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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(Credit No. 4189-NIR and Grant No. H3080-NIR)

ON
CREDIT/GRANT

IN THE AMOUNT OF SDR67.9 MILLION
(US$100.00 MILLION EQUIVALENT)

TO

THE REPUBLIC OF NIGER

FOR
FIRST RURAL AND SOCIAL POLICY REFORM CREDIT (RSRC-1) AND SECOND RURAL AND SOCIAL POLICY REFORM GRANT (RSRC-2)

December 19, 2008

Human Development II
Country Department AFCF1
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate as of October 2008- average)

Currency Unit	CFA Franc
US$1.00	517.5

FISCAL YEAR

January to December

ABBREVIATIONS AND ACRONYMS

ARMP:	Public Procurement Regulatory Agency
CAS:	Country Assistance Strategy
CCA:	Food Crisis Unit
CFAA:	Country Financial Accountability Assessment
COGES:	School Management Committee
CPAR:	Country Procurement Assessment Review
CRD:	Dispute Resolution Committee (public procurement)
CT:	Contractual Teacher
DGCMP:	Directorate for Public Procurement
DGPP:	Government Declaration on Population Policy
ENI	Teachers School
HIPC:	Highly Indebted Poor Country
IEG:	Independent Evaluation Group
IMF:	International Monetary Fund
INS:	Statistics Office
LF:	Finance Law
M&E:	Monitoring and Evaluation
MDRI:	Multilateral Debt Relief Initiative
MDG:	Millennium Development Goals
MEF:	Ministry of Economy and Finance
MOH:	Ministry of Health
MTEF:	Medium-Term Expenditure Framework
ONAHA:	Organization for Management of Hydraulics Resources
PAD:	Project Appraisal Document
PDO:	Program Development Objective
PEMFAR:	Public Finance Management and Financial Accountability Review
PLIADI:	Food Security through Irrigation Development
PRGF:	Poverty Reduction and Growth Facility
PRSP:	Poverty Reduction Strategy Paper
QER:	Quality Enhancement Review
RDS:	Rural Development Strategy
RSRC:	Rural and Social Policy Reform Credit
SPR-CR:	Land Administration Offices
UNDP:	United Nations Development Program
WAEMU:	West African Economic and Monetary Union

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ICR Team Leader: Setareh Razmara
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REPUBLIC OF NIGER

REPUBLIC OF NIGER

IMPLEMENTATION COMPLETION AND RESULTS REPORT
FIRST RURAL AND SOCIAL POLICY REFORM CREDIT (RSRC-1)
SECOND RURAL AND SOCIAL POLICY REFORM GRANT (RSRC-2)

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A. Basic Information

Program 1			
Country	Niger	Program Name	Rural and Social Sector Policy Reform Credit 1
Program ID	P096411	L/C/TF Number(s)	IDA-41890
ICR Date	12/19/2008	ICR Type	Core ICR
Lending Instrument	DPL	Borrower	REPUBLIC OF NIGER
Original Total Commitment	XDR 34.8M	Disbursed Amount	XDR 34.8M
Implementing Agencies Ministry of Economy and Finance			
Cofinanciers and Other External Partners			

Program 2			
Country	Niger	Program Name	Rural & Social Policy DPL II
Program ID	P098963	L/C/TF Number(s)	IDA-H3080
ICR Date	12/19/2008	ICR Type	Core ICR
Lending Instrument	DPL	Borrower	REPUBLIC OF NIGER
Original Total Commitment	XDR 33.1M	Disbursed Amount	XDR 33.1M
Implementing Agencies Ministry of Economy and Finance Ministry of Economy and Finance			
Cofinanciers and Other External Partners			

B. Key Dates

Rural and Social Sector Policy Reform Credit 1 - P096411

Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	12/20/2005	Effectiveness:	07/31/2006	07/31/2006
Appraisal:	03/28/2006	Restructuring(s):		
Approval:	06/13/2006	Mid-term Review:		
		Closing:	06/30/2007	06/30/2007

Rural & Social Policy DPL II - P098963

Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	02/05/2007	Effectiveness:	08/20/2007	08/20/2007

Appraisal:	03/27/2007	Restructuring(s):		
Approval:	06/19/2007	Mid-term Review:		
		Closing:	06/30/2008	06/30/2008

C. Ratings Summary

C.1 Performance Rating by ICR

Rural and Social Sector Policy Reform Credit 1 - P096411	
Outcomes	Moderately Satisfactory
Risk to Development Outcome	Moderate
Bank Performance	Moderately Satisfactory
Borrower Performance	Moderately Satisfactory

Rural & Social Policy DPL II - P098963	
Outcomes	Moderately Satisfactory
Risk to Development Outcome	Moderate
Bank Performance	Moderately Satisfactory
Borrower Performance	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

Rural and Social Sector Policy Reform Credit 1 - P096411			
Bank	**Ratings**	**Borrower**	**Ratings**
Quality at Entry	Moderately Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance	Moderately Satisfactory	Overall Borrower Performance	Moderately Satisfactory

Rural & Social Policy DPL II - P098963			
Bank	**Ratings**	**Borrower**	**Ratings**
Quality at Entry	Moderately Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance	Moderately Satisfactory	Overall Borrower Performance	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Rural and Social Sector Policy Reform Credit 1 - P096411			
Implementation Performance	**Indicators**	**QAG Assessments (if any)**	**Rating:**
Potential Problem Program at any time (Yes/No):	No	Quality at Entry (QEA)	None
Problem Program at any time (Yes/No):	No	Quality of Supervision (QSA)	None
DO rating before Closing/Inactive status	Satisfactory		

Rural & Social Policy DPL II - P098963			
Implementation Performance	**Indicators**	**QAG Assessments (if any)**	**Rating:**
Potential Problem Program at any time (Yes/No):	No	Quality at Entry (QEA)	None
Problem Program at any time (Yes/No):	No	Quality of Supervision (QSA)	None
DO rating before Closing/Inactive status	Satisfactory		

D. Sector and Theme Codes		
Rural and Social Sector Policy Reform Credit 1 - P096411		
	Original	**Actual**
Sector Code (as % of total Bank financing)		
General agriculture, fishing and forestry sector	20	20
General public administration sector	20	20
Health	20	20
Other social services	20	20
Primary education	20	20
Theme Code (Primary/Secondary)		
Education for all	Primary	Primary
Health system performance	Primary	Primary
Public expenditure, financial management and procurement	Primary	Primary
Rural policies and institutions	Primary	Primary
Social safety nets	Secondary	Secondary

Rural & Social Policy DPL II - P098963		
	Original	Actual
Sector Code (as % of total Bank financing)		
General agriculture, fishing and forestry sector	20	20
General public administration sector	30	30
Health	20	20
Other social services	10	10
Primary education	20	20
Theme Code (Primary/Secondary)		
Education for all	Primary	Primary
Health system performance	Primary	Primary
Public expenditure, financial management and procurement	Primary	Primary
Rural policies and institutions	Primary	Primary
Social safety nets	Secondary	Secondary

E. Bank Staff

Rural and Social Sector Policy Reform Credit 1 - P096411		
Positions	At ICR	At Approval
Vice President:	Obiageli Katryn Ezekwesili	Gobind T. Nankani
Country Director:	Madani M. Tall	Madani Tall
Sector Manager:	Eva Jarawan	Alexandre V. Abrantes
Task Team Leader:	Setareh Razmara	Setareh Razmara
ICR Team Leader:	Setareh Razmara	
ICR Primary Author:	Jerome F. Chevallier	

Rural & Social Policy DPL II - P098963		
Positions	At ICR	At Approval
Vice President:	Obiageli Katryn Ezekwesili	Obiageli Katryn Ezekwesili
Country Director:	Madani M. Tall	Madani M. Tall
Sector Manager:	Eva Jarawan	Eva Jarawan
Task Team Leader:	Setareh Razmara	Setareh Razmara
ICR Team Leader:	Setareh Razmara	
ICR Primary Author:	Jerome F. Chevallier	

F. Results Framework Analysis

Program Development Objectives (from Program Document)

The First and Second Rural and Social Policy Credit/Grant series (RSRC-1 and RSRC-2) were designed as part of a series of Development Policy Lending operations (DPL) to support the Government of Niger in improving service delivery to the poor and in implementing reforms in public sector management to secure adequate financing in critical sectors of the economy. Within a medium-term framework, these two budget support operations (RSRC-1 and RSRC-2) as well as ongoing investment projects in agriculture, education, health, and population, focused on overcoming policy constraints and institutional bottlenecks in: (i) public sector management; (ii) agricultural growth and rural development; and (iii) human development, including demographic growth and gender issues. Both DPL operations supported a strategic subset of the Government PRSP policy and reform agenda.

Revised Program Development Objectives (as approved by original approving authority)

Not applicable

(a) PDO Indicator(s)

Rural and Social Sector Policy Reform Credit 1 - P096411				
Indicator	**Baseline Value**	**Original Target Values (from approval documents)**	**Formally Revised Target Values**	**Actual Value Achieved at Completion or Target Years**
Indicator 1 :	Strengthen links between budget allocation and government priorities defined in PRSP: share of total Public Expenditure in ed ucation, health and rural sector. Definition and values for rural Dev. were updated as part of the RSRC-2 preparation.			
Value (quantitative or Qualitative)	Education: 17.7% Health: 7.3% Rural: 25.3%	Education: 20% Health: 10% Rural: 25.3%		Education: 18.8% Health: 9.8% Rural: 22.5%
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 2 :	Operationalize the rural development strategy : number of programs implemeted under RDS. The target was revised as part of th e RSRC-2 preparation.			
Value (quantitative or Qualitative)	0	23		4
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			

Indicator 3 :	Improve share of girls in total primary enrollment			
Value (quantitative or Qualitative)	41%	44%		42%
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 4 :	Increase share of qualified health staff deployed in rural areas			
Value (quantitative or Qualitative)	48%	56%		52%
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			

Rural & Social Policy DPL II - P098963				
Indicator	**Baseline Value**	**Original Target Values (from approval documents)**	**Formally Revised Target Values**	**Actual Value Achieved at Completion or Target Years**
Indicator 1 :	Strengthen links between budget allocation & Gov.priorities defined in PRSP: share of total Publ. Expend. in education, h ealth and rural sector. Definition and values for rural Dev. were updated as part of the RSRC-2 preparation.			
Value (quantitative or Qualitative)	Education: 17.7% Health: 7.3% Rural: 25.3%	Education: 20% Health: 10% Rural: 25.3%		Education: 18.8% Health: 9.8% Rural: 22.5%
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 2 :	Operationalize the rural development strategy : number of programs implemented under RDS. Definition and values for rural Dev . were updated as part of the RSRC-2 preparation.			
Value (quantitative or Qualitative)	0	23		4
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 3 :	Improve share of girls in total primary enrollment			
Value (quantitative or Qualitative)	41%	44%		42%
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments	Targets were set for end of 2008 based on a series of three operations.			

(incl. % achievement)	However, the series was ended after two operations.			
Indicator 4 :	Increase share of qualified health staff deployed in rural areas			
Value (quantitative or Qualitative)	48%	56%		52%
Date achieved	12/30/2005	12/30/2006		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 5 :	time period for handling complaints (ARMP)			
Value (quantitative or Qualitative)	15 working days	7 working days		10 working days
Date achieved	01/01/2007	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			

(b) Intermediate Outcome Indicator(s)

Rural and Social Sector Policy Reform Credit 1 - P096411				
Indicator	**Baseline Value**	**Original Target Values (from approval documents)**	**Formally Revised Target Values**	**Actual Value Achieved at Completion or Target Years**
Indicator 1 :	Increase total pro-poor spending/total public expenditures			
Value (quantitative or Qualitative)	to be set by early 2007 based on the new coding	53%		48.7%
Date achieved	12/30/2006	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 2 :	Executed budget/voted budget (non-wage recurrent expenditures) in priority sectors (rural, education, health)			
Value (quantitative or Qualitative)	Education= 85% Health = 73% Rural = 69%	Education> 90% Health > 90% Rural > 90%		Education= 91% Health = 73% Rural = 72%
Date achieved	12/30/2004	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			

Indicator 3 :	Aggregate number of land property/land use rights issued through local land offices			
Value (quantitative or Qualitative)	5,405	9,000		7,863
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 4 :	Number of contractual teachers (CT)			
Value (quantitative or Qualitative)	18,825	27,825		28,050
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 5 :	Share of health budget allocated to regions and districts in total health budget. Definition of this indicator as well as the base year and target values were refined/updated as part of RSRC-2 preparation.			
Value (quantitative or Qualitative)	39%	60%		77.3%
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 6 :	Rate of new contraceptive acceptors. This indicator was replaced by rate of usage of modern contraception. Subsequently the r esults indicators were changed as part of the RSRC-2 preparation.			
Value (quantitative or Qualitative)	4%	13%		10%
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			

Rural & Social Policy DPL II - P098963				
Indicator	**Baseline Value**	**Original Target Values (from approval documents)**	**Formally Revised Target Values**	**Actual Value Achieved at Completion or Target Years**
Indicator 1 :	Increase total pro-poor spending/total public expenditures			
Value (quantitative or Qualitative)	48.7%	53%		47.5%
Date achieved	12/30/2007	12/30/2008		01/30/2008
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			

Indicator 2 :	Ratio of executed budget/voted budget for (non-wage recurrent expenditures) in priority sectors (rural, education, health)			
Value (quantitative or Qualitative)	Education= 85% Health = 73% Rural = 69%	Education> 90% Health > 90% Rural > 90%		Education= 91% Health = 73% Rural = 72%
Date achieved	12/30/2004	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 3 :	Time period for procurement transaction (ARMP)			
Value (quantitative or Qualitative)	8 months	6 months		Not available
Date achieved	12/30/2004	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 4 :	Aggregate number of land property or land use rights issued through local land offices			
Value (quantitative or Qualitative)	5,405	9,000		7,863
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 5 :	Number of contractual teachers (CT)			
Value (quantitative or Qualitative)	18,825	27,825		28,050
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			
Indicator 6 :	Share of health budget allocated to regions and districts in total health budget. Definition of this indicator as well as the base year and target values were refined/updated as part of RSRC-2 preparation.			
Value (quantitative or Qualitative)	39%	60%		77.3%
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			

Indicator 7 :	Rate of usage of modern contraception. Definition of this indicator as well as the base year and target values were refined/u pdated as part of RSRC-2 preparation.			
Value (quantitative or Qualitative)	4%	13%		10%
Date achieved	12/30/2005	12/30/2008		12/30/2007
Comments (incl. % achievement)	Targets were set for end of 2008 based on a series of three operations. However, the series was ended after two operations.			

G. Ratings of Program Performance in ISRs

Rural and Social Sector Policy Reform Credit 1 - P096411				
No.	**Date ISR Archived**	**DO**	**IP**	**Actual Disbursements (USD millions)**
1	09/29/2006	Satisfactory	Moderately Satisfactory	25.86
2	11/27/2006	Satisfactory	Moderately Satisfactory	25.86
3	06/29/2007	Satisfactory	Moderately Satisfactory	52.00

Rural & Social Policy DPL II - P098963				
No.	**Date ISR Archived**	**DO**	**IP**	**Actual Disbursements (USD millions)**
1	10/18/2007	Satisfactory	Moderately Satisfactory	25.31
2	02/28/2008	Satisfactory	Moderately Satisfactory	25.31
3	06/27/2008	Satisfactory	Moderately Satisfactory	52.14

H. Restructuring (if any)

1. Program Context, Development Objectives and Design

1.1 Context at Appraisal

1. Niger is a vast landlocked country with an estimated population of 12.1 million in 2004 (14.7 million in mid-2008), the majority of whom live along a narrow band of arable land on the country's southern border. The economy is dominated by agriculture, including rearing livestock, mining (uranium and gold), and informal trading activities. The primary sector accounted for about 40 percent of GDP in 2004. Rain-fed agriculture using low-productivity and traditional techniques is dominant. Livestock production accounts for about one third of the value added in the sector. Irrigation would increase yields and reduce uncertainty, but is still little developed Agriculture production increased at an average rate of two percent over the past four decades, well below population growth (3.1 percent in 2008).

2. Niger is one of the poorest countries in the world. The United Nations Development Program (UNDP) has consistently ranked the country as the lowest in the world in the Human Development Index. Over past decades, economic development has been constrained by poor endowment in natural resources, harsh climatic conditions, a degrading natural environment, high population growth, high vulnerability to external shocks, and low institutional capacity. In the nineties Niger suffered from political instability and a deterioration in the living conditions of its population. In 1999 a military junta took power in a coup. Eight months later, it handed power over to a civilian government, following orderly presidential and legislative elections. The new government successfully implemented a reform program supported by the IMF and three Bank-financed policy based operations. Local and general elections took place in 2004.

3. For the first time ever, Niger had been able to complete an IMF's Poverty Reduction and Growth Facility (PRGF) program without interruption. Economic performance was strong during the period 2002-05, with an average annual growth rate of 4.4 percent, which was achieved despite a severe drought and locust attacks in 2004. As a result of prudent monetary and fiscal policies, and good agricultural production, inflation averaged 1.6 percent during the period 2000-2004. However, it rose sharply to 7.8 percent in 2005 as a consequence of the 2004 drought. Good progress was achieved in improving social indicators, but they remained at a very low level, and Niger is not expected to reach most of its Millennium Development Goals (MDGs) in 2015.

4. At 15 percent in 2002, Niger's literacy rate was one of the lowest in the world. After years of stagnation, education coverage improved significantly. Primary gross enrollment increased from 41.7 percent in 2001/02 to 52 percent in 2004/05 and completion rate increased from 25.6 percent to 36.4 percent during the same period. This progress was due in part to the decentralized hiring of contractual teachers at a cost of about one half of regular teachers' pay. Quality of education remains low, however, and disparities between gender and geographical areas are important. Progress has been

limited in the health sector and outcomes remain extremely modest. Major issues in the sector are the limited supply of basic health services - due to inadequate financing and the concentration of a small pool of human resources in urban centers - and the high cost of services to patients.

5. As a member of the West African Economic and Monetary Union (WAEMU), Niger agreed to meet 10 convergence criteria, including five primary and five secondary. In 2000 it met two criteria only. In 2004 it met five criteria. With support from the three budget support operations, fiscal performance improved. The share of government revenue to GDP increased from a low 8.2 percent in 2000 to 10.4 percent in 2005. It is still far below the WAEMU convergence criterion of 17 percent, however. Current expenditure declined from 10.7 percent of GDP in 2002 to 9.1 percent of GDP in 2005. The share of the wage bill in fiscal revenue declined from over 50 percent in 1999 to slightly above the convergence criterion of 35 percent in 2004. Despite this achievement, the basic fiscal balance at 2.1 percent of GDP in 2004 remained above the zero percent criterion.

6. Poverty is widespread. The share of the population living in poverty was estimated at 64 percent in 2004, about the same level as in the early 1990s. Poverty and extreme poverty are severe in rural areas, where about 85 percent of the population lives. Following broad-based consultations with stakeholders, the Government of Niger approved its 2002-2005 Poverty Reduction Strategy Paper (PRSP) in 2002. The PRSP emphasized strong and sustainable economic growth, the development of productive sectors, especially in rural areas, the improvement of access of the poor to quality social services, and the strengthening of institutional and individual capacity for good governance. The Permanent Secretariat responsible for overseeing PRSP implementation issued two progress reports in 2003 and 2005. Assessment of progress towards PRSP targets was hampered by lack of information, however. Little analytical work on poverty had been carried out. No comprehensive household budget survey was available to evaluate the PRSP's impact.

7. Niger reached the Highly Indebted and Poor Countries (HIPC) decision point in December 2000 and the completion point in April 2004. The proceeds of debt relief were used to finance an ambitious investment program, known as the Special Program of the President, mainly consisting of classrooms, health facilities and small dams in rural areas. Despite debt relief, Niger remained at high risk of debt distress.

8. The rapid demographic growth of Niger (triggered by declining mortality rates combined with persistently high levels of fertility) compounds the challenge of the poverty reduction efforts. Bringing fertility rates to lower levels will be critical to ensure the formation of human capital (education and health). A lower rate of demographic growth would also alleviate pressure on fragile ecosystems. Finally, wider access to family planning services, for which there is a strong but unmet demand, would also greatly improve health outcomes of women and children.

1.2 Original Program Development Objectives (PDO) and Key Indicators

9. The First and Second Rural and Social Policy Reform Operations (RSRCs) were designed to help Niger improve service delivery to the poor, while continuing reforms in public sector management to secure adequate financing in critical sectors of the economy. Building on the previous three budget support operations, as well as ongoing investment projects in agriculture, education, and health, the two RSRCs focused on overcoming policy constraints and institutional bottlenecks in: (i) public sector management; (ii) growth and agricultural development; and (iii) human development, including demographic growth and gender issues.

10. In the first policy area, public sector management, the two operations aimed at (i) ensuring that budget allocations were better aligned to PRSP priorities; (ii) strengthening involvement of the line ministries in budget preparation and implementation; and (iii) modernizing the Treasury, strengthening budget controls and improving the structure and functioning of the Ministry of Economy and Finance (MEF). In addition, the two operations aimed at enhancing the national statistical information system through adoption of a statistical development plan and preparation of national surveys on a regular basis. The second operation aimed at improving the transparency and efficiency of the public procurement process through the establishment of an appropriate institutional framework.

11. In the second policy area, agriculture and rural development, the two operations sought to enhance the sector's potential as the engine of pro-poor growth by (i) focussing on effective implementation of the Rural Development Strategy (RDS) adopted in 2003; (ii) improving service delivery in rural areas; (iii) providing enhanced access to factors of production, including land tenure security; (iv) reducing the vulnerability of household to food insecurity and enhancing the country's capacity to prevent and manage food crises; (iv) promoting local governance of local resources (land and water); and (vi) improving the predictability of public resources to the sector through adoption of a Medium-Term Expenditure Framework (MTEF) for the four rural ministries (including Ministry for Agricultural Development; Ministry for Livestock; Ministry of Water, Environment and Fight against Desertification; and Ministry for Community Development).

12. In the third policy area, human development, the two operations aimed at improving service delivery in social sectors by: (i) enhancing human resource management; (ii) improving budget preparation and execution; (iii) enhancing accountability and governance at the school level; (iv) providing publicly financed basic health services to the poor and vulnerable groups; and (v) addressing demographic and gender dimensions.

1.3 Revised PDO and Key Indicators, and Reasons/Justification

13. As indicated above, the PDO was not revised. The second operation (RSRC-2) was built on the first one (RSRC-1) and the main goals remained unchanged. The key outcome indicators mentioned in the two program documents are in Table 6 below. The table also includes intermediate outcome indicators, as some of them are more appropriate to gauge progress in achieving development objectives than those in the first category. The baseline date was December 31, 2005 for all indicators, except for an additional one defined in the second operation concerning public procurement, for which the baseline date was January 1, 2007. All results were set for December 31, 2008, but actual results reflect the situation at end 2007, when the series was discontinued.

1.4 Original Policy Areas Supported by the Program:

Policy Area 1: Public sector management

14. In close collaboration with the Government and the European Union, the Bank prepared a comprehensive assessment of Niger's public expenditure management systems and capacities (Public Expenditure Management and Financial Accountability Review - PEMFAR) in 2004. The two operations supported implementation of the action plan agreed in the PEMFAR.

15. The two operations emphasized increased involvement of line ministries in budget preparation and better tracking of poverty-related expenditures. They supported enhancing budget execution through (i) improvement in the cash management system to allow effective involvement of priority ministries in the quarterly regulation process, (ii) protecting critical spending items; (iii) limiting use of exceptional procedures; (iv) controlling fiscal deficits in line with macroeconomic targets and (v) modernizing the Treasury. They supported an action plan to improve internal and external controls, including: (i) preparation and adoption of an operational manual and guidelines on audit techniques to reduce the risk of rejection of spending proposals at the payment order stage (Budget Directorate) or at the payment stage (Treasury), and improve the quality of external controls; and (ii) capacity building for the financial controllers and staff of the Chamber of Accounts. The two operations aimed at improving the performance and operational efficiency of MEF, including taking steps to modernize its organization by 2008.

16. The strengthening of the Statistical Office (INS), to ensure that a comprehensive information base would be in place for monitoring poverty and assessing progress in PRSP implementation, included: (i) adoption of a 2007-2011 development plan; (ii) introduction of a new personnel status; (iii) capacity building; and (iv) the launching of a household survey in 2006.

17. To improve the transparency and efficiency of the public procurement process, the second operation sought to reinforce the institutions in charge of it, including the

Procurement Directorate and the Procurement Regulation Agency. Procurement units were to be set up in line ministries.

Policy Area 2: Agriculture and Rural Development

18. Implementation of the RDS was seen as key to poverty reduction and agricultural growth. The RDS was approved before the 2004/05 food crisis, however, and needed to be updated to take account of the lessons from that experience. One of them was the critical importance of rapidly improving the efficiency of irrigation, particularly as concerns the President's program funded from HIPC resources. Expanding the acreage under irrigation and improving the productivity of irrigated land was an essential element of the RDS. Enhancing land tenure security and preventing conflicts was also considered a priority. This was to be achieved through the decentralization of the land administration and preparation of land management schemes. The program sought also to improve the national capacity to prevent and mitigate food crises through strengthening the Food Crisis Unit.

Policy Area 3: Human Development

Basic education

19. Within the framework of the ten-year development plan for the education sector (2003-2013), the two operations supported improved efficiency of spending and effectiveness of service delivery, including eliminating structural delays in the processing and payment of contractual teacher (CT) salaries, and enhancing governance and accountability through information sharing and community empowerment, via school management committees (COGES). These reforms were designed in close coordination with the ongoing Bank-financed Basic Education project approved in 2003.

Health

20. In line with the ten-year health policy strategy (2002-2011), the two operations supported policy reforms to (i) strengthen human resource management, including enhancing the incentives for serving in remote areas; (ii) improve budget execution, including timely purchase of medical supplies; and (iii) reform the cost recovery scheme to improve health care accessibility. The Health Sector Investment and Maintenance Project, approved in 2006, was fully aligned with the two budget support operations.

Population growth

21. A population project was being prepared for Bank financing to address the high population growth issue. The two policy-based operations would address the demand side of the issue, and support regulatory and legal reforms, particularly as concerns the promotion and protection of women's rights. In February 2007, the Government issued a Declaration of National Population Policy. In that context, the second operation would support (i) the preparation and adoption of an action plan to improve women status and re

launch family planning; and (ii) the organization of a national forum to build consensus on demographic growth, and gender issues. The Multi-Sector Demographic Project was approved in June 2007.

1.5 Revised Policy Areas (not revised)

22. Policy areas supported under RSRC-1 and RSRC-2 remained relevant throughout the duration of the program and were not revised.

1.6 Other significant changes (no changes)

2. Key Factors Affecting Implementation and Outcomes

2.1 Program Performance

23. Both operations were to be disbursed in two equal tranches of US$25 million each (for a total of US$50 million each). The first operation included six prior actions for Board presentation and nine prior actions for second tranche release. Six prior actions were also required for Board presentation of the second operation and 11 for the release of its second tranche. These prior actions are detailed in Tables 2 and 3 below.

24. The two operations were designed to provide annual budget support, the first one for the 2006 budget and the second for the following year. The first operation was approved in June 2006 and the credit became effective in July 2006. The release of the second tranche was approved in February 2007, later than initially envisaged. A partial waiver was granted, as the number of qualified staff that Government was able to recruit in the health sector was much lower than initially envisaged (454 instead of 715 – see condition 8 in Table 2 below).

25. The second operation was approved in June 2007 and the grant became effective in August 2007. The release of the second tranche was approved on May 30, 2008. All 11 conditions were fully met. The Ministry of Economy and Finance was late in implementing the reforms, however, which delayed overall implementation of the program. Supervision missions consistently rated overall implementation progress as moderately satisfactory and development objective as satisfactory.

Table 1: Dates for RSRC 1 and 2

RSRCs	Amount	Expected Release Date	Actual Release Date	Release
RSRC 1				
Tranche 1	US25 million	July 2006	July 31, 2006	Full compliance
Tranche 2	US$25 million	Fall 2006	Feb. 28, 2007	Partial waiver
RSRC 2				
Tranche 1	US$25 million	July 2007	August 20, 2007	Full compliance
Tranche 2	US$25 million	Fall 2007	May 30, 2008	Full compliance

Table 2: Prior actions for RSRC 1

Prior Actions for Board presentation	
Management of public expenditures	• Prepare an overview of the execution of 2005 cash management plan, (quarterly allocation / execution) and a cash management plan for 2006 (both satisfactory to IDA) – measure to be implemented every year. • Take into account in the quarterly budget regulation the priority expenditures to be secured for the education, health and rural sector (including their seasonality). • Release to Food Crisis Unit (CCA) all funds programmed in the 2006 budget (CFAF 5 billion) to meet the urgent needs to purchase food for distribution during the upcoming pre-harvest period.
Agriculture sector and rural development	• Pass a bill adopting the gradual installation of Regional Land Administration Offices (SPR-CR) whose mandate includes elaboration of regional land management schemes.
Basic education	• Ensure regular payment of contractual (CT) teachers' salaries through the following actions: (i) apply norms on steps and timeframe in processing the payment of CT salaries; (ii) send an appropriate circular letter to the regional treasuries.
Health	• Pass a decree and bills adopting full subsidization of the following products and services: contraceptives, caesarian, pre-natal consultations, and health care for children under 5.
Prior Actions for the second tranche	
Management of public expenditures	• Submit a report (satisfactory to IDA) with concrete recommendations to improve the structure and the functioning of MEF.
Statistics	• Pass a bill adopting status of personnel of National Statistic Institute (INS).
Agriculture sector and rural development	• Pass a bill adopting revised RDS action plans (which integrate the Program for Food Security through irrigation development); • Prepare a rural MTEF, satisfactory to IDA, to be taken into account in the preparation of the LF 2007, and in the revised PRSP.
Basic education	• Pass a bill adopting texts to ensure that teacher schools (ENIs) are fully operational with their new status; • Pass a bill adopting an action plan to improve the management of CTs and their allocation and begin implementation by: (i) passing a bill adopting involvement of the COGES in management of CT; (ii) passing a bill adopting the norms in terms of the number of administrative departments and staffing for the decentralized structures; and (iii) allocating geographically the newly recruited CTs, taking into account the 25 departments already overstaffed. • Prepare and implement, on an experimental basis, an information and communication program (satisfactory to IDA) on allocation of goods and their provision at the school level in the regions of Maradi and Tillabéri.
Health	• Pass a bill adopting the regional recruitment process for qualified staff (national total of 715, contractual agents and civil servants) to address the sector's human resource deficit in accordance with strategic objectives. • Take measures, satisfactory to IDA, to include in the 2007 budget, the cost of the services and products fully subsidized (contraceptives, caesarian, pre-natal consultation, health care for children under 5) – measure to be implemented every year.

Table 3: Prior actions to RSRC 2

	Prior Actions for Board presentation
Management of public expenditures	• **Update and officially adopt coding of pro-poor expenditures based on revised unified list agreed to by donors.** • **Begin implementation of action plan for organizational modernization of the Treasury, including adoption of new organizational chart**.
Procurement	• Make operational the national agency for the regulation of public markets (ARMP) by: (i) appointing the three principal directors (Director of Information and Monitoring and Evaluation, Director of Legal Affairs and Director of Technical Support); (ii) appointing the National Regulatory Board members; and (iii) setting up the Dispute Resolution Committee (CRD) in charge of processing, with the regulation council , bidders complaints
Agriculture se and rural development	• Designate and officially adopt the entities responsible (supervision and implementation) for the execution of various programs of the action plan of RDS**.**
Basic education	• **Submit to IDA a progress report with recommendations on implementation of action plan for management and allocation of teachers (including tangible results on CT management, complete CT census, and effective involvement of COGES in payment of the CT salaries).**
Health	• **Revise the internal budget distribution of the MOH to increase the share allocated to basic health services in the regions and districts.**
	Prior actions for the second tranche of RSRC-*2*
Management of public expenditures	• Appoint the managers in charge of the new structures created at Treasury (*Directeur Général, Agent Comptable Central du Trésor, Payeur Général du Trésor, Receveur Général du Trésor*) • ***Adopt and begin implementation of guidelines and audit techniques for Chamber of Accounts***.
Procurement	• Make operational (staffing, budget allocation and equipment) the directorate for the control of public procurement (DGCMP) by adopting relevant regulations related to its organization and functioning and nominating the main directors.
Statistics	• ***Pass decree adopting the multiannual plan for development of statistics (2008-2012)***
Agriculture and rural development	• ***Adopt and begin implementation of the revised National Emergency Plan for the management of food crises***. • Based on recommendations of evaluation, prepare, validate, and begin implementation of an action plan with road map to improve irrigation performance of perimeters of ONAHA
Basic education	• Finalize and adopt a strategic framework for the expansion and the sustainable development of post-primary education • ***Implement the program of transfer of resources/grants to selected schools (grants arrived at school level, field visit report)***
Health	• Prepare a national health map by (i) developing the medical chart along with the health districts and regions maps and (ii) computerizing human resource management system • Based on the results of the study on usage of health services costs, include in the 2008 draft budget law the cost of services and products fully subsidized (contraceptives, caesarean, pre-natal consultations, health care for children under 5).
Population growth	• ***Organize and hold a national forum to build consensus on demographic growth, gender issues, and African Charter on women's rights.***

Note: Triggers set out in RSRC-1 that have become prior actions for RSRC-2 are in bold.

2.2 Major Factors Affecting Implementation:

26. Adequacy of government's commitment. Overall, the Government was committed to reform and had a good track record. The first project document acknowledged, however, that the Ministry of Economic and Finance (MEF) had been slow in introducing reforms in budget preparation, execution and controls. The reforms agreed upon in that area under the first and second operations were implemented, but with delay. MEF has been consistently reluctant to decentralize budget preparation and implementation to line ministries, and little progress was achieved there. The performance of the steering committee in charge of monitoring the policy reforms was not up to expectations, which delayed program implementation.

27. Soundness of background analysis. The background analysis was overall adequate. The proposed reforms in public finance management were in keeping with the action plan agreed to, following preparation of the PEMFAR in 2004. The need to strengthen the

Statistics Office to better monitor the results of PRSP implementation was important. Focusing on the rural sector as the country's engine of pro-poor growth was fully appropriate. The Rural Development Strategy (RDS) adopted in 2003, following a participatory and iterative approach, was a key instrument for creating a policy and institutional environment conducive to sustainable growth, including ensuring food security. The strategy was amended to incorporate the lessons from the severe drought of 2004/05. The focus on increasing allocations and improving the budget execution rate in the rural sector was not well supported, however, in the absence of an up-to-date Public Expenditure Review in the sector. Issues in the irrigation sector were not discussed. In the social sectors, key issues were adequately analyzed and synergies were sought between ongoing investment projects and the two budget support operations.

28. The two budget supports were undertaken in the context of lessons learned form previous operations. The Independent Evaluation Group (IEG) reviewed the completion reports for the three public expenditure adjustment credits approved in 2001, 2003 and 2005. The first and third operations were rated as moderately satisfactory and the second one as satisfactory. Lessons from experience were that (i) the reform agenda should not be overloaded in countries with particularly weak institutional capacity; (ii) clear and simple Monitoring and Evaluation (M&E) mechanisms should be designed and agreed upon; (iii) the reforms should be adequately sequenced; (iv) donors should closely work together; (v) the Government should be strongly committed to the reforms, including protection of key expenditure categories; and (vi) public communication should be a integral component of the program.

29. The lessons learned mentioned in the first program document had to do with government ownership, weak institutional capacity, the medium-term nature of a reform process involving public expenditure management and social service delivery, the risks of failure when operations include more than two tranches and the need to align budget support to the budget cycle. In the second program document, the same lessons were mentioned. Raising awareness of ministries on the need to link the budget to the long-term vision was also emphasized. Close coordination with ongoing investment projects was seen as a means to address weak institutional capacity.

30. The first operation went through a Quality Enhancement Review (QER) process. The reviewers emphasized the need to put the operation into a longer term framework and to be realistic in designing the triggers in view of a particularly fragile country context. They suggested that single tranche operations should be considered.

31. The 2003 Country Assistance Strategy (CAS) supported Niger's four strategic pillars articulated in its 2002 PRSP. A CAS completion report, which was under preparation when the first operation was being formulated, estimated that Bank support has helped Niger implement its broad objectives by selectively providing assistance to reforms and expenditure programs in key sectors. Based on lessons learned from CAS implementation, the new strategy would address Niger's constraints and human vulnerabilities. It would allocate 40 percent of IDA's lending resources to budget support. It would set the stage for consolidated programmatic assistance once fiduciary systems

were strengthened. The proposed series of RSRCs would help the Government implement its reform agenda within a medium-term framework through annual budget support over the following two to three years. The new CAS was not available when the second operation was presented to the Board.

32. Assessment of the operation's design. Both operations were intended to be closely aligned with the annual budget cycle. They were both approved in mid-year, with the expectation that the second tranche would be disbursed within the same year. This expectation was unrealistic, however, and it did not materialize, because the two operations were overly complex, in particular in view of limited government capacity. This defeated the notion of providing support to the annual budget. Overall, the prior actions in both operations were appropriately defined for achieving their objectives, though they should have been better prioritized. Of the twelve triggers set out in the first operation for moving ahead with the second one, four became prior actions for RSRC-2 Board presentation. Others became policy actions to be taken during program implementation.

33. Effective implementation of the Rural Development Strategy (RDS) was considered as essential for achieving the objectives in that sector, yet establishment of the entities responsible for its implementation and supervision was not considered in the initial policy matrix. It became a prior action for RSRC 2. Preparation of a Medium-Term Expenditure Framework (MTEF) for the four ministries in charge of rural development was a prior action for the second tranche release of RSRC 1. The MTEF was prepared, but, without the benefit of an overall MTEF, and no real commitment by the Ministry of Economy and Finance (MEF) to use it for resource allocation, its credibility as an instrument to guide budget decisions has suffered.

34. Both operations involved a number of institutions and sought to help the ministries in charge of rural and human development extend their reach through increased resource allocations for their key programs, including improved deployment of human resources. Line ministries had the capacity to implement the reforms in their respective sectors, but were dependent on the goodwill of the MEF to obtain the funds required for their expenditure programs.

35. In 2004, the Bank prepared a Country Procurement Assessment Report (CPAR) and a Country Financial Accountability Assessment (CFAA), which concluded that several deficiencies needed to be addressed in these areas. An IDF grant was extended in 2004 to help with procurement reform and institution building. It contributed to the formulation and dissemination of a new procurement law, establishment of a new body for reform implementation, installation of an information system, and the formulation and delivery of a training program for trainers in procurement. Overall, implementation of reforms related to procurement has been slow. Under the first operation, there was no attempt to address deficiencies in procurement. The second operation sought to address key issues in that area, including ensuring that the institutional framework for public procurement became fully operational and reducing inefficiencies in the procurement process for bid evaluation and contract award. Addressing deficiencies in public

expenditure management was at the core of both operations, in keeping with the PEMFAR action plan and CFAA recommendations.

36. Four risks were identified in both operations: political risks, exogenous factors, weak institutional capacity and fiduciary risks. Policy reversals and/or slippages, as well as lack of strong commitment to bring necessary reforms (in particular in the sensitive area of population), could derail the reform process. The risk was to be mitigated through policy dialogue to strengthen government ownership, and flexibility in the timing of the follow-up operation. Niger's high vulnerability to external factors, such as adverse climatic conditions, upheavals in neighboring countries or shortfalls in donor support was acknowledged. It was felt that measures to strengthen the budget process would protect priority sectors against the adverse effects of potential shortfalls in revenue mobilization. To overcome weak institutional capacity, the reform program was tailored to existing constraints and technical assistance was provided in a coordinated way among donors through ongoing projects and grants. The slow implementation of reforms to reinforce financial management and procurement systems entailed substantial fiduciary risks. Both operations sought to address these issues through a realistic agenda for reform and capacity building. Both operations focused on increasing allocations to priority sectors in line with PRSP priorities. The risk that these allocations would not reach the intended beneficiaries was not discussed, however. In the PAD for the second operation, a table mentioned that Public Expenditure Tracking Surveys were under way in the social sectors (education and health). Nevertheless, the preliminary results of these surveys, which have just become available, do not provide information that could help increase the efficiency of spending in social sectors. The risk assessment and mitigation section of the program documents could have been strengthened. Exogenous factors and weak institutional capacities persisted during implementation of the two operations.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization:

37. The five indicators selected to assess progress towards development objectives focused on inputs, or/and processes, not outcomes (see Table 6 below). Monitoring these indicators is relatively simple, but they may not give information on whether service delivery to the poor has been actually improved during program implementation. The main reasons for their selection were their regular availability through existing investment operations; and since in Niger, most rural areas are very poor, the selected indicators (increasing the percentages of health workers in rural areas or of budget allocated to regions and districts) were considered acceptable proxies.

38. The distinction between the development objectives indicators and the intermediate outcomes indicators as proposed in the program documents is unconvincing. In the second category, the share of pro-poor spending or share of health budget allocated to regions and districts would better inform on attainment of program objectives than those in the first category for instance. There was no indicator to gauge progress in key policy areas, such as reducing the use of exceptional budget procedures, improving the efficiency of irrigation systems, or reducing delays in paying contractual teachers. On the other hand, an indicator on modern contraception usage was selected, though no action

was included in the two operations in that respect. The ongoing health project and the policy adopted by the Government to provide contraceptives free of charge were expected to bring about changes, however. Supervision reports indicated that the usage rate increased from four percent in late 2005 to 10 percent two years later. This estimate, based on services statistics, may be too optimistic, however, and needs to be confirmed with hard survey data (such as a Demographic and Health Survey).

39. The source of information for verifying indicators was clearly defined for each of them. For some of them, the baseline value was redefined during program implementation. Supervision missions updated the indicators table regularly, but did not provide any information on actual or expected results on the ground from changes in the indicators. For instance, it was expected that the number of programs implemented under the Rural Development Strategy (RDS) would increase from zero to 23 during program implementation. By end-2007, missions reported that four programs were being implemented, but they did not give any indication on whether these programs were relevant or what they were expected to achieve. Actually, the number of programs included in the RDS (23) is much larger than those agreed upon in the action plan, which served as a basis for RSRC 1 and 2. The PAD for RSRC1 mentioned 10 so called structural programs and four priority sector programs (see Box 1, page 15 of the PAD). The four priority sector programs were being implemented during RSRC 1 and 2.

2.4 Expected Next Phase/Follow-up Operation:

40. Initially, the two operations were to be followed by a third one in the rural and human development sectors. In the program document for the second operation, it was announced that in the subsequent operation the human and rural development agenda would be gradually phased out, while policy reforms to promote private sector development would be emphasized. Eventually, after two operations, the three-operation cycle was abandoned in favor of moving with a new budget support operation - a one-tranche operation, focusing on overcoming policy constraints and institutional bottlenecks on business environment, infrastructure development and public finance management. Two projects are being prepared to support rural development, an agro-pastoral export promotion project to expand Niger's ability to bring products to external markets and a water sector project to help the country improve its irrigation infrastructure. In the human development sector, the reform agenda will be supported through existing investment projects.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

41. A second PRSP was approved by the Government in October 2007 for the period 2008-2012. The strategy is built around seven pillars to spur growth and reduce poverty, namely (i) promoting strong, diversified, sustainable and job-creating growth; (ii) ensuring equitable access to quality social services; (iii) slowing down population growth; (iv) reducing inequalities and strengthening social security for vulnerable groups;

(v) developing infrastructure; (vi) promoting good governance; and (vii) ensuring an effective implementation of the strategy. Three new pillars have been added in this second PRSP, including reducing population growth, protecting vulnerable groups and ensuring an effective PRSP implementation. A new CAS for the period 2008-2011 was endorsed by the Board in May 2008. The CAS's objectives are to accelerate an equitably shared growth around rural "growth clusters" and develop human capital through equal access to quality services.

42. Both operations were fully aligned with the first and second PRSP, and fully consistent with the 2003 CAS as well as the 2008 CAS, which was under preparation when these two operations (RSRC-1 and RSRC-2) were designed. Both were essential for achieving Bank objectives. The operations were designed to improve public finance management and ensure that budget allocations would better reflect PRSP priorities in the rural and human development sectors. Their design was highly relevant to the development priorities in the PRSP and the CAS at the time of their approval.

3.2 Achievement of Program Development Objectives

43. The two operations have by and large achieved their objectives, despite the fact that originally the program was designed based on a series of three operations. In the absence of adequate indicators, however, it is difficult to assess whether service delivery to the poor has been improved. But, as additional human and financial resources have been allocated to underserved rural areas, one would expect that some improvement has been achieved on the ground.

Table 4: Key economic and fiscal indicators

	2002-04	2005-07	2007
Growth, percent per year	4.1	5.3	3.2
Inflation, percent per year	0.4	2.7	0.1
Total government revenue (% of GDP)	10.9	13.1	15.5
Tax revenue	10.3	11.0	11.7
Total expenditure	19.3	21.0	22.3
of which: capital expenditure	8.3	10.7	10.4
Basic budget deficit	2.0	1.1	0.9

Source: World Bank.

44. Reforms implemented by the Government of Niger have contributed to spur growth, maintain macroeconomic stability, improve revenue mobilization and allocate increased resources to the rural and human development sectors. As indicated in Table 4 below, annual growth averaged 5.3 percent in 2005-07, compared to 4.1 percent in 2002-04. In 2007 poor rainfall reduced estimated growth at 3.2 percent. Inflation has declined during the period 2005-07. Fiscal space increased substantially by about five percent of GDP from 2003, because of higher government revenue and debt relief from the Heavily Indebted Poor Countries Initiative (HIPC) in 2004 and the Multilateral Debt Relief Initiative (MDRI) in 2006. This made it possible to spend more on priority sectors and still keep the basic budget deficit (which excludes foreign-financed expenditure) moderate, at 1.1 percent of GDP on average in 2005-07. Performance under the IMF-

supported 2005-08 Poverty Reduction and Growth Facility (PRGF) was satisfactory and a new three-year PRGF arrangement was approved by the IMF Board for an amount of US$23 million in June 2008. Debt indicators have considerably improved. The debt to GDP ratio, which stood at 72.5 percent in 2002-04 declined to 16.3 percent in 2007.

Table 5: Total expenditures in human and rural development (CFAF billion). - 2005-07

	2005	**2006**	**2007**
Total Expenditure	**358.4**	**376.6**	**446.4**
Education	63.1	65.0	70.1
Health	31.7	34.2	36.4
Rural	58.7	77.9	73.4
Percentage	42.8	47.0	40.3

Source: IMF

45. Expenditure for human and rural development increased from CFAF billion 153.5 in 2005 to CFAF billion 179.9 in 2007. The share of these sectors in total expenditure remained relatively stable, however. The percentage of actual expenditure to budget allocations in the three sectors has not improved during the period 2005-07, which is mainly due to the dependency of these sectors on highly volatile external assistance flows. Table 5 below shows the evolution of total expenditures and expenditures in the three sectors in 2005-07. Table 1 in Annex 6 shows actual expenditures in these sectors in greater detail.

46. As shown in Table 6 below, actual results for outcome indicators, as defined in the program documents, are all less than expected, except for the education and health sectors' share in budget allocations. As already mentioned, however, these indicators focus on inputs and processes, not on outcomes. As such they fail to convey progress made in improving the living conditions of Nigeriens and delivering results on the ground. Some intermediate outcome indicators give a better sense on whether the objectives have been achieved. This is the case of the share of pro-poor spending, which is close to target, and the number of contractual teachers, as well as the share of health budget allocated to regions and districts, which are both above targets. It should be noted, however, that the actual end values are for 2007, while indicators were set for end-2008, when the three operations were expected to be completed.

Table 6: Outcome indicators and intermediate outcome indicators as defined in the program documents

Outcome Indicators	Baseline	Expected	Actual	Date
Share in public expenditure[1] - education - health - rural development	 17.7% 7.3% 25.3%	 20% 10% 25.3%	 18.8% 9.8% 22.5%	12/31/07
Number of programs implemented under RDS	0	23	4	12/31/07
Share of girls in primary enrollment	41%	44%	43	12/31/07
Share of qualified health staff in rural areas	48%	56%	52%	12/30/07
Maximum. working days for handling procurement complaints	15	7	10	12/31/07
Intermediate outcome indicators				
% of pro-poor expenditure	48.7%	53%	52%	01/31/08
% of non wage executed budget • Education • Health • Rural development	 85% 73% 69%	 90% 90% 90%	 91% 73% 72%	12/31/07
Time period for procurement transaction	8 months	6 months	NA	
Number of land use rights issued through local offices	5,405	9,000	7,863	12/31/07
Number of contractual teachers	18,825	27,825	28,050	12/31/07
% of health budget allocated to regions and districts	39%	60%	77.3%	12/31/07
Modern contraceptive rate	4%	13%	10%	12/31/07

Progress made under the two operations

47. **Public Finance Management and Procurement**. A new cash management plan has been introduced in 2004-05, which has enabled the Government to avoid shortages of cash to meet recurrent expenditures, and the accumulation of domestic arrears. Identification of pro-poor expenditure has greatly improved through adoption of a unified coding list. The Ministry of Economy and Finance has been restructured. A new General Directorate is in charge of financial controls and the Treasury has been restructured and modernized. In the public procurement area, the National Agency for the Regulation of Public markets (ARMP) is operational, the three principal directors, the National Regulatory Boards members have been appointed, the Dispute Resolution Committee (CRD) has been established for handling complaints from bidders, and is now functional. Other actions to improve the procurement process have been delayed, however. Transactions by contracting authorities are not audited by the Procurement Agency; the

[1] The definition and values for rural development were updated. Initially, the value was 17.7 percent.

new Procurement Directorate is in place but not fully operational; and the ordinance related to the creation of Procurement Agency (DGCMP) is still under examination by the parliament. The regulatory texts for control of public procurement are overall acceptable and many implementing decrees have been adopted, but few clauses are partially or entirely inconsistent with World Bank guidelines and need to be revised.

48. **Statistics**. The Statistical Office has been established as an autonomous agency, which has enabled it to attract qualified staff. It has prepared a medium-term plan for the development of statistics in close coordination with external partners. It has completed a Core Welfare Indicators Questionnaire (CWIQ) survey in May 2006, a Participatory Survey on Poverty, which gives qualitative data on people's perceptions of poverty, and a full-fledged household budget survey in 2008.

49. **Rural Development**. Good progress has been made under the two operations in this sector. The action plan of the rural development strategy (RDS) has been revised to include food security through the irrigation development program (PLIADI). Costing for all RDS programs was completed, which provided the basis for the finalization of the rural MTEF (covering all 4 line ministries). A bill was adopted on land tenure, security and local governance of natural resources to gradually install regional land administration offices (SPR-CR). Finally, following successive workshops, a Presidential decree approved the study of the national system for food crisis management and prevention and validated it as a National Emergency Plan for the Management of Food Crises.

50. **Education**. In 2007 more than 3,000 contractual teachers have been recruited to respond to growing schooling demand. An action plan to improve spending efficiency and budgets for new recruits has been developed. To respond to the growing pressure on post basic education from students completing primary education, the low levels of achievement at the primary level, and the poor quality of primary school teachers, the Government has adopted a coherent strategic framework (2009-2011) for the development of post-primary education. Finally, to improve the accountability by communities' involvement in resource management, the Ministry of Education has prepared a plan for transferring grants to 500 randomly selected School Management Committees (COGES) on an experimental basis in two regions. The evaluation of the impact of this initiative is underway

51. **Health**. Implementation of policy measures supported under the two operations has been satisfactory. To improve the effectiveness of health services and management of human resources, the Ministry of Health (MSP) has: (i) launched the preparation of the National Health Map and health workforce census; and (ii) begun implementation of an organization chart at the decentralized levels to better monitor human resources and strengthen accountability at all levels. To improve access and ensure availability of appropriate financing for basic health care services, based on the results of the study on health services costs, the Government has included the costs of fully subsidized services and products (contraceptives, delivery by cesarean section, pre-natal consultations, health care for children under five) in the 2008 Budget. A plan was prepared to ensure that these services would be adequately financed.

52. **Population**. A sound Government Declaration on National Population Policy (DGPP) was issued in February 2007. A population project was approved in FY07 to help implement the DGPP policy. A national forum on population was organized in January 2008 to sensitize key leaders in Niger to the urgency of implementing the new policy.

3.3 Justification of Overall Outcome Rating

Rating: Moderately satisfactory

53. Niger made good progress in sustaining growth and maintaining macroeconomic stability despite a high vulnerability to harsh and highly variable climatic conditions. It has successfully completed its three-year PRGF program supported by the IMF. It has increased domestic revenues and allocations to priority sectors. It has improved its cash management system to ensure that the executed budget in these sectors would better reflect initial allocations. It has taken steps to reduce the vulnerability of its population to food crises, improve the coverage of its education system, and increase the availability and affordability of basic health services to the rural poor. It has eventually acknowledged that it should forcefully address the issue of fast population growth, in spite of strong opposition from religious groups. It has strengthened its Statistics Office and initiated a much needed program of poverty data collection and analysis.

54. A fully satisfactory rating is not justified, however, because the Government was slow in moving the reform agenda. This is the case for instance in the public finance, procurement and rural development policy areas. Most result indicators are lower than expected as shown in Table 6 above, with the caveat noted above that the targets were set for end 2008 while the actual values are for end 2007. In this less than fully satisfactory picture, the bright spots are the increase of pro-poor expenditure, the education budget, the number of contractual teachers and the share of health allocated to regions and districts. On the basis of available information, it is impossible to give an individual rating to each of the two operations.

55. Niger is unlikely to reach its Millennium Development Goals (MDGs) in 2015, but in recent years, progress has been made to move some of them in the right direction. This is the case for instance of the primary completion rate, the literacy rate and the under five mortality rate. Sustained efforts are required to consolidate progress made. In its Human Development Reports, UNDP had consistently classified Niger at the lowest end of the scale. In the 2007 report, however, this has changed. Niger has moved up three positions in the human development indicators table. This is a modest change, however, reflecting data collected in 2005.

3.4 Overarching Themes, Other Outcomes and Impacts
(a) Poverty Impacts, Gender Aspects, and Social Development

56. The RSRCs provided incremental resources to finance PRSP priorities. The focus on rural and human development targeted the priority sectors that are the most crucial ones for poverty reduction in Niger. Moreover, emphasis on decentralization responded to the need to strengthen the delivery of public services in rural regions and local communities where most of the poor live. Finally, most vulnerable groups such as women and children were affected by providing them with fully subsidized health services as pre-natal consultations and health care for children under five, contraceptives and caesarean services.

(b) Institutional Change/Strengthening

57**.** Budget management systems have been strengthened. Through the preparation and updating of Medium-Term Expenditure Frameworks (MTEF), the ministries in charge of education, health and rural development have improved their capacity to translate broad objectives into multi-year programs and annual budgets. To consolidate this progress, however, it is important that an overall MTEF be prepared and adopted to give line ministries a better understanding of global constraints. The dialogue between the Ministry of Finance and line ministries has improved thanks to the coordination mechanisms put in place for the two operations. Cash management has much improved. On the other hand, little progress has been accomplished in procurement reform and institutional development. The Statistics Office has made substantial progress in building up a modern data collection and analysis apparatus.

(c) Other Unintended Outcomes and Impacts:
NA

3.5 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops: NA

4. Assessment of Risk to Development Outcome

Rating: Moderate

58. Several factors may derail the reform process. A low intensity insurgency in the North over the sharing of resources generated by uranium mining might result in increasing expenditure allocated to security. A rapid increase in revenues from uranium (its production is expected to double by 2012) might loosen fiscal discipline and undermine macroeconomic stability. Delays in effective implementation of the new population policy would make the task of improving social indicators more difficult. Over past years, the Government has demonstrated its commitment to growth, poverty reduction and prudent fiscal policies, however. With adequate support from the international community, Niger should continue to manage these risks and make progress

on its development path. Another risk relates to discontinuation of series of budget supports, which may negatively impact government pursuing the policy reforms in human development sectors.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately satisfactory

59. After a piecemeal approach to economic policy reform under the first three budget support operations, Bank management decided to focus on three priority sectors for poverty alleviation through a series of three policy-based operations, which would be closely coordinated with ongoing investment projects in the relevant sectors. By doing so, it provided a medium-term perspective to the reform efforts in the education, health and rural sectors. The initial idea was to phase in policy reforms to improve the environment for private sector and infrastructure development in the third operation in the series. The new approach was sound and aligned with the CAS.

60. Macroeconomic constraints and perspectives were well assessed. Issues in the three sectors were adequately analyzed, with the exception of the irrigation sub-sector. Poverty, gender and social development analysis suffered from the lack of up-to-date data, which was to be corrected with Bank support during the implementation phase of the operations. The Bank provided strong support to the Government in preparing the operations. A quality enhancement review in March 2006 provided good advice to the team. Most lessons from experience were taken into account. It was unrealistic, however, to expect the Government to implement a long series of prior actions for second tranche release within a few months, in view of weak institutional capacity. The risk analysis was adequate. The weaknesses in fiduciary management were noted and addressed. Outcome indicators were not appropriate.

(b) Quality of Supervision

Rating: Satisfactory

60. Supervision missions visited Niger regularly and provided excellent support to the Government to move the reform agenda and implement the agreed upon prior actions. Indicators were adequately monitored. Management followed through on the recommendations of the supervision missions. Particularly continuous dialogue, close supervision and technical support helped the Government to implement reform measures in key sectors (i.e., education and health).

(c) Justification of Rating for Overall Bank Performance

Rating: Moderately satisfactory

61. Based on the quality of lending and supervision, overall Bank performance is rated satisfactory. During preparation and implementation of RSRCs series the Bank team worked closely with the Government over the course of the program to facilitate reforms implementation as well as provide technical support.

5.2 Borrower Performance
(a) Government Performance

Rating: Moderately satisfactory

62. Macroeconomic management was strong during the implementation period of the two operations. On the other hand, the Government was slow in taking the steps agreed upon to move the public finance management reform agenda. The Government prepared progress reports regularly. The quality of these reports has improved over time. The performance of the line ministries is rated as satisfactory. On the other hand, the performance of the Ministry of Economy and Finance (MEF) was less than fully satisfactory.

(b) Implementing Agency or Agencies Performance: Not relevant
Rating: Moderately satisfactory

63. MEF was responsible for coordinating the Government overall effort. Its performance was less than fully satisfactory, mainly due to weak human resource capacity.

(c) Justification of Rating for Overall Borrower Performance
Rating: Moderately satisfactory

64. Based on Government overall performance the rating for borrower performance is moderately satisfactory. Although there were delays in implementation of policy reforms, particularly those linked to public finance management, there was Government commitment to reforms particularly at the line ministries level (Education, Health and Rural Development).

6. Lessons Learned

65. ***It is important to provide a medium-term perspective, particularly when addressing policy constraints in sectors, where results are not achieved in the short-term.*** In that respect, the decision to discontinue the series of three rural and social policy reform operations and move to other sectors before gains in the initial sectors are fully consolidated is perplexing. This decision may give the Government the wrong signal that pursuing the reforms in the human development area is no longer needed.

66. ***Positive outcomes in education, health and rural development require policy changes and investment.*** They take time to materialize. Two annual budget support operations cannot be expected to make a big difference in these sectors' outcomes. On the other hand, they should bring about changes in processes and inputs, i.e. intermediate

outcome indicators. There are synergies between policy-based and investment operations in a sector. In the human development sectors the synergies were positive. In the rural development area, there were less so, as implementation of the investment operations was less than satisfactory.

67. ***A two-tranche operation defeats the purpose of annual budget support.*** This is even more the case when the operations are approved in June. The decision to move with two tranche operations was not in keeping with the QER recommendation to continue with single tranche operations based on completed actions and embedded in a medium-term framework. The decision was actually the result of management's concern that the boldness of moving ahead with a series of operations within a medium-term framework in a country with mediocre Country Policy and Institutional Assessment (CPIA) ratings should be mitigated by maintaining a short leash on the reform agenda. This decision was not helpful, and it defeated the purpose of providing annual budget support in a predictable way.

68. ***Design of the budget supports needs to be adapted to the institutional environment.*** In a weak institutional environment such as Niger, it is better to avoid a long list of prior actions, and focus instead on a short list of key actions and their cross-sectoral linkages and synergies.

69. ***Strong Stakeholder Commitment is Critical.*** The DPLs series demonstrated that satisfactory outcomes can be achieved with strong commitment on the part of government and with Bank support designed to develop the needed capacity for implementation. This is particularly evident in the education, health, and to a lesser extent in agriculture sectors, where authorities are committed to improve capacities and increase efficiency of service delivery. On the other hand, implementation of reforms in public finance management has been remarkably slow. Major deficiencies persist in public finance management, even after five policy-based operations. Before embarking on a new course of action, it is important to complete the reform agenda in this key area.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/Implementing agencies

The Government did not provide comments on the draft ICR prepared by the Bank. The Government Completion Report is attached in Annex 4. Following are some of the messages:

Political stability in the 2000s created a favorable context for economic reforms. Economic growth accelerated while inflation declined. Budget revenues increased, which enabled the Government to improve social services. IMF-supported programs were successfully implemented.

The RSRCs series was intended to improve public finance management and support reforms in rural and human development, including population and gender.

Public finance reforms were delayed due to weak capacity and ownership.

Results: Treasury operations have been improved and regulations have been adopted to enhance the efficiency of the Ministry of Economy and Finance. The regulatory apparatus for public procurement has been established. The legal framework for statistics has been established and a status for personnel adopted.

The action plan for rural development has been revised to take into account food security issues. The cost of rural development programs has been estimated and a MTEF prepared. A decree has been issued for the creation of regional rural code agencies. Three of them have been established.

More than 3000 contractual teachers have been recruited and assigned to underserved areas. The Teacher Training School has been upgraded. An action plan has been adopted to improve the management of contractual teachers. COGES are associated to the management of contractual teachers.

The Government has recruited 454 health specialists. The cost of services for maternal and infant health has been fully subsidized.

A steering committee has been established with a secretariat to monitor program implementation.

Overall, the Government asserted that its performance during the implementation of both operations was satisfactory mainly because it implemented reform programs despite their limited institutional capacities. The Government also appreciated the World Bank's technical support during implementation of the program and they stressed that institutional capacity building is a prerequisite for successful implementation of policy reforms.

(b) Cofinanciers
NA
(c) Other partners and stakeholders
(e.g. NGOs/private sector/civil society)
NA

Annex 1 Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

P096411 - Rural and Social Sector Policy Reform Credit 1			
Names	**Title**	**Unit**	**Responsibility/ Specialty**
Lending			
Setareh Razmara	Lead Social Protection Spec	AFTH2	Co-TTL/HD sector
Patrick Verissimo	Sr Sector Economist	AFTAR	Co-TTL/Rural sector
Amadou Ibrahim	Senior Economist	AFTP4	Macro/Public Finance
Alain Catalan	Senior Financial Management Spec	AFTFM	Public Finance Mang
Leif Jensen	Lead Financial Management Spec	AFTFM	Public Finance Mang
Mamadou Yaro	Senior Financial Management Spec	AFTFM	Public Finance/procurement
Djibrilla Karamoko	Sr Health Spec.	AFTH2	Health sector
Adama Ouedraogo	Education Spec.	AFTH2	Education sector
Rachidi B. Radji	Senior Human Development Speci	AFTH2	Education sector
Emmanuel Pinto Moreira	Lead Economist	AFTP4	Macro economics
Mark Blackden	Lead Specialist	AFTPM	Population/Gender
John F. May	Senior Demographer	AFTH2	Population issues
Helene Bertaud	Senior Counsel	LEGAF	Legal issues
Wolfgang Chadab	Finance Officer	LOAG2	Finance issues
Aissatou Chipkaou	Senior Program Assistant	AFTH2	Assistance to Team
Supervision			
Setareh Razmara	Lead Social Protection Spec	AFTH2	Co-TTL/HD sector
Patrick Verissimo	Sr Sector Economist	AFTAR	Co-TTL/Rural sector
Amadou Ibrahim	Senior Economist	AFTP4	Macro/Public Finance
Emile Louis Rene Finateu	Lead Financial Management Spec	AFTFM	Public Finance Mang
Boubou Cisse	Economist (Health)	WBIHD	Health sector
Djibrilla Karamoko	Sr Health Spec.	AFTH2	Health sector
Adama Ouedraogo	Education Spec.	AFTH2	Education sector
Rachidi B. Radji	Senior Human Development Spec	MNSHD	Education sector
Amadou Alassane	Senior Rural sector Spec	AFTS3	Rural sector
Helene Bertaud	Senior Counsel	LEGAF	Legal issues
Wolfgang Chadab	Finance Officer	LOAG2	Finance issues
Karima Laouali	Program Assistant	AFMNE	Assistannce to Team

P098963 - Rural & Social Policy DPL II			
Names	**Title**	**Unit**	**Responsibility/ Specialty**
Lending			
Setareh Razmara	Lead Social Protection Spec	AFTH2	Co-TTL/HD sector
Patrick Verissimo	Sr Sector Economist	AFTAR	Co-TTL/Rural sector
Amadou Ibrahim	Senior Economist	AFTP4	Macro/Public Finance
Bruno Boccara	Lead Economist	AFTP4	Macro economics
Emile Louis Rene Finateu	Lead Financial Management Spec	AFTFM	Public Finance Mang
Eric J. Yoboué	Senior Procurement Spec	AFTPC	Procurement issues

Boubou Cisse	Economist (Health)	WBIHD	Health sector
Djibrilla Karamoko	Sr Health Spec.	AFTH2	Health sector
Adama Ouedraogo	Education Spec.	AFTH2	Education sector
John F. May	Senior Demographer	AFTH2	Population issues
Ivan Rossignol	Lead Private Sector Dev. Spec	AFTPF	Private sector dev.
Helene Bertaud	Senior Counsel	LEGAF	Legal issues
Wolfgang Chadab	Finance Officer	LOAG2	Finance issues
Karima Laouali	Program Assistant	AFMNE	Assistannce to Team
Aissatou Chipkaou	Senior Program Assistant	AFTH2	Assistannce to Team
Mohamed I. Diaw	Information Assistant	AFTH2	Assistannce to Team
Supervision			
Setareh Razmara	Lead Social Protection Spec	AFTH2	Co-TTL/HD sector
Patrick Verissimo	Sr Sector Economist	AFTAR	Co-TTL/Rural sector
Amadou Ibrahim	Senior Economist	AFTP4	Macro/Public Finance
Emile Louis Rene Finateu	Lead Financial Management Spec	AFTFM	Public Finance Mgt
Eric J. Yoboué	Senior Procurement Spec	AFTPC	Procurement issues
Ibrah Rahamane Sanoussi	Procurement Spec	AFTPC	Procurement issues
Boubou Cisse	Economist (Health)	WBIHD	Health sector
Djibrilla Karamoko	Sr. Health Spec.	AFTH2	Health sector
Christophe Lemiere	Health Specialist	AFTH2	Health sector
John F. May	Lead Population Specialist	AFTH2	Population issues
Adama Ouedraogo	Education Spec.	AFTH2	Education sector
Helene Bertaud	Senior Counsel	LEGAF	Legal issues
Wolfgang Chadab	Finance Officer	LOAG2	Finance issues
Karima Laouali	Program Assistant	AFMNE	Assistannce to Team
Mohamed I. Diaw	Information Assistant	AFTH2	Assistannce to Team

(b) Staff Time and Cost

P096411 - Rural and Social Sector Policy Reform Credit 1		
Stage	**Staff Time and Cost (Bank Budget Only)**	
	No. of staff weeks	**USD Thousands (including travel and consultant costs)**
Lending		
FY06	92	394.81
FY07	7	7.06
FY08		-0.38
Total:	99	401.49
Supervision		
FY06		0.00
FY07	53	194.18
FY08	13	39.37
Total:	66	233.55

P098963 - Rural & Social Policy DPL II		
Stage	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY07	52	251.49
FY08		0.00
Total:	52	251.49
Supervision		
FY07		0.00
FY08	43	161.95
FY09	1	0.00
Total:	44	161.95

Annex 2. Beneficiary Survey Results

NA

Annex 3. Stakeholder Workshop Report and Results

NA

Annex 4. Summary of Borrower's ICR and/or Comments on Draft ICR

1. Description et démarrage du projet

Historique

Contexte politique

A la fin des années 90 marquées par une forte instabilité politique et sociale, le Niger a réussi à mettre en place de nouvelles institutions politiques sur une base démocratique à partir d'un processus électoral dont la réussite a été reconnue par la communauté internationale.

En 2004 de nouvelles élections générales (locales, législatives et présidentielles) ont été organisées dans la transparence, le respect des lois en vigueur et des principes démocratiques.
Elles ont confirmé le retour à la stabilité politique à travers la réélection non contestée du Président de la République SEM Tandja Mamadou avec une majorité confortable.
La stabilité politique ainsi retrouvée a créé un contexte favorable à la poursuite des réformes économiques et financières engagées depuis le début de la décennie 2000.
Les progrès qui en ont résulté sont présentés ci-dessus.

Situation économique et sociale

Au cours de la période 2005-2007, plusieurs faits majeurs ont marqué la gestion macroéconomique du Niger. Au nombre de ceux –ci, on peut citer :

- la réalisation d'un taux de croissance moyen annuel de 5,3 % qui améliore les conditions de vie de la population avec un PIB par tête d'habitant qui s'accroît d'environ 2 points de pourcentage ;

- la maîtrise des tensions inflationnistes jusqu'au milieu de l'année 2007 à la faveur notamment d'une succession de bonnes campagnes de productions agricoles ;

- l'augmentation importante des recettes budgétaires liées à la fois à l'accroissement continu des performances des régies financières en matière de recouvrement d'impôts et taxes et à l'encaissement de ressources exceptionnelles issues de la vente d'actifs miniers et d'une licence globale de télécommunication ;

- la maîtrise des dépenses publiques et le renforcement de la qualité de celles-ci en vue de fournir à la population des services publics de bonne qualité et d'en élargir l'accès ;

- l'amélioration du solde courant de la balance des paiements favorisé notamment par la revalorisation du prix de l'uranium ;

- l'amélioration de la position nette du gouvernement (PNG) et l'augmentation des crédits accordés au secteur privé par le système bancaire.

Plusieurs facteurs se sont conjugués pour favoriser l'amélioration de la situation macroéconomique comme indiquée ci-dessus.

Il s'agit principalement (i) de la stabilité politique, (ii) de la rigueur de la gestion économique et financière attestée par la validation systématique de toutes les revues des programmes conclus avec le FMI depuis 2000 et la mise en œuvre ininterrompue de ceux –ci depuis lors et (iii) de la bonne pluviométrie enregistrée tout au long de la période considérée.

Objectifs du projet

La série RSRC vise à apporter un appui budgétaire au Gouvernement pour surmonter les contraintes aux réformes de politique et institutionnelles de la gestion des dépenses publiques, du développement rural, de la santé, de l'éducation et de la problématique de croissance démographique et du genre. Dans ce contexte, le RSRC 1 et le RSRC 2 continueront dans un cadre à moyen terme, et par le biais d'opérations annuelles d'appui au budget au cours de 2 années (2006 et 2007). Ces opérations se concentreront, sur les secteurs prioritaires susmentionnés, et introduiront progressivement d'autres secteurs, selon les besoins, en fonction des résultats des études analytiques en cours et à venir.

Les RSRC ont été structurés autour d'un cadre de résultats à moyen terme ayant identifié les réformes proposées dans les domaines du développement rural et humain et autour des étapes subséquentes requises à l'appui du programme de croissance.

Cette approche est conforme à la stratégie du Gouvernement, traduite dans le DSRP II, qui identifie l'agriculture comme étant le moteur de la croissance économique dans le court et moyen termes. Plus précisément, la lettre de politique de développement du RSRC 2 qui s'appuie sur les grandes lignes de la SRP, présente l'évolution récente de la mise en œuvre des réformes dans les secteurs clés ainsi que les perspectives à moyen terme.

En effet, elle fait le point sur les réformes des secteurs prioritaires de la SRP(gestion du secteur public, secteurs sociaux et développement rural), les défis qui restent à surmonter, les résultats atteints notamment dans le cadre de la mise en œuvre du 1er programme (RSRC 1) , les réformes en cours dans le cadre du RSRC 2 et les déclencheurs potentiels identifiés pour le RSRC3 .

1. Composantes du projet (les différents volets)

- Objectifs de chaque composante et résultats attendus.

Gestion des dépenses publiques :

Sur la base des progrès réalisés dans la mise en œuvre du plan d'action PEMFAR, le Gouvernement envisage d'approfondir les réformes, principalement au niveau de la préparation, de l'exécution , et du contrôle du budget, avec le soutien continu de la Banque et de la communauté des bailleurs de fonds.

Les principaux défis à relever dans le cadre de ce partenariat sont notamment : (i) la modernisation du Trésor pour se conformer aux directives de l'UEMOA, (ii) l'amélioration de l'exécution du budget grâce à un système fiable de gestion de la trésorerie, (iii) l'achèvement de la restructuration du Ministère de l'Economie et des Finances, (iv) une présence accrue des ministères techniques dans la préparation du budget et le processus d'exécution ainsi qu'une responsabilité plus poussée des ministère techniques, et (v) le renforcement des entités de supervision internes (contrôles financiers) et externes (chambre des comptes) de l'exécution du budget pour améliorer la qualité des dépenses publiques et établir dans le délais prescrits les rapports sur l'exécution du budget pour le parlement.

Passation des marchés :

La vision à moyen et longs termes adoptés dans le contexte de la réforme des passations des marchés publics contribuera à améliorer la transparence dans la gestion des finances publiques et de développer un marché commun de l'UEMOA. L'objectif de la réforme est d'améliorer la transparence et l'efficacité du système de passation des marchés publics, conformément au DSRP et au Code de transparence de l'UEMOA pour la gestion des finances publiques. La réalisation de cet objectif contribuera à une mise en œuvre effective de la Déclaration de Paris sur l'efficacité de l'aide eu égard à l'utilisation des systèmes nationaux pour les projets financés par des bailleurs de fonds.

Système national de données statistiques et d'information :

Le Gouvernement s'est engagé à renforcer l'INS. Le Gouvernement a indiqué son engagement à mettre en œuvre les réformes institutionnelles requises pour doter l'INS d'une autonomie adéquate en matière de budget, de personnel, et des aspects stratégiques. Avec l'appui technique de la Banque, l'INS a lancé l'enquête nationale sur le budget des ménages en avril 2007 et envisage aussi de lancer en 2008 (i) une enquête communautaire sur la prestation des services de santé et d'éducation ; et (ii) une enquête nationale sur l'emploi.

En outre, tel que planifié et avec l'appui du Fonds fiduciaire pour le renforcement de la capacité statistique de la Banque mondiale, l'INS est en train de développer une stratégie à moyen terme pour définir le financement pour les enquêtes programmées. Il est anticipé que ces initiatives : (i) fourniront une bonne base d'information pour la révision du DSRP et le suivi des progrès dans la voie de la réduction de la pauvreté, (ii) renforceront les capacités techniques du personnel de l'INS en matière de conception,

préparation, et exécution des enquêtes en attirant un personnel hautement qualifié ; et (iii) fourniront une stratégie cohérente à moyen terme qui définisse le programme de travail de l'INS et veille à ce qu'un financement suffisant soit alloué aux diverses activités.

Agriculture et développement rural :

A la suite d'une approche participative et itérative qui a regroupé toutes les parties concernées, le Niger a adopté une stratégie exhaustive de développement rural (SDR) en 2003. La SDR est directement interconnectée à un des piliers clés du DSRP II du pays – «Promouvoir la croissance et relever le niveau des revenus ». L'ultime objectif de la (SDR) est de réduire l'incidence de la pauvreté rurale de 63 pour cent à 52 pour cent d'ici 2015, dans le contexte d'un environnement de politique et institutionnel favorable à un développement économique et social durable dans lequel la sécurité alimentaire et la gestion durable des ressources naturelles seront garantis.

Education de base

Le Gouvernement a avalisé un programme décennal de développement de l'éducation (PDDE 2003-2013). Les objectifs clés du programme sont les suivants : l'éducation (i) développer l'accès à l'éducation de base formelle et non formelle, en particulier pour les enfants du milieu rural, les filles et les pauvres ; (ii) améliorer la qualité et la pertinence de l'éducation ; et (iii) développer les capacités pour la gestion stratégique et opérationnelle du secteur à la fois au niveau central et régional et accroître les responsabilités prises au niveau des communautés.

Santé

Le Gouvernement a adopté un cadre décennal stratégique de développement du secteur de la santé (2002-2011) actuellement en phase de mise en œuvre dans le contexte d'un Plan national quinquennal de développement sanitaire (PNDS -2005-2010). Les objectives du PNDS pour le secteur de la santé sont : (i) réduction de la mortalité maternelle et infantile, (ii) réduction des inégalités grâce à une meilleure gestion des ressources (humaines et financières), et (iii) amélioration de la qualité et de la disponibilité des services de santé. Pour créer la capacité de mise en œuvre du PNDS, le Gouvernement envisage (i) introduire des mutations institutionnelles (organisation structurelle des coûts ; (iii) renforcer la disponibilité des médicaments génériques essentiels à un coût abordable ; et (iv) promouvoir la décentralisation.

Croissance démographique

Le Gouvernement s'engage à mieux gérer la dynamique démographique. Outre création d'un nouveau Ministère de la Population et de l'Action sociale (MP/AS) en 2004(devenu le Ministère de la Population et des Réformes Sociales (MP/SR) en mars 2007), le (MP/RS a préparé une Déclaration du Gouvernement en matière de Politique de Population (DGPP). Ladite déclaration est basée sur la Déclaration de Politique Générale (DPG), document tourné vers l'action, a été adopté par le Gouvernement en février 2007.

Actuellement, des Plans annuels de travail (PAT) sont en préparation avec l'aide du FNUAP pour la mise la DGPP en œuvre

2. Conception, exécution, réalisation et impact du projet

2.1. Evaluation de la conception du projet

Le programme a été harmonisé avec le plan d'action prioritaire issu de la revue des finances publiques et de la responsabilité financière réalisée entre fin 2003 et début 2005. Toutefois, il apparaît clairement ex-post que le contenu « volontariste » du plan d'action prioritaire ci-dessus évoqué (PAP PEMFAR) n'a pas été suffisamment pris en compte.
En effet, plusieurs mesures et actions retenues dans le programme ont été réalisées avec retard au terme de deux opérations en raison des faibles capacités de mise en œuvre de l'administration.
A titre illustratif, la réforme du trésor a été décidée par le gouvernement ; ce qui marque sa volonté politique d'engager des réformes mais compte tenu des faibles capacités de mise en œuvre cette réforme demeure en chantier.
Par ailleurs le programme a retenu certaines actions et mesures épuisantes dans leur mise en œuvre mais dont les effets sont négligeables dans la restructuration de l'économie.
C'est le cas des mesures nominatives.
En définitive, au cours de la phase de conception le principe d'appropriation n'a pas été observé dans le cas de certaines mesures et actions ; ce qui explique dans une large mesure des retards et des lenteurs observés ça et là.

2.2. Principaux résultats obtenus dans chacune des composantes du projet

Le RSRC 1 :

Dans le cadre du RSRC 1, les résultats atteints sont les suivants :

- Gestion des dépenses publiques :
  - Le système de gestion de la trésorerie à été renforcé ;
  - Les textes juridiques pour améliorer la structure et le fonctionnement du Ministère de l'Economie et des Finances ont été adoptés.

- **Passation des marchés** : la fonction de régulation des marchés publics en vue d'améliorer la transparence et l'équité dans la passation des marchés publics, est opérationnelle par la création de l'agence de Régulation de Marchés Publics.

- **Système national de données statistiques et d'information** : en décembre 2006, le cadre juridique pour le fonctionnement de l'INS a été renforcé par l'adoption d'un statut pour le personnel.

- **Développement rural** :

- Le plan d'action pour la SDR a été révisé pour inclure le programme de lutte contre l'Insécurité Alimentaire par le Développement de l'Irrigation ;

- Les coûts pour l'ensemble des programmes SDR ont été arrêtés, ce qui a fourni la base pour la finalisation du CDMT rural. A la fois, le CDMT et le plan d'actions ont été adoptés par le décret en octobre 2006 ;

- Un arrêté a été adopté pour la création et l'installation progressive de Secrétariats Permanents Régionaux du code rural (SPR-CR). Pue après, trois des huit SPR-CR sont devenus opérationnels ;
- Le Gouvernement a organisé un atelier à Maradi au cours duquel l'étude d'évaluation du système national pour la gestion des crises alimentaires et la prévention, a été validée.

- **Education de base** : l'exécution du budget programme (PDDE) s'est déroulée comme prévu :

  - Plus de 3000 enseignants contractuels ont été recrutés pour faire face aux demandes additionnelles de scolarisation ;

  - Un arrêté a été pris pour doter l'Ecole Nationale des Instituteurs (ENI) d'un nouveau statut et le personnel requis a été nommé afin d'assurer le bon fonctionnement des ENI, étape importante dans la réforme des programmes de formation initiale des enseignants ;

  - Sur la base des résultats du rapport de l'audit technique, un plan d'action a été adopté pour améliorer l'allocation et la gestion des enseignants contractuels. La mise en œuvre du plan d'action a donné lieu à (i) la participation du COGES dans la gestion des enseignants contractuels ; (ii) l'adoption de normes en termes du nombre des directions administratives et des effectifs des structures nombre décentralisées (iii) l'amélioration de l'allocation géographique des nouveaux enseignants contractuels (tenant compte des sureffectifs dans 25 départements).

- **Santé** :

- Pour remédier au déficit des ressources humaines et à leur distribution inégale sur le territoire, le Gouvernement a adopté des réglementations pour recruter au niveau régional 454 spécialistes de la santé (339 spécialistes de la santé et 115 contractuels en 2006/2007) ;

- Afin d'améliorer l'accès aux services de santés de base, le Gouvernement a adopté un décret instituant le subventionnement intégral des contraceptifs, césariennes, consultations prénatales, et soins de santé pour les enfants de moins de cinq ans. La loi de Finances a alloué le financement requis pour couvrir les coûts de ces services.

Le RSRC2

Dans le cadre du RSRC 2 (1ère tranche), les résultats atteints sont les suivants :

- gestion des dépenses publiques : l'alignement des allocations de la Loi de Finances sur les objectifs prioritaires de la SRP et les CDMT des secteurs éducation, santé et développement rural ainsi que le suivi rigoureux des dépenses de réduction de la pauvreté dont la liste a été révisée et codifiée en 2007.

- système national de données statistiques et d'information : le PCA et les membres du Conseil d'Administration de l'INS ont été nommés.

- développement rural : en vue de rendre opérationnelle la SDR, un certain nombre d'actions ont été réalisées parmi lesquelles on peut citer la nomination des organes responsables de maîtrise d'œuvre et maîtrise d'ouvrage par arrêté n° 0001/CIP/SDR du 27/02/07 ;

- éducation de base : en vue d'améliorer la gestion et les affectations du personnel, un plan d'actions a été adopté en 2006. La mise en œuvre de ce plan qui a démarré au cours de la même année, a fait l'objet d'un rapport axé sur la gestion et le déploiement des enseignants (incluant des résultats tangibles sur la gestion des enseignants contractuels, leur recensement achevé, l'implication effective des COGES dans le paiement de leurs salaires).

- Santé : pour améliorer l'efficience de l'offre des services de santé de base à travers un financement approprié du secteur, l'allocation interne du budget a été réalisée afin d'augmenter la part destinée aux services de santé de base des régions et districts sanitaires. En effet, en 2007, sur le budget annuel total de fonctionnement (hors salaire), 55% ont été transférés aux régions et aux districts sanitaires.

Le programme de réforme dans le cadre de cette opération sera mené par le Ministre de l'Economie et des Finances, travaillant étroitement avec les ministères d'exécution et les parties permanentes ;

2.3. Responsabilités du comité de suivi.

Le Gouvernement dans un souci de mener à bien le programme de réformes qu'il a lui-même initié, a crée un comité de suivi qui veille à la mise en œuvre effective de ces - celles. Dans ce cadre le comité a eu à organiser plusieurs réunions aux cours desquelles il a identifié les mesures retenues dans le RSRC1 et le RSRC2. En plus le comité a assuré le suivi de la mise en œuvre des mesures à travers des réunions organisées au sein du comité lui-même et à travers les vidéo conférence qu'il a eu avec la Banque Mondiale. Au cours de ces réunions le comité demande aux structures de faire le point relativement à la mise en œuvre des mesures au niveau de leurs structures respectives. Ces notes sont

centralisées au niveau de la Direction Générale de l'Epargne, du Crédit et des Assurances qui fait la note de synthèse.

Il faut noter que c'est à travers ces réunions que le comité arrive à trouver des solutions à certains problèmes et attirer l'attention des structures pour que des dispositions soient prises afin d'éviter des retards.

Le comité bénéficie d'un soutien des autorités politiques à titre illustratif au niveau du Ministère de l'Economie et des Finances organe chargé de l'exécution du projet les réunions sont organisées par les responsables techniques, le Commissaire Chargé de l'Economie, le Secrétaire Général et le Ministre de l'Economie et des Finances avec leurs homologues des autres Ministères concernés.

2.4. Coordination et Gestion du Projet :

Le programme de réforme dans le cadre de cette opération sera mené par le Ministère de l'Economie et des Finances, travaillant étroitement avec les Ministères d'exécution et les parties prenantes ; il sera supervisé par un Comité de direction interministériel établi en 2006 pour la série de RSRC. Le comité est chargé de suivre les résultats et les réalisations et de veiller à ce que les actions correctives soient adoptées à temps pour éviter les retards. L'expérience du RSRC-1 a montré que le comité n'a pas rempli son mandat comme anticipé. Pour renforcer le suivi de la mise en œuvre de la réforme, le Gouvernement a nommé un Secrétariat pour comité de direction ainsi que les membres clés des ministères sectoriels. Pour faciliter la supervision des activités au titre du RSRC-2 proposé et du RSRC-3 membres sectoriels clés suivent sur une base régulière les progrès réalisés afin d'identifier les domaines de forces et de faiblesses et l'assistance éventuelle requise.
Plus spécifiquement, le Secrétariat sera responsable de la préparation des rapports trimestriels de progrès, avec les apports des équipes clés des ministères sectoriels. Ceci aidera à maintenir la dynamique en faveur des résultats projetés pour le moyen terme par le Gouvernement et permettra de remédier à tous risques éventuels de rendements indésirables.

Impact du projet dans la mise en œuvre de la politique nationale sur la protection sociale

Le suivi du programme et des mesures de réformes structurelles sera assuré par le Gouvernement qui s'appuiera à cette fin sur le Comité Interministériel de Suivi des RSRC qui sera renforcé, par la création d'un Secrétariat et la désignation de points focaux. Ce comité regroupe l'ensemble des structures appuyées par le programme. Le Commissariat Chargé de l'Economie en assure le secrétariat.

Le Secrétariat aura pour activités principales, le suivi de la mise en œuvre des mesures de réformes en s'appuyant sur les points focaux (DEP et DAAF des ministères concernés, Direction du Budget, Direction Générale du Contrôle Financier, Secrétariat Exécutif de la SDR, Service des Etudes de la Direction Générale du Trésor et de la

Comptabilité Publique), la rédaction des rapports du Comité, l'organisation générale des travaux liés aux RSRC et aux autres appuis budgétaires (Union Européenne, BAD, France, etc…).

3. **Analyse critique de l'action de la banque mondiale, du gouvernement et de l'assistance technique**

3.1. Appréciation de l'action de la banque mondiale au cours d'exécution du Projet

L'exécution du projet a été facilitée au niveau de tous les secteurs bénéficiant d'une assistance technique de la Banque Mondiale et/ou d'autres PTF. Le secteur du développement rural illustre parfaitement cette affirmation, car dans la plupart des cas le contenu et le délai de mise en œuvre ont été satisfaisants. La principale leçon qu'il convient de tirer est qu'en l'état actuel de la situation institutionnelle le renforcement des capacités est un passage obligé pour réussir une politique ambitieuse de réformes au Niger.

3.2. Appréciation de l'action du Gouvernement au cours d'exécution du Projet

Le gouvernement a créé à travers le fonctionnement du Comité de suivi les conditions favorables à la prise en charge effective des réformes par les Secrétaires Généraux des départements ministériels concernés. Ainsi dans la plupart des cas la préparation technique des dossiers a pu bénéficier d'un mécanisme de coordination de haut niveau et d'une prise de décision politique rapide. Le Ministère de l'Economie et des Finances, organe chargé de l'exécution du projet a inlassablement œuvré pour qu'il en soit ainsi.

A cet effet, plusieurs rencontres ont été organisées par les responsables techniques du Ministère, le Commissaire Chargé de l'Economie, le Secrétaire Général et le Ministre, avec leurs homologues des départements ministériels concernés. Il est indispensable à l'avenir d'envisager de renforcer ce schéma pour créer les conditions de succès de l'exécution des programmes de réformes.

3.2. Evaluation d'efficacité et de la qualité des relations entre la Banque Mondiale et le Gouvernement durant l'exécution du projet

Globalement la qualité des relations a été bonne. En effet, la réalisation des mesures de réformes et les tirages se sont déroulés suivant des délais raisonnables d'une manière générale. Toutefois, le rythme imposé par la Banque ne conduit pas dans tous les cas à la réalisation d'un travail rationnel. D'où la nécessité d'agir à l'avenir sur le nombre de missions de suivi et l'organisation matérielle de celles-ci. Il pourrait être également utile d'envisager un rééquilibrage de la relation en faisant en sorte que quelques échanges sur la mise en œuvre des programmes soient organisés au siège de la Banque Mondiale.

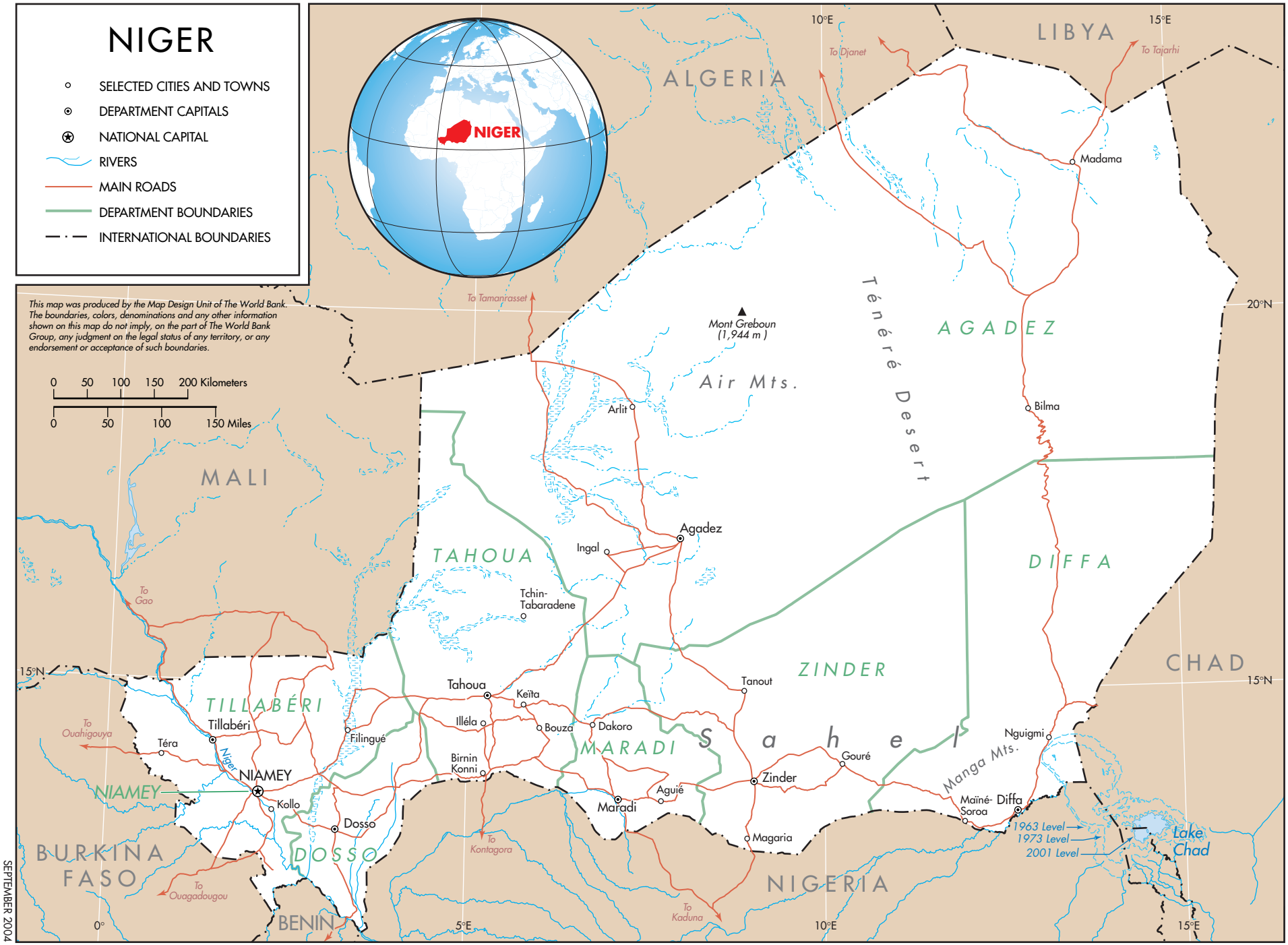
Annex 5. Comments of Cofinanciers and Other Partners/Stakeholders

NA

Annex 6. Additional data

Evolution of expenditures in rural and social sectors (CFAF billion)

	2004 (actual)	**2005** (actual)	**2006** (est.)	**2007** (est.)
EDUCATION	53.6	63.1	65.0	70.1
Current Expenditure	37.6	48.9	50.9	55.4
Capital Expenditure	16.0	14.2	14.2	14.8
(of which domestic financing)	0.3	2.1	2.0	4.0
% of budget allocation	81	79	82	73
HEALTH	27.9	31.7	34.2	36.4
Current Expenditure	13.5	18.5	16.7	19.3
Capital Expenditure	14.4	13.2	17.5	17.1
(of which domestic financing)	0.9	1.4	1.6	1.5
% of budget allocation	78	84	89	75
RURAL DEVELOPMENT	66.6	58.7	77.9	73.4
Current Expenditure	7.2	9.3	8.6	9.4
Capital Expenditure	59.4	49.3	69.3	63.9
(of which domestic financing)	1.3	1.2	1.9	9.6
% of budget allocation	70	67	65	68



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