

Document of
The World Bank

Report No: 26195

IMPLEMENTATION COMPLETION REPORT
(IDA-35760)

ON A

CREDIT

IN THE AMOUNT OF SDR 54.5 MILLION (US\$ 70 MILLION EQUIVALENT)

TO THE

REPUBLIC OF NIGER

FOR PUBLIC EXPENDITURE ADJUSTMENT CREDIT

December 24, 2003

**AFPREM GROUP 3
COUNTRY DEPARTMENT 13
AFRICA REGION**

CURRENCY EQUIVALENTS

(Exchange Rate Effective End-November, 2003)

Currency Unit = CFA Franc (CFAF)

CFAF 554.5 = US\$ US \$ 1.00

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
CAFER	Road Fund
CAFED	Cellules d'Animation pédagogiques
CAS	Country Assistance Strategy
CET	Common External Tariff
CFAA	Country Financial Accountability Assessment
CNSS	Institution covering employees from the formal private sector (Caisse Nationale de Sécurité Sociale)
CPAR	Country Procurement Assessment Report
DHS	Demographic Health Survey
ECOWAS	Economic Community of West African States
ENI	Teacher Training Institutes (Ecoles Nationales d'Instituteurs)
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
FMIS	Financial Management Information System
GDP	Gross Domestic Product
HDR	Human Development Report
I-PRSP	Interim Poverty Reduction Strategy
MAP	Multi-Country HIV/AIDS Program
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
NIGELEC	Power Generation and Distribution Company
ONPE	Saving and Checking Arm of the Postal Institution
PEAC	Public Expenditure Adjustment Credit
PEMR	Public Expenditure Management Review
PER	Public Expenditure Review
PFRC	Public Finance Reform Credit
PRGF	Poverty Reduction Growth Facility
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PSAC	Public Sector Adjustment Credit
PSI	Pre-shipment Inspection
SNE	National Water Company
SONIDEP	Petroleum Products Import Company
SONITEL	Telecoms Company

TOFE Consolidated Government Financial Operations
(*Tableau des Opérations Financières de l'État*)
VAT Value Added Tax
WAEMU West African Economic and Monetary Union

Vice President:	Callisto E. Madavo
Country Director:	Antoinette M. Sayeh
Sector Manager:	Cadman A. Mills
Task Team Leader/Task Manager:	Emmanuel Pinto Moreira

NIGER
Public Expenditure Adjustment Credit

CONTENTS

	Page No.
1. Project Data	
2. Principal Performance Ratings	
3. Assessment of Development Objective and Design, and of Quality at Entry	
4. Achievement of Objective and Outputs	
5. Major Factors Affecting Implementation and Outcome	
6. Sustainability	
7. Bank and Borrower Performance	
8. Lessons Learned	
9. Partner Comments	
10. Additional Information	
Annex 1. Key Performance Indicators/Log Frame Matrix	
Annex 2. Project Costs and Financing	
Annex 3. Economic Costs and Benefits	
Annex 4. Bank Inputs	
Annex 5. Ratings for Achievement of Objectives/Outputs of Components	
Annex 6. Ratings of Bank and Borrower Performance	
Annex 7. List of Supporting Documents	

<i>Project ID:</i> P069569	<i>Project Name:</i> Public Expenditure Adjustment Credit
<i>Team Leader:</i> Emmanuel Pinto Moreira	<i>TL Unit:</i> AFTP3
<i>ICR Type:</i> Core ICR	<i>Report Date:</i> December 29, 2003

1. Project Data

Name: Public Expenditure Adjustment Credit *L/C/TF Number:* IDA-35760
Country/Department: NIGER *Region:* Africa Regional Office

Sector/subsector: Central government administration (45%); General education sector (22%); Health (12%); Water supply (12%); Postal services (9%)

Theme: Public expenditure, financial management and procurement (P); Debt management and fiscal sustainability (S); Education for all (S); Rural services and infrastructure (S); Other urban development (S)

KEY DATES

	<i>Original</i>	<i>Revised/Actual</i>
<i>PCD:</i> 07/12/2001	<i>Effective:</i> 11/01/2001	
<i>Appraisal:</i> 08/09/2001	<i>MTR:</i>	
<i>Approval:</i> 11/20/2001	<i>Closing:</i> 06/30/2003	06/30/2003

Borrower/Implementing Agency: Government of Niger/Ministry of Finance
Other Partners: n/a

STAFF	Current	At Appraisal
<i>Vice President:</i>	Callisto E. Madavo	Callisto E. Madavo
<i>Country Director:</i>	Antoinette M. Sayeh	Antoinette M. Sayeh
<i>Sector Manager:</i>	Cadman Atta Mills	Cadman Atta Mills
<i>Team Leader at ICR:</i>	Emmanuel Pinto Moreira	Jean Luc Bernasconi
<i>ICR Primary Author:</i>	Amadou Ibrahim	

2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

Outcome: S
Sustainability: L
Institutional Development Impact: M
Bank Performance: S
Borrower Performance: S

Quality at Entry: U QAG (if available) ICR
Project at Risk at Any Time: No S

3. Assessment of Development Objective and Design, and of Quality at Entry

3.1 Original Objective:

1. **Background:** Poverty is widespread in Niger. Available data point to a poverty headcount of 63 percent and to incidence of extreme poverty of 34 percent. Living standards are extremely low and the UNDP Human Development Index ranked Niger 174th out of 175 countries in 2003. The infant mortality rate is 156 deaths per 1,000 births. The average life expectancy at birth is only 46 years. Barely 59 percent of the population has access to potable water and only 5 percent of the rural population has access to sanitation facilities. The country's resource base is marginal and real GNP per capita was only US\$180 in 2002 (World Bank Atlas method).

2. Niger is a landlocked Sahelian country highly dependent on the agricultural sector which generates 40 percent of GDP. Economic performance is thus highly vulnerable to external shocks, especially drought. Niger's population of about 11.2 million in 2002 is growing at a rate of 3.1 percent annually (according to estimate of the last census conducted in 2001). Eighty percent of the population lives in rural areas where rainfall is erratic and generally insufficient to ensure adequate agricultural production. Desertification has reduced Niger's arable land by half since 1965. As a result of rapid population growth and southward migration due to drought, about 85 percent of Niger's population is now concentrated in a 100-150 kilometer-wide corridor north of the border with Nigeria.

3. The country's development has been hampered by domestic military and civil unrest and strife in neighboring countries. In 1974 the civilian government was overthrown by the military. The domination of the military regime lasted until about 1990. During 1990-91, various groups began agitating for a democratic, multiparty state. A national conference in 1991 paved the way for the first multiparty constitution and Government. But the resulting Governments were generally unstable coalitions and governance was poor. In the first half of the 1990's rebellions erupted in the northern and eastern part of the country. A peace accord signed in 1995 led to a gradual pacification of the country, but there were *coups d'état* in 1996 and 1999. A transition regime controlled by the military junta that had taken over in 1999 *coup*, handed power over to a civilian Government, following transparent presidential and legislative elections in December 1999.

4. The Government elected in 1999 began restoring financial stability and reinvigorating the reform program. It prepared a three-year macroeconomic program and issued an Interim Poverty Reduction Strategy paper (I-PRSP) that addressed the root causes of poverty: lack of food security and opportunities for rural income-generation, insufficient access to health and education, poor infrastructure (water and roads) and hardships faced by women. The I-PRSP presented a roadmap for promoting human development by reinforcing basic education and health care, enhancing rural infrastructure (mainly rural roads and water resources) and growth opportunities in the rural economy, and establishing an environment conducive to private sector development, including judicial reform. Furthermore, it identified policies to sustain improvements in the delivery of basic social services, sound management of public (Human and financial) resources and structural reforms, especially in the areas of private and financial sector development.

5. The Government took action to bring the fiscal situation under control. It adopted a cash rationing system to control expenditures, while ensuring full payment of salaries, avoiding the accumulation of domestic payments arrears, and allowing for orderly servicing of external debt. A revised Budget Law was enacted in May 2000 that corrected unrealistic revenue projections and several important actions were taken to strengthen fiscal discipline and accountability, including the regular and timely closing of fiscal accounts. The subsidy on petroleum products was eliminated through two price increases. The fiscal

accounts for 1997 were formally closed, the budget law was submitted to the National Assembly for review and corresponding treasury accounts were submitted to the Supreme Court's Accounting Office for auditing.

6. Following improved economic policies, the Bank supported the government's efforts in 2000 through a Public Finance Recovery Credit (PFRC), a single tranche operation in the amount of US\$ 35 million. The PRFC aimed to help cover an urgent financing need in a context where a full-fledged macroeconomic management and structural reform program was under discussion with donors. A supplemental credit of US\$ 12 million was approved in early 2001 to mitigate the effects of an oil price increase. The implementation of the PFRC was satisfactory. The IMF approved a Poverty Reduction and Growth Facility (PRGF) in December 2000 and Niger reached the Decision Point of the Enhanced HIPC Initiative.

Credit rationale and timing

7. PEAC I built upon the achievements of the PFRC and was closely aligned with the Fund's PRGF program. It was designed to continue helping the Government implement its poverty reduction efforts and pursue its economic reform program, with an emphasis on improved budgetary management. The credit also aimed at expanding and improving key programs such as basic education and primary health care with a view to improving Niger's track record in promoting basic social service delivery. Finally, PEAC I sought to enhance the development of a more productive private sector. The expected progress in improving the framework for public finance management would allow the Bank to consider subsequent support in the form of a series of programmatic operations through PRSCs. In this regard, PEAC I aimed at paving the road for programmatic lending.

8. ***Credit Objectives:*** The program supported was grounded in the I-PRSP. A full PRSP was adopted by the cabinet in December 2001 and was presented to the Boards of the Bank and Fund along with the joint Bank and Fund staff assessment (JSA) in February 2002. The first progress report on the implementation of the PRSP was also prepared and a JSA of this progress report concludes that Niger's PRSP remains a credible framework for Bank and Fund concessional assistance. PEAC I was a two-tranche operation which provided financing to the Government's program of poverty reduction, while contributing to the consolidation of sound macroeconomic policies. The specific objectives of PEAC I were as follows:

- Continuing the support to the government's budgetary management reform program and its efforts to improve public expenditure allocations ;
- Support to the ongoing implementation of key social sector in order to improve the delivery of essential public services.
- Support to the key structural reforms to promote an enabling environment for more sustained economic growth.

9. The Government's Letter of Development Policy, annexed to the President's Report, summarized its development objectives and strategy and described in detail the scope of public resource management reforms, policies to improve the coverage and delivery of basic public services, and measures to promote private sector development.

10. ***Credit Design:*** PEAC I was consistent with the 1997 Niger CAS, which identified three priorities for IDA support, namely: (i) the development of human capacities through expanded and improved delivery of basic social services; (ii) the improvement in the management of water resources; and (iii) the promotion of Niger's openness to its external environment, notably through private sector development. A progress report on the CAS was presented to the Board along with the credit. The progress report indicated that the priorities remained largely valid. In particular, the improvement of budgetary management was perceived by various stakeholders as a key cross-cutting element for the implementation of a sound poverty reduction strategy.

11. PEAC I was intended to consolidate and further the budgetary reforms undertaken under the PFRC and to pave the way for programmatic lending to Niger. The triggers for negotiation of PEAC I were set forth in the PFRC including (i) satisfactory implementation of the fiscal and macroeconomic programs; (ii) continued progress in improving the transparency and accountability of fiscal management as demonstrated by completion and submission to the National Assembly of the FY 1998 Budget Reform Law; (iii) adoption of a framework acceptable to IDA and other development partners for settlement of domestic arrears; and (iv) irreversible progress in the liberalization of the telecommunications sector, as demonstrated by acceleration of privatization of the fixed-line telecommunications company, SONITEL, and the awarding of two cellular phone operating licenses to private investors. Implementation of these actions was considered politically and technically feasible within the timeframe foreseen. Implementation was also seen as a means of strengthening the technical capacity of ministries involved, especially the Ministry of Finance and Economy as well as giving a clear sign of support to the private sector. The credit was designed with the collaboration of sector teams within the Bank (especially education, health and private sector development) and between Bank staff and key ministries, especially the Ministry of Finance and Economy. Finally, PEAC I was designed to allow the new Government to establish a track record of good performance and commitment to reform and poverty alleviation.

12. The reform program underpinning the proposed credit was consistent with the macroeconomic program supported by the PRGF. There was close collaboration between the Bank and IMF, notably in the areas of common interest such as budgetary management and financial sector reforms. The IMF also focused on domestic revenue mobilization, which was not addressed by PEAC I. The Bank and Fund have continued to work in close collaboration, particularly in the monitoring and strengthening of the fiduciary framework. IDA staff has also consulted other major donors such as the AfDB, the European Union and France, which are providing budgetary assistance and technical support for budget management reforms. The first tranche of US \$ 30 million was disbursed upon effectiveness of the credit in December 2001.

13. The release of the second tranche of the credit was conditional on satisfactory performance in macroeconomic management and in the overall implementation of the program set forth in the Letter of Development Policy. Specifically, the second tranche of US \$ 40 million was disbursed in August 2002 upon completion of measures detailed in the Development Credit Agreement, i.e., the borrower had:

- a) Implemented by December 31, 2001 the Domestic Arrears Reduction Plan according to the quantified reduction targets and settlement modalities set forth in said plan and avoided the accumulation of new arrears in FY 2001.
- b) Closed budgetary accounts for FY 2001 pursuant to prevailing legislation, and furnished to the Association a final consolidated balance sheet of the Borrower's treasury (*Balance Générale du Trésor*) for FY 2001;

- c) Adopted by *Arrêté* new budget and accounting nomenclatures, in form and substance acceptable to the Association, for the preparation and execution of the 2003 *Loi de finances*;
- d) Furnished to the Association evidence in form and substance satisfactory to the Association of the submission of a procurement code, in form and substance acceptable to the Association, to the Borrower's national assembly;
- e) Furnished to the Association the draft audit report for FY 1997 of the specialized Division of the Borrower's *Chambre des Comptes* of the Borrower's Supreme Court.
- f) Provided for allocations in the approved 2002 *loi de finances* pursuant to paragraphs 59 through 64 of the Program;
- g) Executed the budget for the first quarter of FY 2002, in particular for the items listed in paragraphs 59 through 64 of the Program, as evidenced by a joint report from the Ministries of Finance, National Education and Public Health.
- h) Furnished to the Association evidence, in form and substance acceptable to the Association, of revised statutes and work programs of ENI, and of the adoption of a teachers' recruitment policy institutionalizing exclusively contractual recruitment for teaching positions in primary schools.

14. PEAC I had substantial risks associated with the weak fiduciary framework, limited implementation capacity, exposure to external shocks, foreign financing as well as unstable political environment. Fiduciary risks were related to the shortcomings in the management of public resources. However, ownership of the program was considered strong enough to mitigate this risk over time. **Weak implementation capacity** throughout the administration was a concern, but the Government set aside budgetary resources for capacity building. In addition, the IMF established resident technical assistance with terms of reference consistent with the program and other donors, including the French Cooperation, and the EU also provided resident support. The country's **vulnerability to external shocks**, especially droughts or rising energy prices, could have disrupted the implementation of the program. Mitigation mechanisms were established to cope with extreme situations and, over the longer term, rural development programs, including those supported by IDA, should reduce this vulnerability. **Lagging or insufficient aid flows** could have undermined the implementation of the poverty reduction programs. However, the government's continued implementation of the program encouraged development partners to expedite aid flows. The Bank is also maintaining a close dialogue with other involved development partners in order to promote adequate burden sharing. Finally, **political risks** could have hampered the implementation of the reform program. In fact, the sociopolitical environment was difficult, with labor strikes and a mutiny in August 2002 and political unrest in the neighboring Côte d'Ivoire. Fortunately, these events did not adversely affect implementation of the program.

3.2 Revised Objective:

15. The objectives of the credit were not revised.

3.3 Original Components:

16. PEAC I had the features of a standard adjustment credit. It was designed to support the Government's reform program and comprised three major components: (i) budgetary reforms; (ii) social sector policy reforms; and (iii) structural reforms focusing on private sector development.

17. **Budget Preparation and programming:** The credit called for adoption of a new budgetary nomenclature consistent with WAEMU guidelines to unify the current and investment budgets. The authorities were also to formulate a medium-term expenditure framework (MTEF) with the support of a technical unit, Support Group to Economic Management (GAGE), comprising staff from Ministry of Finance and Economy, key sector ministries, a consulting group and researchers from University of Niamey. This team was created and trained with Bank technical assistance in the overall context of the preparation of the full PRSP.

18. **Budget execution:** Measures in this area focused on: (i) streamlining and simplifying expenditure management procedures to improve control and effectiveness; (ii) extension of the Financial Management Information System upstream to managers in line agencies and downstream to the Treasury; (iii) improvement of cash management by formalizing the “rolling” cash management plans, simplifying the process for committing and recording decentralized expenditures and giving more responsibility to local governments and more adequate feed-back from the regions to the center; (iv) reform of public procurement in line with Bank recommendations; and (v) formulation and implementation of a plan for settlement of domestic arrears.

19. **Budgetary recording, monitoring and evaluation measures** included elaboration and implementation of a new chart of accounts in line with WAEMU guidelines to facilitate the reconciliation of cash and accrual data; and production of budgetary reports relevant for decision-makers and the public. A functional and organizational audit of the Treasury undertaken in 1997 by a team of local experts with assistance of French cooperation was to serve as a basis for reforms to restore and enforce accounting discipline. The Government requested technical assistance for the implementation of the pilot tracking surveys and beneficiary incidence analysis included in the program. The program also emphasized public expenditure and budgetary oversight by the Chamber of Accounts of the Supreme Court and the Parliament. These two institutions would be strengthened and the Government would appoint local experts as advisers and auditors to the Chamber to prepare the draft audit reports for the 1999 Treasury accounts. Specific actions would be undertaken to assess and improve the capacity of conducting such audits.

20. **Management of human resources in the public sector:** Budgetary positions were to be decentralized to provide rural areas adequate staffing for basic social services. The cumbersome system of indemnification was to be streamlined with the effective use of the integrated civil services database elaborated in July 2000. The civil service statute was to be revised to introduce quality considerations in the provision of public services and establish performance incentives. Based on the experience in the education ministry, which initiated the recruitment of “volunteer teachers” in October 1998, the decentralized recruitment of contractual workers was to be explored.

B. Social sector reforms for an improved delivery of basic social services

21. **Education:** The Government had been completing preparation of a 10-year development plan for the sector with the objective of increasing the gross primary enrollment rate to 70 percent (68 percent for girls and 65 percent in rural areas), reducing repetition rates by two thirds and increasing the adult literacy to 38 percent. When Niger became eligible for the EFA/FTI initiative, the gross primary enrollment objective was revised upward to 105 percent by 2015 in October 2002. The Government also planned to promote the delivery of education services outside the Government, essentially through community schools and the private sector. The reforms envisaged included the establishment of a mechanism for monitoring equity of access; reform of the teacher’s training program, curricula and testing to increase internal efficiency; further reallocation of public resources to rural areas; expanding the volunteer teacher program; adopting special measures to promote girls’ schooling through advocacy; information and communication

programs involving local opinion leaders and school-level management committees; decentralization of service delivery for primary schooling to local communities; and the delegation of authority to adapt the school calendar and curriculum to local conditions. The Government intended to use budgetary resources to fund programs previously financed by the IDA education sector project that closed at end-2001. This included:

- Recruitment and training costs of new contractual teachers;
- Salaries of all existing contractual teachers;
- Subsistence costs of students attending the reformed teacher's colleges;
- Costs linked to the expansion of double-shift teaching in urban areas; and
- Costs of monitoring and evaluation of the program, including the collection and compilation of statistical data, the continuous undertaking of public expenditure reviews, as well as of an expenditure tracking survey.

22. **Health.** At the time of preparation of the Credit the government was in the process of revising its health policy and was preparing a new 10-year health sector development plan to improve the cost effectiveness and impact of efforts to improve coverage and quality of health services, especially priority programs, such as immunizations, reproductive health, malaria, tuberculosis, and HIV/AIDS/STDs. The objectives of the draft policy and 10-year plan included expanding and improving district health services, giving stronger emphasis to immunization, human resources management, improved partnerships with communities and civil society, improved efficiency and equity in the allocation and utilization of sector resources, and a multi-sector approach to health. The authorities intended to increase the 2002 budget allocations to provide adequate staffing of rural health centers. The Government also planned to contract new staff at the local level, financed through block grants from the national budget.

23. **HIV/AIDS:** The Government launched the preparation of a strategic framework by end-September 2001 and an operational plan by mid-November 2001. An epidemiological survey and a beneficiary assessment were to provide quantitative and qualitative data for target setting, monitoring and evaluation. A revision and fine-tuning of the institutional/organizational framework for HIV/AIDS was underway through a consultative process that would ensure that roles, responsibilities and partnerships are clearly defined and that all key stakeholders are involved in program design and implementation.

24. **Poverty targeting:** The Government is committed to updating and expanding its knowledge of poverty and evaluating the impact of policies. In line with this, the 2002 Budget was to include an allocation for a Household Survey to update information on poverty.

C. Structural Reforms to promote private sector-led economic growth

Privatization and regulatory reform.

25. **Telecommunications:** The government committed to liberalize the telecommunication sector through the granting of cellular phone licenses on a competitive basis. The authorities also reiterated their commitment to complete the privatization of SONITEL and took steps to bring the company to the point of sale, starting with the renewed call for expression of interest by potential investors in September 2001. The choice of the strategic investor was to be made before the end of 2001 if sufficient interest had been expressed beforehand.

26. **Power Distribution:** The legislation framework for privatization was to be adopted by the

National Assembly by end-2001 and the pre-qualification bids were to be launched at that time. The granting of a concession to a private strategic operator was expected in the first half of 2002.

27. ***Importation and Distribution of Petroleum Products:*** A major reform achievement before PEAC I was the replacement of the old petroleum pricing system with a transparent, flexible and automatic pricing mechanism in August 2001. In the context of the PEAC I-supported reform program, the Government intended to privatize SONIDEP, the state-owned company that has a monopoly on importing petroleum products, through an outright sale of its equity to pre-qualified investors. Prior to completing the transaction, the Government was to restore the financial health of SONIDEP and establish a regulatory framework appropriate for its operation after completion of the privatization.

3.4 Revised Components:

28. Not applicable.

3.5 Quality at Entry:

29. Credit objectives were consistent with the Niger CAS Progress Report endorsed by the Board in November 2001. The CAS Progress Report took into account the priorities defined in the I-PRSP and later confirmed in the full PRSP. The credit built on accomplishments under the predecessor Public Finance Recovery Project. **The ICR's assessment is that quality at entry was satisfactory.**

4. Achievement of Objective and Outputs

4.1 Outcome/achievement of objective:

31. The assessment of objectives and outputs is based on evidence of macroeconomic stabilization under the IMF supported PRGF, reform of social sector policies and budgeting, and structural reforms to encourage and support private sector development. The macroeconomic stabilization efforts have succeeded, as most of the program quantitative benchmarks for FY 2001 and 2002 were met. **Rating: The credit's performance in terms of achieving its objectives was satisfactory.** However, the outcomes were fairly modest and should be viewed within the perspective of Niger still being at an early stage of institutional development and its low capacity in terms of human resources. Expanding the domestic resource base needed for undertaking vast efforts for development and poverty alleviation and building Niger's capacity for effective management will take many years and require continued intense support from and dialogue with the country's development partners.

32. ***Macroeconomic stabilization and growth.*** The authorities have maintained their commitment to a stable macroeconomic and financial environment. As of November 2002, the first four reviews under the PRGF-arrangement were successfully completed. Performance at end-September 2002 was satisfactory. All nine performance criteria and benchmarks at end-September were met, except for the continuous performance criterion on the nonaccumulation of external payment arrears and the benchmark on the wage bill. Fiscal outcomes were in line with the program objectives, despite expenditures rising above expectations in the last quarter. The authorities maintained fiscal discipline and the ceiling on the basic budget deficit was met. The commitment to reduce arrears was the key to stabilization, since Niger is a member of a monetary union and has very little recourse to borrowing from the central bank, the banking system or international financial markets. The successful implementation of the PRGF arrangement has continued throughout 2003 and Niger's track record in policy implementation has remained broadly satisfactory. In November 2003, the fifth review under the PRGF-arrangement was completed. All quantitative performance criteria and indicative targets at end-March 2003 were observed and six of the eight quantitative targets at end-June 2003 were met. Program implementation has continued to be

satisfactory in the third quarter of 2003. Preliminary data indicate that most of the performance criteria at end-September 2003 were met. The two structural benchmarks for end-September were completed, albeit one of them with some delay. The financial audit of the wage bill was effected before end-September, while the completion of the actuarial audit of the National Pension Fund took place recently. However, the indicative target on the net reduction of domestic arrears for end-September was not met.

33. Growth continues to depend heavily on climatic conditions. With exceptional rainfall in 2001 real GDP grew by 7.1 percent, 3 percent in 2002 and estimated to reach 4.0 percent in 2003. Average inflation, on a 12-month basis, fell from 4.0 percent at end-2001 to 2.7 percent at end-2002, better than the WAEMU convergence criteria (3.0 percent maximum). It is estimated at 0.4 percent in 2003. The current account deficit (excluding grants for budgetary assistance) declined from 7.5 percent of GDP in 2000 to 6.3 percent of GDP from 7.5 percent in 2001 although it increased slightly in 2002 to 6.7 percent. On average, it stood at 7.5 percent of GDP over the period 2001-2002, below the program targets. Fiscal performance was thus satisfactory. On the revenue side, revenue mobilization improved and the revenue to GDP ratio increased from 8.6 percent of GDP in 2000 to 10.6 percent in 2002, in line with the program objective. On the expenditure side, current expenditure declined from 11.2 percent of GDP in 2000 to 10.7 percent in 2002 owing to strict control of the wage bill. Capital expenditure increased from 5.7 percent of GDP to 7.7 percent over the 2000-2002 period. The budget deficit (excluding grants for budgetary assistance) was reduced from 3.0 percent in 2000 to 1.8 percent in 2002. Good fiscal performance has continued in 2003. The basic fiscal deficit stood at 2.0 percent of GDP despite unfavorable conditions, including expenditure pressures resulting from sociopolitical tensions, lower revenue transfers from the WAEMU Commission due to the crisis in Cote d'Ivoire, and a shortfall in external financing. **Rating: satisfactory.**

4.2 Outputs by components:

34. **Budget preparation and Programming:** A new Budget nomenclature consistent with WAEMU guidelines was adopted by the Government in July 2002. The new nomenclature allows a more homogenous and transparent recording of all financial transactions of the state, and facilitates the analysis of budgetary outcomes according to internationally recognized standards. It also integrates the recurrent and investment components of the budget. The 2003 Budget Law was prepared on the basis of the new budget nomenclature. The authorities also adopted a new Organic Budget Decree in July 2002. In order to formulate a medium-term expenditure framework (MTEF), institutional capacity was reinforced with the creation of a Support Group for Economic Management (GAGE), which comprises representatives of key ministries: Finance and Economy, Health, Education, and Rural development), and the Central Bank. Building a full-fledged MTEF that would establish a realistic revenue envelop is a key objective of the Second Public Expenditure Adjustment Credit (PEAC II).

35. The 2002 budget reflected PRSP priorities, particularly in key social sectors, and budgetary preparation also benefited from the completion of the new budgetary classification. **Rating: Budget preparation and programming in 2001 and 2002 was satisfactory.** For the full implementation of the new tools for budgetary management, intensive staff training needs to be conducted.

36. **Budget Execution:** Budget execution in 2002 was characterized by a significant increase in the execution rates (actual expenditures as a share of budgeted expenditures) and the clearance of substantial amounts of arrears in line with targets set by an arrears settlement plan. The execution rates for the total recurrent budget increased from 61 percent in 2000 to 71 percent in 2002. In addition, the release of funds enabled the Education and Health ministries to spend 90 percent and 70 percent of their budget, respectively over the period 2000-02.

37. With regard to the clearance of arrears, in 2001 the Government adopted a plan for reducing the stock of internal arrears estimated at CFAF 296 billion in 2000 (20.7 percent of GDP). To this end, the government created a central executing agency (CADIE) for debt reduction. The satisfactory implementation of this plan resulted in a reduction of the stock of domestic payment arrears by 38 percent over the period 2001-02, a reduction equivalent to 3.5 percent of GDP. Priority was given to payment of small creditors, civil servants, the financial and private sector creditors, and health and education providers. The implementation of the strategy suffered initial delays, because of a shortfall and delays in the mobilization of external financing. In agreement with the Bank and the Fund, the Government gave priority to ensuring orderly execution of the 2001 budget, including the non-accumulation of new arrears, before fully implementing the arrears reduction plan. At end July 2002, all budgetary expenditure commitments had been processed and outstanding claims at the Treasury had been cleared with the exception of a very small amount of CFAF 136.6 million (or about US\$220,000).

38. In terms of structural reforms in the area of budget execution, the adoption of the new Chart of Accounts and State Accounting Decree consistent with the WAEMU guidelines by the Government in July 2002 stand out as the two major reforms. There are expected to improve the management, analysis and transparency of Government accounts and facilitate the reconciliation of cash and accrual data and the compilation of summary fiscal statistics. The formal reconciliation between accrual and cash accounts in FY 2001 was completed for the first time in many years. This was an important step in restoring transparency and consistency in fiscal data all along the expenditure cycle.

39. **Rating: Budget execution was satisfactory.** However, the low level of revenue mobilization and high dependence on unpredictable external budgetary support (which is uncertain in terms of timing and amount) necessitated tight cash rationing, which has limited the scope for effective and efficient budget execution.

40. **Budget recording, monitoring and evaluation:** The Financial Management Information System integrates real time data from the Budget Directorate (responsible for approving expenditure commitments and issuing payment orders) and the Treasury (responsible for actual payment and public accounting). As planned, the authorities reinforced the Chamber of Accounts of the Supreme Court with additional staff. Formal reconciliation of the whole budget for a complete fiscal year (1997) was completed in 2000, for the first time in about 15 years. The accounts were formally submitted to the Chamber for examination and audit. The Chamber produced a draft report on the 1997 accounts of the Treasury in August 2002. The Budget Review Laws for 1997, 1998, 1999 and 2000 were prepared and submitted to the approval of the Parliament which endorsed them in December 2002. **Rating: Budget recording, monitoring and evaluation was satisfactory**

41. **Adoption of a new procurement code:** A new Procurement Code was adopted in July 2002, governing government contracts, including those dealing with the operation of public services not directly funded by budgetary resources (e.g. procurement by parastatals). The reform is designed to eliminate discriminatory practices, ensure equitable treatment of all participants and increase transparency and accountability. The code calls for the use of transparent mechanisms such as advertising, public bid opening, objective bid evaluation criteria, award to the lowest evaluated bidder without negotiations. The procurement Code was elaborated in close consultation with domestic stakeholders (private sector contractors, chamber of commerce, NGOs), and external partners. The Bank provided assistance for the preparation of the code through the Institutional Development Facility. **Rating: Progress on procurement reforms was satisfactory.** To operationalize the new procurement code, four Arrêtés concerning the application of the Procurement Code were issued as prior actions for PEAC II. The first Arrêté determines

key thresholds regarding procedures for awarding public contracts; the second clarifies composition and responsibilities of the tender evaluation committees; the third determines the maximum variation in percentage of the original price above which a procurement process needs to be relaunched; and the fourth establishes the threshold requiring a prior review of tenders by Central Procurement Commission (Commission Central des Marchés, CCM).

C. Social Sector Reforms:

42. In line with the priorities of the PRSP, the 2002 budget included expenditures supporting new or ongoing reforms in the education and health sectors. In the education sector, these reforms include the extension of the contractual and decentralized recruitment of primary school teachers (*volunteer teachers*), expansion of double shift teaching, strengthening of teacher training programs, provision of in-service support to teachers and the piloting of involvement of local communities in the delivery of primary schooling. A major reform achievement was the adoption of a law on reforming teacher training by Parliament in November 2002. This law provides for adapting the length of the training and the curriculum to the needs of new primary school teachers. The major short-term issue in the health sector was the inadequate staffing of local health centers. As an immediate solution, the Government envisaged initiating decentralized contractual recruitment of qualified health personnel. Under this arrangement, appointees are to remain at the assigned duty station for the duration of the contract (2 years), after signing the contract at the local level without any guarantee of entry into the civil service upon termination of the contract. In September 2001, 452 health professionals (medical doctors, laboratory technicians, nurses and mid-wives) were recruited, although their deployment to the field was delayed and took place only in June 2003. This recruitment policy has continued in 2003 and 490 additional health workers have been recruited. Furthermore, the 2002 budget included operating costs for the HIV/AIDS coordination unit and the initial expenditures to launch a household expenditure survey, although the latter is not yet underway. **Rating: Social sector reforms were satisfactory.** Care must be exercised, however, in the continuation of the recruitment of contractual teachers to maintain their salary levels at the lower end of the scale. Any upward movement in compensation would have a strong impact on the cost of the reform effort and would require a downward revision of the sector goals. In addition, the Government will need to make sure that the quality of teaching by contractual teachers is ensured.

D. Structural Reforms:

43. The completion of the agenda of structural reforms supported by PEAC I was slow. Two key enterprises, the electricity distribution company, NIGELEC, and the petroleum distribution firm, SONIDEP, still await privatization. However, some important achievements were to the credit of the government. In addition, the government has recently made significant progress to move the agenda forward.

44. **Telecommunications sector:** Irreversible steps toward the privatization of the telecom company (SONITEL) was a trigger for the negotiation of PEAC I. Accordingly, bidding documents were prepared and potential investors were asked to bid. The company was brought to the point of sale in November 2001 and the bid of a consortium (of Chinese and Libyan interest) was accepted. The transaction of the telecommunications company, Société Nigérienne des Télécommunications (SONITEL) was successfully completed. In addition, the government awarded two cellular phone licenses to two private companies (TELECEL and CELTEL) in early 2001. **Rating: Performance was satisfactory.**

45. **Importation and Distribution of Petroleum Products.** The new petroleum pricing mechanism was introduced in October 2001 and has been functioning satisfactorily since then. The privatization of

SONIDEP stalled between 1999 and July 2002, when the Government recruited a financial advisor to prepare bidding documents for its privatization. In the context of PEAC II, bidding documents were sent to potential bidders in October 2003. The completion of this transaction, namely, bringing SONIDEP to the point of sale, is expected in the second quarter of 2004. **Rating: Performance was marginally satisfactory.**

46. **Power distribution company (NIGELEC).** A new electricity code was adopted in November 2002. A call for expressions of interests in the purchase of **NIGELEC** was issued in April 2002, and two investors (VIVENDI and NEPA) manifested interest in bidding. However, the privatization of NIGELEC has proved difficult owing to the need to solve key problems, including the need for substantial amount of financing for rehabilitation and expansion and the dependence of Niger on NEPA. **Rating: Performance was marginally satisfactory.**

47. **Regulatory Reform.** Progress towards establishing a multi-sectoral regulatory agency (MRA), which aims at enabling an economy-wide regulatory oversight, has been slow. However, great strides have been made towards rendering the MRA operational. A President was appointed in March 2003. The four MRA directors in charge of energy, telecommunications, water, and transportation have been selected through a competitive process. The MRA is expected to start its operations by January 2004.

48. **Rating: Structural reforms were marginally satisfactory.**

4.3 Net Present Value/Economic rate of return:

49. **Not applicable.**

4.4 Financial rate of return:

50. **Not applicable.**

4.5 Institutional development impact:

51. The Government created steering committees for the preparation of the new charter of accounts, the new budgetary nomenclature and the new procurement code. These committees were comprised of higher level staff of the Ministry of Finance and Economy and experts from line ministries. Staff of the Ministry of Finance and Economy were trained in the new budgetary nomenclature and the new Charter of Accounts. The trainers were members of the steering committees that had prepared the new tools. The Government also created a technical support group for economic management (GAGE), which is working on the design of an MTEF to allocate available resources to sectors according to their needs and the priorities of the PSRP. But these committees were not fully effective, as their role ended with the elaboration of the new tools. Rendering these tools operational constitutes a greater challenge, however, and will require significant amount of local capacity and expertise. **Rating: the impact on institutional development has been modest** relative to the effort and time that will be required to bring the capacity of Niger's institutions to required levels.

5. Major Factors Affecting Implementation and Outcome

5.1 Factors outside the control of government or implementing agency:

52. A number of major events threatened the implementation of the reform program in 2001 and 2002. There was an army mutiny in Niamey and in some remote areas in August 2002. This created a short period of uncertainty, but fortunately the situation was resolved within a few weeks. The military/political

crisis in the Côte d'Ivoire, Niger's second largest trading partner and home and workplace of about 700,000 Nigeriens has been cause for concern. Recent reports indicate that the impact of the Ivorian crisis on Niger was limited. Unpredictable and less than anticipated levels of external financing have also hampered the authorities in the implementation of key reforms.

5.2 Factors generally subject to government control:

53. The Government as a whole is committed to moving forward the reform agenda, but the level of commitment and coordination within the cabinet is uneven. This was manifested in delays in the implementation of key reforms, as in the case of the privatization program and establishment of the MRA.

54. The Government's program was designed to be monitored by (i) an Inter-Ministerial Committee chaired by the Prime Minister, responsible for political clearance and approval; (ii) a Technical Committee that prepared proposals for policy actions and reviewed implementation; and (iii) the Structural Adjustment Monitoring Unit of the Ministry of Finance, which was to prepare regular progress reports. Unfortunately, none of these structures were functional, and progress reports were prepared only for PRGF program review missions. Furthermore, coordination between ministries and within the Ministry of Finance and Economy was limited and needs to be enhanced.

5.3 Factors generally subject to implementing agency control:

55. Not applicable.

5.4 Costs and financing:

56. Not applicable.

6. Sustainability

6.1 Rationale for sustainability rating:

57. **Sustainability of the program is likely, notwithstanding some uncertainties.** The fiscal and macroeconomic stabilization efforts achieved encouraging outcomes in 2001 and 2002. No payment arrears were accumulated in 2001 and 2002. Fiscal management improved as PRGF program targets were met and there was a regular reconciliation of actual and accrual expenditure data. The preparation and adoption of the new budgetary nomenclature, the new Charter of Accounts and the new procurement code were major achievements in improving budget execution and oversight. There were some achievements in the structural reform program, most notably the liberalization of telecom sector and the privatization of SONITEL (telecom company), the awarding of two cellular licenses, the adoption of a new electricity code by the Parliament and the implementation of a flexible, transparent and automatic mechanism for pricing of petroleum products. These advances are unlikely to be reversed.

58. The main factors affecting the sustainability of the program remain Niger's vulnerability to exogenous factors such as external financing shortages, social and political unrest (even though the probability of the latter has decreased over the two last years) or unfavorable climatic conditions. The sustainability of the reform program and the authorities' commitment to the overall reform agenda underpinning the credit is likely, but the social and political situation of the country remains fragile. There is a strong consensus among political parties (including those in opposition) and within civil society on the need for reforms in public expenditure management, social and structural reforms, although differences persist on the nature and timing of these reforms.

6.2 Transition arrangement to regular operations:

59. A Second Public Expenditure Adjustment Credit (PEAC II) was prepared and approved by the Board in October 2003, with the goal of consolidating and furthering achievements under the PFRC and PEAC I. The move towards Poverty Reduction Support Credits will take more time than anticipated at the stage of preparation of PEAC I as Niger's institutional capacity and fiduciary framework require further strengthening. The Niger CAS approved by the Board in January 2003 revised the timing for the introduction of a PRSC to FY 05.

7. Bank and Borrower Performance

Bank

7.1 Lending:

60. The credit was prepared on the basis of intensive consultations with the Government, the IMF and other development partners. The Bank made an intensive effort to help the Government identify its main policy challenges. It was designed in the context of the preparation of the full PRSP and in support of activities that had a poverty alleviation impact. During appraisal, the design of the policy matrix was based on that of the I-PRSP and was a clear signal that the Bank would align its priorities with the I-PRSP and subsequently the full PRSP (as confirmed by the 2003 CAS). Comprehensive and clear performance indicators were defined for each component of the reform program. **Rating: Bank performance in identification, preparation and appraisal was satisfactory.**

7.2 Supervision:

61. Bank staff worked closely with the key units of the Ministry of Finance and Economy and other line ministries (Health, Education, and Privatization) to design the reform agenda detailed in the government's Letter of Development Policy. This helped upgrade the skills of the staffs concerned and contributed to their sense of ownership of reforms in their sectors. Bank technical teams also played an important role in monitoring the implementation of sector and structural reform. Supervision missions maintained close collaboration with the Fund, facilitating the effectiveness of the policy dialogue. Bank managers advised regularly on ways to keep the program on track. **Rating: Bank supervision was satisfactory.**

7.3 Overall Bank performance:

62. **Rating: Overall Bank performance was satisfactory.**

Borrower

7.4 Preparation:

63. The authorities took the lead in the early formulation of the overall reform agenda and were committed to addressing the challenges of improved budgetary management and reform of social sector programs. The Government showed full commitment throughout and higher officials within the Ministry of Finance and Economy and line ministries participated in the formulation of the components of the program supported by PEAC I. **Rating: The borrower's performance in credit preparation was satisfactory.**

7.5 Government implementation performance:

64. The program supported by PEAC I was broad-based and fairly complex and performance was mixed. In some areas Government implementation of the reform program was relatively satisfactory (SONITEL privatization, adoption of the new Budgetary nomenclature, the new Charter of accounts and the new Procurement code), but in others it was slow. Overall, however, there were no major policy

slippages. The Government took corrective action where required and the PRGF program was kept on track. Fiscal targets for 2001 and 2002 were largely attained and the overall commitment to the reform program remained firm. **Rating: The borrower's performance in implementation was, on the whole satisfactory.**

7.6 Implementing Agency:

65. *Not applicable.*

7.7 Overall Borrower performance:

66. **Rating: Overall Borrower performance was satisfactory.**

8. Lessons Learned

67. The implementation of PEAC I points to several lessons, with implications for the design of subsequent adjustment operations for Niger. First, Government ownership of the reform program supported by PEAC I was critical for the successful implementation of key components of the program, in particular budgetary management reforms and the privatization agenda.

68. Second, although commitment was necessary, it proved insufficient for full implementation of the reform program in the presence of limited capacity. Indeed, limited technical and managerial capacity constrained program implementation. Thus, capacity must be built to design and implement policies and programs in Niger. While this is being done, a pragmatic approach should consist of tailoring reforms to the country's institutional and technical capacity.

69. Third, the design of PEAC I as a two-tranche operation and its timeframe facilitated the implementation of critical elements of the reform program, including privatization and procurement reform which require a longer implementation time and follow-up actions.

70. Fourth, adjustment operations can be an effective tool to advance specific policy reforms in the social sectors. PEAC I successfully supported the "volunteer teachers" program by providing funding to the innovative policy of hiring contractual teachers, expanding the teacher corps and thus alleviating supply-side constraints to basic education in Niger. However, there is a long-term sustainability issue associated with the contractual teacher program, a solution to which goes well beyond a short-term adjustment operation and will require close monitoring.

71. Fifth, a sound system of monitoring and evaluation is critical for successful implementation of adjustment operations in Niger. The lack of an efficient monitoring and evaluation system was a major weakness for the implementation of structural and social policy reforms under PEAC I. The implementation of these reforms required an efficient coordination between the Ministry of Finance and Economy and sector ministries involved in those reforms. This did not happen. Indeed, the "Direction des Etudes Financières et des Réformes" in charge of monitoring the reform program had limited capacity. In addition, the technical committee, which comprised the General Secretariat of the Ministry of Finance and Economy, advisors and technical staff of line ministries, and used to supervise the implementation of the reform program has no longer been operational since 1999.

72. Sixth, the burden of adjustment operations in Niger must hinge on both expenditure management and revenue mobilization. Niger has currently one of the lowest domestic revenue to GDP ratio in the world, 10.6 percent of GDP in 2002 compared with an average of 15 percent for WAEMU countries. In this regard, increasing the level of mobilization of domestic revenue through revenue-enhancing measures would complement expenditure reforms. It would also alleviate Niger's extreme dependence on unpredictable external aid.

73. Seventh, PEAC I has helped strengthen the prerequisites to programmatic lending by improving public finance management, transparency in budget execution and reporting. However, a key lesson that comes out is that much remains to be done to prepare Niger for programmatic lending. As noted in the current CAS, progress is needed in three critical areas before Niger is ready for consolidated programmatic lending: (i) gradual introduction of program budgeting on the basis of comprehensive sector strategies; (ii) a consolidation of fiduciary and budget management reforms; and (iii) intensified efforts to build institutional and individual capacity.

74. Lessons drawn from the implementation of PEAC I have influenced the design of a subsequent public expenditure adjustment operation (PEAC II) both in its conceptual framework and its operational modalities. The Credit focuses primarily on public expenditure management reforms with a view to improve budget preparation, execution, reporting as well as oversight systems. PEAC II thus aims at facilitating the transition to consolidated programmatic lending through Poverty Reduction Support Credits (PRSCs) as proposed in the CAS. In this perspective, the Bank is conducting a PEMFAR exercise jointly with the Government of Niger and the European Union, the results of which will determine Niger's ability to move to consolidated programmatic lending. The recommendations of the PEMFAR exercise are a condition for the release of the second tranche of PEAC II. In addition, in parallel to PEAC II, a PHRD grant will help build capacity in the area of public expenditure management.

9. Partner Comments

(a) Borrower/implementing agency:

75. The full borrower report is attached. In it the authorities report that the credit was instrumental in achieving key budgetary reforms, sector reforms (such as revised hiring practices in education and health) and by providing resources for the national budget. The credit also made a major contribution to improved management of public expenditures.

(b) Cofinanciers:

76. **Not applicable.**

(c) Other partners (NGOs/private sector):

77. **Not applicable.**

10. Additional Information

Summary of Completion Report

The Government of Niger produced a Completion Report on the implementation of PEAC I (See below). The report summarizes key achievements of PEAC I, in the areas covered by the credit, including budgetary performance, structural and social reforms.

The report emphasizes the Government performance in meeting the conditions set in the Credit in the areas of budgetary reforms and social sector policy reforms. In the area of budgetary outcomes, it underscores the results of the implementation of a plan for reducing the stock of domestic arrears. This led to a clearance of a substantial amount of domestic arrears and nonaccumulation of new arrears for fiscal year (FY) 2001. In addition, the report indicates that closure of budgetary accounts for FY2001 was done through issuance of a certificate of compliance. Budget review laws for FY1997-2000 were adopted by the National Assembly in December 2002. The Chamber of Accounts issued a draft report on audit of budgetary accounts for 1997 on July 23, 2002. At the budget preparation level, the adoption of a new budget nomenclature and a new charter of accounts stand out as major achievements. The report highlights the implementation process of these new budget tools and emphasizes the efforts made by the Government of Niger to provide training to technical staff at the Ministry of Finance and Economy in order to master these budget tools.

In the area of structural reforms, the report focuses on procurement. It indicates the Government's objective and commitment to reforming the procurement system. To this end, a new procurement code was adopted by the National Assembly in October 2002. The report summarizes the key objectives of this reform, including the improvement in the implementation of procurement rules, transparency, efficiency, reorganization of the procurement system. Major achievements of this reform and the remaining actions to be undertaken by the Government are summarized.

In the area of social policy reforms, the report mentions the Government's efforts to protect priority expenditures in the social sectors, mainly education and health to comply with the conditions set in the Credit Agreement. In this regard, the FY2002 budget law sufficient allocated sufficient funds in the recurrent budget to support the recruitment of contractual teachers and health workers. Finally, the report points out satisfactory execution of the FY2002 budget law in the first quarter of 2002. In the health sector, contractual health workers were recruited and deploy in rural areas. In the education sector, the volunteer teacher program was launched and contractual teachers were recruited. Some of them were trained. The report concludes that the implementation of PEAC II was satisfactory. The credit was fully disbursed in August 2002.

REPUBLIQUE DU NIGER
MINISTERE DES FINANCES ET DE L'ECONOMIE
DIRECTION GENERALE DES PROGRAMMES
DIRECTION DE L'ANALYSE, DES ETUDES ECONOMIQUES
ET FINANCIERES ET DE LA PREVISION

RAPPORT D'ACHEVEMENT

30 Avril 2003

CREDIT D'AJUSTEMENT DES DEPENSES PUBLIQUES (CADP) CREDIT 35760 NIR

21/11/2001 - 22/04/2003

La République du Niger et l'Association Internationale de Développement (IDA) ont signé un Accord de crédit de Développement le 21 novembre 2001. D'un montant de 54 500 000 DTS, le crédit est versé en deux tranches (1ère tranche : 23 400 000 DTS et 2ème tranche : 31 100 000 DTS) et a pour objectif principal l'instauration d'une gestion viable des finances publiques. Ces tranches viennent en appui aux lois de finances 2001 et 2002 respectivement. Ce crédit est assorti d'un certain nombre de préalables et de conditionnalités.

Ce document constitue le rapport d'achèvement de ce crédit. Il consiste donc en une revue des préalables et des conditionnalités contenus dans le document de l'Accord de crédit.

I. PREALABLES

Au titre des préalables, on en retiendra deux essentiellement : l'ouverture d'un compte de dépôt à la BCEAO et l'engagement de ne pas utiliser les fonds du crédit pour financer des dépenses exclues conformément aux dispositions de l'annexe 1 de l'Accord.

1.1 : Ouverture du compte de dépôt :

Un compte N° 5050 H 00 a été ouvert dans les livres de la BCEAO au nom du Trésor pour recevoir les décaissements du crédit. La première tranche du crédit a été versée dans ce compte le 05 décembre 2001 et la deuxième tranche le 12 août 2002.

1.2 : Engagement de ne pas effectuer des dépenses exclues

Aucune dépense non autorisée n'a été effectuée sur les fonds du crédit.

II. CONDITIONNALITES

Les conditionnalités du crédit peuvent être classées en quatre grandes catégories relatives :

2.1 : aux résultats budgétaires et à la stabilité des finances publiques pour 2001

2.1.1 : « appliqué au 31 décembre 2001 le Plan de Réduction des arriérés intérieurs conformément aux objectifs de réduction quantifiés et aux modalités de règlement stipulées dans ledit Plan, sans accumulation de nouveaux arriérés intérieurs pour l'année budgétaire 2001 »

L'objectif visé en matière de réduction des arriérés intérieurs est l'apurement de 34 milliards de Francs CFA au titre de l'exercice budgétaire 2001. Au 31 Décembre 2001, une première vague d'apurement d'un montant de 16,8 milliards a été réalisée. Des apurements complémentaires, d'un montant de 20,8 milliards de francs CFA, ont été effectués au cours du premier trimestre 2002. C'est ainsi qu'au 31 Mars 2002, le montant total des apurements s'est élevé à 37,6 milliards de francs CFA. Au vu de ces chiffres, on peut dire que la conditionnalité est satisfaite car les 34 milliards sont apurés au titre de 2001 et il y a une amorce de 3,6 milliards pour l'année 2002. Le tableau suivant donne les réalisations du Plan de réduction des arriérés intérieurs.

Tableau N°1 : réalisations du Plan de réduction des arriérés intérieurs

Catégories de créanciers	Réalisation au 31 Dec. 2001	Réalisation au 31 Mars 2002	Total
Tiers	6 174	11 485	17 659
RAP inférieurs à 5 millions	1 900	808	2 708
Autres RAP	198		198
OIG	422		422
Ambassade du Niger à Paris	400		400
Secteur publics extérieurs			
La poste	2 200		2 200
APHP	1 054	111	1 165
Fournisseurs Publics			
SONITEL		5 683	5 683
NIGELEC		2 522	2 522
SONIDEP		943	943
CNOU		1 418	1 418
Salariés	9 640	6 570	16 210
Apurement arriérés de salaires	9 640	6 570	16 210
Secteur financier	1 003	2 781	3 784
Dont Sonibank	1 003		1 003
Dont LEYMA		794	794
Autres banques			
Remboursement Sonidep		1 987	1 987
Dépôts			
Total apurement	16 817	20 836	37 653

Source : Plan actualisé d'apurement de la dette intérieure, 20 Juin 2002

a inclut compensation vis-à-vis de l'entreprise LEYMA pour l'exercice 2001, qui ne devra pas être prise en

compte au titre de la mise en œuvre du plan de réduction des arriérés intérieurs. Une première estimation des compensations LEYMA sur l'exercice 2000 et antérieurs uniquement se monte à 587 millions de FCFA au lieu de 798 millions inclus dans le tableau.

b Inclut compensation vis-à-vis des entreprises SONITEL et NIGELEC pour l'exercice 2001, qui ne devront pas être pris en compte au titre de la mise en œuvre du Plan de réduction des arriérés intérieurs. Une première estimation des compensations sur les exercices 2000 et antérieurs uniquement se monte à 6 180 millions de FCFA.

2.1.2 : « Clos les comptes budgétaires de l'année 2001 en application de la législations en vigueur, et communiqué à l'Association la Balance Générale du Trésor définitivement arrêtée pour l'exercice 2001 »

Les comptes de gestion budgétaire des exercices 1997, 1998 et 1999 ont été transmis à la Cour Suprême respectivement par lettres N°1339/MF/CAB du 28 Juillet 2000, N°0740/MF/CAB du 14 Mai 2001 et N°000151/MFE/CAB du 29 Mars 2002. La Chambre des Comptes et de la Discipline Budgétaire a démarré ses travaux en début de l'année 2002 par l'examen du compte de gestion 1997.

Elle a élaboré le Rapport sur le projet de la loi de règlement relative à l'exécution du budget de l'Etat-gestion 1997- et la Déclaration Générale de conformité relative à l'exécution de la loi des finances pour l'année budgétaire 1997. Le rapport provisoire d'audit de la gestion 1997 a été finalisé le 23 juillet 2002 et transmis à l'Assemblée Nationale.

Il faut rappeler que l'examen du projet de la loi de règlement et du compte de gestion présentés dans le cadre de l'exécution du budget de l'Etat 1997 constitue un premier exercice pour la Chambre des Comptes. En effet, depuis l'institution du Trésor National, c'est pour la première fois qu'elle entame cet exercice qui plus est sur des documents dont l'élaboration est une tentative également du retour à l'orthodoxie en matière de gestion des finances publiques. En plus l'Institution a un certain nombre de besoins urgents en matière de communication, de frais d'impression et de présentation de rapport, d'outils informatiques et de rémunération des conseillers. Toutes ces contraintes pèsent sur le traitement des différents dossiers.

Les lois de règlement 1997, 1998, 1999, 2000 été ont adoptées par l'Assemblée Nationale en décembre 2002.

La clôture budgétaire de l'année 2001 a été réalisée par la production des certificats de concordance entre les montants des ordonnancements de la situation des crédits du budget général, du budget d'investissement et des budgets annexes d'une part, et d'autre part les montants définitifs des recettes et des dépenses des comptes de la Balance Générale du Trésor. Le projet de loi de règlement de l'exercice 2001 a été transmis au Gouvernement pour adoption avant transmission à la Chambre des Comptes de la Cour Suprême.

2.2 : à la réforme de l'établissement et à l'exécution du budget

2.2.1 : « adopté par Arrêté une nouvelle nomenclature budgétaire et comptable en vue de l'établissement et de l'exécution de la Loi de Finances 2003 »

Une nouvelle nomenclature budgétaire et un nouveau Plan Comptable de l'Etat ont été adoptés dans le cadre de la politique d'harmonisation des Finances Publiques au sein de l'UEMOA.

La nouvelle nomenclature budgétaire de l'Etat, élaborée conformément à la Directive 04/98 de l'UEMOA a été adoptée par Décret n° 2002-197/PRN/MF/E du 26 juillet 2002. Elle a servi de cadre de référence à l'élaboration du budget 2003 qui a respecté les dispositions de cette nouvelle architecture budgétaire.

Par Arrêté n° 00078MF/E/DGB du 15 février 2002, un comité a été créé pour coordonner les actions de développement et d'exploitation du système informatique du Ministère des Finances et de l'Economie.

Le Ministère des Finances et de l'Economie a, en effet, rénové son système informatique central par la mise en place d'une base de données du Budget et du fichier intégré Solde-Fonction Publique. La mise en place d'un réseau interne sécurisé permet à présent de disposer en temps réel de l'information sur l'exécution du budget, ce qui offre la possibilité d'élaborer rapidement des tableaux de bord, garantissant un meilleur contrôle de l'exécution des dépenses.

Par ailleurs, un cabinet a été recruté pour conduire l'informatisation intégrée de la chaîne de dépense dans l'environnement de la nouvelle nomenclature budgétaire. Les travaux avancent normalement et la nouvelle application a été testée avec succès, sur la base d'un jeu de budget élaboré avec la nouvelle nomenclature.

Le 10 octobre 2002, une réunion d'information élargie aux partenaires au développement et aux services techniques du Ministère des Finances et de l'Economie a permis de démontrer l'applicabilité du système informatique à la nouvelle nomenclature.

Le nouveau plan comptable de l'Etat a été adopté par le Décret n° 2002-198/PRN/MF/E du 26 juillet 2002.

a) Codification des procédures comptables

Cinq instructions d'application du Plan Comptable de l'Etat ont été adoptées :

- Les principes de fonctionnement des comptes et le tableau de passage de l'ancienne à la nouvelle nomenclature comptable : arrêté n° 313/MF/E/TGN du 20 septembre 2002 ;
- L'instruction Générale sur la Comptabilité des Comptables non Centralisateurs (CNC) : n° 0001 du 20 septembre 2002 ;
- L'instruction Générale sur les opérations des Comptables Centralisateurs (CC): 0002 du 20 septembre 2002 ;
- L'instruction Générale sur les opérations des Régisseurs de Recettes et d'Avances (RRA) : n° 0003 du 20 septembre 2002 ;
- L'instruction Générale sur la Comptabilité des Receveurs des Administrations Financières (RAF) : n° 0004 du 20 septembre 2002.

b) Informatisation

Le dossier d'appel d'offres pour le développement d'une application informatique du nouveau PCE (TDR, cahier des charges et cahier des prescriptions spéciales) a été élaboré. L'avis d'appel d'offres a été publié dans les journaux à partir du 25 juillet 2002

Le comité ad hoc chargé de l'analyse et de l'évaluation des offres a déposé le résultat de ses travaux le 19 août 2002. Le marché y relatif, a été signé le 27 septembre 2002. Le 13 novembre 2002, une présentation de la version préliminaire de l'application, démontrant les mécanismes de saisie, de paramétrage et de prise en compte de la nouvelle organisation du Trésor, a été effectuée par le consultant.

Au cours du dernier trimestre 2002, le développement de la nouvelle application informatique de gestion de la comptabilité a débuté. A cet effet, un groupe de contact a été mis en place au Trésor par lettre n°465/MF/E/TGNE du 15 novembre 2002. Ce groupe a pour mission de veiller à la prise en compte des exigences des procédures comptables et de la formation des utilisateurs à la nouvelle application.

Le programme de formation des utilisateurs de la NBE a été exécuté en faveur des Directeurs des Affaires Administratives et Financières, leurs adjoints, les Chefs de services financiers, les Contrôleurs financiers, l'ensemble des gestionnaires, les administrateurs des crédits, les membres du Gouvernement et les parlementaires.

Le module de formation à la mise en œuvre du PCE et le programme de formation ont été élaborés. Un atelier de formation des agents concernés s'est tenu du 14 au 18 octobre 2002 au niveau de l'administration centrale et du 28 octobre au 1er novembre 2002 dans les régions.

Une formation en comptabilité générale a également été dispensée courant novembre 2002 à l'intention des Fondés de pouvoirs, des Chefs de services et leurs adjoints, des Payeurs et des cadres supérieurs de la Trésorerie Générale du Niger.

Ces formations ont été complétées début janvier 2003 par des missions de formation (module de cas pratiques détaillés) ainsi que par un appui technique au démarrage du nouveau système dans toutes les localités disposant de comptables, payeurs, percepteurs et receveurs des administrations financières.

La Direction Générale des Impôts a également assuré en décembre 2002 la formation des receveurs des impôts sur l'ensemble du territoire.

2.2.2 : « Communiqué à l'Association l'évidence, jugée satisfaisante quant à la forme comme au fond par l'Association, de la soumission à l'Assemblée Nationale d'un code de marchés publics, jugé satisfaisant quant à la forme comme au fond par l'Association »

Le Gouvernement a engagé une réforme en profondeur du système de passation des marchés publics ayant abouti à l'élaboration d'un code des marchés publics en juin 2002. Celui-ci a été adopté par l'Assemblée Nationale en octobre 2002.

Les préoccupations sous-tendues par cette réforme sont :

- un souci d'amélioration du respect et de l'application des règles et procédures existantes en matière de passation des marchés ;
- une recherche d'efficacité et de transparence accrues ;
- un souci d'amélioration du jeu de la concurrence dans le cadre des marchés publics ;
- la nécessité de prendre en compte dans les textes de nouvelles techniques de gestion (telles que les contrats de gestion, les concessions et la participation communautaire) ;
- le besoin de rationaliser davantage les décisions prises par les entités impliquées dans la passation des marchés ;
- la nécessité de réorganiser les structures chargées de la passation des marchés publics ;
- la nécessité de décentraliser et de déléguer au besoin la passation des marchés publics ;
- le développement de la fonction contrôle et suivi des marchés ;
- la nécessité de former le personnel de façon plus systématique ; et
- la nécessité de définir, professionnaliser, valoriser, motiver les fonctions liées à la passation des

marchés et de former des agents de l'Etat comme spécialistes rompus aux techniques de passation et gestion des marchés publics.

Les travaux réalisés dans ce cadre sont :

- la redynamisation de la Commission Centrale des Marchés avec la nomination des membres désignés ;
- la tenue de l'atelier national d'information et de sensibilisation sur la réforme des marchés publics ;
- la nomination d'un coordonnateur national ;
- la création d'un comité de pilotage de la réforme des marchés publics qui regroupe les représentants de l'administration, du secteur privé, de la société civile, élaboration par le CPRMP d'un nouveau code des marchés publics et son adoption par l'Assemblée Nationale;
- l'élaboration des TDR des consultants nationaux et internationaux ;
- la sélection d'un comptable du projet ;
- la désignation, suite à une évaluation, d'un responsable chargé du suivi des marchés du projet.

Les travaux en cours et à réaliser sont :

- le recrutement des consultants nationaux et internationaux ;
- l'élaboration d'un texte réglementaire et document standard par type de marché ;
- la sensibilisation et la formation des opérateurs économiques, des agents de l'administration centrale et régionale sur le nouveau code.

Ce nouveau code des Marchés Publics adopté par l'ordonnance N°2002-007 du 18 septembre 2002 a été ratifiée par l'Assemblée Nationale le 16 octobre 2002.

Dans l'exposé des motifs du projet de loi de ratification de l'ordonnance sus-visée, il est stipulé que « la mise en œuvre du nouveau cadre nécessitera une période transitoire (six mois après publication) devant permettre l'adoption des textes réglementaires d'application et l'élaboration des différents dossiers d'appel d'offres types».

Il est convenu que les différents textes précités et les DAO-types seront rédigés par des consultants internationaux et nationaux à recruter dans le cadre du Don du Projet de Renforcement du Système de Passation des Marchés Publics.

Le retard intervenu dans la signature de la convention du don (PRMP) en Mai 2002 n'a pas permis de respecter le chronogramme des mesures convenues en 2001. Ainsi, le programme de réforme des marchés publics prévoit en 2002-2003 la rédaction de la documentation sur la passation des marchés et le renforcement des capacités.

Dans le souci d'harmoniser les procédures nationales, des documents types seront conçus au cours de l'année 2003 afin de faciliter leur mise en vigueur. Les TDR des consultants sont préparés.

La Commission Centrale des Marchés (CCM), avec l'assistance des consultants, à court terme, effectuera une évaluation de compétences du personnel chargé de la passation des marchés et concevra un programme de formation en vue de créer un corps de spécialistes en passation des marchés.

Ceci conduira à :

- examiner les ressources humaines impliquées dans la passation des marchés au niveau central ;
- identifier les compétences nécessaires en même temps que les connaissances supplémentaires requises dans les domaines spécialisés tels que les spécifications techniques, le contrôle des contrats et l'évaluation des qualifications des fournisseurs ;
- élaborer un plan de perfectionnement du personnel, y compris sa mise en œuvre basée sur l'inventaire effectué ;
- concevoir des programmes de formation ;

La mise en œuvre de ces mesures nécessite la mobilisation de ressources financières additionnelles surtout pour le volet formation et celui de la sensibilisation sur le nouveau code au niveau des cadres centraux et régionaux ainsi que des opérateurs économiques.

2.2.3 : « communiqué à l'Association le projet de rapport d'audit de l'exercice budgétaire 1997 par la Chambre des Comptes de la Cour Suprême, jugé satisfaisant quant à la forme comme au fond par l'Association »

La Chambre des Comptes de la Cour Suprême a produit le rapport provisoire d’audit de la gestion 1997 le 23 juillet 2002.

2.3 : à la teneur et à l’exécution préliminaire de la Loi de Finances 2002

2.3.1 : « inscrit dans la Loi de Finances 2002 approuvée des crédits conformément aux paragraphes [59 à 64] du Programme »

Les dépenses prioritaires ont trait à un certain nombre de dépenses importantes dans les secteurs sociaux, accompagnant des réformes fondamentales dans ces secteurs. En particulier, il s’agit de certaines dépenses de fonctionnement de l’éducation de base prises en charge par le budget national suite à la clôture du PROSEF soutenu par l’IDA en décembre 2001, de même que les dépenses relatives au recrutement contractuel d’agents de santé pour le renforcement des centres de santé intégrés, ainsi qu’un budget de démarrage pour une enquête budget-consommation qui permettra de mettre à jour le profil de pauvreté au Niger. La Loi de Finances initiale 2002, adoptée par l’Assemblée Nationale, contient les inscriptions conformes aux engagements pris lors de la négociation du CADP. Ces inscriptions ont été confirmées dans la Loi de Finances rectificative adoptée par l’Assemblée Nationale en Juin 2002. Le tableau ci-après répertorie les différentes rubriques concernées.

Tableau N°2 : Allocations Loi de Finances 2002

Dépenses prioritaires	Rubrique budgétaire	Crédits votés (en milliers de FCFA)
. Pécules Volontaires de l’Education (VE) . Primes Double-flux . Pécules ENI . Supervision, formation VE	461-8-01	3 819 182
. Appui cellule mise en œuvre PDDE . Production Statistiques scolaires . Révue des dépenses publiques . Appui aux CAPED	361-2-19	192 931
. Recrutement contractuel de personnel de santé pour les CSI	464-8-03	300 000
. Budget de fonctionnement programme de lutte contre le VIH/SIDA	464-8-08	50 000
. ENBC (frais de démarrage)	623-2-63	180 000

Source : Aide-mémoire, Mission macroéconomique, Banque Mondiale, Niamey, 27 Mai – 10 Juin 2002.

2.3.2 : « exécuté la Loi de Finances 2002 au premier trimestre de l'exercice 2002, y compris pour ce qui est des dépenses énumérées aux paragraphes [59 à 64] du Programme, comme attesté par un rapport conjoint des Ministères des Finances, de l'Education et de la Santé publique »

a) Santé

Sur un effectif prévu de 536 agents à recruter, 483 agents ont été effectivement sélectionnés, soit un taux de réalisation de 90%. Un mémorandum conjoint Ministère des Finances et de l'Economie et Ministère de la Santé Publique et de la Lutte Contre les Endémies précisant, entre autres, les procédures de suivi administratifs des contractuels, les niveaux de rémunération, les mécanismes de transfert des ressources, a été signé le 17 juin 2002. Les décisions de leur affectation ont été signées le 7 Juin 2002 et un communiqué Radio Télévisé en date du 12 Juin 2002 a été publié pour leur mise en route le 18 Juin 2002.

Le tableau ci-après donne la répartition des 536 agents par corps, le nombre d'agents effectivement recrutés et le taux de réalisation.

Tableau N°3 : Répartition des 536 agents par corps

Corps	Prévus *	Recrutés **	Taux de réalisation
Médecins Diplômés d'Etat	32	32	100%
Pharmaciens	3	3	100%
Sages Femmes Diplômées d'Etat	83	83	100%
Infirmiers Diplômés d'Etat	183	183	100%
Techniciens de Laboratoire	58	38	65,5%
Techniciens d'Hygiène et d'Assainissement	48	15	31,3%
Infirmiers Certifiés	129	129	100%
Total	536	483	90,1%

Source : MSP/LCE

* Voir Décision N°0210/MSP/LCE/DFGP/DGP du 24 Janvier 2002

** Voir Décision N°185/MFP/T du 3 Mai 2002

Sur les 483 agents contractuels recrutés, 270 agents, soit 55,9%, ont pris service et ont signé des contrats avec les Sous-Préfets responsables des collectivités locales dans lesquelles ils exercent. La situation du recrutement et du déploiement sur le terrain de ces contractuels indique que 270 contractuels ont été effectivement recrutés et repartis comme suit:

Tableau N°4 : Répartition des 270 agents par corps et par région

CORPS	AGADEZ	DIFFA	DOSSO	MARADI	TAHOUA	TILLABERY	ZINDER	TOTAUX
MDE	0	0	2	0	0	1	2	5
SFDE	2	3	9	12	9	8	11	54
IDE	7	13	18	14	23	15	14	104
THA	1	0	2	1	2	2	2	10
TL	1	3	0	1	2	1	0	8
IC	6	7	12	13	11	15	25	89
TOTAU X	17	26	43	41	47	42	54	270

MDE : Médecins Diplômés d'Etat ; SFDE : Sages Femmes Diplômés d'Etat ; IDE : Infirmiers Diplômés d'Etat ; THA : Techniciens d'Hygiène et d'Assainissement ; TL : Techniciens de Laboratoire ; IC : Infirmiers Certifiés.

Source : MSP/LCE

Le recrutement complémentaire de 266 agents repartis en fonction des besoins exprimés a eu lieu le 30 décembre 2002 dans le but d'atteindre l'objectif fixé en 2002.

Une évaluation du mode de recrutement et des performances des agents en exercice sous ce statut fournira les bases objectives permettant de décider dès 2003, des modifications éventuelles à apporter à cette expérience.

b) Education

Pour pallier l'insuffisance du personnel, le Ministère a procédé au recrutement des volontaires de l'Education. Les principales conditions de recrutement des contractuels de l'Education communément appelés « Volontaires de l'Education » sont fixées par le Décret N° 98-232/PRN/MEN du 10 Septembre 1998.

Le recrutement des Volontaires de l'Education se fait chaque année et dans chaque région sur la base d'un test organisé, avant la rentrée scolaire, à une date fixée par arrêté du Ministre de l'Education de Base 1 et de l'Alphabétisation.

Les candidats définitivement retenus à l'issue du test de recrutement exceptés les titulaires du CFEN, reçoivent une formation de 45 jours.

Une fois recrutés, les VE sont mis à la disposition des inspecteurs de l'enseignement de base 1 (IEB 1) qui les affectent dans les différentes écoles de leur circonscription administrative. Avant de prendre service, le volontaire est tenu de signer un contrat qui le lie à l'association des parents d'élèves (APE) de son école d'affectation. Ce contrat d'une durée de deux ans est renouvelable sur la base d'une évaluation satisfaisante des performances du VE au cours de l'année, des rapports du personnel d'encadrement et d'inspection en ce qui concerne les aspects professionnels liés aux obligations d'un enseignant du primaire et de l'évaluation de la collectivité en ce qui concerne les obligations du VE telles que définies dans le contrat. Un certificat de prise de service est ainsi délivré au VE.

Les Pécules des Volontaires et les primes des enseignants du Double Flux pour l'année 2002 ont été engagés et virés dans les comptes des Directions Régionales de l'Education de Base pour les montants

respectifs suivants :

Tableau N°5 : Montant des pécules des VE et Primes de double-flux en 2002

- Pécules des VE :	3.887.737.500 F CFA
- Pécules Double Flux :	109.380.000 F CFA
soit au total :	3.997.117.500 F CFA

Source : MEB/A

Les pécules sont régulièrement virés dans les différents comptes bancaires ouverts au niveau de chaque région par les parents d'élèves. A la fin de chaque mois, les APE représentant la collectivité en relation avec les inspecteurs de l'enseignement de base 1, assurent le paiement des pécules d'un montant de 37 500 F par mois et par VE, pour les anciens et 35.000 pour les nouveaux.

Il faut rappeler que l'exécution de certaines dépenses du secteur de l'Education a fait l'objet d'un rapport conjoint (Ministère des Finances et de l'Economie et Ministère de l'Education de Base 1 et de l'Alphabétisation) en Juin 2002.

Le service des volontaires de l'Education effectue chaque année des missions de supervision et de contrôle des VE pour s'assurer des conditions de vie et travail, de l'effectivité de leur présence dans les écoles et s'enquérir du contenu de la formation dispensée au niveau des DREB aux titulaires du BEPC et du BAC.

La situation des volontaires de l'éducation est résumée dans le tableau ci-après :

Tableau N°6 : Situation des volontaires de l'éducation en Octobre 2002

Régions	Anciens VE	Nouveaux VE	Total	Solde Mouvement VE	Total	VE admis FP	Effectif Total
Agadez	299	105	404	2	406	5	401
Diffa	313	65	378	-1	377	2	375
Dosso	1086	347	1433	-4	1429	15	1414
Maradi	1302	465	1767	+1.	1768	12	1756
Tahoua	1406	448	1854	"30	1824	11	1813
Tillabéry	1498	480	1978	2	1980	36	1944
Zinder	1380	490	1870	-1	1869	23	1846
Niamey	585	100	685	31	716	46	670
Total	7569	2500	10369		10369	150	10219

Source : MEB/A

Ainsi, en octobre 2002, les Volontaires de l'Education étaient au nombre de 10219 dont 2500 nouveaux. A ce nombre, il faudra ajouter 48 nouveaux volontaires du PAEFAN (franco-arabe), soit au total 10267 V.E

2.4 : à la réforme des secteurs sociaux

2.4.1 : « communiqué à l'Association l'évidence, jugée satisfaisante quant à la forme comme au fond par l'Association, des statuts et programmes amendés des Ecoles Normales d'Instituteurs –ENI, et l'adoption d'une politique de recrutement institutionnalisant le recrutement exclusif de contractuels pour les postes d'enseignants à la craie du cycle de base 1 »

Le projet de statuts des écoles normales a été élaboré et validé. Pour cela, le recrutement des 2550 élèves maîtres instituteurs est effectif depuis octobre 2002. La durée de la formation est ramenée de deux ans à un an.

Annex 1. Key Performance Indicators/Log Frame Matrix

Outcome / Impact Indicators:		
Indicator/Matrix	Projected in last PSR ¹ (not available)	Actual/Latest Estimate
<p>1. Budget Formulation</p> <p>(a) Improve budget planning and preparation to reflect poverty reduction and macroeconomic objectives;</p> <p>(b) Adopt new budget nomenclature, consistent with WAEMU guidelines, unifying current and investment budgets;</p> <p>(c) Approve adoption and begin preparation of Medium-Term Expenditure Framework (MTEF) linked to the PRSP</p>	Not available	<p>Achieved: Budget formulation improved since 2000 and budget laws are now fully consistent with macroeconomic targets. The 2002 and 2003 budgets reflect key PRSP priorities, particularly in key social sectors.</p> <p>Achieved: a new budgetary nomenclature consistent with WAEMU guidelines was adopted in July 2002.</p> <p>Delayed: An initial MTEF framework was prepared in the context of the formulation of the full PRSP and budget program for key sectors is in preparation and should be implemented for the 2005 Budget law.</p>
<p>2. Budget Execution</p> <p>(a) Rationalize budget execution to improve efficiency and effectiveness of budgetary outlays;</p> <p>(b) Extend financial management information system (FMIS) to line agencies and Treasury managers;</p> <p>(c) Improve cash management plans, simplify commitment and accounting processes of decentralized units, increase responsibilities of local governments and provide for better feed-back from regions to the center;</p> <p>(d) Formulate and implement plan for settlement of domestic arrears</p>	Not available	<p>Underway: Policy actions have been identified to streamline the expenditure process, and strengthen the efficiency of ex-ante control, but implementation is still weak;</p> <p>Achieved: FMIS now provides real time, data to Budget Directorates and Treasury.</p> <p>Underway: Cash management committee created.</p> <p>Achieved: a strategy was adopted by the government in September 2001; and CFAF. F 17 billion 17 cleared in 2001 and 35.5 in 2002.</p>
<p>3. Budget recording, monitoring and evaluation</p> <p>(a) Prepare new chart of accounts in line with WAEMU guidelines, facilitating reconciliation of cash and accrual budget data;</p> <p>(b) Prepare budget execution reports regularly</p> <p>(c) Prepare beneficiary assessment of government health services</p>	Not available	<p>Achieved: a new chart of accounts consistent with WAEMU guidelines was adopted in July 2002.</p> <p>Not achieved: These reports are only prepared when requested by donors; [Note: I'm not sure what this means]</p> <p>Not achieved: This action is also a condition for the HIPC completion point.</p>
<p>4. Budgetary accountability</p> <p>(a) Close budgetary accounts timely manner and restore budgetary oversight by the National Assembly and Supreme Court Chamber of Accounts</p>	Not available	<p>Underway: The Supreme Court Audit Office, has produced the first report on budget execution for fiscal year 1997, but its capacity is still limited, particularly within the Parliament.</p>

<p>5. procurement</p> <p>(a) Adopt new procurement code;</p>	<p>Not available</p>	<p>Achieved: New procurement code adopted in July 2002.</p>
<p>6.Social Sector reform</p> <p>(a) Prepare and adopt 10-year education sector development plan</p> <p>(b) Provide appropriations in 2002 budget sufficient to cover the costs of volunteer teachers, college student bursaries; operating costs of CAPED; costs of double-shift teaching; and data collection for monitoring and evaluation</p> <p>(c) Recruit all new primary school teachers exclusively as locally contracted employees ("volunteers")</p> <p>(d) Implement program of hiring health personnel by local contracts</p> <p>(e) Undertake consultative process to formulate and adopt new institutional framework for fight against HIV/AIDS;</p> <p>(f) Establish baseline quantitative and qualitative data for monitoring HIV/AIDS program implementation</p>	<p>Not available</p>	<p>Achieved: 10-year development plan for Basic education was prepared in consultation with domestic stakeholders and external partners and adopted.</p> <p>Achieved: The 2002 budget provided sufficient appropriation these expenses.</p> <p>Achieved: All new primary school teachers were volunteer teachers;</p> <p>Achieved: Pilot program of decentralized recruitment of contractual health workers adopted. In 2002, 452 health workers were recruited under this program. In 2003, 490 additional health workers have been recruited.</p> <p>Achieved: Multi-sectoral program to fight HIV/AIDS program adopted after broad-based consultation. Multi-sectoral institutional framework created under leadership of the Prime Minister to implement program.</p> <p>Achieved: Survey conducted in 2002 to establish a baseline quantitative and qualitative data.</p>
<p>7.Privatization and Market reforms</p> <p>(a) Operationalize multi-sectoral regulatory agency (ARM)</p> <p>b) Bring state-owned fixed line telephone company (SONITEL) to the point of sale;</p> <p>(b) Adopt a framework electricity law in 2002;</p> <p>(c) Award concession for power distribution company to a private sector operator;</p>		<p>Delayed: The president of the ARM was appointed in March 2003. The four directors in charge of energy, telecommunications, water, and transportation have been selected through a competitive process. It is expected that the MRA will start its operations by January 2004.</p> <p>Achieved: SONITEL was successfully sold to a qualified consortium (Chinese and Lybian interest) following a transparent bidding process.</p> <p>Achieved: Legislation adopted by National Assembly in November 2002;</p> <p>Delayed: The process stalled since the call for expressions of interest was launched in April 2002. Two candidates expressed their interest (NEPA and VIVENDI) and the Government is refining its strategy;</p>

(d) Introduce new mechanism for the automatic, flexible and transparent pricing of petroleum products

(e) Bring petroleum products import company (SONIDEP) to the point of sale

Achieved: New pricing mechanism implemented since October 2001 and accepted by retailers and consumers;

Delayed: Although the privatization of SONIDEP was initially delayed, bidding documents were issued in October 2003. The completion of this transaction, namely, bringing SONIDEP to the point of sale, is expected in the second quarter of 2004.

Annex 2. Project Costs and Financing

Project Cost by Component (in US\$ million equivalent)

Component	Appraisal Estimate US\$ million	Actual/Latest Estimate US\$ million	Percentage of Appraisal
Original credit amount	70.00	70.00	100
Total Baseline Cost	70.00	70.00	
Total Project Costs	70.00	70.00	
Total Financing Required	70.00	70.00	

Project Costs by Procurement Arrangements (Appraisal Estimate) (US\$ million equivalent)

Expenditure Category	Procurement Method¹			N.B.F.	Total Cost
	ICB	NCB	Other²		
1. Works	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2. Goods	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
3. Services	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
4. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
5. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
6. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Project Costs by Procurement Arrangements (Actual/Latest Estimate) (US\$ million equivalent)

Expenditure Category	Procurement Method ¹			N.B.F.	Total Cost
	ICB	NCB	Other ²		
1. Works	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2. Goods	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
3. Services	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
4. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
5. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
6. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

^{1/} Figures in parenthesis are the amounts to be financed by the Bank Loan. All costs include contingencies.

^{2/} Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

Project Financing by Component (in US\$ million equivalent)

Component	Appraisal Estimate			Actual/Latest Estimate			Percentage of Appraisal		
	Bank	Govt.	CoF.	Bank	Govt.	CoF.	Bank	Govt.	CoF.

Annex 3. Economic Costs and Benefits

Not applicable

Annex 4. Bank Inputs

(a) Missions:

Stage of Project Cycle	No. of Persons and Specialty (e.g. 2 Economists, 1 FMS, etc.)		Performance Rating		
	Month/Year	Count	Specialty	Implementation Progress	Development Objective
Identification/Preparation					
	March 2001	2	Economists		
	June 2001	3	Economists		
		1	Banking sector specialist		
		2	Health sector specialists		
		1	Procurement specialist		
		1	Public Finance Specialist		
		1	Education specialist		
		1	Counsel		
		2	Young Professionals		
		2	Program assistants		
Appraisal/Negotiation					
	August/ September 2001	2	Economists		
		1	Counsel		
		1	Disbursement Specialist		
		2	Program assistants		
Supervision					
	March 2002	2	Economists	S	S
	June 2002	2	Economists	S	S
		1	Banking Sector Specialist		
		1	Program assistant		
ICR					
	February-June 2002	1	Economist	S	S

(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ ('000)
Identification/Preparation	36	89.3
Appraisal/Negotiation	20	43.2
Supervision	18	32.7
ICR	8	3.52
Total	82	168.72

Annex 5. Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	<u>Rating</u>				
<input checked="" type="checkbox"/> <i>Macro policies</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Sector Policies</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Physical</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Financial</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Institutional Development</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Environmental</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA

Social

<input checked="" type="checkbox"/> <i>Poverty Reduction</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Gender</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Private sector development</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Public sector management</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA

Annex 6. Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

6.1 Bank performance

Rating

- | | | | | |
|--------------------------------------|--------------------------|------------------------------------|-------------------------|--------------------------|
| <input type="checkbox"/> Lending | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Supervision | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Overall | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |

6.2 Borrower performance

Rating

- | | | | | |
|--|--------------------------|------------------------------------|-------------------------|--------------------------|
| <input type="checkbox"/> Preparation | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Government implementation performance | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Implementation agency performance | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |
| <input type="checkbox"/> Overall | <input type="radio"/> HS | <input checked="" type="radio"/> S | <input type="radio"/> U | <input type="radio"/> HU |

Annex 7. List of Supporting Documents

No specific documents were prepared for this implementation completion report. The assessment is based on Bank supervision reports, relevant documents prepared by the Borrower since effectiveness of the credit, second tranche release memorandum and regular fiscal and economic reports.

