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Niger

Summary of draft national programme of action

## I. SITUATION IN THE 1990s

1. Introduction. Niger is a huge landlocked country of which more than two thirds is desert. It is a poor country with a per capita income currently estimated at \$150. Sixty-three per cent of its population lives below the poverty line. An estimated 34 per cent of the population lives in extreme poverty. The economy is based on the exploitation of natural resources. Over 85 per cent of the population depends on the rural economy, which accounts for just 40 per cent of gross domestic product (GDP). The other contributors to GDP are industry and construction (14 per cent, of which uranium mining accounts for 5 per cent) and services (46 per cent, of which trade accounts for 17 per cent). The informal sector predominates. Income from uranium has had a significant impact on the country's economic structure since the second half of the 1980s. The public sector ballooned after the upturn in the price of uranium, which alone accounted for 80 per cent of all export earnings.

2. Overall socio-economic performance in the 1990s. The structure of the economy, much of which is in the informal sector, is not consistent with the country's financing requirements. Government revenue fell from 13 per cent of GDP in the 1980s to 7.2 per cent in 1995 (approximately 9 per cent in 1998). Staff costs absorb a large proportion of tax receipts. Investment is in decline and the flow of foreign aid is diminishing despite growing needs: 95 per cent of investment is supported by outside resources. The country's external debt, which was estimated at 912.4 billion CFA francs (CFAF) (approximately \$1.4 billion) on 31 December 1999, is jeopardizing priority projects while the lack of domestic savings is inhibiting the development of private-sector activities. There have nevertheless been significant reforms in the conditions under which the private sector operates. An institutional framework to promote the sector exists, but the banking system cannot satisfy the needs of many potential entrepreneurs. The microcredit system, which in theory is better suited to the task remains rudimentary.

3. Throughout the 1990s Niger ranked among the bottom three countries on the human development index. The school enrolment rate is a puny 29 per cent. Health coverage is just 32 per cent, and medical centres are desperately short of medicines. One in four children dies before the age of five, and one in six is underweight. There are great disparities between the sexes and between towns and the countryside. Women play little part in socio-economic life for various reasons (upbringing, high fertility, low incomes and lack of suitable financing for women's activities). Poverty reduction is still the first requirement if living conditions are to improve. Poverty shows itself in the average decline in real GDP of 0.5 per cent a year, in famine, in job insecurity, in irregularly paid wages (arrears of several months in the civil service), in a growing rural labour force of peasants with neither land nor means of earning money, in increasingly pervasive begging, increasingly pressing wage demands and in declining security and rising corruption. A little progress has been made nevertheless in small-scale production, tourism (following the restoration of peace), financial intermediation and initiatives by civil society.

4. Factors shaping the course of the country during the 1990s. Over the 1990s the economy became more vulnerable, and it was winded by the adjustments occasioned by the devaluation of the CFA franc in 1994. Floods caused extensive damage to infrastructure, leaving the country still more dependent on outside resources to finance its economy. Three shock waves struck

during the 1990s: (i) the collapse of export earnings from uranium, the country's main export; (ii) a slump in official development assistance (ODA); (iii) the continuing socio-economic crisis in Nigeria. Domestic tensions, including an incursion by the army into political life, reduced the chances of securing more aid. Furthermore, the country has a weak credit absorption and aid coordination capacity, and owing to its geographical location and economic structure is less well placed than its neighbours to take advantage of regional cooperation within the West African Economic and Monetary Union (WAEMU).

## II. THE PROGRAMME OF ACTION 2001-2010

5. The principal objective of the National Programme of Action. This is to reduce poverty and give the country a productive capacity that will reduce its isolation from the global economy. Sustainable human development depends on the realization of this objective. Thus, it is important (i) to improve basic social indicators; (ii) to relax the constraints on exports by boosting the quality and competitiveness of goods and services produced; (iii) to attract greater inward investment. The Government is pursuing these aims by drawing up a five-year development plan and the Strategy Document on Poverty Reduction, which will provide a frame of reference for the Government, the country's development partners and civil society stakeholders.

6. The phases of the National Programme of Action. It is envisaged that the National Programme of Action will proceed as follows: (i) a priority campaign against poverty; (ii) an extended poverty-reduction campaign; this phase corresponds to the updated poverty reduction programme which was presented to and accepted by Niger's development partners in Geneva in 1998 (round table on poverty eradication); (iii) the pursuit of macroeconomic reforms for sustainable growth; (iv) a guarantee of good governance to ensure that the process secures general participation and acceptance; (v) an assessment of programme financing requirements and the establishment of a follow-up and evaluation mechanism. These various phases are interconnected and do not differ in essentials from the line taken in the Strategy Document on Poverty Reduction. Furthermore, specific programmes will be designed to ensure that economic and social objectives concerning women, young people and the development of tourism are taken into account.

7. The first phase is the emergency one. It is concerned with boosting national income. Ways must be found to prevent a further deterioration of the current situation by reducing the country's vulnerability. Areas affected by natural disasters and famine will be rehabilitated. In addition, a more sustainable approach will be incorporated into the national strategy for food security. The initial cost of this phase is estimated at CFAF 1 billion (approximately \$1.5 million). It includes the rehabilitation of infrastructure destroyed by floods, particularly the floods of 1998, the emergency programmes in the north and east, and a reduction of the country's internal and external debt. As far as external debt is concerned, lenders must make allowance for the situation of non-petroleum-producing landlocked countries. Without immediate and massive relief of their external debt, poverty will get worse. Furthermore, arrears on internal debt are hampering a resumption of private-sector activities. The Government must seek continued support for the payment of salary arrears.

8. The second phase is concerned with expediting the development process by pursuing programmes that can boost sustainable development through poverty reduction (education, public health) and the development of human resources. It will require public- and private-sector investment and substantial development assistance. Financial intermediation also needs to be developed, because the country's development partners want to see their support going directly to beneficiaries. Investments need to be made much more effective and criteria for effective spending must be defined in order to achieve this end. Programmes are tailored to objectives in rural development, infrastructure, small-scale production and other service activities. The development of human resources goes hand in hand with these objectives. For example, crop intensification also promotes employment in rural areas and focuses attention on water management, which can lead to diversification of production.

9. The specific social objectives of the National Programme of Action and the framework programme for poverty reduction are: (i) to raise the potential for job-creation through income-generating activities in rural and urban areas; (ii) to reduce population growth by boosting family planning and increasing female literacy; (iii) to improve public nutrition and limit the risk of epidemics; (iv) to raise the level of school enrolment, particularly in rural areas, and enhance public education. Women and young people merit special attention.

10. The third phase of the National Programme of Action is concerned with pursuing reform. Macroeconomic reforms are needed to ensure sound growth and competitiveness, failing which it will be difficult to integrate the country more satisfactorily into the global economy. This means bringing the major macroeconomic indicators back into balance. The Government's targets for the period 2001-2010 are: (i) to achieve real GDP growth of at least 5.5 per cent a year; (ii) to contain inflation at below 3 per cent; and (iii) to reduce the current balance of payments deficit (excluding grants) to 5 per cent of GDP or less from 2002. These targets are among the WAEMU convergence criteria, and will underpin budgetary and monetary policy, efforts to promote the private sector, and sectoral policy.

11. The fourth phase of the programme deals with governance, and hence indirectly with changing people's mentalities. Grass-roots associations and other bodies can help to shape innovative activities originating among the general public. Progress has been made since the advent of democracy. But partisan behaviour must yield to the values of hard work, justice and competence. Likewise, the Government and civil society must play complementary roles, and civil society should display greater professionalism. Lastly, ease of communication appears to be a key element in ensuring that people are masters of their own destinies. The development of rural media should facilitate the expression of grass-roots opinions.

12. The fifth phase of the programme will be concerned with following up on all the other phases, with backing from the Government, the country's development partners and civil society.

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