

REPUBLIC OF NIGER



Fraternity – Work – Progress



## ECONOMIC AND SOCIAL DEVELOPMENT PLAN (ESDP) 2017–2021

A RESURGENT NIGER FOR A PROSPEROUS PEOPLE

# SUMMARY

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SEPTEMBER 2017

# TABLE OF CONTENTS

|  |           |
|--|-----------|
| ABBREVIATIONS AND ACRONYMS ESDP 2017-2021 .....  | 4         |
| FOREWORD .....   | 6         |
| INTRODUCTION .....   | 7         |
| <b>I. STRATEGIC DIAGNOSTIC .....</b>   | <b>8</b>  |
| 1.1. The Context .....   | 8         |
| 1.2. Diagnostic Analysis .....   | 9         |
| 1.2.1. Political and Security Situation .....  | 9         |
| 1.2.2. Economic and Financial Situation .....  | 10        |
| 1.2.3. Social and Cultural Situation .....   | 12        |
| 1.2.4. Sustainable Environmental Management .....                                      | 14        |
| 1.2.5. Regional Analysis .....   | 15        |
| 1.3. Lessons Learned from the Implementation of the 2012–2015 ESPD .....               | 16        |
| 1.4. Major Challenges .....  | 16        |
| <b>II. STRATEGIC GUIDELINES .....</b>  | <b>17</b> |
| 2.1. Vision .....  | 17        |
| 2.2. Fundamentals and Guidelines the 2017–2021 ESDP .....                              | 17        |
| 2.2.1. Fundamentals .....  | 17        |
| 2.2.2. Guidelines .....  | 17        |
| 2.3. Strategic Goals and Results .....   | 18        |
| 2.3.1. Goals .....   | 18        |
| 2.3.2. Strategic Results .....   | 18        |
| 2.4. Macroeconomic Outlook for the Period 2017–2021 .....                              | 18        |
| 2.4.1. Real-World Sectors .....  | 18        |
| 2.4.2. Public Finances .....   | 19        |
| 2.4.3. Balance of Payments .....   | 18        |
| 2.4.4. Monetary Conditions .....   | 18        |
| 2.4.5. Convergence over the ESDP Period .....  | 18        |
| 2.4.6. Impact on Poverty .....   | 18        |
| 2.5. Strategic Axis .....  | 20        |
| 2.5.1. Axis 1: Cultural Rebirth .....  | 20        |
| 2.5.2. Axis 2: Social Development and Demographic Transition .....                     | 20        |
| 2.5.3. Axis 3: Economic Growth Acceleration .....                                      | 20        |
| 2.5.4. Axis 4: Improvement of Governance, Peace and Security .....                     | 21        |
| 2.5.5. Axis 5: Sustainable Environmental Management .....                              | 21        |
| 2.5.6. ESDP's Consistency with Policy and Economic Orientation Documents .....         | 21        |
| 2.6. The Momentum for Change of the ESDP 2017-2021 .....                               | 23        |
| <b>III. ESDP 2017-2021 PROGRAM STRUCTURE .....</b>                                     | <b>25</b> |
| 3.1. Major Reform Domains .....  | 25        |
| 3.2. ESDP Programs .....   | 28        |
| 3.3. Cost of the Priority Action Plan of the ESDP .....                                | 28        |
| 3.4. ESDP Funding Scheme .....   | 28        |
| <b>IV. MECHANISMS FOR IMPLEMENTATION, MONITORING-EVALUATION AND COORDINATION .....</b> | <b>29</b> |
| 4.1. ESDP Implementation Strategy .....  | 29        |
| 4.1.1. Implementation Tools .....  | 29        |
| 4.1.2. Implementing Actors .....   | 29        |
| 4.2. Monitoring-Evaluation Strategy .....  | 29        |
| 4.3. Coordination Strategy .....   | 30        |

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Appendix 2: Strategic Outcome Indicators (optimistic scenario)

| Results  | Indicateurs de résultats   | Reference    | 2021 targets | sources               |
|--|--|--------------|--------------|-----------------------|
| Impact   |  |              |              |                       |
| The welfare of the Nigerian population is improved     | 1. Human Development Index (HDI)                                   | 0.353 (2016) | 0.429        | INS                   |
|  | 2. Proportion of population living below the national poverty line | 45.1% (2014) | 31.1%        | INS                   |
| Global effects   |  |              |              |                       |
| Social development level of the population is improved | 3. Incidence of multidimensional poverty                           | 81.1% (2014) | 73.0%        | INS                   |
|  | 4. Depth of poverty  | 13.3% (2014) | 12.5%        | INS                   |
|  | 5. Population growth rate  | 3.9% (2015)  | 3.06%        | INS                   |
| Economic growth is strong, sustained and inclusive     | 6. Real GDP growth average   | 5% (2016)    | 7.3% (2021)  | INS                   |
|  | 7. Income distribution index (Gini)                                | 0.325 (2014) | 0.271        | INS                   |
|  | 8. Proportion of the middle class (core approach)                  | 24.6% (2014) | 29.05%       | INS                   |
| People are well governed in a secure area              | 9. Mo Ibrahim Index (score)  | 50.2 (2015)  | 53           | Mo Ibrahim Foundation |
|  | 10. World Bank Governance Indicator (CPIA)                         | 3.5 (2015)   | 4            | BM                    |
| Sustainable management of land, water and biodiversity | 11. Areas of managed forests                                       | 245 020 ha   | 1 065 500 ha |                       |
|  |  | 17.9% (2012) | 10%          | INS                   |

Source: ESDP 2017-2021 Performance Measurement Framework

4.3.1. Steering and Policy Guidance Bodies of the ESDP ..... 30  
 4.3.2. ESDP Technical Coordination Bodies ..... 30  
 4.3.3. Consultative and Advisory Bodies of the ESDP ..... 31

V. ANALYSIS and MITIGATION OF RISKS and FACTORS OF SUCCESS ..... 33  
 5.1. Risk Analysis and Mitigation ..... 33  
 5.2. Success Factors ..... 34

ABBREVIATIONS AND ACRONYMS ESDP 2017-2021

|        |  |
|--------|--|
| AIR    | Annual Implementation Report   |
| AP     | Action Plan  |
| BNDA   | Nigerien Copyright Office (Bureau Nigérien des Droits d'Auteur)  |
| CCM    | Framework for Consultation on Migration (Cadre de Consultation sur les Migrations)   |
| CET    | Common External Tariff   |
| CFAF   | CFA Franc  |
| CFPF   | Women's Training and Promotion Centers (Centres de Formation et de Promotion Féminine)   |
| DEP    | Directorate of Research and Planning (Direction des Études et de la Programmation)   |
| ECOWAS | Economic Community of West African States  |
| ECVMA  | National Household and Agricultural Living Conditions Survey (Enquête Nationale sur les Conditions de Vie des Ménages et de l'Agriculture)           |
| EFP    | Economic and Financial Program   |
| ENISED | National Socioeconomic and Demographic Indicator Evaluation Survey (Étude Nationale d'Évaluation des Indicateurs Socioéconomiques et Démographiques) |
| EOD    | Economic Orientation Document  |
| ESDP   | Economic and Social Development Plan   |
| FDS    | Defense and Security Forces (Forces de Défense et de Sécurité)   |
| GDP    | Gross Domestic Product   |
| GPD    | General Policy Document  |
| HDI    | Human Development Index  |
| I3N    | Nigeriens Feed Nigeriens Initiative (Initiative Les Nigériens Nourrissent les Nigériens)   |
| ICT    | Information and Communication Technology   |
| IIAG   | Ibrahim Index of African Governance  |
| IMF    | International Monetary Fund  |
| INS    | National Statistical Institute (Institut National de la Statistique)   |
| M&E    | Monitoring and Evaluation  |
| MEPD   | Multi-Year Expenditure Programming Document  |
| NDP    | National Decentralization Policy   |
| ODA    | Official Development Assistance  |
| PFM    | Public Finances Management   |
| PAP    | Priority Action Plan   |
| PND    | National Decentralization Policy (Politique Nationale de Décentralisation)   |
| PNIA   | National Agricultural Investment Program (Programme National d'Investissements Agricoles)  |
| PRGFP  | Public Finances Management Reform Program (Programme de Réformes en Matière de Gestion des Finances Publiques)                                       |
| RBM    | Results-Based Management   |
| RDP    | Regional Development Program   |
| SDA    | Sustainable Development Agenda   |
| SDG    | Sustainable Development Goal   |

Appendix 1: Strategic Outcome Indicators (basis scenario)

| Outcomes  | Outcome indicators   | Reference     | 2021 Goals   | Sources               |
|---|--|---------------|--------------|-----------------------|
| <b>Impact</b>   |  |               |              |                       |
| The well-being of the Nigerien population is improved   | 1. Human Development Index (HDI)   | 0.353 (2016)  | 0.41         | INS                   |
|   | 2. Proportion of the population living below the national poverty line                   | 45.1% (2014)  | 37.9%        | INS                   |
| <b>Global effects</b>                                   |  |               |              |                       |
| The social development level of populations is improved | 3. Impact of multidimensional poverty  | 81.1% (2014)  | 75.0%        | INS                   |
|   | 4. Population growth rate  | 3.9 % (2015)  | 3.06%        | INS                   |
| Economic growth is strong, sustained and inclusive      | 5. Average growth rate of real GDP   | 5% (2016)     | 5.9%         | INS                   |
|   | 6. Income distribution index (Gini index)  | 0.325 (2014)  | 0.271        | INS                   |
|   | 7. Proportion of the middle class (hard core approach)                                   | 24.6% (2014)  | 29.05%       | INS                   |
|   | 8. Depth of poverty  | 13.3 % (2014) | 12.9%        | INS                   |
| Populations are well governed in a secure area          | 9. Mo Ibrahim index (score)  | 50.2 (2015)   | 53           | Mo Ibrahim Foundation |
|   | 10. World Bank Governance Indicator (CPIA)   | 3.5 (2015)    | 4            | BM                    |
| Sustainable management of land, water and biodiversity  | 11. Areas of managed forests   | 245 020 ha    | 1 065 500 ha |                       |
|   | 12. The percentage of people living in slums, informal settlements or inadequate housing | 17.9% (2012)  | 10%          | INS                   |

Source: ESDP 2017-2021 Performance Measurement Framework

| Risks  | Mitigation measures  |
|--|--|
| Low stakeholder engagement                       | <ul style="list-style-type: none"> <li>- Put in place appropriate institutional mechanisms</li> <li>- Develop a communication strategy</li> </ul>  |
| Security deterioration                           | <ul style="list-style-type: none"> <li>- Improve intelligence and security devices</li> <li>- Strengthen military and security cooperation</li> <li>- Strengthen public confidence in the security forces and in republican justice</li> </ul>   |
| Socio-political unrest                           | <ul style="list-style-type: none"> <li>- Promote a peaceful political environment</li> <li>- Maintain political and social dialogue</li> </ul>   |
| Financial risk                                   | <ul style="list-style-type: none"> <li>- Diversify exports</li> <li>- Save on current expenses</li> <li>- Increase tax revenues</li> <li>- Mobilize external funding</li> </ul>  |
| Climate-related hazards                          | <ul style="list-style-type: none"> <li>- Develop, update and implement climate change adaptation programs and natural disaster response plans</li> <li>- Elaborate and invest in multi-year, multi-sector programs to reduce vulnerability to food and nutrition insecurity ahead of disasters and crises</li> </ul> |
| Risk associated with the international situation | <ul style="list-style-type: none"> <li>- Diversify exports</li> <li>- Transforming raw materials</li> </ul>  |

## 5.2. SUCCESS FACTORS

Niger has undeniable agro-sylvo-pastoral and fishing potential, considerable natural resources, a predominantly young population, a strong political will, a cultural potential that promotes social cohesion and solidarity, a strategic positioning, and a strong and committed civil society.

|        |  |
|--------|--|
| SDIGS  | Sustainable Development and Inclusive Growth Strategy  |
| SLM    | Sustainable Land Management  |
| SME    | Small and Medium-Sized Enterprise  |
| SONUCI | Nigerien Urban Planning and Housing Construction Corporation (Société Nigérienne d'Urbanisme et de Construction Immobilière) |
| TFP    | Technical and Financial Partner  |
| USD    | United States Dollar   |
| WAEMU  | West African Economic and Monetary Union   |
| WHO    | World Health Organization  |
| SDDCI  | Stratégie de Développement Durable et Croissance Inclusive   |

# FOREWORD

The 2017–2021 Economic and Social Development Plan (ESDP) is the first five-year plan designed for the implementation of the Niger 2035 Sustainable Development and Inclusive Growth Strategy (SDIGS) adopted by the Government on May 9, 2017. Thus, it is enrooted in the vision expressed in this strategy, through which Niger is affirming its commitment to transform itself at all levels and, above all, its desire to eradicate poverty and inequality.

The ESDP 2017–2021 also draws its foundations from the orientations of the Niger Renaissance Program 2, which is articulated around eight (8) priorities: (i) promoting cultural renaissance; (ii) continuing the process of consolidating democratic institutions; (iii) ensuring the safety of people and assets; (iv) guaranteeing access to water for all; (v) ensuring food and nutrition security through the 3N initiative; (vi) developing communication and energy infrastructure; (vii) developing key social sectors (education and health); and (viii) promoting youth employment.

The 2017–2021 ESDP also falls within the context of a number of international organizations' agenda, including the United Nations 2030 Agenda, the African Union Agenda 2063, and ECOWAS Vision 2020. Moreover, it complies with the government's 2016–2019 Economic Policy Guidance Document, which served as a foundation for the formulation of the Economic and Financial Program (EFP) concluded with the International Monetary Fund (IMF).

The 2017–2021 ESDP was developed in an international, regional, and national context marked by major concerns, including the persistence of terrorist threats, uncontrolled migration, falling commodity prices and climate change. It was formulated through a participatory approach involving all stakeholders (public administration, local authorities, private sector, civil society, and technical and financial partners).

Stemming from a diagnosis of the political, social, and economic situation and drawing lessons from the evaluation of the 2012–2015 ESDP, five (5) strategic axis were retained: (i) cultural renaissance; (ii) social development and demographic transition; (iii) acceleration of economic growth; (iv) improvement to governance, peace, and security; and (v) sustainable management of the environment. In all five areas, the aim is to provide appropriate

responses to the major challenges facing Niger and hindering its economic and social development.

Our ambition, as expressed in the Renaissance Program, Act 2 document and summarized in the optimistic macroeconomic framework scenario of the 2017–2021 ESDP, is to reduce poverty rate from 39.8% in 2016 to 31.3% in 2021 through the achievement of an average economic growth rate of 7% and raising of the tax ratio to GDP rate to 20%. We also aim to structurally transform our economy by strengthening the secondary sector, in particular through profound changes in rural communities, modernization of public administration, and revitalization of the private sector.

Achieving the results of this optimistic scenario will require a genuine break with the country's current socioeconomic situation. Particularly needed are the speeding up of reforms, the implementation of important public and private investment projects, and the creation and implementation of bold public policies. Given the risks associated with these assumptions, it is prudent to build ESDP 2017–2021 on a base scenario, in line with the EFP concluded with the IMF. This scenario is based on an average GDP growth rate of 5.9%, an average tax burden of 16.5%, and an overall budgetary balance of -3% in 2020, including grants. As with the optimistic scenario, the development of the secondary sector through foreign and domestic private investment, the transformation of rural communities, and the modernization of public administration and strengthening of its efficiency are the main axis of this scenario.

The major actions selected through the 2017–2021 ESDP programs and sub-programs were designed to achieve the objectives and expected results. Their implementation requires substantial human, financial, and material resources, along with a different management style. That explains why a results-based monitoring mechanism has been put in place at all levels.

His Excellency Mr. ISSOUFOU MAHAMADOU

PRESIDENT OF THE REPUBLIC OF NIGER

## V

# ANALYSIS AND MITIGATION OF RISKS AND FACTORS OF SUCCESS

## 5.1. RISK ANALYSIS AND MITIGATION

There are six main risks that can affect the implementation of the 2017–2021 ESDP: (i) low level of stakeholder engagement, (ii) security deterioration, (iii) socio-political unrest, (iv) financial risk, (v) climate-related hazards and (vi) risk associated with the international situation.

The table below indicates these risks as well as mitigation measures.

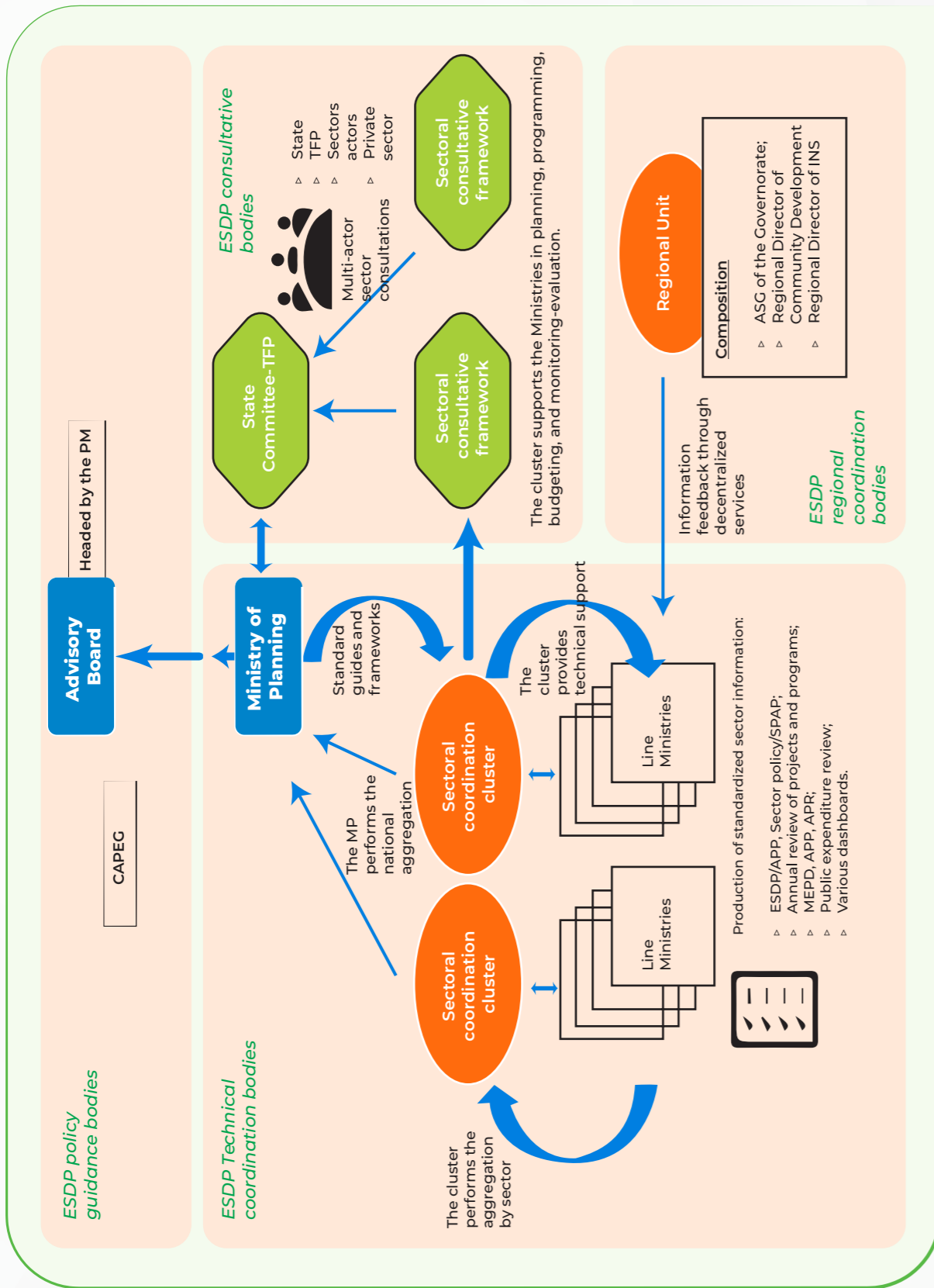


Figure 3: The diagram below shows the different coordination and monitoring-evaluation bodies.

## INTRODUCTION

In 2012, Niger began implementing its Economic and Social Development Plan (ESDP) for 2012–2015, extended to 2016, marking a return to development planning after three decades of weakening of this function. After five (5) years of implementation, the plan was evaluated in order to assess the level of success of the strategic outcomes and to draw lessons for the formulation and implementation of the 2017–2021 ESDP.

The formulation of this ESDP takes place in an international context marked by the adoption of the United Nations Sustainable Development Agenda, which was translated into 17 Sustainable Development Goals (SDGs) as well as the adoption of the Paris Agreement on Climate Change. The international context is also characterized by the persistence of security threats linked to terrorism, uncontrolled migration, and falling commodity prices.

The continental context is characterized by initiatives and commitments made by countries, notably the African Union Agenda 2063 entitled The Africa We Want.

As for the regional context, is characterized by: (i) the adoption of ECOWAS Vision 2020; (ii) the persistence of insecurity due to terrorist groups activities in the Sahel countries which led to the strengthening of military cooperation, including the creation of the G5-Sahel Force; and (iii) economic recession in Nigeria and the depreciation of the naira, which had a negative impact on trade with countries in the sub-region.

The sub-regional context is characterized by the broadening implementation of the WAEMU's Convergence and Stability, Growth, and Solidarity Pact budget through the new harmonized public

finance management (PFM) framework adopted in 2009.

The national context is characterized by: (i) on the political front, the 2016 presidential and legislative elections in accordance with the constitutional provisions in effect; (ii) on the security front, incursions in the Diffa region (Boko Haram) and at the border with Mali (jihadist movements) and by the management of refugee and internally displaced persons flows as well as human trafficking; (iii) on the economic front, an average economic growth rate of 6.7% over the 2012–2016 period, well above the population growth rate of 3.9%, despite this very difficult context; and (iv) on the strategic front, through the adoption of the government's General Policy Document by the National Assembly, the Sustainable Development and Inclusive Growth Strategy (SDIGS Niger 2035), and the Economic Orientation Document (EOD 2017–2019).

The 2017–2021 ESDP's formulation process was governed by a participatory and inclusive approach in order to facilitate its implementation. It therefore offered a new opportunity to strengthen the dialogue between central administration, local authorities, civil society, the private sector, and technical and financial partners (TFP) regarding the actions to be implemented.

The 2017–2021 ESDP document is structured around five (5) axis (i) a diagnostic assessment; (ii) strategic orientations; (iii) a programmatic structure; (iv) mechanisms for implementing and monitoring and evaluation; and (v) analysis and mitigation of risks and success factors.

# I STRATEGIC DIAGNOSTIC

This section analyzes the context in which ESDP 2017-2021 is being formulated and will be implemented and presents the diagnostic analysis, lessons learned from implementation of the 2012-2015 ESDP, and the country's major challenges.

## 1.1. THE CONTEXT

The development of this ESDP takes place in an international context characterized by the adoption of the United Nations Sustainable Development Agenda (SDD), which was translated into 17 Sustainable Development Goals (SDGs), and the adoption of the Paris Agreement on Climate Change. The international context is also characterized by the persistence of security threats linked to terrorism, uncontrolled migration, and falling commodity prices.

The continental context is characterized by initiatives and commitments made by countries, notably the African Union Agenda 2063 The Africa We Want.

As for the regional context is characterized by: (i) the adoption of ECOWAS Vision 2020; (ii) the

persistence of insecurity due to the activities of terrorist groups in the Sahel countries, resulting in the strengthening of military cooperation, including the creation of the G5-Sahel Force; and (iii) economic recession in Nigeria and the depreciation of the Naira, which had a negative impact on trade with the countries of the sub-region.

The sub-regional context is characterized by the broadening implementation of the WAEMU's Convergence and Stability, Growth and Solidarity Pact budget through the new harmonized public finance management (PFM) framework adopted in 2009.

The national context is characterized by: (i) on the political front, the 2016 presidential and legislative elections in accordance with the constitutional provisions in force; (ii) on the security front, incursions in the Diffa region (Boko Haram) and at the border with Mali (jihadist movements) and by the management of refugee and internally displaced person flows as well as human trafficking; and (iii) on the economic front, an average economic growth rate of

The sectoral coordination clusters, structured around the ESDP's strategic priorities, are spaces for coordination and dialogue with all actors concerned. The architecture is based upon a sectoral and / or ministerial approach. They will be formed on the basis of the strategic priorities of the ESDP, which are: rural transformation, private sector development, demographic transition, education and training, development management, governance and modernization of the State, health, and hydraulics. The clusters are organized around four key elements, namely: (i) leadership led by a state actor, (ii) a small technical team (3-5 public administration executives), a linchpin to facilitate production of the expected documentation and strengthen capacity for Ministerial staff, (iii) tools for the production of relevant documentation, and (iv) consultative frameworks to enable a political dialogue between the State, the TFPs and sector stakeholders.

The Regional Coordination Units collect and analyze data on ongoing development actions, and ensure the validation and regular transmission of the ESDP monitoring and evaluation reports for assessment by sectoral coordination and steering bodies. Each regional unit is composed of the Assistant Secretary General (ASG) of the Governorate, the Regional Director of Community Development and Land-Use Planning, and the Regional Director of the INS.

## 4.3.3. CONSULTATIVE AND ADVISORY BODIES OF THE ESDP

The consultative and advisory bodies comprise the State-TFP Committee and the sectoral consultation frameworks.

The mission of the State-TFP Committee is to promote coordination and harmonizing of the different actors' interventions, to facilitate mobilization of financial and technical resources, and to ensure alignment of support to the budget cycle. It also serves as a unique framework for dialogue between the government and its partners in monitoring the ESDP's implementation. It will pay particular attention to the review outcomes to allocate resources to the priorities contained in the ESDP, and to assess the relevance and financing of ESDP programs.

The consultative frameworks are created around sectoral coordination clusters. They are composed of representatives of the State, TFPs, private sector, and civil society of the sector. Sector review meetings are organized annually for each coordination cluster. They take place in April-May and are an opportunity to examine the outcomes and programming of sector interventions. These meetings inform the meetings of the State Committee with Technical and Financial Partners.

The diagram below shows the different coordination and monitoring-evaluation bodies.



### 4.3. COORDINATION STRATEGY

The ESDP's coordination mechanism falls under the Prime Minister's responsibility. It initiates implementation and provides the various actors not only with the opportunity to progressively monitor the achievements and the outcomes of the ESDP, but also the capacity to decide on the directions and measures to be taken to guarantee the achievement of the planned outcomes. To this end, it is composed of three categories of bodies: (i) political steering and policy guidance bodies, (ii) technical bodies and (iii) consultative and advisory bodies.

#### 4.3.1. STEERING AND POLICY GUIDANCE BODIES OF THE ESDP

The general supervision of the ESDP's implementation also falls under the Prime Minister, Head of Government's responsibility. The various coordinating bodies responsible for political guidance are:

- ESDP's Advisory Board, chaired by the Prime Minister, Head of Government. It is responsible for: (i) assessing the progress made in the implementation process of the ESDP, (ii) giving the necessary instructions for the proper execution of the ESDP, (iii) deciding on possible new directions of the ESDP on the basis of the observed major outcomes and of international issues, and (iv) assessing the effects of the ESDP implementation on the economic and social development.

- The Ministry of Planning prepares and organizes the Advisory Board meetings. In this capacity, he prepares the technical documents that will be examined by the National Advisory Board.

#### 4.3.2. ESDP TECHNICAL COORDINATION BODIES

The technical coordination bodies in charge of providing technical guidance and validating the reports from the monitoring and evaluation process for the 2017-2021 ESDP implementation are: (i) the General Directorates of the Ministry of Planning, (ii) the National Technical Committee, (iii) the Public Policy Analysis and Government Action Evaluation Unit (CAPEG), (iv) the National Institute of Statistics (INS), (v) the sectoral coordination clusters, and (vi) the regional coordination units.

The General Directorates of the Ministry of Planning constitute the coordination structure for the monitoring of ESDP implementation. Within their

respective jurisdictions, they are each in charge of the facilitation and technical coordination of the institutional system, in particular: (i) standardizing and centralizing information from all clusters; (ii) synthesizing and analyzing information (physical and financial achievements, mobilized funding, sector indicators, effects and impacts, indicators of secured funding, aid effectiveness indicator, reform indicators, challenges, etc.) and transmitting it to the decision-making bodies; (iii) supporting line ministries and clusters in budget and arbitration programming through the annual review of projects and programs, annual performance reports, annual performance projects, and multi-year expenditure programming documents (APR/APP/MEPD); (iv) initiating and facilitating compliance with the production deadlines of cluster documentation; (v) providing clusters and ministries with guides and tools for planning, programming, monitoring and evaluation (dashboards, computer programmes, methodological guide for the review, etc.); (vi) training and coaching of the clusters' and ministries' technical teams; (vii) evaluating public policies.

The National Technical Committee is chaired by the Secretary General of the Ministry of Planning, and is called for meetings, as needed. It is in charge of promoting synergy between the various sectoral coordination clusters and monitoring the quality of information and reports submitted by the sectoral and regional clusters. It validates the annual ESDP implementation report before its submission to the ESDP's Advisory Board and to the State-TFP Committee.

The Public Policy Analysis and Government Action Evaluation Unit (CAPEG) plays the following roles in the monitoring and coordination mechanism of the ESDP: (i) it ensures analytical information feedback to the Prime Minister to support his decision-making responsibility; (ii) it analyzes budget alignment with ESDP priorities, (iii) it monitors and analyzes achievements and outputs of government action, (iv) it analyzes public policies, and (v) the overall coherence of the government's actions.

The National Institute of Statistics (INS) will insure the availability of quality statistical data needed to measure the outcomes of the ESDP 2017-2021. It will coordinate the National Statistical System (SSN)'s activities, ensure the reliability and quality of statistical data, socio-demographic indicators and macroeconomic aggregates, and validate them before their use.

6.7% over the 2012–2016 period, well above the population growth rate of 3.9%, despite the very difficult context; and iv) on the strategic front, the adoption of the government's General Policy Document (GPD) by the National Assembly, the Strategy for Sustainable Development and Inclusive Growth Strategy (SDIGS Niger 2035), and the Economic Orientation Document (EOD 2017–2019).

### 1.2. DIAGNOSTIC ANALYSIS

This analysis is articulated around the following axis: (i) the political and security situation; (ii) the economic situation; (iii) the social and cultural situation; (iv) the environmental management situation; (v) the regional situation; (vi) lessons learned from ESDP 2012–2015; and (vii) major challenges. Several observations have been made in each of these areas of analysis.

#### 1.2.1. POLITICAL AND SECURITY SITUATION

This section analyzes political and legal governance, administrative governance, regional and local governance, and security and migration governance.

##### 1.2.1.1. POLITICAL AND LEGAL GOVERNANCE

All national institutions have been established. However, they face a need for capacity-strengthening in the areas of human resources, material, and financial management.

The legal and judicial governance system has improved, with the criminal prosecution rate increasing from 83.0% in 2012 to 92.2% in 2015 and the number of cases handled by investigating judges increasing from 41 cases in 2012 to 97 cases in 2015. The main constraints noted relate to a shortage of judicial staff, a weak legal framework, overcrowded prisons, low national jurisdiction coverage, and difficulties in implementing court decisions.

##### 1.2.1.2. ADMINISTRATIVE GOVERNANCE

Despite efforts made, particularly in the areas of civil servant recruitment and work procedure reorganization, the satisfaction level of public services users remains low (43%), according to the 2012-2015 ESDP evaluation's perception survey. Shortcomings include weak supervision, poor staffing both geographically and categorically,

lack of effective and efficient management of the state's human resources, the prevalence of political influence on the administration, inadequacies in the performance evaluations of state officials, low ICT coverage, and the persistence of non-observant behavior. In terms of governance, according to the Ibrahim Index of African Governance (IIAG), Niger ranked 33rd out of 54 countries in 2016.

#### 1.2.1.3. REGIONAL AND LOCAL GOVERNANCE

Significant progress has been made in terms of decentralization, through the adoption and implementation of the National Policy of Decentralization (PND). Public service coverage has also expanded to more geographic areas as part of the devolution process. However, the low level of internal resource mobilization, poor local governance, and lack of effective transfer of skills and resources limit the degree of progress.

#### 1.2.1.4. SECURITY GOVERNANCE

In terms of security, Niger faces security threats on its borders (North, East and West) which explains why several efforts have been made to ensure the safety of people and goods and to make Niger an island of peace in an insecure area. According to the ENISED survey, 81% of the surveyed population are satisfied with the security situation and more than 77% are confident in the state's ability to protect the population.

#### 1.2.1.5. MIGRATION FLOWS

Migration flows to Algeria and Libya have intensified in recent years. This phenomenon causes enormous loss of life and encourages the development of traffic of all kinds. While the motivations for these migrations are first and foremost of economic nature, the vulnerability of the population is often exploited by smugglers and human traffickers.

To curb this phenomenon, Niger has developed a program to prevent and fight against illegal migration, adopted a law to support the actions carried out on the ground, and set up a Framework for Consultation on Migration (CCM). Also, since 2016, the FDS has strengthened the fight against clandestine migration, particularly in the Agadez region.

## 1.2.2. ECONOMIC AND FINANCIAL SITUATION

This section analyzes the macroeconomic framework, the management of the economy, the development of mineral and industrial value chains, economic infrastructures, the competitiveness of economic services, agrosylvo-pastoral and fishery production, business, informal sector, and sub-regional employment and trade.

### 1.2.2.1. MACROECONOMIC FRAMEWORK

The average growth rate of the Nigerien economy stood at 6.7% over the 2012-2016 period, below the growth rate of 7% required to fight poverty effectively. Growth has been erratic over the period, with growth rates of 11.8% in 2012 and 5% in 2016. The GDP share of the secondary sector is low, and has even fell between 2012 and 2016, going from 21.1% to 17%. In addition, the economy remains dominated by the informal sector, with a share in GDP estimated at more than 60%.

Inflation remains overall under control, the average annual rate being 0.6%, well below the WAEMU community objective of 3%.

The overall fiscal deficit deteriorated from 1.2% of GDP in 2012 to 6.1% in 2016. The same is true of the current account deficit, which fell from 16.4% in 2013 to 17.7% in 2015, in line with the decline in petroleum and mining product exports.

Between 2012 and 2016, the monetary situation was marked by an average annual increase of 15.6% of money supply due mainly to the average annual increase in domestic credits (+ 13.5%) and net foreign assets (+20, 0%). Credit to the economy rose from 13.3% of GDP in 2012 to 17.1% in 2016, but remained low compared to other WAEMU countries.

### 1.2.2.2. ECONOMIC MANAGEMENT

In terms of the strategic and programmatic aspects of development, it should be noted that several sectors do not yet have policies or strategies, and the planning-programming-budgeting-monitoring-evaluation chain is not sufficiently coherent.

The implementation of development actions is characterized by a low rate of disbursement of Official Development Assistance (ODA), averaging 58.7% annually between 2012 and 2015. This underperformance is mainly due to the absence of a national aid policy, the weak capacity to design and implement development projects

and programs, the diversity of procedures, the dispersion of sectoral consultation frameworks, and the inadequacy of the national information system on external assistance.

Public finances are characterized by: (i) an increase in fiscal deficits (-6.1% in 2016); (ii) a tax burden rate (13.6% in 2016) lower than the WAEMU community norm of 20%; (iii) and a consumption rate of budget appropriations that has remained low (68% in 2015) in the context of intense spending requirements, particularly in terms investment needs.

As part of its budget reform, Niger has transposed Community directives into its national legal framework. As a result, all ministerial departments and institutions have developed Multi-Annual Expenditure Programming Documents (MEPD).

In terms of economic and social governance, the Corruption Perception Index in Niger stood at 34 in 2015 compared to 33 in 2012, bringing Niger from 113th place in 2012 to 99th place in 2015 worldwide and at the 6th place out of the 15 ECOWAS member countries.

### 1.2.2.3. DEVELOPMENT OF VALUE CHAINS FOR MINING AND INDUSTRIAL PRODUCTS

Processing activity has remained weak. In fact, the secondary sector accounted for an average of 20.2% of GDP over the 2012-2015 period. It is strongly dominated by extractive activities with little processing, which represent on average 48% of this sector and 10% of GDP.

The low level of transformation is one of the sources of weakness of the job market, in exports and diversification. It is also linked, inter alia, to: (i) the absence of a real industrial policy, (ii) an unattractive business environment, (iii) relatively high transaction costs, (iv) insufficient human resources; (v) poor geological knowledge of the country, (vi) no control of gold potential, and (vii) weak monitoring of the mining companies' activities by the administration services.

### 1.2.2.4. ECONOMIC INFRASTRUCTURE

In terms of economic infrastructure, although improvements were recorded between 2011 and 2015 - including the 53% increase in electricity production, the 23.8% improvement in the Information Technologies and Communication (ICT) penetration rate, the 10.3% increase of the network of paved roads, and a 21.7% increase

## IV

# MECHANISMS FOR IMPLEMENTATION, MONITORING-EVALUATION AND COORDINATION



### 4.1. ESDP IMPLEMENTATION STRATEGY

#### 4.1.1. IMPLEMENTING TOOLS

At the national level, the instruments are the Priority Action Plan (PPP), the Multiyear Economic and Budget Programming Paper (DPBEP), the Finance Act, the Strategic Reforms Matrix, and the Communication Strategy.

At sector level, we have the sectoral policies, development plans, action plans, the Multi-Annual Expenditure Programming Document (MEPD), the Annual Performance Project (APP), and the Annual Performance Report (APR).

At the regional and local level, the ESDP will be operationalized through Priority Action Plans (PPPs), the formulation and implementation of which will focus on local development priorities defined in the Regional Development Plans (PDR) and the Communal Development Plans (PDC).

#### 4.1.2. IMPLEMENTING ACTORS

The implementing actors are the State, the local authorities, the private sector, civil society, technical and financial partners (TFP), and the diaspora.

### 4.2. MONITORING-EVALUATION STRATEGY

The 2017-2021 ESDP's monitoring and evaluation mechanism has five main functions: (i) monitoring program implementation, (ii) monitoring outcomes, (iii) public expenditure reviews, (iv) policy performance evaluations, and (v) mid-term and final evaluations of the ESDP.

A monitoring and evaluation manual specifying the definition, mission, objectives, principles, and expected outcomes of the monitoring and evaluation system will be developed. It will also specify the components, institutional arrangements, functions and activities of the monitoring and evaluation system.

### 3.3. COST OF THE ESDP PRIORITY ACTION PLAN

The overall cost of the 2017-2021 ESDP is estimated at CFAF 13,735 billion, including \$ 8,171 billion of public expenditure and \$ 5,564 billion of private investment expenditure. Public expenditure includes CFAF 3,499.9 billion of public investment (42.8%).

The ESDP Priority Action Plan (CFAF 4,333.8 billion) includes public investments (CFAF 3,499.9 billion) and grants and transfers (67.34%, or CFAF 833.9 billion).

### 3.4. ESDP FUNDING SCHEME

The total cost of the 2017-2021 ESDP is estimated at CFAF 13,735 billion including \$ 8,171 billion of public expenditure and \$ 5,564 billion of private investment expenditure, according to the baseline scenario of the macroeconomic framework in accordance with the Economic and Financial Program finalized with the IMF.

Public expenditure will be financed through CFAF 5,079.2 billion of own resources and \$ 3,091.8 billion of external resources to be mobilized from technical and financial partners.

| Categorie                      | Amount (in CFAF billion) |
|--------------------------------|--------------------------|
| Cost of public expenditure     | 8,171.0                  |
| Internal resources             | 5,079.2                  |
| External resources to mobilize | 3,091.8                  |
| Private financing sought       | 5,564.0                  |
| Total Cost of ESDP 2017-2021   | 13,735                   |

Source: Macroeconomic framework data

Box 2 : PDES financing scheme according to the optimistic scenario

The total cost of implementing the PDES, based on the optimistic scenario, is estimated at 15 018,2 billion CFA francs, of which 9 305,7 of public expenditures and 5 712,5 billion of private investment.

Public spending will be funded by 5 523,9 of own resources and 3 712,5 billion external resource to be mobilized.

The following table provides the overall funding situation of PDES.

| labels                             | Amount (in billions of CFA francs) |
|------------------------------------|------------------------------------|
| Cost of public expenditures        | 9 305.7                            |
| Internal resources                 | 5 523.9                            |
| External resources to be mobilized | 3 781.8                            |
| Cost sought private financing      | 5712.5                             |
| Total cost of the PDES 2017-2021   | 15 018.2                           |

Source: Based on the macroeconomic framework data PDES 2017-2021

in the network of built dirt roads - constraints still persist. They relate mostly to an insufficient energy supply that leads to frequent power outages, the low quality of telephone and internet networks, and the country's poor and irregular road infrastructure.

#### 1.2.2.5. COMPETITIVENESS OF ECONOMIC SERVICES

Despite initiatives and actions taken that have led to an improvement in their quality, economic services are confronted with constraints such as: difficulties related to the costs of factors of production and the dwindling of the supply of services concerning SMEs; the poor state of the road network; road harassment and significant transaction costs for transportation; inadequacy of reception facilities weak technical and managerial capacities of the actors and the inadequacies of the institutional and regulatory framework for tourism and the hotel industry; the lack of an adequate financing system; and the lack of organization in the handicrafts market.

#### 1.2.2.6. AGRO-SYLVO-PASTORAL AND HALIEUTIC PRODUCTION

The agro-forestry-pastoral and fishery sector occupies more than 80% of the active population and contributed, on average, to 37.02% of GDP over the 2011-2015 period.

The efforts made, particularly in the context of the 3N Initiative, have led to an increase in food production of 9.3% on an annual average and a 13.9% increase in the cereals sector, which represents 68.7% of food production over the 2012-2015 period.

Despite these efforts, more than 2 million people are chronically food insecure, 4.5 million people are at risk of food insecurity, and millions more are food insecure during the transition time before the crop.

The main constraints related to agricultural production are, among others: (i) dependence on rainfall, exacerbated by climate change; (ii) low production under irrigation; (iii) low yields linked to weak agricultural mechanization; insufficient availability and relatively low utilization of improved seeds; (iv) inadequate technical supervision; (v) producers' lack of access to credit (2% of credit is invested in the agricultural sector); (vi) weak development of agricultural research; (vii) and weakness of rural infrastructure.

The field of animal production is characterized by a mode of breeding that has remained essentially traditional and continues to be dominated by transhumance, with low yields. Problems with the marketing of animal products and by-products, animal feed, animal health, and farmers and ranchers' conflicts also weigh on the sector's performance.

In the field of forest and fisheries production, Niger has significant potential for forest land and exceptional biodiversity, notably reflected in its 3,200 animal species and 410 000 hectares of water bodies, which continue to face climatic and demographic constraints

#### 1.2.2.7. BUSINESS ENVIRONMENT

Niger has made progress in improving its business climate, improving its rank from 175th to 160th from 2011 to 2015. However, much remains to be done to strengthen this performance. The constraints are related to: (i) poor access to credit (93% of the adult population does not have access to any kind of financial services), (ii) cumbersome regulation, (iii) the complexity of getting licenses, (iv) a significant level of corruption, (v) the difficulties of issuing title deeds, (vi) and the weakness of human resources.

#### 1.2.2.8. INFORMAL SECTOR

The informal sector accounts for over 60% of the Nigerien economy and consists of small to very small businesses that play an important role in the fight against poverty and unemployment. However, it raises a number of concerns, particularly relating to job insecurity and the sector's low tax revenues contribution. The support and formalization efforts undertaken with the creation of the approved management centers show positive but still limited results in relation to the size of the informal sector.

#### 1.2.2.9. EMPLOYMENT

In terms of employment, Niger has made significant progress in recent years. However, the overall unemployment rate rose from 13% in 2011 to 17% in 2014 (ENISED, 2016). Underemployment affects 68.4% of the active population (ECVMA 2014). It is mainly prevalent in rural areas, affecting 70.4% of the working population. The main constraints are (i) the weight of the informal sector, which accounts for more than 60% of GDP; (ii) the low productivity of informal sector

workers who are generally unskilled, at a rate of 81.4%; (iii) and the private sector's low level of participation in providing opportunities.

### 1.2.2.10. SUB-REGIONAL COMMERCE

With the UEMOA and ECOWAS Common External Tariffs (CET), the sub-regional markets are important outlets for Niger. However, although growing, sub-regional trade remains limited, mainly because of (i) road harassment, (ii) the low specialization of the countries of the region, (iii) the weak road infrastructure and (iv) and the exporting of products with low-added value for the national economy.

### 1.2.3. SOCIAL AND CULTURAL SITUATION

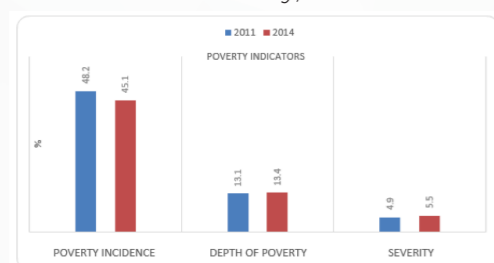
It is characterized by a relatively high level of poverty and low coverage of basic social needs.

#### 1.2.3.1. STATE OF POVERTY

Poverty incidence decreased from 48.2% in 2011 to 45.1% in 2014. The depth of poverty essentially stabilized around 13% between 2011 and 2015, while severity increased from 4.9% in 2011 to 5.5% in 2014. These poverty rates were higher in rural than in urban areas. Thus, in 2014, the incidence was 52.4% in rural areas versus 9.1% in urban areas.

The absolute number of the poor continues to increase, mainly because of high population growth. In terms of inequality, although low, the Gini index rose from 0.299 in 2011 to 0.325 in 2014, reflecting a widening of inequalities. However, according to the monetary approach, the share of the middle class increased from 44.9% in 2011 to 46.2% in 2014.

Graphic 1: Profile of Poverty, 2011-2014



Source: From INS data

#### 1.2.3.2. DEMOGRAPHICS

The According to the results of the General population and housing censuses, the population of Niger increased from 11,060,291 inhabitants

in 2001 to 17,138,707 inhabitants in 2012, representing an intercensal population growth rate of 3.9% per year. Niger's high population growth reflects the country's high fertility rate (average: 7.6 children per woman), its high rate of youth marriages (76.3% of women aged 20 to 24 are married before age 18, and 28% before age 15), little use of contraceptive methods (12.2%), and relatively low school enrollment ratios for girls. By way of illustration, the Gross Enrollment Rate (GER) of girls in primary school is 70.2% in 2016, in upper secondary education in 24.3% in 2015 and 28.8% in 2016, in upper secondary education 4.5% in 2015 and 5.7% in 2016. This rate of increase of the population of Niger is synonymous with a doubling every 18 years.

The immediate implications of the above situation are the followings: (i) little potential to reap a demographic dividend; (ii) heavy demand for public education, healthcare, food, water, and sanitation; (iii) heavy pressure on natural resources, including water and land; (iv) the exacerbation of conflicts over the control and exploitation of natural resources; (v) increasing risk of food and nutrition crises; and (vi) risk of uncontrolled migration.

The main constraints for a successful demographic transition are: (i) resistance to mindset change that would encourage family planning and reproductive health; (ii) difficult access to reproductive health services and family planning; (iii) low school enrollment ratios for girls; and (iv) persistence of pro-birth behaviors and pro-birth social norms.

#### 1.2.3.3. SOCIAL WELFARE SYSTEM

The social welfare system covers only an estimated 3% of the population, with a universal health insurance system that only covers about 20% of the population. Despite the efforts and the political will of policymakers to set up a national social welfare system, Niger has not made much progress in regulatory terms.

#### 1.2.3.4. HEALTH AND NUTRITION

In health terms, under five mortality rate improved from 177.6 per 1,000 in 2009 to 114 per 1,000 in 2015, while maternal mortality rate declined from 554 per 100,000 live births in 2010 to 520 in 2015. Despite these observed improvements, mortality rates are still high, due to: (i) poor access to sanitation, nationally (48.5% in 2015), with high regional disparities; (ii) poor

| Strategic axis   | Programs   | Subprograms  |   |
|--|--|--|---|
| Axis 3 :<br>Acceleration of economic growth                                    | Program 6:<br>Food security and sustainable agricultural development                       | 5.8. Promotion of regional integration and intra-African trade                                   |   |
|  |  | 6.1. Development of irrigated and rainfed production   |   |
|  |  | 6.2. Restoration of livestock farming systems  |   |
|  |  | 6.3. Development of rural infrastructure and services  |   |
|  |  | 6.4. Transformation of agro-sylvo-pastoral and fishing products                                  |   |
|  |  | 6.5. Empowering rural women  |   |
|  |  | 6.6. Strengthening resilience to food insecurity for the most vulnerable to disasters and crises |   |
|  | Program 7:<br>Improvement of development management  | 6.7. Governance and coordination of the rural sector   |   |
|  |  | 7.1. Improvement of the management of the economy  |   |
|  |  | 7.2. Improving public financial management   |   |
|  | Axis 4 : Improvement of governance, peace and security                                     | Program 8:<br>Consolidation of the efficiency and transparency of Institutions                   | 7.3. Development of financial services                      |
|  |  |  | 8.1. Improvement of the public administration's performance |
|  |  |  | 8.2. Strengthening local governance                         |
|  |  |  | 8.3. Promotion of good administrative practices             |
| 8.4. Promotion of the control of public action                                 |  |  |   |
| Programme 9 :<br>Renforcement de la sécurité et de la consolidation de la paix |  | 8.5. Promotion of the rule of law and human rights   |   |
|  |  | 9.1. Improvement of the strategic framework of security governance                               |   |
|  |  | 9.2. Mitigating security threats   |   |
|  |  | 9.3. Reduction of community conflicts  |   |
|  |  | 9.4. Promotion of development initiatives for peace and security                                 |   |
| Axis 5 :<br>Sustainable management of the environment                          | Program 10:<br>Sustainable Management of Land, Water and Biodiversity                      | 10.1. Sustainable land and water management  |   |
|  |  | 10.2. Management of biological diversity   |   |
|  |  | 10.3. Integrated water resources management  |   |
|  | Program 11:<br>Improvement of people's living environment and fight against climate change | 11.1. Strengthening hygiene and sanitation   |   |
|  |  | 11.2. Resilience and sustainability of human settlements   |   |
|  |  | 11.3. Building resilience and mitigation adaptation capacities                                   |   |
|  |  | 11.4. Promotion of the green economy   |   |

and border security. These programs are divided in nine (9) subprograms.

The Sustainable management of the environment axis comprises two (2) programs: (i) sustainable management of land, water and biodiversity, and (ii) improvement of the living conditions of people and fight against climate change. These programs are divided in seven (7) subprograms. The table below lists programs and subprograms by axe.

The various programs are structured in subprograms as indicated in the table below.

**Table 1:** ESDP Programmatic structure

| Strategic axis   | Programs  | Subprograms  |
|--|---|--|
| Axis 1 : Cultural renaissance                          | Program 1: Social mobilization for behavior change            | 1.1. Consolidation of the family unit                              |
|  |   | 1.2. Promotion of social and cultural values                       |
|  |   | 1.3. Promotion of citizen spaces for public exchange and education |
|  |   | 1.4. Strengthening the role of traditional chieftaincies           |
|  | Program 2: Consolidation of democratic and republican culture | 2.1. Consolidation of national unity                               |
|  |   | 2.2. Strengthening democracy and republican culture                |
| Axis 2 : Social development and demographic transition | Program 3: Development of human capital                       | 3.1. Improvement of people's education and training level          |
|  |   | 3.2. Improvement of people's health status                         |
|  |   | 3.3. Improvement of the nutritional status                         |
|  |   | 3.4. Capacity building for the management of drinking water        |
|  |   | 3.5. Strengthening the welfare system                              |
|  |   | 3.6. Increase in the supply of sports and youth services           |
|  | Program 4: Demographic transition                             | 4.1. Promotion of reproductive health and childbirth assistance    |
|  |   | 4.2. Promotion of girls' education and training                    |
|  |   | 4.3. Development of the gender dividend                            |
|  |   | 4.4. Development of population-development relationships           |
| Axis 3 : Acceleration of economic growth               | Program 5: Development of the private sector                  | 5.1. Development of mining and oil products value chains           |
|  |   | 5.2. Development of manufacturing industries and agribusiness      |
|  |   | 5.3. Development of economic infrastructures                       |
|  |   | 5.4. Development of economic services                              |
|  |   | 5.5. Business capacity building                                    |
|  |   | 5.6. Improvement of the business environment                       |
|  |   | 5.7. Promotion of youth entrepreneurship                           |

access to healthcare services; (iii) poor access to prenatal care at four months of pregnancy (38.5% in 2015); (iv) little use of preventive care (52.6%); (v) low rate of assisted births by qualified staff (42.3% in 2015); and (vi), low budget allocations to the healthcare sector (approximately 6% versus the 15% recommended by the 2001 Abuja Declaration).

In terms of nutrition, malnutrition rates, all types combined, show that Niger exceeds the overall ceiling laid down by the World Health Organization (WHO). The country's 14.8% malnutrition rate exceeds the alert threshold of 10%, and nearly one in two children (over 1.5 million) under five currently suffers from chronic malnutrition. It should also be noted that 27% of Nigerien children have low birth weights. This shortfall often reflects the mother's own nutrition status and age.

The weakness of the supply of nutritional interventions and allocated funding constitutes a major obstacle in improving the nutritional status of the population.

#### 1.2.3.5. EDUCATION AND TRAINING

Enrollment in preschool education remains low (7.2% in 2016) and is mainly urban.

The overall enrollment ratio in primary education has clearly improved (76.2% in 2016 versus 58.6% in 2012), as have admissions (75.2% in 2015 versus 46.6% in 2011). However, wide gender disparities still remain, with girls lagging behind (70.2% gross enrollment ratio for girls in 2016 versus 82.1% for boys). A similar discrepancy exists between urban and rural schooling (64.3% gross enrollment in rural areas versus 38.3% in urban in 2016). In addition, an analysis of net enrollment rates indicates that a large percentage of school-age children (33.9%) in 2016 remained on the fringes of the educational system.

Among those receiving non-formal education, the illiteracy rate (over 70% of people aged 15 and over) is among the highest in the sub-region, undoubtedly impacting the efficiency of social policies and the competitiveness of the economy.

At lower and upper secondary levels, the enrollment ratio remains low (31% and 9%, respectively, in 2016). The retention rate also seems to be low, and gender discrepancies persist, with only 33.7% of girls graduating from lower secondary school in 2016 and 79.5% from upper secondary school.

The proportion of staff delivering vocational and

technical training in secondary schools increased from 13.6% in 2011 to 25.6% in 2015. However, it should be noted that there are still shortfalls in the level of technical and vocational skills required to service the country's growth sectors.

Higher education still remains underdeveloped in Niger. The gross rate of attendance was only 2.6% in 2015, increasing from 135 students per 100,000 people in 2010 to 281 in 2015. This sub-sector is currently experiencing challenges linked to a number of factors, including: (i) inadequate infrastructure to cope with the sharp rise in student numbers; (ii) the discontinuation of the civil service personnel planning policy and the freeze on recruitment of public service civil servants; and (iii) inadequate access to loans for investment, operations, and research.

The overall policy and coordination of scientific research leaves much to be desired. In universities, the research component remains weak, mainly due to inadequate incentives (research funding) and the lack of appropriate equipment and facilities.

Overall, the education sector faces numerous constraints: (i) the inadequacy of curricula to the needs of the user services, (ii) the low enrollment rates at all schooling levels, even if primary education has reached an acceptable level; (iii) persistent though shrinking gender inequalities; (iv) persistent disparities (gender, geographic, etc.) at all teaching levels; (v) training-job mismatch; (vi) high illiteracy rates; (vii) inadequate infrastructure, facilities, and equipment; (viii) high drop-out rates; (ix) teaching skills inadequate and unevenly distributed across the country; (x) lack of operating resources; (xi) excessively large class sizes reflecting the exponential growth in intake; (xii) inadequate instructional time; (xiii) inadequate financing of research; and (xiv) research inadequate given the needs of the economy.

#### 1.2.3.6. WATER, HYGIENE, AND SANITATION

The geographical coverage of modern drinking-water supply points decreased from 75.8% in 2011 to 69.5% in 2016. Access to drinking water increased from 73.1% in 2011 to 93.2% in 2016 in urban centers but decreased from 48.9% in 2011 to 45.5% in 2016 in rural areas. The observed decrease in rural areas is mainly due to strong demographic growth and inadequate water point management.

With regards to the sanitation, 68.7% of households do not have toilets. This percentage varies from 13.8% in urban centers to 80.6% in rural areas.

The major constraints in relation with access to drinking water are: (i) inadequate investments combined with demographic growth; (ii) water point management issues; (iii) physical access problems in remote areas; and (iv) water waste, especially by public authorities. Sanitation issues are also impacted by: (i) poverty, particularly in rural areas; (ii) high illiteracy rates; and (iii) the inefficiency of intervention strategies in rural environments.

#### 1.2.3.7. GENDER

Niger was ranked 149th out of 152 countries in 2016 in terms of gender inequality, with a 0.674 gender inequality index rating. Inequality as it relates to gender is mainly found in access to education, participation in the economy, and decision-making.

#### 1.2.3.8. YOUTH, SPORT, AND CULTURE

Niger has considerable assets linked in particular to the youth of the population and to the existence of cultural sites and monuments classified as national or international heritages. In addition, regarding sport, the country has improved its visibility on the regional and global scene through its participation in various competitions.

The main constraints can be summed up as follows: (i) for sport, the absence of a sectoral policy, the poor governance of sports associations and the inadequacy and obsolescence of sports infrastructures and equipment; (ii) concerning culture, lack of mapping of cultural heritage, insufficient support for the creation of cultural goods and services, the lack of a structured network for the distribution and dissemination of cultural goods and the weak capacity of the Nigerian Office of Copyright (BNDA).

#### 1.2.3.9. SOCIOCULTURAL PRACTICES

Nigerien society is undergoing rapid changes, often leading to loss of bearings, social disruption, the multiplication of fracture points and a profound phase difference between the pace and forms of change and customs life styles and routines of most Nigerians

This can be explained at least partly by: (i) inability of the education system to adapt to new realities;

(ii) misunderstanding of democracy; (iii) religious extremism; (iv) the lack of interest of the youth vis-à-vis certain national cultural values; (v) the weak development of civic education programs.

#### 1.2.4. SUSTAINABLE ENVIRONMENTAL MANAGEMENT

Niger is facing a precarious environmental situation due to the severity of soil degradation, low preservation of biodiversity, obstacles to the sustainable development of land and water resources, and limited ability to deal with climate change challenges.

##### 1.2.4.1. SUSTAINABLE SOIL MANAGEMENT

Much work was done between 2012 and 2015 to remediate or counter wind and water erosion, including tree planting. However, given the extent of the deterioration, the results did not meet expectations.

The main constraints are: (i) heavy pressure on natural resources caused by population growth; (ii) limited financing and technical capabilities of producers and support services; (iii) financing shortfall given the extent of soil degradation; (iv) delays in the development of land management and Regional Development Programs (RDP); and (v) lack of regulations implementing environmental management laws and Sustainable Land Management (SLM) legislation in particular.

##### 1.2.4.2. SUSTAINABLE BIODIVERSITY MANAGEMENT

The reforms required by the United Nations Convention on Biological Diversity have been launched and are being carried out. Although the biodiversity protection targets have been achieved (14.3% versus a target of 12% for 2015), protected areas still represent a small percentage of the country.

The constraints are: (i) inadequate understanding of biological diversity; (ii) inadequate acceptance by the general public of responsibility for ensuring biodiversity; (iii) inadequate legal framework to handle biodiversity issues; (iv) ecosystem management not sufficiently integrated into projects in general; (v) undervaluation of resources; and (vi) multiple conflicting pressures on biodiversity.

### III

## ESDP 2017-2021 PROGRAM STRUCTURE

This chapter presents the main reforms, programs, the estimated cost of the ESDP's Priority Action Plan (PAP/ESDP), and the funding scheme.

### 3.1. MAJOR REFORM DOMAINS

The 2017-2021 ESDP's implementation requires that particular attention be paid to a number of relevant reforms in the areas indicated in the table below (See table. These reforms are linked to specific axes that have impacts on the implementation of ESDP programs. The table below lists the reforms by axe.

### 3.2. ESDP PROGRAMS

This section describes the programs and sub-programs by axe as well as the strategies to achieve the outcomes. It also summarizes the Priority Action Plan (PPP), which highlights the costs of the various actions. The structure includes eleven (11) programs and fifty (50) subprograms divided in the five strategic axes of

the ESDP 2017-2021.

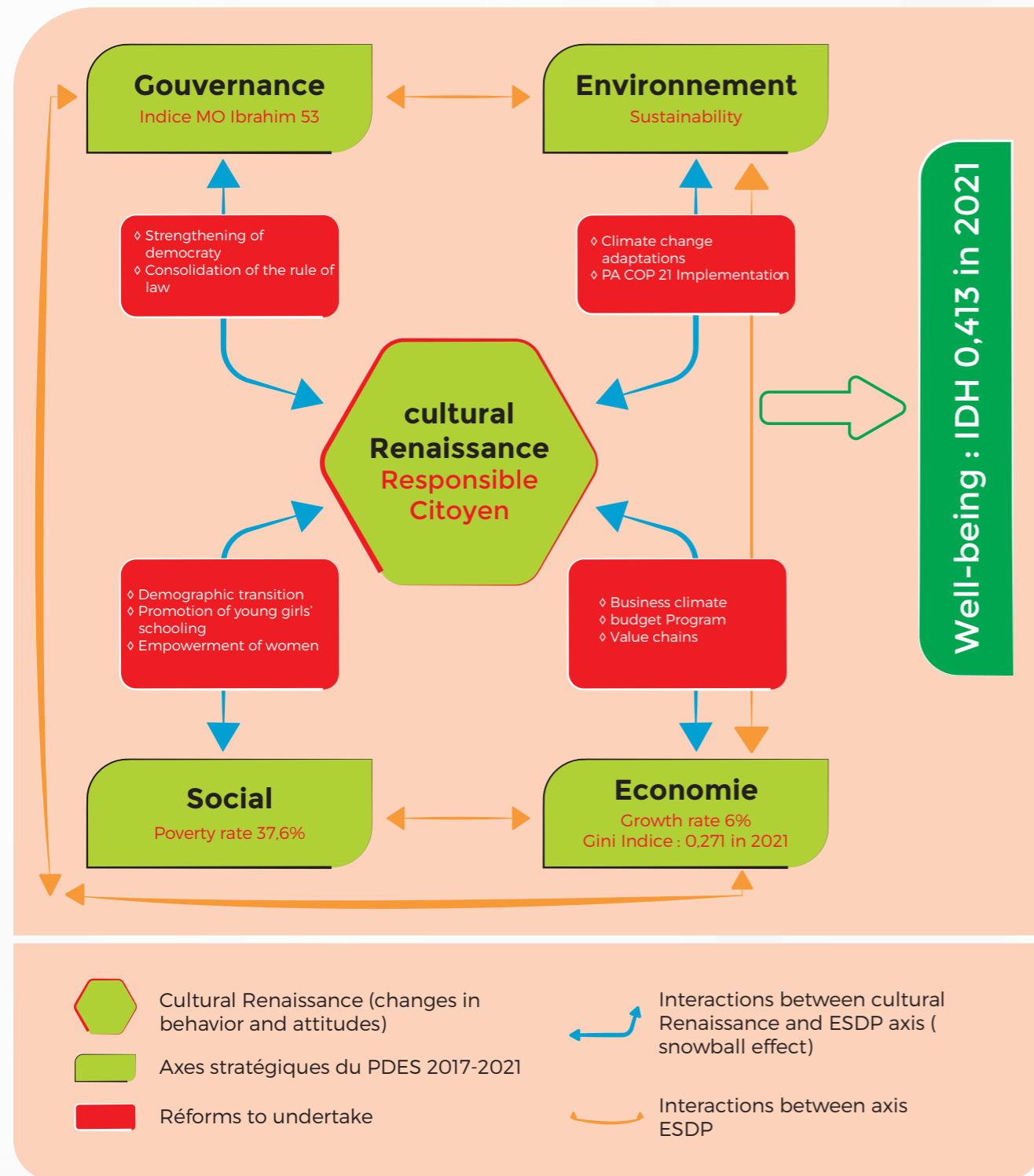
The Cultural Renaissance axis is divided in two (2) programs : (i) social mobilization to change behaviors; (ii) consolidation of democratic culture. These two (2) programs are structured in six (6) subprograms.

The Social development and demographic transition axis is divided in two (2) programs: (i) development of human capital and (ii) demographic transition. These two programs are divided in nine (09) subprograms.

The Acceleration of economic growth axis comprises three (3) programs: (i) development of the private sector; (ii) food security and sustainable agricultural development, and (iii) improvement of development management. These programs are divided in eighteen (18) subprograms.

The Improvement of governance, peace and security axis comprises two (2) programs: (i) enhancement of institutions' effectiveness and transparency, and (ii) strengthening of internal

Figure 2 : Dynamic of Change of the ESDP 2017-2021



Source : Based on the Renaissance Program - Part 2

### 1.2.4.3. INTEGRATED MANAGEMENT OF WATER RESOURCES

Niger has an adequate regulatory framework, yet unknown to many players, mostly at the decentralized level.

Constraints include: (i) increased pressure on water resources; (ii) inefficient water resource management; (iii) inadequate monitoring and evaluation of water resources; (iv) risk of water bodies siltation; and (v) pollution risk of surface and groundwater.

### 1.2.4.4. CLIMATE CHANGE AND REDUCTION OF DISASTER RISK

In the implementing process of the United Nations Framework Convention on Climate Change, a number of strategic documents were prepared.

The main constraints in this area are: (i) weak capacity to build a multidisciplinary, integrated approach; (ii) high sensitivity of livelihoods and infrastructures; (iii) mismatch between resources and needs; (iv) lack of strategies and appropriate tools for integrated management of shared or cross-border resources (the Niger Basin, Liptako, Lake Chad, etc.); and (v) weak promotion of green jobs.

### 1.2.4.5. RENEWABLE ENERGY

Various initiatives boosted the installed solar capacity, from 1 MW in 2006 to more than 6.5 MW in 2014. However, renewable energy is a very marginal component (0.01%) of the national energy mix.

The main constraints are: (i) high initial cost of investment in renewable energy systems; (ii) lack of information regarding wind and solar energy resources; and (iii) absence of effective energy policies.

### 1.2.4.6. LIVING CONDITIONS

Niger has not stayed on the sidelines of the dynamic Africa is experiencing, with an urbanization ratio of approximately 22.5% in 2016. However, towns and cities are growing and expanding, often without adequate urban planning mechanisms. Urban infrastructure has also failed to catch up with expansion (to ensure roads, drains, drinking water supply systems, electricity grids, etc.), making living conditions in

urban areas very difficult.

Furthermore, most of the country's housing stock is the result of households building their own homes. The number of housing units built by the State and its dismemberments (SONUCI, Credit du Niger) hardly exceeds 3000 housing units in 2015.

With regards to solid waste management, although many tons of waste are removed every year, collection falls far short of expectations.

### 1.2.5. REGIONAL ANALYSIS

Regional analyses reveal greater or lesser disparities between regions, mainly reflecting demographics and the components of the Human Development Index (HDI).

#### 1.2.5.1. DEMOGRAPHICS

Niger has one of the highest rates of demographic growth in the world (3.9%), due to its high total fertility rate (7.6 children per woman) in 2012. Some regions are of a greater concern and deserve special attention. These are Zinder (8.5 children per woman), Maradi (8.4), Tillabéri (7.9), and Dosso (7.3).

#### 1.2.5.2. COMPONENTS OF TOTAL FERTILITY RATE BY REGION IN 2014

In terms of education, the expected length of schooling in Niger is estimated at 5.83 years nationally, varying from 12.54 in Niamey to 2.5 in Diffa.

The average length of schooling is 1.275 years, and only the regions of Niamey and Agadez have an average length of schooling higher than the national average, with 5.85 and 2.18 years, respectively.

Life expectancy at birth is 64.1 years. While life expectancy in the Niamey and Agadez regions exceeds that number, all other regions are close to the national average.

Average income per capita (adjusted for purchasing power parity) is USD 781. Yet, Maradi (577), Dosso (629), Zinder (772), and Tillabéri (748) regions present lower figures for per capita incomes lower than the national average. In terms of poverty, Tillabéri (88.32%) and Maradi (86.99%) are the regions most affected by multidimensional poverty, as compared to 23.23% in Niamey.

The common issues to all regions are primarily: (i) failure to use irrigable land; (ii) conflicts between communities; (iii) permeable borders that encourage fraud; (iv) continuing degradation of the environment; (v) poor access to adequate basic social services; and (vi) the land issues due to the fragmentation of holdings. However, each region has a number of advantages that could be developed to become growth vectors.

### 1.3. LESSONS LEARNED FROM THE IMPLEMENTATION OF THE 2012-2015 ESPD

Of the following lessons have been drawn from the assessment of the 2012-2015 ESPD:

- Although planning was one of the strengths of the 2012-2015 ESPD, it still needs strengthening to be consistent with sectoral policies and priority action plans;
- Unrealistic financial planning adversely impacted the implementation of the 2012 - 2015 ESPD;
- Inadequate monitoring and evaluation mechanisms hampered implementation of the 2012-2015 ESPD;
- the lack of high-level leadership needed in terms of steering and monitoring and evaluation, to ensure the successful implementation of actions
- Crisis management heavily impacted budget implementation and therefore overall implementation of the 2012-2015 ESPD.

### 1.4. MAJOR CHALLENGES

Looking at the key findings listed above and the lessons learned from the implementation of the 2012-2015 ESPD, the main challenges Niger must address and for which the implementation of the 2017-2021 ESPD should provide solutions are as follows:

1. Do more to guarantee the safety of persons and property;
2. Strengthen good governance;
3. Ensure the demographic transition;
4. Boost human capital;
5. Maintain sustainable, inclusive economic growth;
6. Enhance sustainable food security and nutrition;
7. Adapt production systems to climate change;
8. Promote change in behaviors and mindsets.

### 2.5.6.2. ESPD CONSISTENCY WITH THE ECONOMIC ORIENTATION DOCUMENT

The sectoral orientations of the EOD are reflected in the following four complementary strategic areas: (i) the promotion of a competitive and diversified economy, (ii) food security and sustainable agricultural development, (iii) the promotion of social development, and (iv) governance, peace and security. These orientations are consistent with the five (5) axis of the ESPD as shown in the diagram below.

### 2.6 THE MOMENTUM FOR CHANGE OF THE ESPD 2017-2021

The change dynamic generated through the interaction between the positive behaviors derived from cultural renaissance and the strategic orientation axis of the ESPD, will imprint

a “snowball” effect to structural transformations in the economy, in governance, in the environment and society. . This dynamic will lead to a virtuous circle of improving the wellbeing of the Nigerian people (responsible citizen), which in turn will lead the country towards emergence.

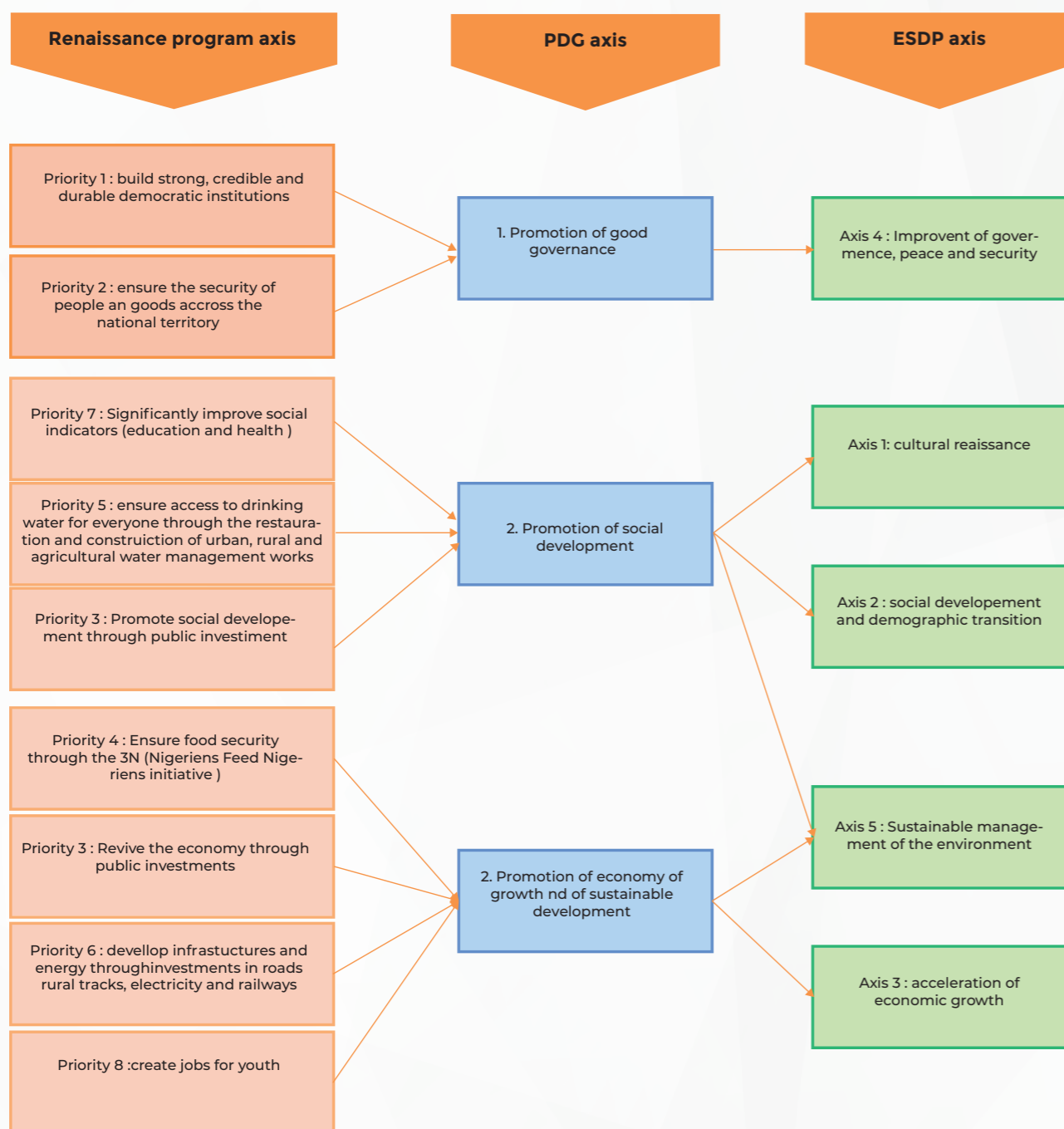
For the next five years, the Economic and Social Development Plan (ESDP) 2017-2021 intends to strengthen this momentum for change through the implementation of structural reforms.

The four dimensions of sustainable development discussed above (economy, governance, society and the environment), which correspond to the axes of the ESPD 2017-2021, will interact and will each have an impact on the responsible Nigerian citizen born from the cultural renaissance and whose expected Human Development Index (HDI) in 2021 is estimated around 0.410.



The diagram below shows the articulation of the ESDP's axis of the, along with the Renaissance Program-Part 2 priorities and the axes of the General Policy Statement.

Figure 1: Articulation between the axis of the Renaissance Program-Part 2, the DPG and the ESDP 2017-2021



Source: Based on the Renaissance Program-Part 2, the DPG and the ESDP 2017-2021.



ECONOMIC AND SOCIAL DEVELOPMENT PLAN (ESDP) 2017-2021

## II STRATEGIC GUIDELINES

The analysis shows that to achieve a significant reduction in poverty, boost job creation, and create the conditions for sustainable and inclusive development, the current average rate of growth must be maintained.

On that basis, the main thrust of the 2017-2021 ESDP is to consolidate Niger's economic fundamentals and strengthen its potential to achieve a faster rate of sustained and sustainable growth in order to meet the dual goal of raising incomes and creating jobs, and to consolidate the fundamentals of sustainable development.

### 2.1. VISION

The 2017-2021 ESDP contributes to the 2035 vision for Niger, expressed by the Sustainable Development and Inclusive Growth Strategy (SDIGS) as follows: «A united, democratic, modern, peaceful, prosperous country, proud of its cultural values, underpinned by sustainable, ethical, equitable, and balanced development, in a united and mutually supportive Africa.»

The 2017-2021 ESDP is the first step in the operationalization of this vision and of the

strategic axes of the SDIGS and Sustainable Development Goals (SDG). Thus, the first ESDP for the SDGs era will contribute to achieve «dignity for all by 2030, through the eradication of poverty, the transforming of our lives, and the protection of the planet.»

### 2.2. FUNDAMENTALS AND GUIDELINES THE 2017-2021 ESDP

#### 2.2.1. FUNDAMENTALS

The 2017-2021 ESDP document is based upon the SDGs, the African Union's Agenda 2063, the ECOWAS Vision 2020, the WAEMU's Public Finance Directives, the Niger SDIGS 2035, and the Niger Renaissance Program 2. It also capitalizes on lessons learned from the formulation and implementation of the 2012-2015 ESDP, along with the 2016-2019 Economic Orientation Document (EOD).

### 2.2.2. GUIDELINES

The 2017–2021 ESDP implementation guidelines are: (i) Results-Based Management (RBM); (ii) cross-sectoral approach; (iii) inclusiveness; (iv) partnership; (v) accountability, and (vi) allowance for crisis management as part of sustainable development.

## 2.3. STRATEGIC GOALS AND RESULTS

### 2.3.1. GOALS

The overall goal of the 2017–2021 ESDP is to «contribute to building a peaceful, well-governed country with an emerging and sustainable economy, and a society based on the values of fairness and equity, sharing the fruits of progress.» Specifically, it aims to «strengthen the resilience of the economic and social development system.»

### 2.3.2. STRATEGIC RESULTS

The strategic results expected from the implementation of the 2017–2021 ESDP consist of one (1) broad impact and five (5) specific effects: (i) Nigeriens are responsible, model citizens; (ii) its people's social development is sustainably improved; (iii) economic growth is strong, sustained, and inclusive; (iv) the people are well-governed in a safe and secure environment; and (v) environmental management is improved. These broad effects translate into 11 specific actions.

The «improved wellbeing» factor is measured by the HDI rising from 0.353 in 2016 to 0.410 in 2021, and the incidence of poverty declining from 45.1% in 2014 to 37.3% in 2021 (baseline scenario).

## 2.4. MACROECONOMIC OUTLOOK FOR THE PERIOD 2017–2021

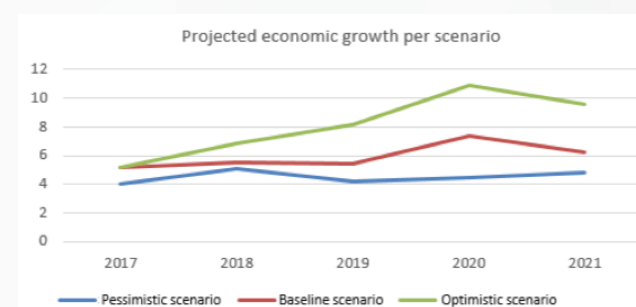
Three scenarios were examined when formulating the 2017–2021 ESDP, taking into consideration domestic and external risk factors that could impact the implementation of the ESDP, in particular: (i) The pessimistic scenario assumes an inability to mobilize outside resources, little impact from current reforms to increase tax revenues, few incentives to private investment, and reduced public spending with a view to maintaining macroeconomic equilibrium and meet the WAEMU's balanced-budget criteria (grants included) by 2020; (ii) The baseline scenario is characterized by domestic economic development that takes into account the impact of current projects as well as the priority actions

identified in the ESDP. However, it assumes that the rate of public investment (from both domestic and external resources) remains in line with past trends;

(iii) The optimistic scenario (consistent with the goals of the Niger Renaissance Program 2) assumes that extensive resources can be mobilized to achieve the level of public investment needed for a strong economic growth over the period, while remaining compatible with the goal of effective public debt management.

The following chart shows the change in economic growth over the period 2017–2021

**Graphic 2:** *Projected economic growth per scenario*



Source: *Macroeconomic and budgetary framework, 2017–2021 ESDP*

As the 2017–2021 ESDP is the first implementation of the Niger SDIGS for 2035, which advocates a ground-breaking approach. It favors the baseline scenario for the reasons explained above.

### 2.4.1. REAL-WORLD SECTORS

The baseline scenario projects an average growth rate of 5.9% over the period 2017–2021. The sectoral distribution of this growth should be, on average: (i) 4.2% for the primary sector; (ii) 9.9% for the secondary sector, and (iii) 5.1% for the tertiary sector.

In terms of contribution to GDP, the secondary sector should increase from 19.6% of GDP in 2017 to 23.1% in 2021, marking the start of a structural transformation primarily sustained by the oil sector and agro-sylvo-pastoral processing. Meanwhile, the relative contribution of the primary and tertiary sectors to GDP will decline.

for a strong, sustained and inclusive economic growth.

### 2.5.4. AXIS 4: IMPROVEMENT OF GOVERNANCE, PEACE AND SECURITY

The convergence of security (external and internal) and development policies aims to prevent multidimensional crises likely to undermine national economic and social development prospects. This axis covers the areas of security and of political, administrative, judicial and local governance.

The specific outcomes expected of this axis are: (i) people's satisfaction with the performance of public administration and the institutions, and (ii) ensuring the country's internal and border security. These outcomes will enable people to be effectively governed in a safe space.

### 2.5.5. AXE 5: SUSTAINABLE ENVIRONMENTAL MANAGEMENT

The goal of this axis is to create general conditions that can foster economic, social and cultural development, through the conservation and sustainable management of the environment and of natural resources, and enhance adaptations to the negative effects of climate change.

The specific outcomes expected of this axis are: (i) the sustainable management of natural resources (land, water and biodiversity), and (ii) the adaptation of people's living conditions to climate change. These outcomes will improve the sustainable management of the environment.

### 2.5.6. ESDP'S CONSISTENCY WITH POLICY AND ECONOMIC ORIENTATION DOCUMENTS

The strategic axis of ESDP 2017–2021 are consistent with the Renaissance Program Part 2, the General Policy Statement (DPG) and the Economic Orientation Document (EOD).

#### 2.5.6.1. ESDP'S CONSISTENCY WITH THE RENAISSANCE PROGRAM PART 2 AND WITH THE GENERAL POLICY STATEMENT (DPG)

The Renaissance Program Part 2 is organized around 8 priorities: (i) promote cultural renaissance, (ii) further consolidate democratic institutions, (iii) ensure the safety of people and assets, (iv) guarantee access to water for all, (v) ensure food and nutritional security through the 3N Initiative, (vi) develop communication and energy infrastructures, (vii) develop education and health sectors, and (viii) promote youth employment.

These priorities were regrouped in the DPG according to the triple requirement of social, political and economic modernization, across three main axis: (i) promotion of good governance; (ii) promotion of social development; (iii) promotion of economic growth and sustainable development.

**Box 1 : optimistic Scenario (showing the ambitions of the Renaissance Act II Program)**

This scenario is based upon strong assumptions that take into account a significant mobilization of resources to finance the required investments for a structural transformation of the Nigerien economy. This transformation, in adherence with the ambitions expressed in the Renaissance Act II Program, will take place through the implementation of high economic growth projects which would reduce the vulnerability of the economy as well as through major reforms to improve the attractiveness of Nigerien economy.

Over the 2017-2021 timeframe, the average real growth rate of the economy is estimated at 7.3%, supported by the primary sector (+ 5.6%), the secondary sector (+ 9.8%) and the service sector (+ 5.7%).

In terms of contribution to GDP, the secondary sector would move from 18.1% of GDP in 2016 to 22.4% in 2021, marking the beginning of a structural change, driven by the mining and oil sector, along with value chain development for agro-sylvo-pastoral and fish products. As for the share of primary and tertiary sectors they are, respectively, expected to fall from 41.5% to 39.5% and from 40.4% to 38.1% of GDP over the duration of the PDES. This structural transformation of the economy will take place through the implementation of strategic projects such as Kandadji, the fiber optic project, rural electrification, Salkadamna, trans-Saharan road, rail loop, etc.

On average, the tax burden which is currently estimated at 17.9% would rise up to 20% in 2020 and 20.3% in 2021.

Domestic credit represents on average 20.8% of GDP over the period mainly due to the evolution of credit to the economy that would be around an average of 16.5% of GDP, the net government position (NGP) being stabilized around 4%.

The simulation results indicate that with the confirmation of the assumptions in the optimistic scenario and in comparison with the 2016 estimates (39.8%), Niger will succeed in reduction of the incidence of poverty to 31.3% in 2021, representing an 8.5 points improvement. In rural areas, the incidence of poverty will drop from 45.9% in 2016 to 36.2% in 2021, a gain of 9.7 percentage points.

**2.5. STRATEGIC AXIS**

To tackle the economic and social development challenges identified, five interrelated strategic axes were adopted, reflecting the key features of sustainable human development.

**2.5.1. AXIS 1: CULTURAL RENAISSANCE**

Cultural renaissance is grounded in traditional Nigerien values as well as universal ones for the formation of a model citizen whose behavior can foster inclusive, participative, and sustainable socioeconomic development. It aims to promote civic spirit and - and citizen values through grassroots actions for families, schools, the administration, and public places. The specific outcomes expected from this cultural renaissance are: (i) values enhancing social progress, and (ii) a democratic, strong, and stable civic state. These changes will turn Nigerien people into model citizens responsible for and supportive of sustainable socioeconomic development.

**2.5.2. AXIS 2: SOCIAL DEVELOPMENT AND DEMOGRAPHIC TRANSITION**

Social development shall be achieved by improving basic social services in the areas

of population, health and welfare, education, drinking water, living conditions, gender equality and human rights, and youth development. This axis aims to better meet fundamental social needs, both in quantity and quality. It is centered on accelerating the demographic transition and developing human capital. A significant enhancement of human capital and the inception of the demographic transition are the expected outcomes of this axis.

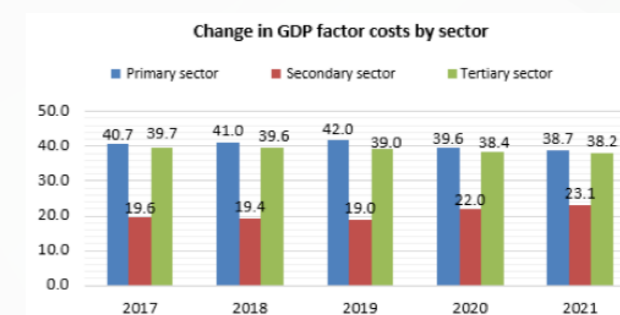
**2.5.3. AXIS 3: ECONOMIC GROWTH ACCELERATION**

The main intent is to increase the economic potential of the country to achieve an accelerated growth rate, allowing to reach the dual objective of increasing revenues and creating jobs, and of consolidating the foundations for sustainable development. Thus, the ESDP aims to foster a stable economic growth averaging at least 5.9%, and an average inflation rate below 3% over the ESDP timeframe.

Specifically, the expected outcomes of this axis are: (i) a competitive private sector; (ii) a significant transformation of rural areas, and (iii) effective development management. These outcomes aim

**Graphic 3 : Change in GDP factor cost by sector**

Source : Macroeconomic framework data



Source : Macroeconomic framework data

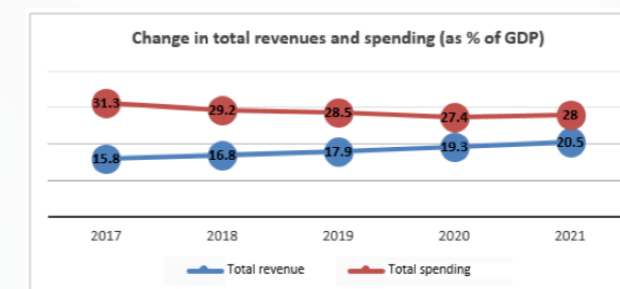
**2.4.2. PUBLIC FINANCES**

Public finances are characterized over the 2017-2020 period by: (i) a 15.5% increase in average annual total revenues in line with tax and non-tax revenues (+14.4% and +32.8%, respectively); and (ii) an 8.5% increase in average annual spending mainly due to capital investment (+11.4%) in infrastructure for energy, transportation, and hydro-agricultural improvement programs, the aim being to create the conditions for the structural transformation of the economy.

Public finances are evolving in a national context marked thanks to the implementation of budget planning, the 2017-2020 Public Financial Management Reform Plan (PRGFP IV), and the 2017-2020 Economic and Financial Program (EFP).

The following chart projects change in fiscal revenues and public spending from 2017 to 2021 based upon the baseline scenario.

**Graphic 4 : Change in total revenues and spending (as % of GDP)**



**2.4.3. BALANCE OF PAYMENTS**

Foreign trade presents an improvement in the current account deficit, from 18% of GDP in 2017 to 15.4% in 2020, reflecting (among other factors) a sharp improvement in the balance of trade (-22% of GDP in 2017 to -12.6% of GDP in 2021) as a result of crude oil exports starting in 2020.

Under these conditions, the total balance of payments will show a surplus starting in 2018, from -0.2% of GDP in 2017 to 1.2% of GDP in 2020 and 2021.

**2.4.4. MONETARY CONDITIONS**

Over the period 2017-2020, the country's monetary situation will improve thanks to higher net foreign assets, lower domestic debt, and improved money supply. Money supply should increase from 29.84% of GDP in 2017 to 32% of GDP in 2020, and credit flows to the economy should increase from 16.6% of GDP in 2017 to 17.1% in 2020 if economic activity is to be sustained.

**2.4.5. CONVERGENCE OVER THE ESDP PERIOD**

By 2021, all the primary and secondary criteria will have been met, with the exception of the tax revenue to GDP ratio (18.2% in 2021, lower than the intercommunity standard of 20%).

**2.4.6. IMPACT ON POVERTY**

An economy's growth profile determines the living standards of its people. To understand this, simulations have been made to estimate the consequences of various growth profiles and budgetary options designed to reduce poverty in the medium term. The results show, for the baseline scenario, Niger will reduce monetary poverty to 37.9% by 2021, two percentage points below the 39.9% seen in 2016. This poverty reduction will depend upon agricultural development programs that will impact household incomes and consumption, primarily in rural areas (small and large farms). However, there is still more poverty in rural areas than in urban ones.