Board Meeting of November 11, 1997
Statement by Jannes Hutagalung

**Niger: Country Assistance Strategy**

At the outset, let me applaud this CAS for Niger which takes advantage of a window of opportunity to alleviate poverty in Niger and to pave the way for eventual improvement in the livelihood of its people.

The country has mired in poverty in the last 30 years partly because of economic mismanagement. The recent improvement in the implementation of IDA projects and the economic stabilization programs put forward by the authorities seem to indicate the commitments of the authorities to undertake realistic and meaningful economic reform.

The modest 2-3 percent growth envisaged in the baseline scenario look ambitious as against the poor performance of the economy in the last 30 years. The 4-5 percent growth assumed in the government’s PFP, if realised, would represent an exceptional era in the economic history of the country.

In the midst of these optimistic scenarios, I would like to raise some questions.

The 30 years of aid by multilateral institutions and bilateral agencies have not been able to reverse the sustained decline in the per capita income of Niger. The staff has come to admit the previous CAS had been too ambitious and complicated. I can agree with the staff that the present CAS is more realistic and straightforward. But in the context of a continued political instability and a lack of apparent ownership of the programs under the CAS by the majority segments of the society, what is the risk that at the end of 3 years the staff will come back and say that most of the development objectives have not been met and a large number of programs are being rated unsatisfactory.

The CAS has pointed out the stark reality that major opportunity for economic development in Niger lies in regional linkages and, in particular, with Nigeria. My question is whether this reality is accepted by the government and the major political parties, without their full support this CAS will go nowhere. Support of the major bilateral donors is also crucial on this respect.

Finally, the high population growth rate of 3.3 percent ranks equal with poor natural resources and low levels of human capital investment as the major obstacles for improvement in the livelihood of the people. How the Bank is going to deal with this problem in the face of resistance by major segments of the society and the natural instinct of survival of the people in the light of high child mortality rate.