Board Meeting of November 11, 1997  
Statement by Pieter Stek  

Niger - Country Assistance Strategy  

We welcome the opportunity to discuss this CAS and commend staff both for a frank analysis, which makes it clear that the previous CAS has not achieved the expected goals, and for a more realistic approach presented in this CAS.

As in the case of Ethiopia, poverty cannot but be at the center of the CAS for Niger too. Thus, reduction of the number of the poor in Niger has to remain the most important priority of the Bank. At the same time, we welcome the government’s strategy for poverty reduction formulated in the Economic Recovery Program which was approved by the Parliament in July 1997.

This chair strongly supports the CAS for Niger, both the lending scenario and triggers. Human capital development, particularly the investment in education and health, is completely justified as a major priority. Moreover, improvement in the management of Niger’s scarcest resource, water, is essential as a future focus of the Bank's operations in this country.

Sound economic policy is a prerequisite for dealing with Niger on a long term basis. Private sector development, which is becoming increasingly important, and basic social services require credible public finance management. This chair appreciates the fact that Niger has renewed its ESAF program with the IMF for this year and hopes that the forthcoming IMF review mission will be able to recommend disbursement of the 2nd tranche of the ESAF program.

Given the fact that in the past Niger’s public finance management faced many difficulties, I would like to ask staff for more information on what the government is doing to improve the situation in this area, especially regarding the governance issue.

Improvement of portfolio implementation is imperative for the success of this CAS. The undisbursed portfolio is still huge and it covers very important sectors such as education, health, infrastructure and agriculture. As mentioned in the document, performance is mirrored in the IDA portfolio, where most of the credits have been unsatisfactory in achieving their objectives. At the same time, the document mentions that the number of problem projects has declined and the disbursement ratio on investment projects increased from 16% to 30%, which is well above
the average African disbursement ratio. Since I see a contradiction in this, could the staff provide a clarification on this issue.

We would like to encourage staff to intensify its efforts in the institution building area using both lending and non-lending instruments, given the fact that the still present political instability may further decrease the implementation capacity of the country.

Since poverty is so widespread in Niger, especially among women who constitute the majority of the population, we support the staff’s intention to concentrate the Bank’s future operations in the poorest rural areas. With respect to this, I consider that an increase of the Bank’s microlending activities, including designing separate operations, is needed. I would appreciate more information from staff on how the existing microlending operations are being implemented and what is the percentage of female participation.

In spite of the Bank’s view on the importance of the population issue and the priority of family planning, gender projects are not appreciated by many of the political, social, and religious leaders in the country. I would like to encourage staff to continue its efforts in addressing this issue, since population growth represents one of Niger’s most important and most difficult development issues.

Niger is a country which is highly dependent on both development and humanitarian aid and it requires strong and coordinated support by the donor community. Thus, we would like to receive more information about the role that the Bank is playing in the area of donor coordination and on co-financing of the Bank financed projects.

Given the fact that interest for investment in Niger’s private sector is growing, we strongly recommend that IFC start with its operations in this country, especially as the privatization process has already begun.

I would also like to encourage the government to finalize its activities on membership in MIGA in order to enable this institution to take part in the development of the country.