (predecessor to the BMDC).

After approximately one year of existence, in December 1973 the MPR was fused with the Ministry of Industrial Development, becoming the Ministry of Planning and Industrial Development (MPDI). (19) The functions of the MPR were attributed to the Directorate of Planning and Research and broadened to include specific responsibilities for the fisheries, livestock and mining sectors. The MPDI was given responsibility for formulating the Third National Economic and Social Development Plan which was originally scheduled to cover the period 1975-1979. Its completion was, however, delayed until 1976 because of a government-wide reorganization in which several State Ministries, including a Ministry of State for the National Economy under whose jurisdiction was a new Ministry of Plan, were created. The Third Plan was signed into law on October 16, 1976, under the aegis of the new entity.

During the period of the plan's implementation, the planning organization absorbed additional functions in the course of further government reorganizations. In 1977, the departments of Crafts and Tourism were combined with the planning organization and in 1978 the Ministry of Planning and Mines was created. This fusion was maintained until 1979 when the mining sector became part of Industry and Commerce, and the planning function was included in the Ministry of Planning, Economic Studies and Funding.

In 1979, as a means of implementing a new policy for the development of the country's maritime resources, the

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(19) Decree No. 73.93 of December 18, 1973.

government combined the fisheries sector with the planning organization and renamed the new ministry Planning and Fisheries. The fisheries sector was removed from planning in 1980, when the Ministry of Finance was brought together with the planning organization to form what is now called the Ministry of Economy and Finance.

It is apparent from this brief review that the GIRM has always treated the planning function and the national plan as important elements in the government's organization. In analyzing the efficiency of the planning function, however, it must be viewed in the perspective of an organizational system for national development. Such a system ranges from the central decision-making bodies responsible for public policy to the sectoral departments in the technical ministries, to the territorial administration, and to the technical planning/statistical units. The planning unit should constitute the nerve center, responsible for the coordination of the system, ensuring consistency in and harmonization of decisions, unity of action, integration of effort in terms of identified objectives. This coordination becomes impossible without the proper linkages to centers of authority.

The planning function should be viewed as a continuous process recognizing that, to be effective, it has to be conceived as a government-wide function and not isolated as a unique function of technical units. The internal mechanisms of such a system are highly complex and require years of effort to develop. In this context, the nomadic rotation of the planning organizations among various government bodies in Mauritania has been an impediment to the evolution of a dynamic planning system. (See Table 4).

Table 4. Evolution of the Planning Organization and its Ministerial Affiliations, 1960-1981

1981	Ministry of Economy and Finance
1980	Ministry of Planning and Fisheries
1979	Ministry of Planning, Economic Studies and Funding
1978	Ministry of Planning and Mines
1977	Ministry of Planning, Crafts and Tourism
1976	Ministry of Planning
1975	
1974	
1973	Ministry of Planning and Industrial Development.
1972	
1971	Ministry of Planning and Research
1970	
1969	Ministry of Planning and Rural Development
1968	
1967	
1966	Ministry of Plan and Foreign Affairs
1965	Ministry of Finance, Plan and Civil Service
1964	
1963	Commissioner General's Office for Planning
1962	Ministry of Planning
1961	
1960	Ministry of Plan, Lands, Urbanization and Tourism

The various organizational arrangements through which the planning function has evolved over the past 20 years have been aimed essentially at two principal objectives: (1) The promotion of a particular sector of the economy through planning, and (2) the preparation of a national plan. The result of the numerous shifts, however, has weakened the orderly process of developing planning as a tool to manage and control the national economy. The institutional maturity which should have grown from an otherwise well-defined system has, unfortunately, never evolved.

In order to examine in more detail the tasks and responsibilities of the planning organization within an overall system of policy-planning-budgeting-implementation, it will be useful to analyze briefly two important functions of the planning process which have regrettably been undertaken as separate functions; these concern the formulation of the national plan and project preparation and financing.

#### National Plan Formulation

The practice of government-wide consultation for and popular participation in national planning dates back to 1969 when the formulation of the Second Economic and Social Development Plan was undertaken. The leaders of the national political party insisted that local party representatives and regional administrators participate in the formulation of the plan. The Director of Planning held meetings in the regional capitals with the political and administrative personnel to solicit their views and opinions on development priorities and objectives. In addition, the national government services received questionnaires from the Director to recommend sectoral programs which, subsequently, were the subject of detailed

discussions between the services and the planning organization. (20)

For the preparation of the Third Plan a more elaborate and formal system was devised with the creation of several national Consultative Planning Commissions, as well as Regional Commissions. Five consultative commissions were created (21): Rural Development, Industrial Development, Human Resources, Territorial Management and Infrastructure, and Economic Relations and Finance plus a Synthesis Commission. The five commissions were given responsibility for: reviewing the different sectors of the national economy; identifying the growth constraints; proposing policies for interventions in the key sectors of the national economy; and formulating options and priorities for each sector. Each sectoral commission was chaired by a minister. In addition, directors of private businesses, representatives of the planning directorate, and members of a United Nations planning mission participated. The designation of additional members, as well as the adoption of operational modalities, were left to the discretion of the Minister of Planning and Industrial Development. The official decree establishing the commissions also stipulated that they would cease to exist on the date the government officially approved the Synthesis Commission's report.

The Synthesis Commission was charged with the task of establishing the relationships between the objectives formulated by the five sectoral commissions, arbitrating any conflicting

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(20) Second National Development Plan, p. 11-12.

(21) Decree No. 73.102 of April 24, 1973.

recommendations and formulating a global development strategy and objectives. It was made up of the chairman of the sectoral commissions and presided over by the Minister of Planning and Industrial Development. The Director of Planning was also an important member of this commission and was made responsible for the commission's final report. The Regional Commissions, chaired by the governors, were asked to study the particular problems of their respective regions and to make proposals for activities to be included in the plan document.

The lack of detailed socio-economic information on the country and the lack of technical knowledge on the part of the government officials were definite constraints to the formulation of the plan document. Organizational and administrative problems regarding the implementation of the plan, however, were chiefly responsible for the GIRM's failure to achieve its targets. During the preparation of the Third Plan, there was a conscious attempt by the government to mobilize itself in a common effort, but the lack of attention to details to carry out the plan transformed it into a static entity.

In essence, the creation of national and regional commissions can be considered to have been the first step in developing a planning system. They were, unfortunately, disbanded at the moment the plan document became operational, and the system reverted to a group of fragmented sectorally-oriented operational units with little vision of an overall development strategy. In effect, no institutional mechanism remained to measure and evaluate progress against objectives and targets which, at a later date, could be used as a basis for the preparation of future plans. It is clear that planning

must exist as a continuous process within a government-wide system, with the plan itself used as an instrument to manage and control the national economy.

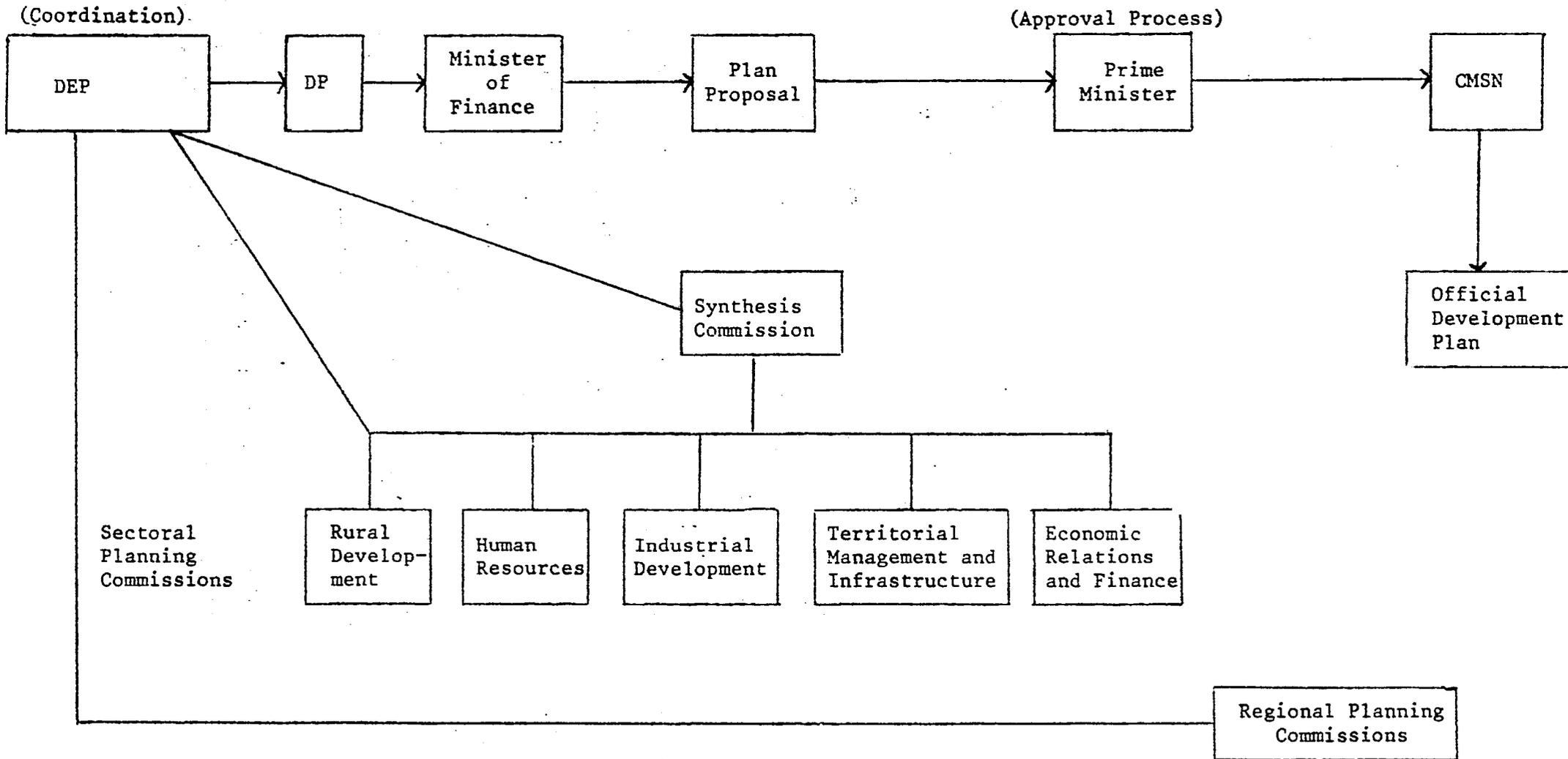
The Fourth National Economic and Social Development Plan (1981-85) is currently in preparation. Consultative commissions at the national and regional levels have been organized along the same lines as those under the Third Plan. Explicit instructions and guidance have been provided by the coordinating unit, the Directorate of Studies and Programming. These directives include a resource inventory (intended to indicate potentialities), a definition of constraints, and a planning horizon extending to the end of the century. In this framework a global strategy is to evolve.

A schematic presentation of the planning "system" for the Fourth Plan is shown in Figure 5. The flow chart reveals a deficiency similar to that of the Third Plan: no provision is made for the follow-on to the execution of the plan. The institutional and organizational constraints, in effect, remain unchanged. The planning capacity of the sectoral departments is inadequate, and proposed projects cannot be controlled or evaluated periodically. Also lacking is the financial aspect which, ordinarily, should be part of the checks and balance system.

The dependence of the GIRM on external sources of financing for the execution of its development activities, as previously noted, creates a situation in which the national effort is substituted by foreign organizations. Each funding source has its own set of institutional mechanisms and procedures which are superimposed over those of the Government,

Figure 5

GIRM Planning System



DEP - Direction des Etudes et de la Programmation

DP - Direction des Projets

creating an extremely complex set of administrative dynamics and stifling an otherwise orderly self-generated planning process.

One of the most deleterious consequences of this situation is the amount of human energy expended by the scarce number of qualified professionals in the government dealing with external organizations in the search of financial resources. In the planning and technical services a significant proportion of man/hours is spent in receiving donor missions, negotiating projects, and satisfying the administrative requirements demanded by the foreign funding sources. This observation is intended only to underline the importance of the national plan document as a working document for channeling donor assistance within a development framework, rather than using foreign contributions to construct the framework itself. There is a clear need for the GIRM to establish a strict set of criteria for the selection of projects.

#### Project Preparation and Financing

At the present time, the planning function in the GIRM is conducted by three directorates in the Ministry of Economy and Finance:

- The Directorate of Studies and Programming
- The Directorate of Projects
- The Directorate of Statistics and National Accounts.

The Directorate of Studies and Programming is a pervasive entity, involved in many different aspects of the government's activities. Its most important task is to coordinate the formulation of the plan document and to initiate

socio-economic studies to generate information of use to the national planning effort. Theoretically, it has a decisive role to play in passing judgment on all proposed development projects in terms of their impact on macro-level targets and their concordance with the objectives of the national plan. The Directorate maintains relationships throughout the government and with donor organizations through a variety of formal and informal procedures. Its capacity to control and coordinate development activities is, however, limited by three main factors:

1. Its hierarchical position as a Directorate among many others within an important ministry and vis-a-vis a broad spectrum of other government services;
2. The weak linkages which exist between the Directorate and the centers of policy-making and decision; and
3. The limited number of staff assigned to the Directorate and the **predominance of expatriate technical advisors.**

The Directorate of Projects was essentially the creation of a number of major donor organizations. Their need for a direct financial contact within the GIRM was its principal *raison d'être*. Given the volume of foreign assistance entering Mauritania, the Directorate's role has been distorted, and its most important responsibilities, notably the control of disbursements and project implementation, are not being fulfilled.

There is a lack of clarity in distinguishing between the boundaries of responsibility between the two directorates.

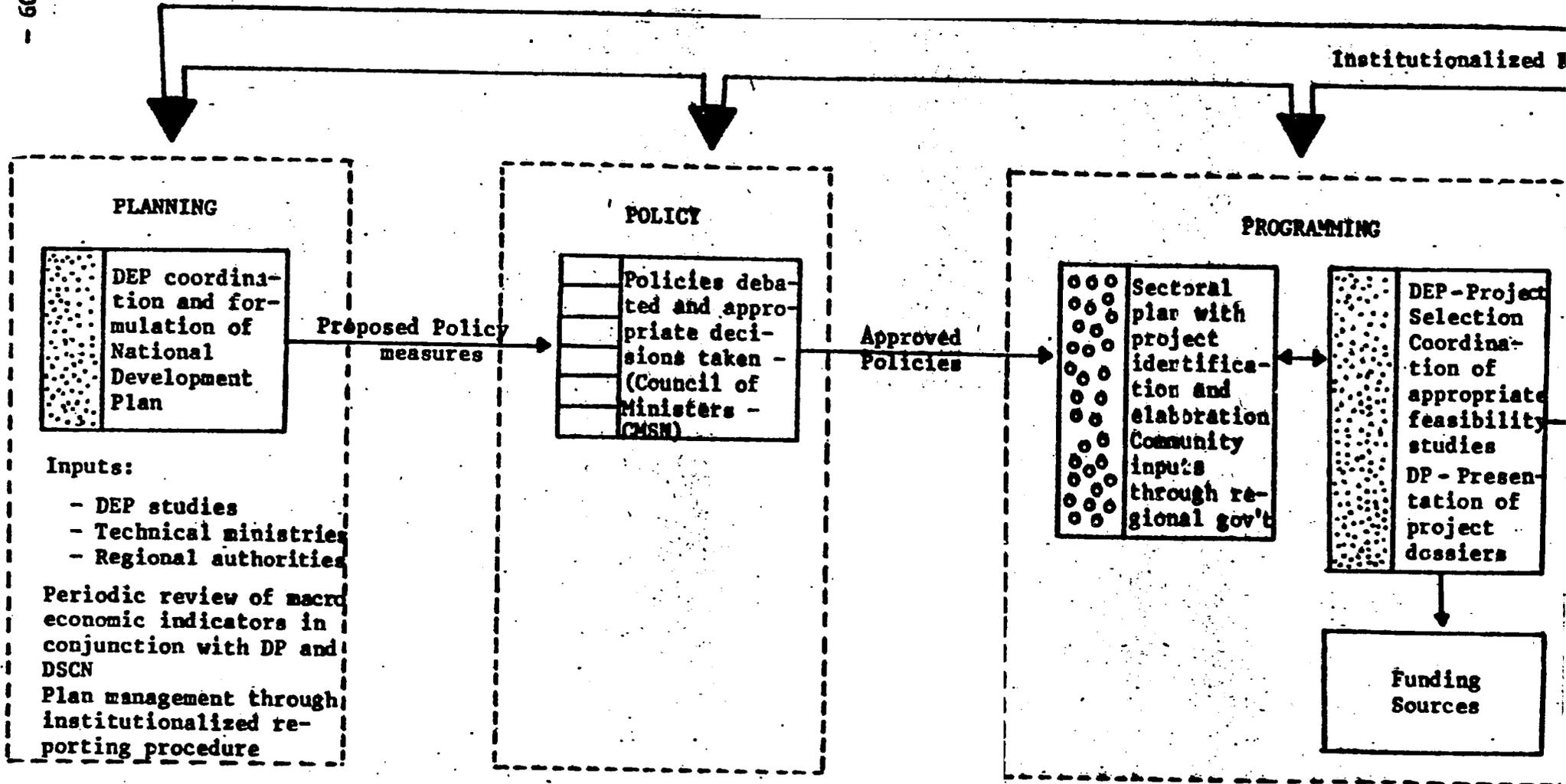
As noted above, major donors have their own programming and budgetary cycles which do not always coincide with that of the GIRM or with one another. The consequence is that in the process of allocating funds to Mauritania, they negotiate project proposals at various points in time. The process is handled either through one or the other directorate in the absence of pre-determined procedures. Proposals in some cases may not be sufficiently studied or analyzed. At times, project identification and design may be carried out directly with the technical department of the government without the participation of either directorate. Joint programming exercises with the participation of the planning organizations and the operational units are, however, sometimes conducted by donor agencies. There is regrettably no systematic annual programming procedure involving both donors and the GIRM, and too often each ministry operates in its own interest and without regard to sectoral integration, development policies and strategies, and financial implications.

Figure 6 outlines a possible system for the control and utilization of national and external financial resources.

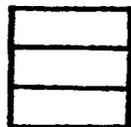
### The Statistical Service

Another component of the planning organization is the Directorate of Statistics and National Accounts. The fundamental role of the Directorate consists of the organization, storage and analysis of data. All statistical information on the economic, social, and cultural state of the country falls within its purview.

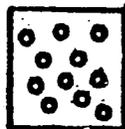
The absence of viable statistical information is often a handicap to the planning process. Since the late 1960's



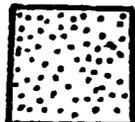
Legend



Political Decision-Making Unit



Sectoral/Technical Ministerial Departments



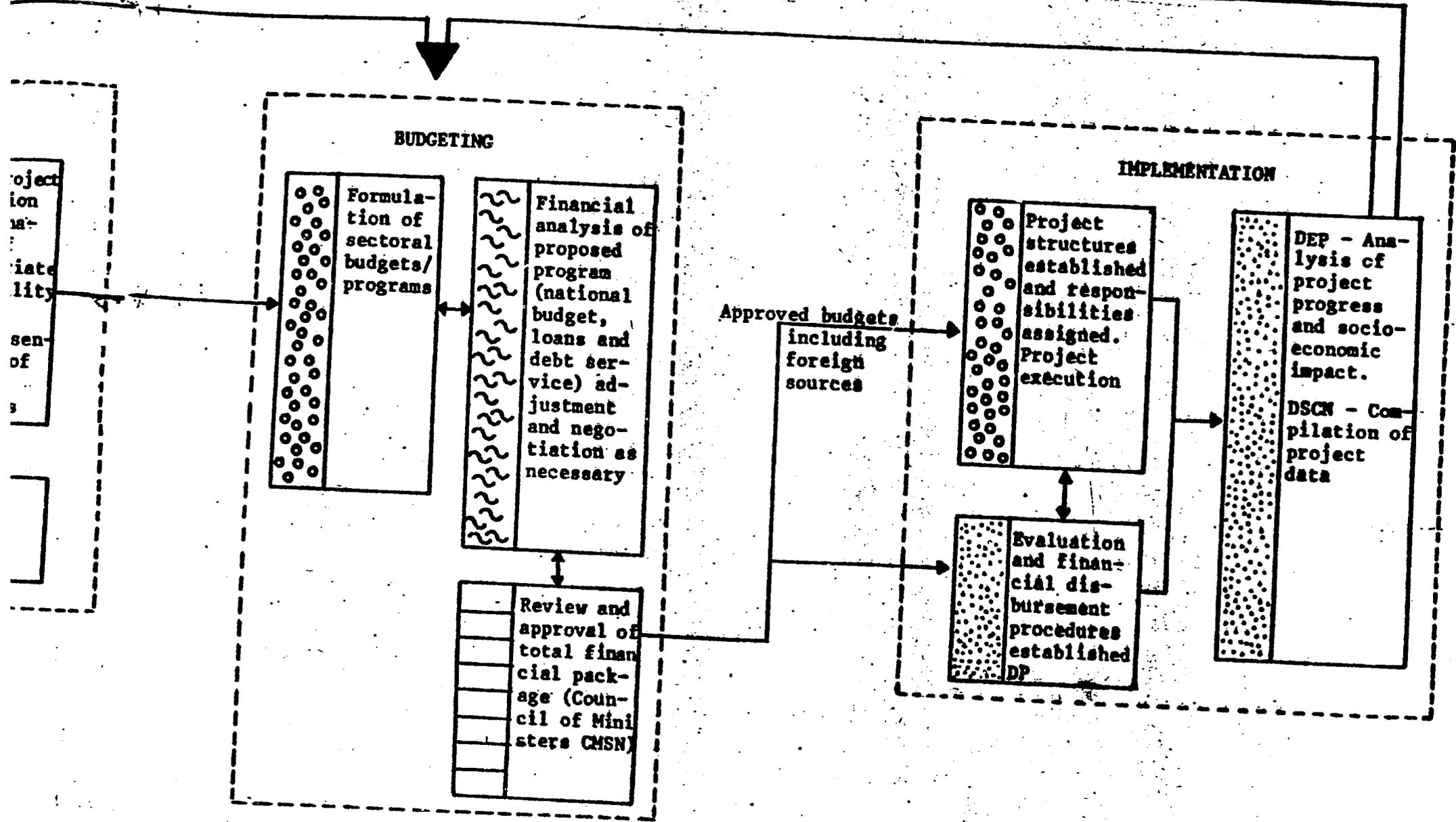
Planning Organization (Coordinating Function)



Financial Institutions

Possible GIM Planning System

Normalized Reporting System (Feedback)



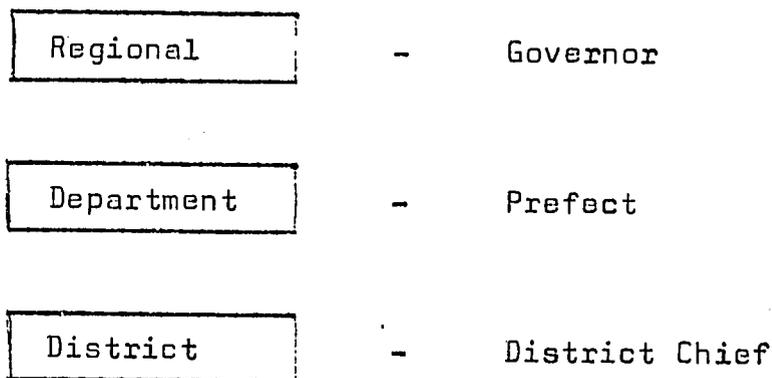
the GIRM has recognized this deficiency and in the Second National Development Plan placed a priority on certain studies: the rural sector was a special area of attention. Nonetheless, the Directorate has paid scant attention to this need. Its Survey Division has concentrated mainly on demographic statistics, cooperating with the Census Bureau in the national census of 1976/77.

Due to lack of means and personnel, the Directorate relies on a number of sources in an effort to centralize data on the various sectors of the economy. This necessitates a certain number of formal procedures and administrative linkages which are, for the most part, inadequately developed. For the modern sector the system is fairly well established, with information on trade, prices, employment, etc., being published in a quarterly bulletin. National accounts statistics, on the other hand, suffer from a lack of information on the traditional rural sector. Data are not forthcoming from the sectoral departments of the government (agriculture, livestock, fisheries, forestry) since they have little capacity to undertake surveys and collect statistics on the rural sector.

The expansion of the statistical service in the Ministry of Rural Development, which includes the establishment of regional agricultural statistical bureaus and the organization of surveys to generate information on land use, production, prices of agricultural produce, and livestock, should eventually strengthen the statistical, hence planning, process, providing there is recognition of a common purpose in the sharing of information.

#### 4. The Territorial Levels of Government

The authority of the central government extends to the interior of the country through three administrative layers: regional, departmental and district. While the territorial divisions have been modified somewhat since independence, the regional boundaries remain much the same as those established by the French colonial government. Public Law 80.144 of July 5, 1980, established the most recent regulations concerning the organization of the territorial administration. The following diagram depicts the organizational levels and titles of the presiding officer.



There are 12 regions in Mauritania, plus the District of Nouakchott. Each region has a capital where its administrative headquarters is situated under the authority of the regional governor. The regions are divided into departments which differ in size and number among the various regions. There are 44 departments in the country, each under the administrative authority of a prefect. The departments are, in turn, divided into 36 districts headed by a district chief. (Some departments, therefore, have no districts.) The governor oversees the activities of all of the prefects and district chiefs in his region.

The 2,343 towns and villages listed in the national census of 1977 are the home of over 80% of the rural population and, **The territorial governments are, therefore, of primary importance** to the nation's economic and social development as they are the closest link between the rural population and the decision-making centers of the government.

In seeking to establish an appropriate organization of the government and its institutions to foster a participatory development process, there is no doubt that local governments should set into motion a continual dialogue with the rural population. Such contact would assist the government in responding more effectively to the needs and desires of the people. In the present context, the over-concentration and control of human and financial resources in the national government make this objective difficult to attain. In a country as diversified and dispersed as Mauritania, where communications and transport are poorly developed, decentralized decision-making would enhance the development effort.

While the national government has set forth a policy of decentralization, few institutional measures have as yet been carried out to put this policy into effect. There are nonetheless signs of increased initiative by both the regional administration and the national government to allocate more resources to the local level and permit the evolution of a "bottom up" development process. This evolution, however, faces several fundamental constraints, notably:

- The prevailing orientation of local authorities towards non-development activities;
- The absence of formal linkages between local organizations and government institutions;

- The government's reliance on external capital resources which are, by-nature, the responsibility of national government institutions;
- The preference of civil servants for assignments in Nouakchott in the absence of **career incentives for field level personnel;**
- Poorly developed communications systems and infrastructure which isolate regions from one another and even areas within their own boundaries.

Despite these factors, the process of decentralization appears under way as experience has shown that investments and projects in the rural areas can not effectively be managed from the capital city, often hundreds of kilometers away. As the implementing structures are decentralized to ensure that development activities are well managed and that the population is benefiting, the importance of the foregoing constraints will diminish.

In the section that follows regarding the organization of the territorial levels of government, attention will focus on the more dynamic and effective aspects of administration which give rise to a certain amount of guarded optimism. The meaningful application of policy measures, the planning of programs and projects, the rational allocation and utilization of financial and human resources--all necessitate a system which relies principally on the smallest units at the local level. These units ideally should play a role of the intermediary between the people and the State to incite the population to participate in the development effort. The intensity and the quality of this participation depend, to a great extent, on the local politico-administrative structures.

a. Their Structure

(1) The Regions

(See Figure 7 for the names and capitals of the 12 administrative regions).

The governors exercise two parallel functions. They are simultaneously the representatives of the national government and chief executives of the regional communities, thereby reflecting the diffusion of central power and, at the same time, a decentralization of authority and decision-making powers.

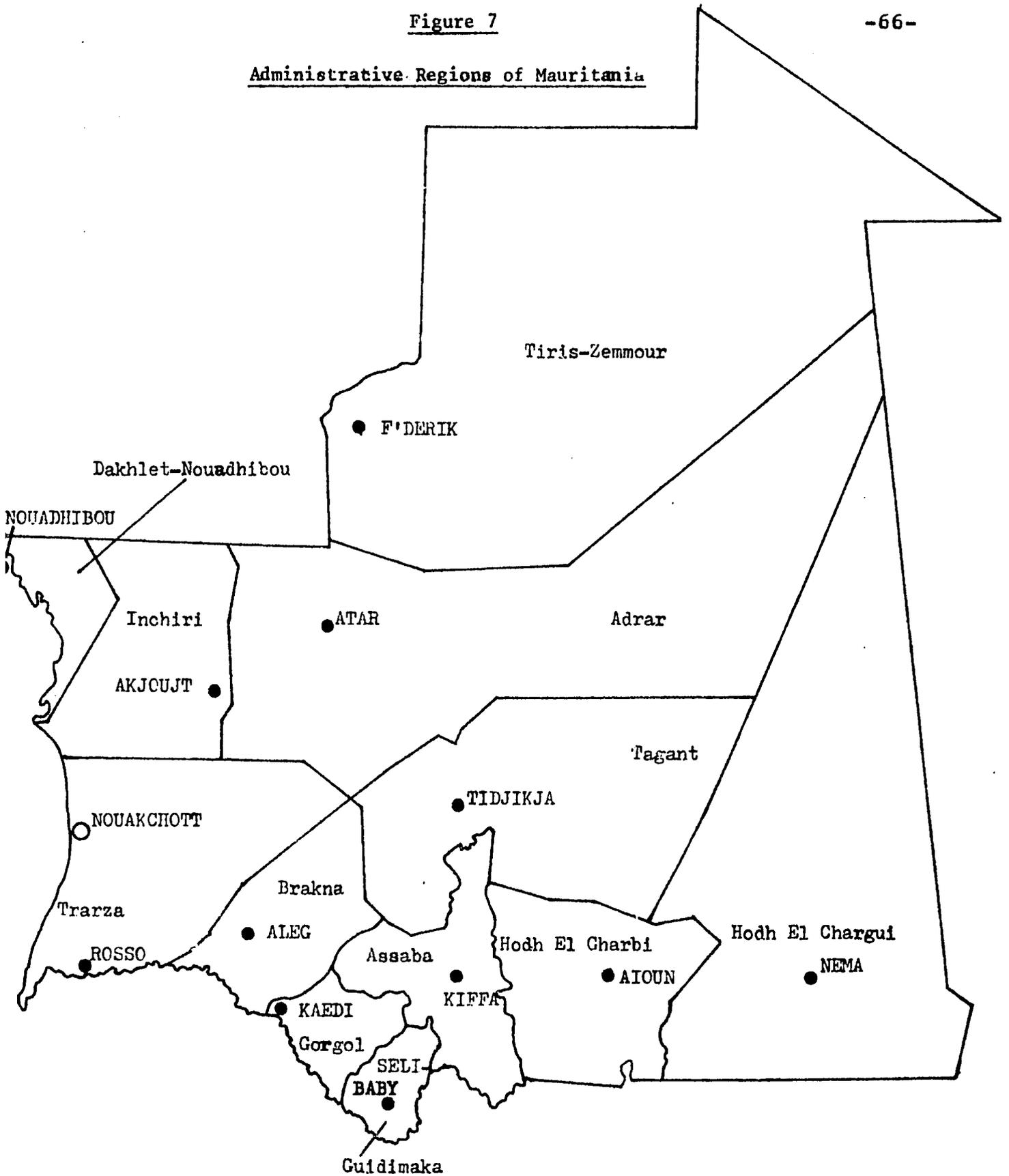
Among the attributions of the governors as the representatives of the national government are:

- the application of the laws and regulations of the State;
- the coordination of regional technical services;
- the maintenance of law and order;
- the control over the use of financial resources delegated to the region through the national budget (including tax collection);
- the application of the programs and strategies of the national economic and social development plans, including the formulation of regional plans.

The governor of each region is the official correspondent with all national government ministries. In this capacity he coordinates and controls all official personnel and public institutions operating in his region.

Figure 7

Administrative Regions of Mauritania



● Regional Capitals

○ National Capital

His dominant role in fact as well as in practice, is that of representative of the national government. The governor's regional role per se is somewhat diminished because of the meager financial resources and the small number of personnel working under his jurisdiction. The salient fact is that the governors owe their allegiance to the Minister of the Interior who officially nominates them, subject to approval by the Council of Ministers.

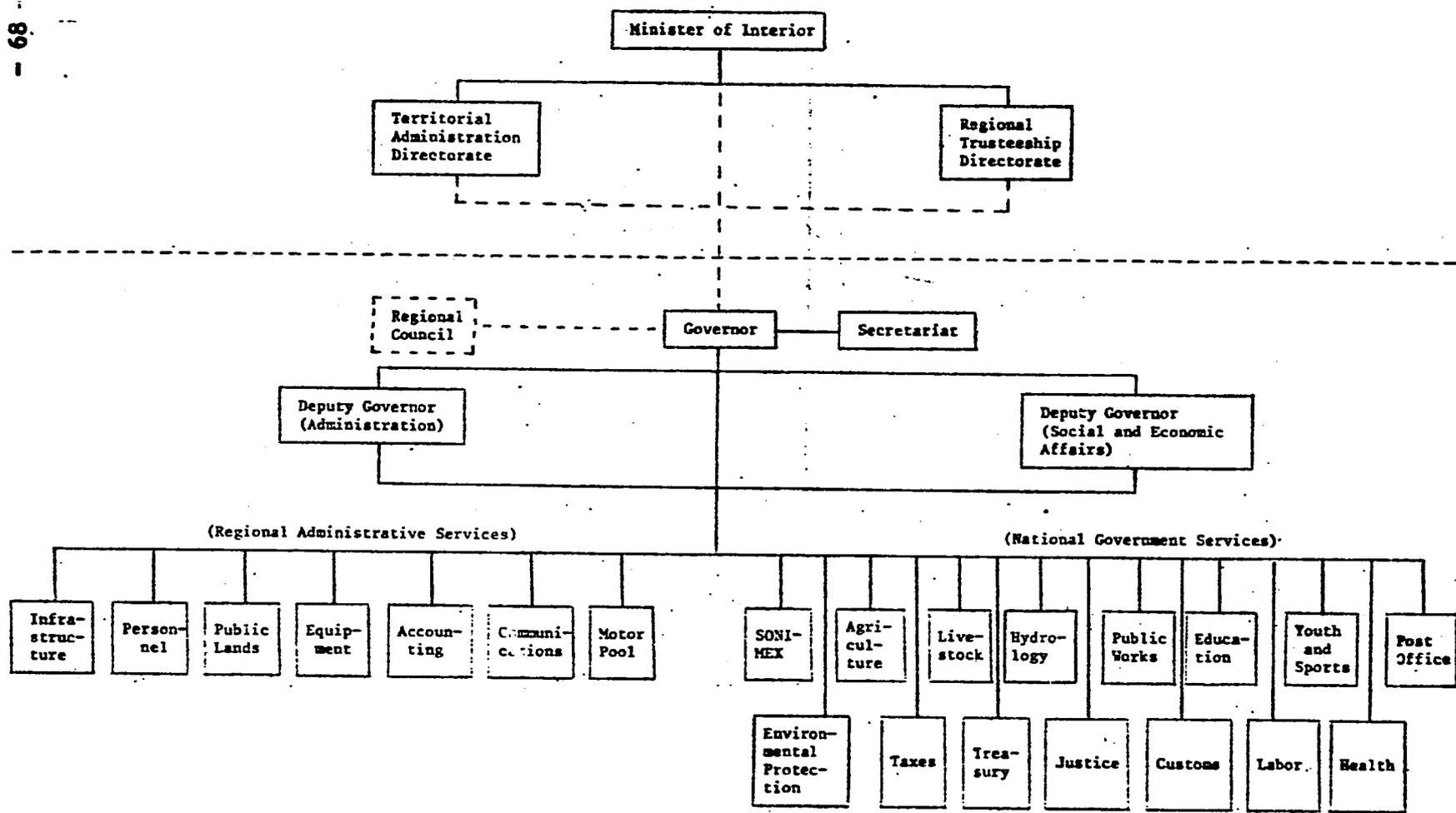
The governors are in most instances assisted by a deputy for administrative affairs, and a deputy for economic and social affairs. The deputies are designated in the same manner as the governors. A typical, though not standard, organization chart of the governor's office is illustrated in Figure 8.

As noted from the chart, the technical departments of the majority of the national ministries are represented at the regional level. They also may be represented in departments or districts and, in some cases, in the villages. While the governors are officially responsible for the coordination and control of all services within their territorial jurisdiction, the majority of these services execute their functions in the context of a program of activities determined by their directorates in Nouakchott. Thus, service heads are responsible to both the regional authority and their ministry. This can be a source of a certain ambiguity particularly in the light of shared financial participation and, at times, the parallel existence of regionally-sponsored activities.

Regional representatives maintain direct lines of communication with their national directorates. However, the majority of the service chiefs interviewed by RAMS have indicated a preference for corresponding through their governor. In any

Figure 8

Regional Government Organization Chart



event governors freely exercise their authority to communicate directly to a minister or national service director on any matter. The governors, as a rule, address copies of all correspondence to the Ministry of the Interior.

It should, however, be noted that certain programs and operations escape the authority of the governor, making total coordination of regional activities impossible. These concern the parastatal organizations, such as SONADER. Given the significant financial and technical resources of these organizations, the implications of such autonomously operated units on the ability of local governmental bodies to control and thereby generate or motivate local actions should not go unnoticed.

With the promulgation of Public Law 80.144 in 1980, a new form of consultative group was established at the regional level with the title of Regional Council. A similar type of organization was created the previous year not only at the regional but also at the departmental and district levels but was never implemented.

The 1980 law provides for the election of 15 to 20 members for each council for a period of three years, although during a transitional phase before elections the council members can be designated by the national government. The members must be originally from the region to which they are designated but not necessarily in residence at the time of nomination.

The councils meet at least twice a year for ordinary sessions and may convene for several extraordinary meetings if deemed necessary. One of the two ordinary meetings is

devoted principally to the review and approval of the regional budget as prepared by the governor. The council votes on the proposed budget and gives its approval on the accounting of the previous year's expenditures. It may also deliberate on loans taken by the region and on the acquisition or exchange of State-owned property. In addition, the councils review regional development plans, the use of investment capital, as well as the implementation modalities of various undertakings financed by the region.

An anomaly should be noted in the workings of the regional councils: their decisions have no legal status and can be modified or annulled by the Ministry of the Interior at will. The law specifically limits their consultative functions to certain prescribed matters.

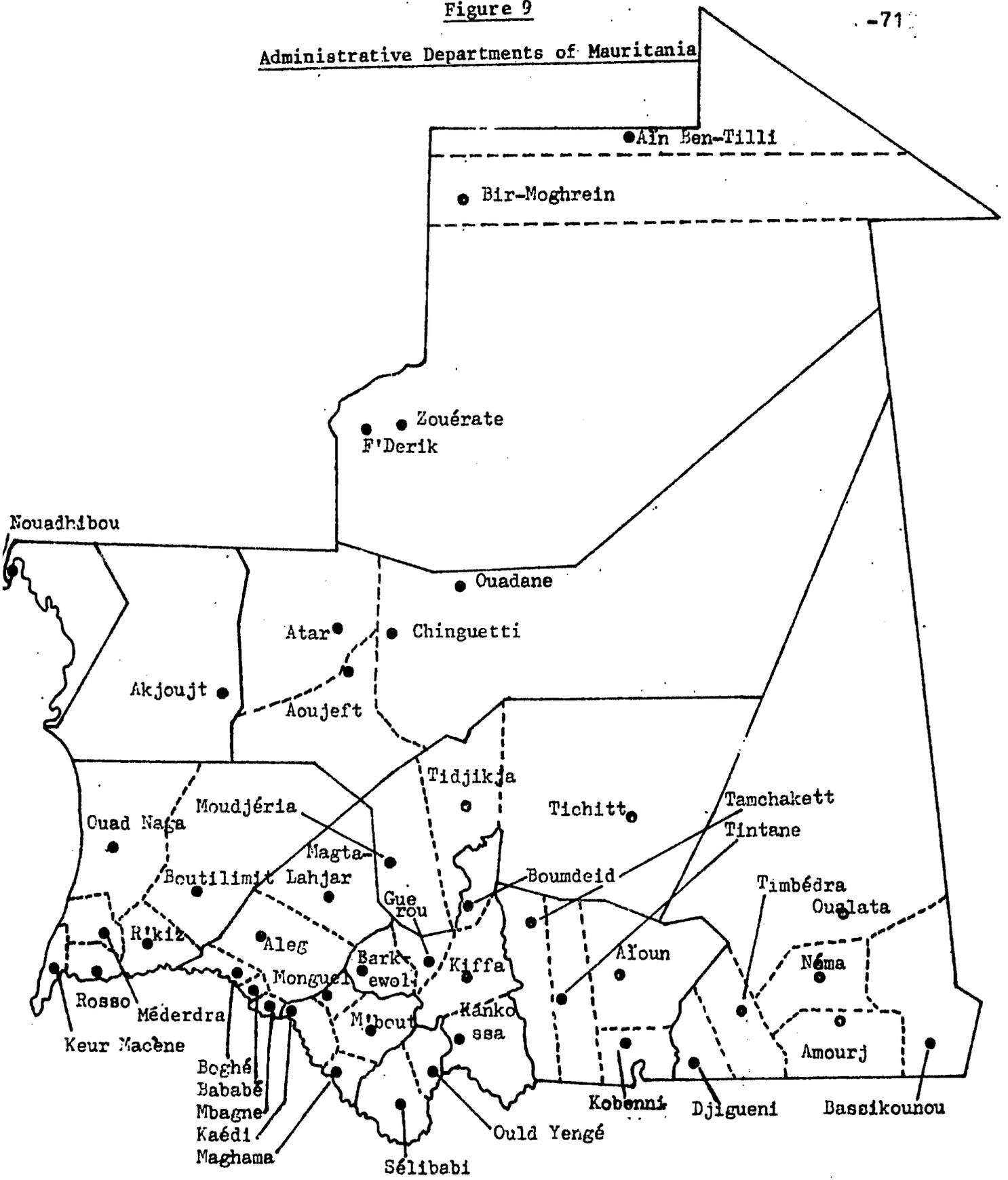
## (2) The Departments and Districts

The departments and districts of each region are headed by prefects and district chiefs, respectively. (See Figures 9 and 10 for the names and capitals of the departments and districts, respectively.) As previously noted, the prefects and district chiefs are representatives of the national government and operate under the direct authority of the governor in their respective regions. As in the case of the governors, they are nominated by the Minister of the Interior, and are assigned by an official decree signed by the Council of Ministers.

Despite their important representational role, the prefects and district chiefs have no autonomous powers. Their functions are strictly limited by law and in practice. As a rule, these officials adhere closely to the commands of their

Figure 9

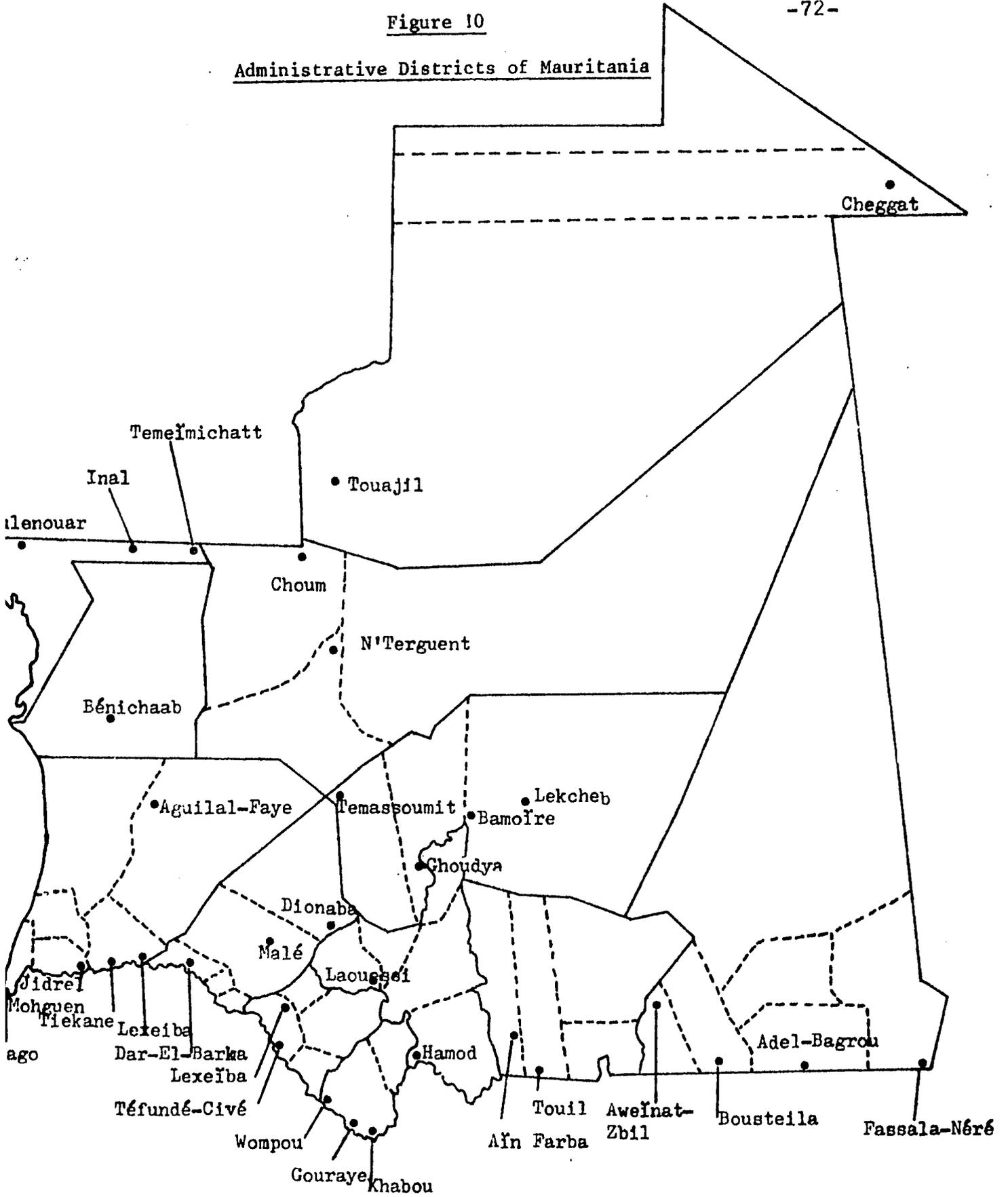
Administrative Departments of Mauritania



● Departmental Capital

Figure 10

Administrative Districts of Mauritania



immediate supervisors, the governor. Moreover, their small operating budgets are derived from the regional purse which is monitored by the governor.

### (3) Villages and Encampments

The existence of smaller administrative units at the level of the village and the nomadic encampment has undergone a number of modifications in the official texts. Although the most recent law (Public Law 80.144 of July 1980) provides for these basic administrative units, their creation necessitates the issuance of a decree which, as far as is known, has not been issued. Nor were they officially established as operating entities at any earlier time.

In the colonial era the power of the foreign government over the population was maintained through the traditional chieftain whom the Metropole itself designated. The establishment of basic administrative units for villages and encampments, though first enacted in 1968 in Public Law No. 68.242, were never officially organized. The authority of the traditional chieftain as the principal interlocutor between the State and the population remained until 1973 when a national decree stipulated that, upon the death or abdication of any chieftain, the administration of the village or tribal unit would be assumed by the "Djemma" (village council), the members of which were designated by the principal heads of households.

As the Djemma's role was purely consultative, the administrative hierarchy came to depend on the prefects and the district chiefs whose local jurisdiction were officially established and recognized. History has, therefore, turned full circle with the recent recreation of the basic admini-

strative units at the level of villages and encampments but still without their having seen operational **existence**.

b. Rural Development Activities

Basically, as illustrated in Figure 8, the services rendered at the regional level of government, and to a lesser extent at the department and district levels, emanate essentially from the national government. As previously indicated, the parastatal organizations, as well as the financial institutions, are not represented at local levels.

The coordination of development activities at the regional level among the various technical services is severely constrained by a number of institutional factors:

- Programs are by and large conceived at the national level and handed down to the regional services for implementation;
- Personnel assignments are not under the control of the regional authorities;
- Financial allocation is controlled by the national administration;
- Management of external assistance resources by international or bilateral organizations is situated in Nouakchott;
- Coordination of services at the national level is lacking; and
- Parastatal organizations operate autonomously from the regional and national administrations.

The most significant factor which reduces the autonomy of the territorial administration in coordinating and integrating the activities of the regional services is the limited financial resources of the regions. The concentration of authority at the national level has created a situation in which the initiatives of both the local communities and the regional agents have been thwarted by the continuous need to address requests to the national government. Such requests are channelled through a long administrative circuit, often terminating in frustration, or in some cases, totally ignored.

The services generally represented at the regional level are listed below along with their national ministerial affiliation:

<u>Service</u>	<u>Ministry</u>
Agriculture	Ministry of Rural Development
Environmental Protection	Ministry of Rural Development
Livestock	Ministry of Rural Development
Primary Education	Ministry of National Education
Health	Ministry of Health and Social Welfare
Taxes	Ministry of Economy and Finance
Treasury	Ministry of Economy and Finance
Customs	Ministry of Economy and Finance
Justice	Ministry of Justice and Islamic Orientation
Labor	Ministry of Employment and Profes- sional Training
Hydrology	Ministry of Water and Housing
Public Works	Ministry of Equipment, Transport and Telecommunications
Post Office	Ministry of Equipment, Transport and Telecommunications
SONIMEX	Ministry of Industry and Commerce
Youth and Sports	Ministry of Culture, Youth and Sports

The services of the Rural Development Ministry, the Education Ministry, the Hydrology Service and, to a certain extent, the Public Works Division are those which are most directly concerned with rural development activities. Due to the small numbers of personnel, their meager operating budgets, and the general lack of logistic means, they uniformly face serious problems. Not only is the support from the national government limited, but these services seldom benefit from external assistance for their operating requirements.

c. Budget and Finance

The administrative regions of the country have autonomous budgets which do not come directly under the laws governing the annual National Budget. These budgets are prepared by the governors and his services in accordance with an established format fixed by decree and submitted for approval to the Regional Councils (see above).

These budgets are submitted on an annual basis to the Ministry of Interior for review before being presented for final approval to the Council of Ministers. Aside from the participation of the Minister of Economy and Finance in the Council of Ministers, the controls over the preparation and execution of the regional budgets are decentralized and performed by the Treasurer of the region with periodic checks by national government controllers. As in the case of the ministerial accountants, the principal financial agents of the regions are personnel of the Ministry of Economy and Finance. The governors, nonetheless, carry the ultimate responsibility for the management of the regional budgets.

Until 1973, one of the most important sources of revenue for the regional administration was the head tax imposed on livestock. Following the devastating effects of the drought on livestock and on the families engaged in animal production activities, the national government suspended the application of this tax in the 1973 fiscal year and for a period of five years, a suspension since extended to the present time. As compensation for the loss of resources, the national government has provided since 1973 a fixed subsidy to each region known as the "Fonds d'Interventions Conjoncturelles" (FIC). Theoretically, the FIC is based on the amount the regions collected through this tax in 1971.

The suppression of the head tax on livestock has increased the regional imbalances concerning public finance and placed certain pastoral regions in a position of dependence on the central authorities. The level of the FIC has remained virtually unchanged since its institution, as a result of which the subsidy has not taken into account the dramatic changes in the livestock sector over the past 10 years.

The disparities among the regions are shown in the following table which covers the years 1978 through 1980 and includes the District of Nouakchott. A comparison with the population of each region underlines the imbalances.

The fiscal resources of the regional administration come from various taxes, such as refunds on national taxes which return to the regional treasuries, various market taxes and taxes on the use of public facilities (e.g., slaughter houses), businesses, sales, and other commercial transactions. These revenues are largely consumed by the operating expenses of the regional administration, the maintenance of public infrastructure,

contributions to the operating expenses of the regional government services, and a number of line items related to the education system. The latter constitute the "obligatory" expenditures of the region as opposed to the category of discretionary expenditures which can be reduced or excluded by the authorities of the Ministry of Interior without consultation with the regional administration in order to balance the regional budgets.

While the regional authorities exercise a certain level of financial autonomy in the collection of revenues and their utilization, three factors greatly limit the extent of this autonomy:

- The dependence of the regions on the FIC:
- The categories of obligatory expenditures imposed by the national authorities; and
- The requirement for national-level approval of annual budgets.

The Region of Hodh El Charqui, for example, was dependent upon the FIC for over 50% of its total budget in 1980, although the potential for collecting revenues from livestock is substantial in a region such as this one where the animal population is estimated at 24% of the national herd.

The volume of financial resources available for the regional budgets is disproportionately small in relation to that of the national budget. In 1980, the total sum of the regional budgets (not including the District of Nouakchott) was only 3.4% of the national operating budget.

The procedure for the implementation of the regional budgets are much the same as those for the national budget.

(see section 3.c). The regional tax collectors and accountants responsible for the management of the regional budget are representatives of the Ministry of Economy and Finance and are directly responsible to the National Treasury. Parallel to his responsibility for managing the regional budget, the regional treasurer is also responsible for the handling of funds allocated to the regional services from the national budget. A portion of each of the ministerial operating budgets is allocated to regional offices. These funds are deposited periodically in the regional treasury. The amount reserved for use at the national level is appreciable: in the case of the Agriculture Service, it constitutes 30% of the total budget, and for the Livestock Service it is almost 50%. (22)

These figures serve to demonstrate the difficulty faced by the regional technical services. The regional contribution to technical activities is, for the most part, marginal and is effected on an ad hoc basis. The amounts in regional budgets reserved for capital investment are not sufficient to allow the territorial levels of government a decisive role in promoting economic and social development. Although the regional budgets are prepared and executed autonomously, the local authorities are required by the State to make adequate provision for continuing expenditures, limiting the allocation of budgetary resources to initiate and carry out local activities.

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(22) These percentages do not include salaries and social security payments. In the case of the Livestock Service the purchase of "produits biologique" is excluded from the calculations.

Table 5

Regional Budgets (000 UM) and Population (Mid-Year) 1978 - 1980

Region	1978		1979		1980	
	Population	Budget	Population	Budget	Population	Budget
Adrar	5,730	14,775	56,850	17,548	56,400	16,138
Assaba	133,600	10,599	135,300	12,609	137,000	15,361
Braïra	156,600	13,156	158,350	14,603	160,100	15,914
Dakhlet-Wouadhibou	25,200	24,600	27,700	-	30,200	84,350
Gorgol	154,700	17,716	156,900	15,324	159,100	18,262
Guidiraka	86,100	7,882	88,350	9,856	90,600	9,704
Kodh-El-Charqui	162,100	25,737	164,650	-	167,200	33,273
Kodh-El-Charbi	128,500	15,919	129,700	19,166	130,900	16,947
Inchiri	18,200	5,333	17,650	-	17,100	7,671
Tagant	77,600	9,250	78,100	11,035	73,600	13,627
Trarza	223,500	28,370	224,550	33,000	225,600	29,538
Tiris Temmour	23,300	16,836	24,750	-	25,200	25,363
District of Nouakchott	139,400	152,370	156,900	211,250	174,400	213,808

Source: Population - RAMS estimates based on 1977 population statistics from the National Census Bureau.

Budgets - Didier Niewiadowski, "L'Administration Territoriale de la République Islamique de Mauritanie", ENA, 1981.

As evidence of its intent to decentralize authority, the Council of Ministers in 1980 created a Regional Development Fund. Approved initially at a level of 100 million UM (equivalent to slightly over \$2 million), the Fund was intended to permit more control of financial resources at the regional level and to allow the funding of small locally-conceived development activities. The Fund is administered by the Ministry of the Interior, in consultation with the Ministry of Economy and Finance.

Criteria for the distribution of the Fund's resources among the regions include:

- their demographic size
- their development potential
- their relative state of advancement
- the availability of other sources of funding for development projects.

On the basis of these criteria the region of Hodh El Charqui was allocated 13 million UM, Hodh El Gharbi received 12 million UM, the Gorgol 7 million UM and the Trarza 4 million UM.

When the Regional Development Fund was established, the Ministry of the Interior informed the governors of its existence and requested them to integrate the amount which had been attributed to their region as part of the 1980 budget. When the proposals were reviewed at the ministry, it was found that the additional funds had not wholly been budgeted in the context of a regional development effort but rather earmarked for general operating expenses. As a result, it was decided that the allocations from the Fund would be excluded from the regional budgets and were to be justified separately with the submission of a development program.

The Fund's 100 million UM have been reserved for the 1981 fiscal year. The majority of the regions have since responded to the national government's initiative by formulating regional development plans.

d. Planning Organizations

Prior to the existence of the Regional Development Fund there was little motivation for the regional authorities and technical services to program specific activities in the context of a regional plan. As the financial resources of the regions were at best able simply to meet operating costs and as there was no certainty that regional initiatives would be considered as part of a national planning process, development activities in the regions have essentially resulted from the efforts of the national government.

Regions have utilized different mechanisms to formulate their regional development plans. Some (e.g., Trarza, Brakna) have established development committees among the administrative and technical personnel of the region, and others have employed less formal structures. In general, regional authorities have travelled widely to villages and encampments in each department to establish "censuses" of development needs of the population. Regional plans have reflected such collective views.

The regional plans, however, do not form part of an overall national development strategy, and priorities have not yet been established. For example, there is a total lack of recurrent cost analysis for the various public works which are the principal elements found in these plans. As increasing numbers of wells, dams, dispensaries, schools, vaccination parks, etc.,

are established, their maintenance and operating costs must obviously be considered before investments are selected. Given the complex nature of the planning and budgetary functions, such a problem can eventually be overcome as proper linkages between the national level planning organization and local technical services are strengthened.

At present, the GIRM is in the formulation stage of its Fourth National Development Plan. This effort is being coordinated by the Directorate of Studies and Programming in the Ministry of Economy and Finance. A parallel effort, coordinated by another directorate in the Ministry of the Interior (Direction de la Tutelle des Régions), is concerned with the regional planning effort. (The responsibility for overseeing territorial administrations was formerly under a service of the Presidency, but in 1978 the government transferred this function over to the Ministry of the Interior.) There is an urgent need to coordinate the efforts of both directorates to achieve a better coherence between the various plans and to establish an institutional mechanism which will permit the flow of information from the "bottom up" and from the "top down".

The establishment of the Regional Development Fund, although relatively insignificant in terms of the financial envelop available, is a positive and important step towards reducing imbalances and thrusting more responsibility on local authorities. At the same time, the regional planning effort has great potential for bringing the population closer to the conceptualization of projects, thereby enhancing their chances of success.

## 5. Adapting Institutions to Rural Needs

As previously noted, the GIRM has actively considered certain institutional reforms. In some cases, extensive professional studies have been undertaken; in others, a policy of benign neglect has been apparent. Three specific areas of fundamental concern to rural development are examined below: the Ministry of Rural Development, agricultural credit and education.

### a. Restructuring the Ministry of Rural Development (MRD) and Its Parastatal Affiliates

Any organizational change in the public institutions responsible for rural development should ideally embrace two major principles: integration and decentralization.

As previously noted, sectoral integration has been a major concern of the government since the late 1960's. The socio-economic realities of the rural sector and its productive resources are such that an integrated approach to development is essential if the living standards of the rural population are to be improved. The organization of public services and institutions must be the reflection of this integration in order to provide a coordinated and complementary effort to minimize the utilization of government personnel and to maximize the participation of the rural population.

In October 1979, the government announced that the decentralization of the administration constituted a major policy objective. Needless to say, the decentralization process would in any event be a very slow process. A major effort on the part of the public institutions in splitting

a great number of centralized bureaucratic mechanisms and modifying procedural arrangements to transfer decision-making to the field would be required. The effective application of such a transfer of power would necessitate increased control of financial resources by the operational units.

Previously, in the mid 1970's, attempts to integrate sectoral departments were undertaken on a purely administrative (hence perfunctory) basis and had no real impact on the operations and organization of the regional services. Moreover, if the example of the Hydrology Service were to be taken, one could reasonably question the government's intent in establishing a coherent set of programs to foster intersectoral planning and implementation: the Ministry of Water Resources was created in 1975, subsequently absorbed by the Ministry of Rural Development in 1977 in the form of a Hydrology Directorate; this Directorate was transferred to a new Ministry of Urban Affairs, Housing, Hydrology and Energy in 1980, and in the following year it was part of the Ministry of Water and Housing.

To achieve the objectives of integration and decentralization, it is clear that structural changes must take place. A distinction must also be made between reorganization and restructuring. The changes cited above represented only cosmetic (or superficial) ones which modified functions, created new subdivisions and eliminated old ones. (23) The decrees concerned made clear the nature of the actions, viz., to restate the functions of the Ministry of Rural Development (MRD) at the national level. Interestingly, these

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(23) Decree Nos. 48.76/PR of May 3, 1976 and 95.80 of September 29, 1980.

decrees are unclear as to the officials who govern the ministry's internal operations and lack a functional organizational chart which places all of the departments of the ministry in relation to one another.

The organization of 1980 is reflected in the organization chart found under Section 3.b. above. Although a number of changes brought about were designed to respond to new priorities and activities of the ministerial departments, field-level operations and structures remained virtually unchanged.

The late 1970's were marked by a concerted effort to study the possibilities for structural changes in the ministry at the national and regional levels. Two sets of proposals were elaborated by a National Commission and by an expatriate team from the United Nations Food and Agricultural Organization (FAO) which merit some brief attention.

On the occasion of the biennial programming exercise at MRD in January 1979, two commissions were established, one of which was mandated to study the restructuring of the ministerial services. Their work resulted in a proposal which was to have been used in a broader context of a government-wide reorganization requested by the Chief of State.

The MRD commission based its work on a general restructuring scheme which had been presented by the MRD Minister in October of the previous year. Recommendations were rationalized on an analysis of the situation in the rural sector and on a number of global and more specific short-, medium- and long-term objectives. Major institutional deficiencies in support of rural sector production were addressed as follows:

1. The creation of a pastoral code, supported by an institutional and judicial framework;
2. The establishment of a land tenure code with appropriate legislative and judicial support mechanisms;
3. Institution of support measures (public and private) for production inputs (credit, supply of factors of production) and outputs (marketing, transformation, storage);
4. The promotion of research and training;
5. The diffusion of information to and training of farmers and herders to foster more direct participation; and
6. The formulation and application of policies for the control and rational exploitation of water resources.

The commission proposed three measures of a financial and fiscal nature in an effort to create a development-oriented administration: (1) Financial autonomy for each department, with budgetary management responsibilities intended to eliminate the existing long and complex circuit; (2) allocation of cash advances for each service allowing them to respond to certain urgent expenditures; and (3) customs exoneration of supplies and materials for agricultural production.

In general, the profound measures to rehabilitate the rural sector economy were to be carried out through structures designed to respond in a dynamic and flexible manner to the principle of integration of all activities. Production support was to be organized on the basis of the ecosystems in which the principal types of productive activities were located.

Five operational zones were identified:

- Zone 1 - Hodh El Charqui and Hodh El Gharbi
- Zone 2 - Tagant, Assaba, Guidimakha, Gorgol
- Zone 3 - Trarza, Brakna
- Zone 4 - Inchiri, Adrar, Tiris Zemmour
- Zone 5 - The Atlantic coast line influencing portions of the Trarza, Inchiri and Dakhlet Nouadhibou.

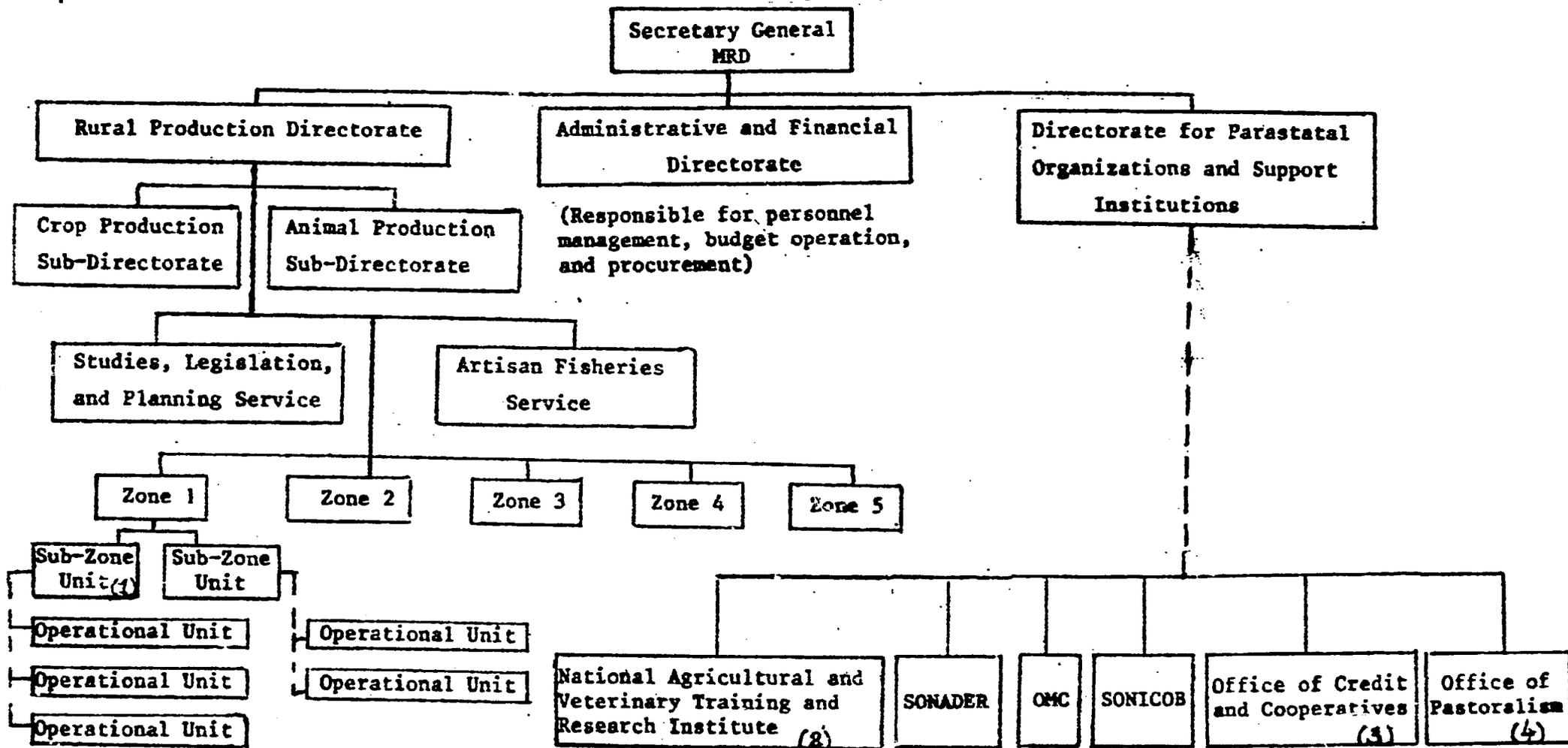
The zones were intended to constitute the organizational framework of integrated activities by nature of their homogeneous production systems and resources. Zones were divided into operational units and into sub-zones having responsibility for the control and programming of activities. Planning, research and training remained the responsibility of each zone.

Aside from the zonification of operational units a restructuring of the national administration and the parastatal organizations and their public institutions was proposed. Figure 11 presents an organization chart depicting the entire system as recommended by the commission. Recognizing the implications of the recommendations in relation to the territorial administration set-up, the commission proposed to coordinate the details of the restructuring plan with the national commission undertaking the study on the reorganization of the regional administration. It also suggested that foreign expertise be sought to study certain aspects of the proposals, cost implications, the definition of stages through which the new structure would become operational, and the description of functions and qualifications required for staffing all levels of the administration. The MRD Minister thereupon requested FAO to furnish a technical assistance team to accomplish the above-mentioned tasks (see below).

Figure 11

Proposal of the MRD Commission for the Restructuring of  
Ministerial Services and Affiliated Organizations

(January 1979)



(1) Indicative example.

(2) This institute would constitute the fusion of the CNFVA, CNERV, and CNRADA.

(3) To be created to furnish credit and management assistance to cooperatives.

(4) To be created for construction of pastoral water works and for pasture improvement.

In April of 1979, still another committee was set up, this one composed of several key members on the staff of the MRD published a document "Proposal for an Integrated Rural Development Program". Due to certain deficiencies of the commission's report, particularly with regard to the integration and coordination of the proposed restructuring with the biennial plan, the committee was asked to refine and complete its recommendations.

It subsequently recommended that the proposed Studies, Legislation and Planning Service be modified to become a Directorate and include a service for rural statistics. The Artisan Fisheries Service was eliminated in the proposed organization chart and was slated to become the responsibility of the Ministry of Plan and Fisheries. Confusingly, the commission felt that the national administration should conserve the functions of conceptualization, coordination and control of the national departments while relegating management responsibilities to the decentralized level of the zonal units. Another weak element of the commission's proposal was the definition of the relationships between the parastatal organizations and the zonal units, viz., that while they both collaborate, they were to follow programs formulated by the MRD's Rural Production and Studies, Legislation and Planning Directorates under the overall supervision of the Directorate for Parastatal Organizations and Support Institutions. The commission also failed to provide details on the cost and personnel implications of its overall recommendations.

Following the foregoing preliminary study and recommendations of the MRD commissions, it was apparent that outside expertise was required, and the government decided to ask FAO for the requisite assistance. The terms of reference

for the FAO mission included an analysis of the existing administrative structures and the socio-economic situation in the rural sector, the implementation modalities, as well as the financial and human resources requirements. The team began its review in April 1979.

The document produced by the FAO mission, "Projet de Restructuration du Ministère de Développement Rural", includes what is probably the most complete and detailed description and analysis of the MRD. It covers the official attributions, the national- and regional-level organizations, their principal activities, staffing patterns, and points out major operational deficiencies. The second part of the report is the most relevant and significant. While conserving the principles of integration and decentralization as the major conceptual elements, the FAO proposals represented a major departure from the recommendations of the MRD commissions. In general terms, the recommendations centered around maximal utilization of technical personnel for technical tasks, as opposed to the present situation where technicians are preoccupied with administrative and financial responsibilities. The organizational set-up was based on total sectoral integration at national and regional levels, as well as the decentralization of responsibilities to regional-level rural development units; an increased number of parastatal organizations and public institutions for specialized infrastructure and production support activities were envisioned; financial autonomy was proposed for the MRD departments, specifically by decentralizing national budget procedures and by allowing these departments to generate their own revenues through the participation of the rural communities.

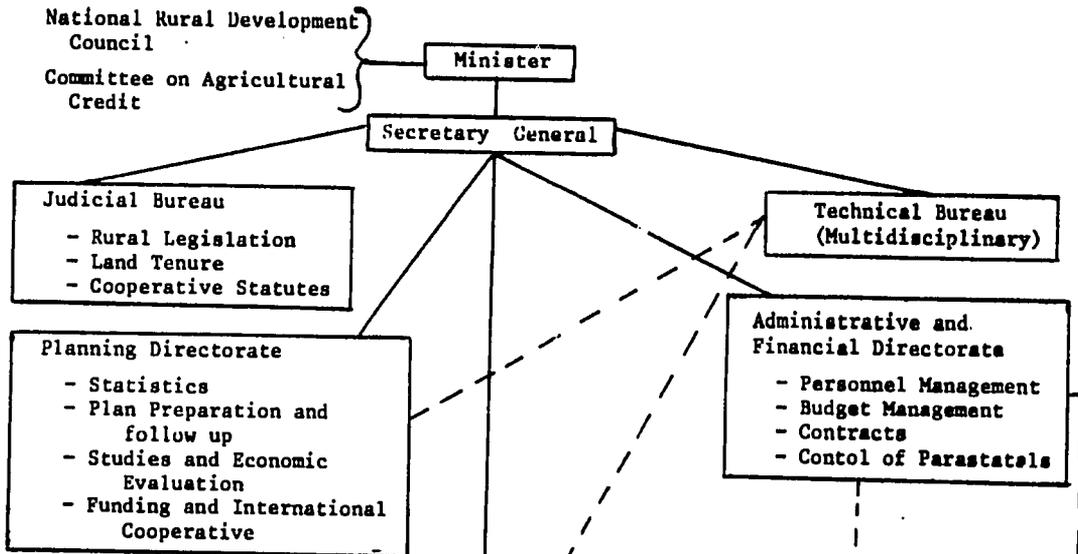
The zonification of the local-level units, as recommended by the MRD commissions, was modified to coincide with the regional administrative organization. In view of the limited number of personnel to staff the regional units, however, a regrouping of these units into five zones was recommended as a provisional measure until such time (estimated at five years) as sufficient technical personnel would be available to staff a rural development directorate in each of the twelve administrative regions. It was explicitly recommended that regional directorates liaise with the regional governors but not be directly responsible to them. Rather, the regional rural development directors were to act as technical advisors to the governors and to the parastatal organizations operating in their territory. Administratively, they were to be representatives of the Minister of Rural Development and placed directly under his authority.

Figure 12 outlines the reorganization plan proposed by the FAO team. It represents a streamlined conception with a clear designation of technical, legislative, administrative, financial, planning, and implementation functions among the various MRD departments. Of particular interest is the proposal of Regional Rural Development Directorates and their implementation units in the form of "intervention brigades" and "surveillance brigades" and two new parastatal organizations to undertake specific development activities: National Corporation for Agro-Pastoral Development (or SONADAP), and the National Corporation for Oasis Development (SONADO). In addition the creation of an office responsible for livestock marketing (OMB) was proposed. New policy and coordination mechanisms were also proposed, notably the National Rural Development Council and the National Committee for Agricultural

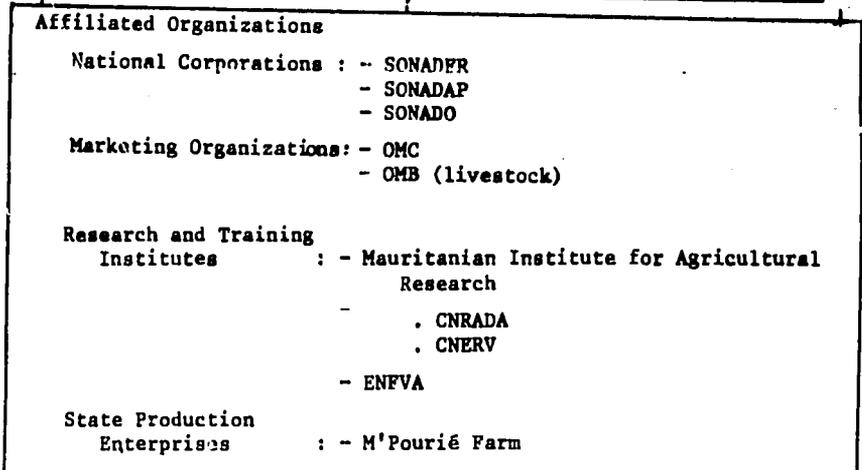
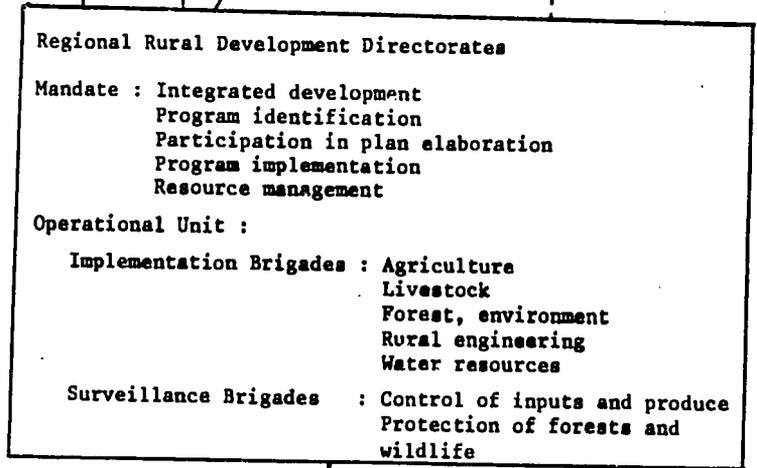
MRD, Reorganization Plan

Proposed by FAO

Central Level



Regional Level



Credit, to be chaired by the Minister of Rural Development or his Secretary General and to include appropriate government departments and institutions other than MRD.

The FAO plan was adopted by the MRD, but the important financial and bureaucratic changes necessitating presidential approval were never accorded. Presumably, a major overhaul of the rural development organizations did not enjoy a priority at that point in time. Hence, none of the measures proposed have been put into practice.

Despite the sound principles of integration and decentralization which lay at the foundation of the FAO and MRD commission proposals, it would be useful to cite some fundamental weaknesses in them which might in the future be considered by the government should further consideration be given to a reorganization:

First and foremost, both proposals appear to have been conceived in the absence of realistic considerations of the target population: rural herders and farmers. While the proposals would give additional responsibilities to implementation units at the local level, they contain nothing to relieve the government of the programs it undertakes and place responsibility for them among the intended beneficiaries. Neither scheme pays any attention to how rural development activities are planned and implemented, nor specifically on means by which local populations can be included in the elaboration and execution of development programs. (A central theme of this paper is the need of the government to introduce processes by which the needs of the rural population can find expression through local government services up to the national

level during the planning and execution phases of programs. Much of the failure of rural development activities can be traced to inadequate knowledge of local constraints.)

Secondly, proposed structures are not sufficiently coordinated with the regional administration. The regional governors in Mauritania are powerful authorities in their respective localities and attempts to side-step them will inevitably encounter substantial resistance. While the establishment of homogeneous zones based on the predominant ecosystem and productive activity of the area has merit on a technical level, the existing geopolitical divisions of the country are equally important for administrative and financial reasons. Setting up parallel administrative systems which overlap jurisdictionally introduces an unnecessary complication.

It would also seem advantageous, given present and anticipated short-run staffing problems to regroup MRD services with those of the social services (health and education) to make up inter-sectoral regional mechanisms that would be capable of programming and implementing development activities in an integrated fashion. Such an arrangement would obviously require high-level support of the national government. The process could be undertaken gradually as additional trained personnel become available.

Thirdly, as implied above, the reorganization of MRD services in isolation from a broader government restructuring is inadequate if better overall administrative performance is to be achieved. Even a restricted reorganization, i.e. one limited to a single agency, impacts on other elements of the government. The budgetary function is but a case in point.

It is evident, therefore, that any reorganization must have broad-based support if it is to succeed.

Fourthly, Mauritania's reliance on foreign aid to finance a large proportion of its development activities poses a problem when radical organizational measures are considered. Donor and lending agencies, for the most part, seek to finance identifiable projects, avoid covering administrative and operating costs, and do not, as a rule, finance organizations. New structures must be operational to the point of being able to implement projects before attracting the necessary "growth" capital.

Despite the fact that no major structural changes have taken place in the MRD following the two proposed plans, there are a number of noteworthy recommendations which could be retained and possibly utilized within the present organization to improve the overall effectiveness of government programs:

- There is an urgent need to create a department in the MRD with responsibility for legislative matters which relate to rural areas. This would include study of legislation on land tenure and cooperatives, among other functions.
  
- As discussed in the sector on the planning organizations and as demonstrated in Figure 11, there is a need to coordinate the overall planning effort with project design and implementation in a system combining the efforts of the MRD technical departments (both national and regional levels) with the centers of policy making and the Directorate of Studies and Programming and Projects. The overall system should be established

so as to allow a flow of information from on-going projects to the national government and from the central planning organizations and technical departments to the operational field levels.

- The ministry should have a department specifically responsible for the coordination and control of all its affiliated parastatal organizations and support institutions. Such control would be limited to financial and administrative questions.
  
- If sectoral divisions among departments of the MRD are to be maintained, they should be limited to national-level structures and have only a technical role to play. In the regions every attempt should be made to create integrated teams which would act as a unified whole to communicate with the local communities as well as with national-level departments. This could be achieved through the governors, or, as proposed in the FAO plan, through a Regional Rural Development Director.
  
- An autonomous institution should be created for the promotion of and assistance to production cooperatives. (24) Such an institution would have a potential for being the most influential force in developing and improving the productive capacity of rural farmers and herders.

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(24) The RAMS study on the "Private Sector" recommends the creation of a directorate in the MRD for cooperatives with an overall scheme for the organization of cooperative unions at the regional and national levels.

Its scope of work would be defined so that the interests of the cooperatives are its principal concern.

- Although it would be unnecessary to create an umbrella organization for all research and training activities, it is essential that appropriate coordination be effectively maintained through proper institutional mechanisms. It is especially important that implementing and planning departments have a direct input in the design of research programs and training curricula.

b. Institutionalization of Agricultural Credit

In the section on the financial institutions mention was made of some of the problems facing the institutionalization of a credit system to provide capital for the development of the productive activities in the rural sector. As previously noted, the National Development Fund, with its agricultural credit department, is to become the center piece of this system. The operational details of how the system is to function are still undefined but the government has, since early 1979, made a concerted effort to study the practical application of agricultural credit and has proposed appropriate institutional measures.

The process through which the GIRM has attempted to define its agricultural credit policy resembles closely the one reviewed in the section above on restructuring the rural development services. In both cases a general orientation was decided upon on the basis of which concrete policy measures and an implementation program were to be proposed.

As background information leading up to the proposals which are now under review by the central decision-making authorities, a summary of the history of agricultural credit in Mauritania would be useful.

The first financial institution created following independence to have responsibility for agricultural credit was the "Caisse Centrale de Crédit Agricole Mauritanien". It terminated operations after one year when its functions were transferred to the Mauritanian Development Bank in 1962. The Bank began its operations with a project in the Hodh El Charqui extending credit to farmers for plows and seeds. The new inputs provided through the Bank credit coincided with an abundant rainfall year, and a substantial surplus was produced in the project area. Unfortunately, the marketing of the surplus had not been adequately considered in the project design and a dramatic fall in the price of cereals left the farmers unable to repay their debts.

The Bank's initial efforts to finance projects in the rural sector included a tannery and refrigerated slaughter house in Kaedi both of which had not been sufficiently studied in terms of their economic viability. In 1974, the Bank became the present day BMDC with the addition of capital from a Tunisian banking corporation. Since then, however, the Bank has not pursued a policy of agricultural credit and has participated in this domain only in the role of depository for credit funds managed by the SONADER.

It was the addition of loan capital through the World Bank's International Development Association publicized in the local mass media, that provoked an important number of requests for loans to the BMDC. Many of these requests

came from cooperatives in different regions of the country. Some of the project files were elaborated with the assistance of the regional agricultural agents. At present, there are over 50 such files in the offices of the BMDC. The Bank has been unable to act on any of these requests, however, because of the lack of capital, as well as the absence of an agricultural credit policy and the Bank's own limited technical capacity to undertake the necessary studies to determine the viability of the proposed projects. The personnel of the BMDC Development Service recognizes the need for agricultural credit but maintain that its successful implementation is dependent upon an overall policy providing for the complementary infrastructure necessary to assure the marketing and processing of agricultural produce.

In February 1979, the Government decided to form an inter-ministerial working group whose task was to formulate an agricultural credit policy and define the means and measures necessary for its application. Under this directive the Minister of Rural Development invited the Ministers of Finance, Plan, Industry, Mines and Commerce, the Governor of the Central Bank, the Director of the BMDC and the President of the Confederation of Employers to designate representatives to the working group. The initiative was continued with the formation of a Commission on Agricultural Credit which conducted a series of meetings in May, June and July 1979. To this Commission representatives of OMC (Office Mauritanienne de Céréales) and several parastatal organizations (SONICOB, SONADER, and SONIMEX) were added to the original group, as well as an expert provided by the "Caisse Centrale de Coopération Economique" of the French Government who

wrote an independent report. (25) The synthesis report of the commission was published in July 1979 regrouping the studies of the three sub-commissions which had been established to study: the orientations and global strategies for rural development; the mechanisms and organizations for a credit system; and the funding of the factors of production and the marketing of agricultural produce.

It included the following recommendations:

- The establishment of a Rural Development Fund to be managed by the BMDC, and to be supervised by a national committee to include all government departments and institutions whose activities involved the rural production sectors.
- The Fund would work with cooperatives to determine what inputs are required and would provide loans to them through specialized organizations responsible for the supply of these inputs.
- These specialized organizations would receive advances to purchase inputs which they would sell for cash or on credit. Credit would only be accorded to cooperatives, and each request for credit would be reviewed by the management committee of the Fund.
- Credit would be granted on condition that the farmers and herders sell their produce to the OMC or the OMB

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(25) Pince, G. Rapport de Mission sur le Cr dit Agricole en Mauritanie, Caisse Centrale de Coop ration Economique, September, 1979.

which would also receive loans from the Fund for its purchasing operations. Thus, the loans would be repaid by cooperatives through the sale of their produce at guaranteed prices.

A security fund would be established as an insurance to cover the loans taken out by cooperatives in the event of poor harvests due to adverse climatic conditions or other calamities beyond their control.

The report stated that the weaknesses of the existing cooperative movement would necessitate a replacement of cooperative functions by the specialized organizations for an initial period. The functions of these organizations would eventually be assumed by the cooperatives or other private professional organizations themselves. In the long run the commission proposed that the agricultural credit services within the specialized organizations become progressively more autonomous and eventually evolve into a decentralized agricultural credit institution, operating as a credit and savings bank for the cooperative movement. It was in these terms that the commission defined the major principles of the proposed agricultural credit system, stipulating that, upon approval by the central decision-making group, the formulation of the operational details of the system would be undertaken by the commission.

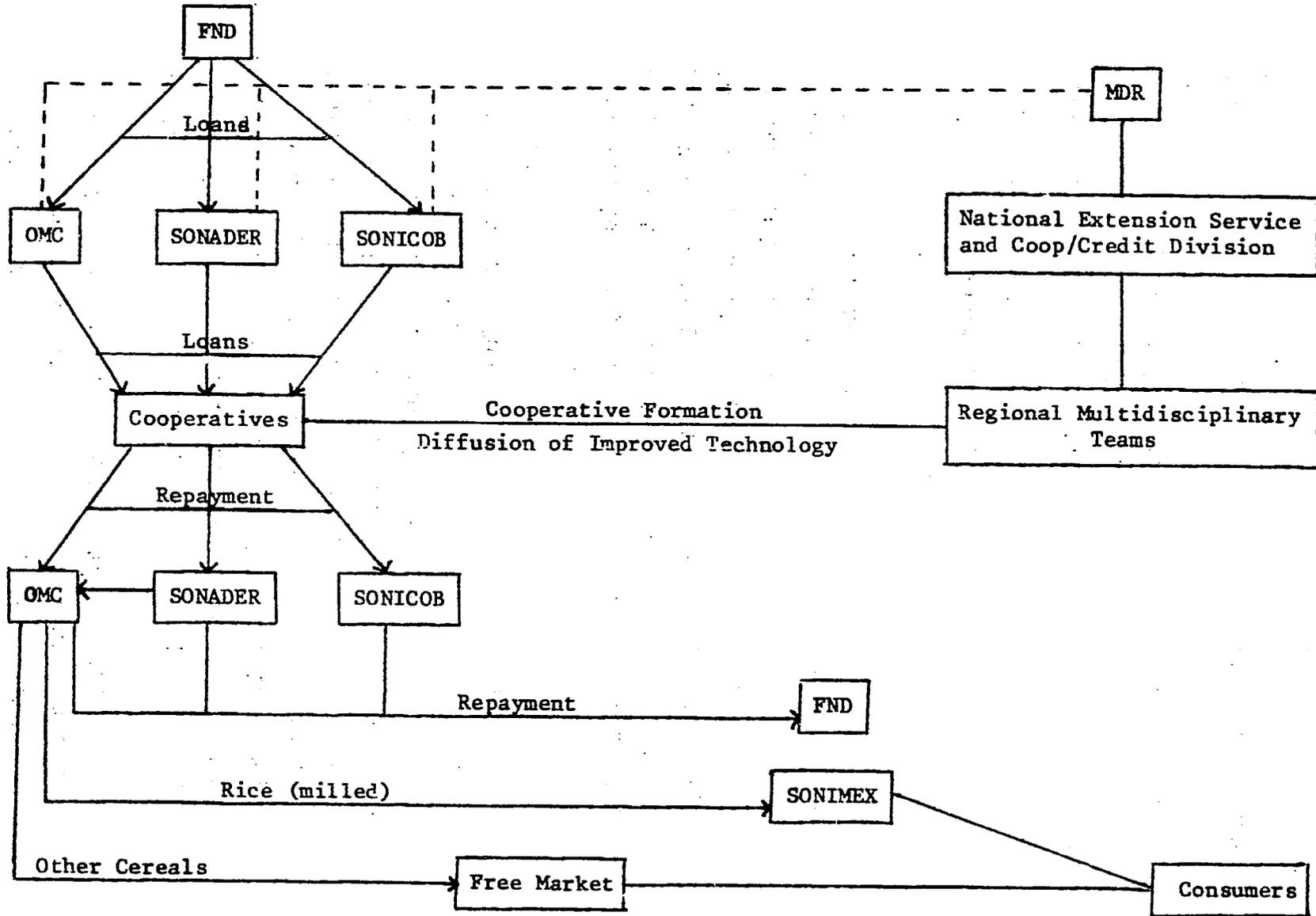
In September 1979, the Minister of Rural Development convened the commission to provide further operational details. The commission's final report was presented in May of the following year. During the time which elapsed between the reconvening of the commission and its final report, the

government created the National Development Fund with an agricultural credit component. Assured that an agricultural credit system was adopted, the commission in September 1980 presented its final report to the Council of Ministers through the Minister of Rural Development. This final report reflected the basic elements of the commission's earlier proposal but provided more details for the practical application of the credit system. This system is schematically presented in Figure 13. Basically, the system places OMC, SONADER, and SONICOB as the intermediary supply and credit organizations between the FND and the cooperatives on the grounds that the cooperatives are not yet able to manage the supply of inputs and handle the production and marketing functions. The needs of the cooperatives are to be determined in collaboration with the regional extension services which would also assist in the formation and training of cooperatives. Requests for assistance are to be grouped by one of the three parastatal organizations which would act on behalf of the cooperatives and borrow necessary funds from the FND to purchase the production inputs. The parastatal organizations would have contracts with producers obliging them to sell a predetermined quantity of their production at fixed prices in order to assure the repayment of the loan.

In the case of rice producing cooperatives using the services of SONADER, this organization would purchase the paddy from the cooperative and sell it to OMC. The receipts from such sales would allow SONADER, to repay the FND. The OMC would take the paddy bought from the SONADER, the M'Pourie Farm, and other rice producing farms and mill it in its own facilities. SONIMEX would then be obliged to purchase the entire stock of milled rice at a fixed price, to be resold through its commercial channels at a subsidized price.

Figure 13

Proposed Agricultural Credit System



The other cereals (millet, sorghum, etc.) would be purchased by OMC and sold on the free market in order to stabilize the prices of these traditional cereals.

SONICOB would undertake a similar operation to that of OMC in the livestock sector. It would provide credit to herder cooperatives for inputs such as feed supplements, veterinary products, vaccination parks and cattle dips. The cooperatives would be tied to SONICOB through contracts obliging them to deliver a certain tonnage of animals on the hoof at guaranteed prices. SONICOB, which would market the animals, would also borrow from FND for the purchase of the inputs and reimburse the fund from the proceeds of its marketing operation.

The system is dependent on the fixed prices for livestock and cereals to be determined by the National Price Commission. This commission would also be responsible for determining the perequation among the products sold by SONIMEX to allow this organization to sell rice at a subsidized price and, at the same time, allow OMC and SONADER to pay a remunerative price to the producers.

The following institutional measures were included in the commission's recommendations as the first step for the operations of the credit system.

- Creation of the FND and its agricultural credit fund;
- Formulation of the official texts institutionalizing the necessary mechanisms of the agricultural credit system;
- Obligation of the SONIMEX to purchase the production of rice;

- Mechanism to finance any deficit created because of the need to offer guaranteed prices to the producers at subsidized consumer prices;
- Monopoly control on rice milling by OMC;
- Establishment of a MRD production and extension service;
- Allocation of necessary financial resources from the sale of donated food, from State revenues, and FAO assistance to the FND and for operating funds for OMC and SONICOB;
- Choice of priority zones and assignment of necessary personnel;
- Training of specialists for the management of the agricultural credit fund in the FND and for the cooperative division of MRD.

In its conclusions, the commission noted that a condition for any loan approvals under this system would be the undisputed legal land ownership of the beneficiary. To avoid the inevitable problems of land tenure within the credit system, it was therefore recommended that a land tenure law be formulated and applied.

The Minister of Rural Development presented the report of the commission to the Council of Ministers which gave its approval on September 13, 1980. (26)

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(26) See interview with the Minister of Rural Development, CHAAB No. 1594 of September 26, 1980.

### Analysis of the Proposed Agricultural Credit System

One of the primary problems with credit of any kind in Mauritania is the poor repayment history of a great majority of borrowers. The proposed system takes this problem into account and structures all of its mechanisms to provide the best guarantee that loans will be repaid. Although it is undeniably the role of the State to provide the original capital for the MID and to initiate the mechanisms for commodity supply and the marketing of produce, the establishment of such a system dependent on State-run organizations has, in many countries, proven to be an inefficient and costly undertaking. Government policy should seek to stimulate the demand for commodities needed for production, simultaneously focusing attention on the supply of these items through the already well developed commercial private sector.

This effort to include private initiative in rural production activities can also be applied to the processing of agricultural produce. For example, the proposal to give OMC a monopoly of rice milling is a disincentive to entrepreneurial talent in rural areas. The build-up of the cooperative movement and the reduction of rural-urban migration will depend to a great extent on providing diversified opportunities for employment in the rural areas. Economic studies have shown the advantages of rice milling operations using technology adapted to the rural environment, allowing cooperatives and rural businesses to profit from the value added in the milling process. Tying cooperative loans to marketing contracts with the parastatal organizations and excluding the private sector from the grain market may be unwise, especially in a country where commerce and trade represent 16% of rural incomes. (27) The collection and distribution of agricultural produce can be managed more efficiently and at less cost by the private sector than

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(27) See RANS report on Rural Income, 1981.

by a public organization. There are, however, four major constraints to such an arrangement:

1. The difficulties with the repayment of loans by farmers and herders.
2. The speculative tendencies of private trade to the disadvantage of the producers and consumers.
3. The problem of distribution of cereals to deficit areas.
4. ~~The tendency to seek foreign exchange through the export of~~ **agricultural produce.**

The government may wish to make a more judicious choice for channeling its energies into control and regulation measures to relieve these constraints rather than undertaking the complex task of collecting and marketing the country's agricultural produce. If a considerable effort is put into strengthening the cooperative movement and encouraging rural savings, the debt problem could be reduced to a minimum. In addition, the price mechanism could be controlled by giving the government marketing organization the possibility of purchasing local production at remunerative prices and allowing the private sector to compete with the State organization and perhaps allow the producer to sell his produce at a price superior to the official one.

The success of an agricultural credit system relies principally on the organization of dynamic cooperatives. Unfortunately, neither the reorganization plan nor the proposed agricultural credit system pays sufficient attention to the formation of cooperatives and the training of cooperative managers. The RAMS report on the "Private Sector"

proposes a national structure of cooperatives in which local entities would be members of regional associations which, in turn, have representation at the national level through a National Cooperative Federation. (28) If the strategy for rural development adopted by the GIRM includes the active participation of the population, the efforts of the government should be focused on encouraging the evolution of a dynamic cooperative system. In this manner the producers themselves could participate in defining the structure and institutions to fulfill the various functions in support of agricultural production based on their own needs and desires. If such a strategy were adopted, the government could be assured of the support and collective effort of the productive masses to contribute to the country's economic development.

Mauritania could well draw on its experience to improve the government's approach to stimulating agricultural production. The creation of cooperatives at the government's initiative has met with considerable difficulty. The country is faced with a real dilemma in that there is a pressing need to increase agricultural production in order to meet national objectives of food self-sufficiency and economic independence. The creation and evolution of indigenous local organizations capable of managing a monetarized agricultural production and improved technologies is a slow process and, in the short-run, may not respond to the imperatives of national development policy. To achieve long-lasting, self-promoting production systems that contribute to the national economy, it is apparent that more time will be required.

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(28) See RAMS report on the Private Sector, 1981.

c. Education as a Development Tool

A striking example of conflicting policy measures resulting from lack of harmony among policy-making centers and coherent linkages between the planning organization, political powers, and the departments of government with sectoral responsibilities is the structure and organization of the educational system. There is no one single factor which is more influential in the development process in a society than the public education offered to its people. RAMS' report on Formal Education points out how ill-adapted the education system is to the needs of the population and to the requirements of the economy (29) which briefly will be portrayed in this section.

The work flows which can be observed in the organization of the Ministry of National Education and other ministries involved in academic or professional training are secondary to the analysis of the fundamental weakness of these public institutions and the need to reconsider their role in the development process.

A number of issues recur in reviewing the constraints to development and the major consequences of a lagging rural sector economy: lack of trained technical personnel, low skills levels, high illiteracy, massive and uncontrolled rural exodus, etc. Education must be seen as a basic tool of development and, therefore, the orientation of all activities in the sector

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(29) RAMS report on Formal Education, 1980.

should be such as to relieve the identifiable constraints confronting the objectives of social and economic progress.

The objectives for the educational sector in the Second National Development Plan (1970-1973) centered mainly around the following issues:

- the number of schools and classrooms;
- the number of teachers and the level of their education;
- the enrolment rate in primary education; and
- the costs of the education system.

An explicit priority was given to the extension of secondary education to satisfy the needs of the public services and of the modern private sector. Education was treated in isolation from other sectors, despite the frequent mention of training needs in the traditional productive sectors.

In the Third National Development Plan (1976-1980), the government explicitly recognized the problem of the educational structures which were not adapted to the realities of the country. The development strategy for the period of the Third Plan included an integration of all forms of education and training into one system. This change in educational philosophy, however, remains theoretical to this day as there is no program or reorganization (even in the planning process) which translates this strategy into effective action.

The basic thrust of educational policy over the past ten years has undergone little modification despite the stated development objectives of the Second and Third National Plans. The basic approach has been to increase enrolment in primary education and, thus, the number of students who continue on

to the secondary level. As a result, the construction of new classrooms and the training and recruitment of teachers have been regularly programmed.

In the Third National Plan the government aspired to offering a level of education which would have, on the one hand, permitted the progressive elimination of illiteracy, while, on the other hand, training the necessary manpower for the economic development of the country. (30) The literacy rate of the rural population, however, increased by only .6% during the period 1975 through 1977, bringing it to 11.5%. (31) It is obvious that the two objectives cannot be achieved solely through increasing primary school enrolment. The adult literacy division in the Ministry of National Education could make a substantial contribution to increasing literacy rates but is at a low level organizationally and receives only a modest budgetary allocation.

The major policy measures taken during the past several years in the education sector have centered around the educational reform of 1973. Without dwelling on the details of the reform, its implications in terms of the organization of the Ministry of National Education and its alignment with general development objectives should be noted.

The application of the reform was the responsibility of an organization created especially for this purpose, the Institut Pédagogique National (IPN). It was created by Presidential decree in August, 1974 and assigned the tasks

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(30) Third National Development Plan, p. 70

(31) RAMS report on Formal Education, p. 79

of research, experimentation, teacher training and the development of pedagogical materials. The institute maintains a privileged position in the ministerial hierarchy, having a direct link to the minister's office and exercising its functions in relative autonomy from the ministry's principal directorates.

The potential role of the IPN in revising the educational system in relation to the objectives of social and economic development is evident. Its accomplishments since its creation, however, have been disappointing; (32) the reform's basic objectives remain unchanged despite the increased application of the Arabic language and the utilization of texts written by a national government institution. Moreover, if the IPN is to revitalize the educational system as a tool for rural development, its responsibilities will have to be extended beyond the process of the educational reform and its role in the formulation of educational policy strengthened.

At the present time there is a diffusion of education sector responsibilities among a number of different government ministries, making the harmonization and coordination of educational objectives very difficult, if not impossible. Ministerial reorganizations which have transferred educational institutions from one ministry to another have further complicated their integration into an overall coordinated system.

A case in point and one of great importance to rural development is the National Agricultural Training and Extension

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(32) Institut Pédagogique National, "Rapport sur les Activités de l'Institut Pédagogique National de 1975 à 1979", May 1979.

School in Kaedi. Following fifteen years of activity in association with the Ministry of National Education, this school was transferred to the Ministry of Rural Development. While this measure permitted the MRD to coordinate its efforts to training future agricultural cadre, it has, unfortunately, cut the links the Education Ministry previously had with the school, and it currently suffers by not having the support of the public institutions specialized in the field of education. (Its agricultural and pedagogical staff is made up of a FAO-financed foreign technical assistance team and Mauritanian personnel.) The school, in other words, operates in isolation from the education sector, making it difficult for it to coordinate its training policy with the various institutions responsible for education and training. The element of integration is obviously essential but lacking in this situation.

The formulation of an educational policy oriented towards national development goals will require a distinctly new orientation on the part of the government. To achieve this, objectives will have to be established from which would flow a common educational policy and an appropriate strategy. The establishment and execution of specific programs within the adopted strategy would have to be coordinated through the Ministry of National Education with the support and technical inputs from other concerned ministries. Furthermore, a significant improvement in the use and allocation of personnel and infrastructure would result from the fusion of formal and non-formal types of education and training, whenever possible. The responsibilities of the regional education directorates would also have to be re-examined in an effort to give a voice to local authorities and communities. On a more technical level, the IPN could be expanded to permit the

institution to design the programs and educational materials for all the areas of formal and non-formal education, as well as the programs for teacher training.

It is clear that there are several fundamental issues affecting the organization of Mauritania's educational structures. In light of future employment prospects in the country, it is apparent that the majority of available sources of employment and revenue will continue to rest in the traditional productive activities of the rural sector. (33) The rate of rural-urban migration has been estimated at 10% per year for the period 1961 to 1975 and represents a tendency to abandon these traditional forms of employment. (34) As a result, the GIRM is attempting to stem the population flow from the rural areas.

The existing organization of the educational system in Mauritania is not structured to prepare its students for a useful role in society nor to meet anticipated employment opportunities or needs. In these circumstances an urgent reorientation and restructuring of the system is required.

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(33) RAMS report on the Employment Situation, 1981

(34) RAMS report on Demographic Projections, 1980

## 6. Project Case Studies

Previous sections of this report have dealt with the organization of the technical services of rural development and the recognition by the GIRM of the weaknesses of its ministerial departments and support institutions as evidenced by its attempts to strengthen their operational effectiveness through restructuring and by the institutionalization of an agricultural credit system.

In order to illustrate more clearly the problems still confronting the rural development services, two case studies of on-going projects are presented in analytical fashion. These projects are different from one another in their activities and conception. Moreover, they involve different government organizations and external funding sources.

The objective in undertaking these case studies is to underline the importance to the government of providing a broad range of effective services and, at the same time, of inducing the population to participate actively and directly in rural development activities. The forms of organization for the implementation of rural development programs is an important policy issue for the GIRM. The comparison of the two case studies should reveal alternative choices for government actions in this area.

The "Petits Périmètres Villageois" managed by SONADER is the object of the first of the case studies. The other concerns the Barkewol Integrated Rural Development Project under the Ministry of Rural Development. It should be pointed out that the accomplishments and the investments

made in these projects are of little concern to the analyses; rather emphasis is placed on their background, management organization, and implementation modalities.

a. Small Village Irrigated Perimeters

Background and Evolution

The introduction of a modern intensive form of agricultural production, less dependent on erratic rainfall patterns, has been one of the major development objectives of the GIRM since the early 1960's. In order to ensure a stable revenue for rural farmers and in the long term to meet the food requirements of the country, the strategy of the government has concentrated on the development of irrigated agriculture in the Senegal River Basin. A major portion of the investment capital for rural development has been allocated to this type of agriculture, as it is seen as the only possibility for attaining the goal of food self-sufficiency and providing a guaranteed source of employment for an important proportion of the rural sedentary population. (35)

Before the institution of the Second National Development Plan (1970-1973), Mauritania undertook several pilot projects to test the viability of irrigated plots and to determine the most appropriate technology to apply to this type of production system. This first experience at sites such as Dar El Barka, Keur Macene, and Lac R'Kiz was not sufficient to provide the guidelines for a program of

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(35) See RAMS report on Irrigated Agriculture for a quantitative analysis of the investments, the production, and employment potential of this sub-sector.

large-scale investments, and it was realized that the excessive capital investments required for irrigation did not present a comparative advantage over other forms of agricultural production.

Nevertheless, the modernization of Mauritanian agriculture was maintained as a principal objective in the Second National Development Plan in which the studies for a number of major irrigation schemes were envisioned. As an interim measure leading up to the creation of the large-scale irrigated perimeters which required feasibility studies and major capital investments, the GIRM adopted a strategy of rapid development of small village-based perimeters. The contribution of the European Development Fund (FED) was solicited to provide financial and technical assistance for this program.

The FED-financed project was called "Opération Petits Périmètres Irrigués" (OPPI) and was placed under the supervision of the Agricultural Service and the Rural Engineering Service of the MRD. Under this project, which later received additional funding from the French aid organization (FAC) and the World Bank (IBRD), a total of 14 small perimeters were implemented between 1966 and 1975, covering a total of 500 hectares. The perimeters were constructed by the villagers themselves with the assistance of expatriate project personnel. The idea was to maintain the most simple technology to facilitate the introduction of irrigated agriculture to traditional farmers and to utilize lands which were rarely cultivated and, therefore, presented few ownership problems.

During the 1966 to 1975 period, progress on the small perimeters was slow. Ideally, provision should have been made for the development of an institutional framework in support of this new type of agriculture. Unfortunately, the attention given to extension services and training was inadequate, resulting in a perpetuation of many fundamental problems of a technical, organizational, managerial, and institutional nature. As noted elsewhere in this report, the unwillingness of external aid organizations to finance the operational components of a project, and the inability of the GIRM to do so, inhibited the development of the support services necessary to maintain the physical infrastructure and equipment provided.

In 1975, the National Corporation for Rural Development (SONADER) was created and was given the responsibility for the study, execution, and control of hydro-~~agricultural~~ agricultural projects. SONADER became operational in 1976, following an initial period for the organization of its services and recruitment of personnel. International aid organizations were attracted to this new semi-autonomous parastatal organization, suspecting that this non-bureaucratic form of public institution could act more efficiently and dynamically than its ministerial counterpart.

In 1977 and 1978, SONADER undertook 18 new small perimeters, financed principally by the FAC under a program which came to be known as the "Petits Périmètres Villageois" (PPV). In May 1979, the 14 perimeters of the OPPI were brought under the responsibility of the SONADER and thus, with the additional FAC-financed perimeters, the SONADER initiated the 1979 rainy season campaign with 32 small perimeters covering a total of 679.5 hectares.

The number of small perimeters controlled by SONADER doubled for the 1980-crop season as additional financing was made available from the FED, the IBRD, and Dutch bilateral aid. (It should be noted that there are an equal number of small perimeters that are either in private hands with no public institutional support or that are managed under other projects financed by various private voluntary or non-governmental organizations (e.g. Lutheran Federation, COSOC, CARITAS.)

There are two main points of interest in this analysis which are related to the change-over of management responsibility from the Agricultural Service to SONADER: (1) the rapid increase in the number of small perimeters as of 1977; and (2) the difference in the implementation modalities between these two organizations.

Between 1977 and 1979, SONADER experienced an extremely rapid expansion of its activities. The number of projects under its control tripled, its personnel increased on an average of 94% per year, and its financial resources went from 103.9 million UM in 1977 to 734.5 million UM in 1979. (36) This explosion of resources has to this day dispersed SONADER's activities to such an extent as to inhibit a rational progression of its capabilities and has placed the organization in a position of perpetual crisis management. In over-extending itself to absorb the massive volume of financial and material contributions from external sources, the organization has been unable to generate the necessary

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(36) SONADER COP - Présentation de la SONADER, January, 1980.

support facilities, evaluate its activities, analyze the major constraints, and undertake corrective measures to alleviate its problems. This has been the case with regard to the PPV's.

Under the direction of the Agricultural Service, the small perimeters were managed under a rather liberal philosophy in terms of the farmer's responsibilities in the operation. The village cooperative organizations were requested to reimburse only the costs of production at the end of each crop season and at subsidized prices which did not include transportation costs. Payments covering the amortization of the pumps were not claimed during the first year of cultivation. Even the FED was willing to finance many of the production inputs as gifts to the farmers during this initial period (e.g. spare parts and pump repairs).

As an autonomous enterprise having a commercial status, SONADER applied a different formula vis-a-vis the farmers when it took over the management of the small perimeters. With the objective of establishing a viable commercial enterprise, SONADER sought to charge the farmers for the real costs of the perimeters and the factors of production. They required payment prior to delivery for the seasonal inputs, including transportation, and attempted to amortize the pumps at the end of each crop season. The farmers were also charged for the extension and maintenance services provided by SONADER. The cooperatives, unable or unwilling to honor their debt payments, were penalized by having the delivery of inputs and services withheld.

These levies were, however, not applied on a uniform basis, as the SONADER inherited many perimeters whose

cooperative organizations had been initiated under the OPPI system, and the abrupt change-over presented serious problems. A variety of conditions prevailed in the various perimeters from Rosso to Selibaby, and a thorough analysis of the production costs was necessary in order to establish an acceptable arrangement with each village depending on the physical condition of the perimeter and the financial situation of the cooperative.

One of the major problems encountered was due to the inadequate attention given to the pumping requirements of each perimeter. The height and distance of the perimeters from the river vary from perimeter to perimeter and within individual perimeters at different times of the year. The size of the perimeters also varies and pump specifications must match the physical characteristics of the individual perimeters to obtain maximum efficiency. In standardizing the pumps throughout the valley, many perimeters either have an excess pumping capacity for the surface area, leading to excessive costs, or have pumps which are not of sufficient power to provide water for the entire perimeter.

The example of this particular technical problem is closely linked to the financial and management difficulties of SONADER and the village cooperatives. This example is used to demonstrate the complexities faced by SONADER and to underline how the rapid expansion of the small perimeters has served only to exacerbate an already complex situation.

Thus, the transition from the ex-OPPI to the SONADER PPV has been fraught with problems. Many of these, which were experienced over the past three years which still exist today in one way or another, are the result of management

decisions taken for the development of the small irrigated perimeters. Another series of problems which have plagued both SONADER as well as the farmers relate to factors external to SONADER. Some of these internal and external problems are reviewed below in an attempt to draw some conclusions which hopefully will contribute to the improvement of the development of irrigated agriculture and other forms of rural production in Mauritania.

#### Problems of the PPV's

Following the 1979 crop season, SONADER undertook a thorough evaluation of the PPV projects. The results of this evaluation were presented in a number of documents which reviewed the situation from various points of view and proposed corrective measures for the rehabilitation of the small perimeters. These documents indicate that over the fifteen years that the small perimeters have been in operation many of the fundamental problems have yet to be addressed. A lack of well-defined responsibilities among the various public services and the continual pressure to produce a financially viable operation has obliged SONADER to concentrate on its own internal problems and its relationships vis-a-vis donor organizations rather than those confronting the farmers themselves. The farmers have rarely been included in management decisions affecting their perimeters and, unfortunately, SONADER has not sufficiently considered the capacities of the farmers before taking decisions.

#### Extension Services:

The availability and quality of extension services provided by the Agricultural Service on the OPPI and by SONADER on the PPV's have had a significant impact on the

success of the small perimeters. Under the original FED project the Agricultural Service furnished an extension worker for each perimeter. As residents of the village, they worked in close contact with several farmers designated by their peers to diffuse the techniques of irrigated rice cultivation. In many cases, although the services offered were generally adequate, the quality of some agents was questionable and the farmers contested their authority and technical know-how.

After the transfer of this operation to SONADER, the increased number of perimeters and the limited funding made it impossible to provide one agent for each perimeter. SONADER even questioned whether the efficiency and productivity of the perimeters was necessarily dependent on the number of extension workers. The organization wished to avoid increasing the costs of its operation and creating a situation in which the farmers were overly dependent on it.

The shortcoming of the Agricultural Service and SONADER was to concentrate uniquely on the agronomic aspects of rice cultivation and not to diffuse through the extension services the organizational and management, as well as mechanical skills, necessary for the farmers to master the new form of agricultural production. This problem has been cited in numerous SONADER papers. The solutions proposed consist of one-time training programs of short duration for pump attendants and cooperative managers, as well as a decentralization of the management responsibilities within SONADER.

It is evident that the GIRM and SONADER could consider thereinforcement of the cooperative structures to deal with

all elements of the production system. The majority of the cooperatives at the present time exist uniquely because they are officially required to exist when a perimeter is created; they have little relationship to other activities of a community. The SONADER operated under the assumption that cooperatives must exist but, in actuality, they are disparate pseudo village mutuels whose only purpose is to satisfy the management organization.

In the absence of a dynamic government department whose role would be to stimulate cooperative organizations and provide the necessary institutional and legal framework to permit the development of a multifunctional cooperative system, the efforts of SONADER to date will have little success in developing such a truly independent system. (37)

#### Pumps and the Physical Infrastructure:

Problems concerning the size of the pumps installed on the various small perimeters were noted above, but this is only one dimension of the situation, as the maintenance and repair of this equipment has been a major difficulty since the days of the OPPI. The most critical issue facing the PPV's has been the maintenance and repair of the pumping equipment, contributing not only to substantial reductions in yields but also to increasing overall production costs. Pump attendants are not sufficiently familiar with the maintenance procedures required for the proper functioning of

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(37) As of 1980, only five of the oldest village mutuels involved in irrigated production with SONADER had official legal cooperative status and were registered with the cooperative division of the Ministry of Rural Development.

the machinery and are unable to handle necessary repairs. The perimeters are totally dependent on SONADER for repair services and spare parts which are often unavailable. In some cases the inaccessibility of the perimeters during the rainy season has caused a complete loss of the harvest because a pump has broken down. It should be noted that SONADER is providing only one pump repair workshop, situated in Boghé, for the entire river valley.

The complexities of supply and management of an adequate spare parts inventory for the pumps that are in operation on the PPV's has caused serious problems not only for SONADER but for the farmers as well. Rather than following a systematic approach, including a needs assessment and proper timing for ordering and delivery of spare parts, SONADER has performed this function on an ad hoc basis.

#### The Credit System:

In the absence of an operational credit institution for the rural sector, SONADER has been obliged to perform this function for the PPV cooperatives. Due to the different conditions imposed by the various external aid organizations, there has been little consistency with regard to the type of credit arrangement offered to the farmers.

The policy-making centers of the GIRM have offered little assistance to SONADER on important issues relating to the type and amount of subsidies to be provided. Credit policy has been the object of routine management decisions based on inadequate information and socio-economic analysis. As the viability of the entire production system is dependent on the efficiency of the operation and on the credit and

price policy of the government, it is obviously essential that these policy functions be coordinated between the appropriate departments and implementing agencies.

In deciding on a credit system, SONADER is caught between the requirement of presenting a profitable venture for the farmers and, at the same time, recovering the maximum portion of their capital outlays in order to continue its efforts with the minimum of public and foreign assistance. These two objectives are incompatible due to the high operating costs of the organization, the mounting prices of equipment, and the small profit margin obtainable by the farmers within the present price structure of rice in Mauritania.

There is an urgent need to study in detail the PPVs' financial and economic parameters of production and to make this information available to the policy-making centers of the government. In this way, a more viable credit system can be established with appropriate subsidies applied to the benefit of both consumers and producers. Without such measures, decisions of this nature, which are not in its terms of references, will continue to be made by SONADER whose objectives of improving the living standards of rural farmers and enlarging irrigated lands are not always compatible.

#### SONADER and National Government Services

Besides the issue of credit policy, the promotion of a modern agricultural production system is dependent for its success on a number of support mechanisms which ordinarily are the responsibility of the government. The government in this sense is meant as those public institutions other than

the SONADER which have a decisive role to play in the irrigated agriculture sub-sector.

The production system depends on a number of basic and complementary functions. Once the initial infrastructure is established, these functions consist of the supply of production inputs, credit, extension and training, and marketing. Several of these functions have already been discussed but, in the context of institution-building and evolution of the agricultural support sector, it is essential to view these from another perspective.

The fundamental question remains: should all of these various functions be the responsibility of a single organization, should they be divided among several public institutions, or should they become the responsibility of private organizations?

SONADER's premise is that, as the cooperatives are not sufficiently mature at this point in time and in consideration of the experience and resources of the parastatal organization, it should encompass all of these functions. This arrangement has the advantage of reducing the need for coordination among several institutions and saving on personnel and other common operating expenses. There are, however, definite disadvantages in terms of the farmers' perspective in that the same organization is providing the physical infrastructure, selling the production inputs, providing loan capital, collecting on the loans in cash or by purchasing their produce, in addition to providing the technical advice and training for the various aspects of the production system. In this context the multi-functional organization has a built-in conflict of priorities. The ever-present danger is that it can, and often does, lose the confidence of the farmers. Such an all-encompassing

operation puts SONADER in a position of having to combine its various functions, and at the same time disassociating itself in the eyes of the farmers as a credit organization and as a development organization. This is essentially the framework within which SONADER is operating at the present time.

Rather than concentrate on developing the necessary institutional capacity of a marketing institution, such as the OMC, and a credit institution (FND), it would appear more appropriate to consider applying a strategy which placed much of the responsibility on the cooperative movement. The growth of production on the irrigated perimeters may be slower than if State-supported institutions assumed all of the support functions, but a more self-sustaining system could be developed through the creation of local and regional cooperative unions and a national cooperative federation which could act as a credit intermediary and also represent the farmers on questions of a policy nature. (38)

### Conclusions

The transition from traditional forms of agricultural production to more modern intensive forms, such as practiced on the PPVs, requires not only a significant capital investment but also an important change in the attitudes and social organization of the producers. In the wake of a number of years of severe drought, farmers in Mauritania urgently need to have a secure means of production to fulfill their consumption and marketing requirements. The rapid proliferation of irrigated perimeters has not been undertaken without

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(38) See RAMS report on the Private Sector for a discussion of the advantages of a cooperative system.

encountering major difficulties. Rather than attempt to concentrate on alleviating the problems of input supply, pump repair and maintenance, credit, the management and technical capabilities of the farmers as well as those of the management organization, SONADER has focused essentially on multiplying the surface area under cultivation.

The complexities of irrigation compared to the methods and inputs employed by farmers in the cultivation of diéri and walo necessitate government support. The GIRM realized that a non-bureaucratic form of organization was needed to give that support and, therefore, created SONADER. As a young organization faced with an enormous responsibility, SONADER has made a monumental effort in the face of a number of major obstacles. The organization, however, has never been able to catch its breath because of the rapid expansion of irrigated perimeters in the country, as well as face up to a number of other additional responsibilities which have been confided to it.

The problems of the PPVs demonstrate that the efforts of SONADER have not been sufficiently directed towards fostering local participation in the management of the production system. Mastery of the technical and organizational complexities of irrigated agriculture by the farmers of the river valley should ideally constitute the primary goal of this institution. The loss of motivation or even the abandonment of irrigated agriculture may be the unfortunate outcome of an approach which ties the farmers into a dependent relationship with a government organization.

The promotion of intensive agriculture requires an important set of inputs from public agencies. For this purpose

the institutional framework is still in the early stages of development. A balance must be sought in which the responsibilities of the public organizations and those of the farmers and their cooperative organizations are well defined.

RAMS reports have inter alia described the various forms of traditional social organization among the different ethnic groups of the river basin. These societies are highly structured and are experiencing rapid social change in varying degrees and on different levels. Nevertheless, it is a risky undertaking to attempt to impose a single preconceived form of organization on these groups or to assume that a major productive activity can take place outside of the context of traditional social relationships.

The criteria for the creation and management of small irrigated perimeters have been predominantly financial and economic and often based on faulty assumptions and inadequate information. Under the pressure of achieving a quick impact on the volume of cereals produced in the country, the government may be endangering its objectives by alienating the farmers and discouraging their participation in this form of agriculture.

In order to gain the support and active participation of the farming communities, the development of irrigated agriculture should be integrated into a broader strategy which allows the local population more choice and avoids the establishment of a dependent relationship vis-a-vis the government.

Traditional farmers in the Sahel are, for the most part, living on the margin of subsistence and will certainly be amenable to any arrangement which can improve their lot. The government should move cautiously in presenting new production systems which, when unrefined and of questionable benefit to the farmers, will reduce the enthusiasm of the rural people to support and participate in publicly-sponsored programs designed for their benefit.

b. The Barkewol Integrated Rural Development Project

In contrast to the irrigated agriculture sub-sector, dry-land agriculture (including rainfed and recessionary forms of cultivation) constitutes the principal type of crop production practiced in Mauritania. For the different varieties of traditional agriculture (diéeri, walo, barrage) which are all classified under the term "dryland", the active population numbers 600,000 or 71% of the total rural population. As this form of agricultural production depends entirely on rainfall for its water supply, the surface area under cultivation can vary from a minimum of 90,000 to about 230,000 hectares.

Approximately 70% of all the villages in the country practice dryland cultivation for the production of basic food crops (cereals and legumes) which are, for the most part, auto-consumed by the farming families. This traditional form of agriculture represents an enormous potential, capable of a significant contribution towards the national goal of food self-sufficiency. Unfortunately, this sub-sector has not benefitted from significant private or public investments. The efforts which have been undertaken in this area have been

sporadic and have had little long-lasting impact on production. (39)

Since the period of the Third National Development Plan, the majority of public investments in agriculture have gone into the development of irrigated perimeters with only a small portion of the available investment capital allocated to the traditional types of agricultural production. A rough comparison of these two sub-sectors in terms of investments reveals that the major projects in dryland agriculture since 1976 totalled 238.7 million UM (40) whereas the investments in irrigated agriculture undertaken by SONADER between 1976 and 1979 have been on the order of 2,401.9 million UM. (41)

The GIRM has recognized the importance of dryland agriculture and has declared its intentions to give priority to the improvement of traditional agriculture production systems in the medium term. (42) RAMS' assessment indicates that significant increases in yields can be achieved with the application of relatively simple production techniques, providing that the need for institutional support in terms of input supply, agricultural credit, extension services, research, prices and marketing, can be assured.

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(39) For an in-depth review of all aspects of this sub-sector, see RAMS study Dryland Agriculture, 1980

(40) Ibid, p. 120

(41) Présentation de la SONADER-COP/SONADER, January 1980. (Complete list of on-going and completed projects, Annex 3)

(42) See interview with the Minister of Rural Development, CHAAB No. 1594 September 26, 1980.

A small-scale integrated rural development project has been selected for the second case study, one which deals essentially with traditional agriculture. The size of the activity, its organization, and implementation modalities are vastly different from what was observed in the SONADER PPV projects. As in the previous case study, it is useful to review the organizational and managerial aspects of the project in an attempt to draw some conclusions which can help to improve the design of future similar activities.

### Background

The Barkewol Integrated Rural Development Project is funded by the Lutheran World Federation (LWF), a non-governmental organization operating in Mauritania. This organization operates mainly in liaison with the Mauritanian Red Crescent Society (MRCS) which is its local counterpart agency. The official status of the LWF in Mauritania is established through a general agreement with the MRCS. In the context of this agreement LWF participates in various development activities, such as forestry, a socio-medical center, village development, food distribution, and the Barkewol Rural Development Project, by providing funds, commodities, and technical assistance.

The decision to become involved in the integrated rural development project was taken in 1978. Specifically, LWF committed itself to assisting traditional farmers engaged in recessionary agriculture, using small water retention dams in the Assaba region. A first attempt at project identification was undertaken by a hydrologist hired by LWF in collaboration with technicians from the Rural Engineering Services of the MRD, as well as the agricultural service chief and the

Governor of Assaba. During the project design phase the regional, departmental and national authorities, as well as the local population, were consulted to identify the types of interventions and the specific localities which would be the most beneficial to the area. Through this process, a mutual agreement was reached to concentrate the project on a specific number of dam sites in the Aftout Department of the region.

A second engineer was brought in by LWF to do a feasibility study on the proposed activities. His report was submitted to the regional authorities and the national Agricultural Service Director. Following acceptance of the major conclusions of the report by these officials, LWF proceeded to draw up a project proposal which was endorsed for implementation by the Agricultural Service.

The formal agreement for the project was made by a simple exchange of letters between LWF and the Agricultural Service through the intermediary of the MRCS. No other government departments were associated in the negotiations or the agreement on this project. The LWF made a commitment to finance the project over a four-year period for a total of \$850,000 (38,250,000 UM).

#### Organization of Project Management

A management committee was established with representatives from the Agricultural Service, the MRCS, LWF, and the regional administration for overall project supervision and policy-level decisions. Responsibility for project implementation was assigned to the Director of the Agricultural Service who delegated daily management responsibilities to a project chief who resides in the Aftout Department headquarters

at Barkewol. The chief of the project, working in collaboration with the regional Agricultural Service chief in Kiffa, is assisted by several Agricultural Service field agents. During the second year of the project in 1980, LWF hired an expatriate agronomist who serves as agricultural coordinator and technical assistant to the project. Close working relationships are maintained with both the regional governor in Kiffa and the departmental prefect of Barkewol.

The project headquarters in Barkewol, including office space, housing, and a tree nursery, constitute a departmental sub-division of the Agricultural Service and thereby contribute to increasing the capacity of the overall national agricultural extension service. Financial management, including the purchase of supplies and commodities, is handled by the LWF office in Nouakchott. A monthly report with a financial statement and technical section is drawn up by LWF personnel and sent to each member of the management committee. Any changes in budgetary provisions are made in consultation with the Director of the Agricultural Service in Nouakchott.

### Project Interventions

The principal activities of the project concern the improvement of traditional recessionary agriculture as practiced with the installation of earthen dams and the use of environmental protection and regeneration techniques. In 1980, a total of 10 farming communities were assisted in reinforcing their traditional dams by the distribution of tools and the proffering of technical advice from the project staff. Approximately 2,000 families benefitted from this activity to improve dam construction and maintenance, water management,

and cultural practices for millet and sorghum, as well as vegetable production.

The participating communities have been organized into 35 cooperative groups with 435 families. This first attempt to organize production within the community has been fairly successful, and the project has begun to request partial payment for the tools provided to the villages through the collection of millet which is subsequently treated and stored for sowing the following year. In addition, the collective activities include the planting of various tree varieties as live fencing around the cultivated areas and elsewhere. The seedlings are distributed from the tree nursery set up by the project in its headquarters at Barkewol.

The attempts to organize these farming communities have been marked by a number of social problems. Disputes over land tenure have surfaced when improvements are introduced and have been an obstacle to an equitable distribution of benefits.

As the majority of the farming communities are also involved in herding animals, the project envisions introducing the production of fodder crops to improve animal production and encouraging the integration of the agricultural and livestock sectors. The project has also extended its activities into the educational sector by establishing vegetable gardens in several of the area's primary schools. The project participates by providing seeds, tools, and technical advice to the children involved in school gardens.

#### Coordination with Other Projects and Public Institutions

On an informal basis the project has developed a number of institutional contacts which serve to enhance the effectiveness of its interventions by calling upon technical expertise readily available in the country. In order to profit from the experience of similar rural development projects operating in the country, the project maintains close contact with the

Integrated Rural Development Projects of the Guidimakha (USAID and War on Want) and the "Projet COSOC" in the Trarza. These contacts are extremely beneficial through the sharing of experiences and ideas among various projects having similar types of activities. The project has also developed relationships with the agricultural school at Kaédi, which has provided invaluable technical advice, as well as fruit tree seedlings for sale to the farmers in the project area. The project receives students from the school during their practical training sessions. The newly created Technical and Professional Training Center (CFPP) in Nouakchott is undertaking a collaborative effort with the LWF to produce hand tools and train local blacksmiths to manufacture them. This activity has great potential for reducing the costs of imported tools and for providing employment for the rural blacksmiths.

In this same collaborative spirit, LWF has recently undertaken an evaluation of the Barkewol project with the assistance of the Environmental and Agricultural Development Organization (ENDA). The evaluation involves the Agricultural Service, the Rural Engineering Service, and agricultural school at Kaédi, in addition to the personnel from LWF and ENDA.

### Conclusions

The organization and management of the Barkewol Integrated Rural Development Project presents several advantages which can be summarized as follows:

- Autonomous management which is non-bureaucratic but, at the same time, well integrated into both national and regional level administrations;

- Small-scale and area-specific activities allowing for a maximum level of participation by the local communities;

Coordination with other projects and public institutions for exchange of knowledge and resources.

The Barkewol IRD Project has benefited from the personal initiatives of several expatriates from the Lutheran World Federation. Their **positive** role in the successful implementation of the project points to the need to develop an institutional project management capacity within the MDR. Consideration should, therefore, be given to training a core of MDR non-technical managers to assume similar-type administrative functions.

The proliferation of this type of small-scale project which concentrates on traditional forms of agricultural production and which requires relatively small capital inputs is a development strategy which could be replicated by the GEM. The structure of the project is such that foreign aid activities can have an immediate impact on the poorest level of society and can contribute to the self-sufficiency of many rural villages. There are definite advantage to decentralised authority with the delegation of project management decision-making to the regional and local levels. Interventions of the type presented do not necessitate the creation of new institutions or agencies and can significantly contribute to reinforcing existing local public services.

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