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Niger: Enhanced Initiative for Heavily Indebted Poor Countries— Completion Point Document

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THE INTERNATIONAL MONETARY FUND AND
INTERNATIONAL DEVELOPMENT ASSOCIATION

NIGER

Enhanced Initiative for Heavily Indebted Poor Countries Completion Point Document

Prepared by the Staffs of the International Monetary Fund and the International Development Association

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December 17, 2003

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I. INTRODUCTION

1. **In December 2000, the Executive Boards of the International Development Association (IDA) and the International Monetary Fund (IMF) agreed that the Republic of Niger had met the requirements for the decision point under the enhanced Initiative for Heavily Indebted Poor Countries (HIPC Initiative).**[1] Directors noted the significant achievements in the areas of macroeconomic stabilization and structural reform that Niger had made under Fund and IDA-supported programs since 1996, until they were interrupted by a military coup in 1999. They welcomed the actions taken in early 2000 by the new, democratically elected authorities to restore the economic and financial situation of Niger, as well as their commitments to complete and broaden the reform program. The approval of a three-year arrangement under the Fund's Poverty Reduction and Growth Facility (PRGF)[2] and the consideration of the authorities' interim poverty reduction strategy paper (interim PRSP) by the Executive Boards also paved the way for the approval of Niger's decision point in December 2000.[3] At that time, the Boards defined a set of conditions for Niger to reach the completion point under the enhanced framework. This paper assesses Niger's progress under the enhanced HIPC Initiative and seeks the Boards' approval of the completion point, including a topping up of assistance under the Initiative.

2. **At the decision point (end-1999), the amount of debt relief under the enhanced HIPC Initiative framework needed to bring the net present value (NPV) of debt to the equivalent of 150 percent of exports of goods and services was estimated at US$520.6 million in NPV terms**. This relief represented a reduction of 53.5 percent in the debt, in NPV terms, after the full use of traditional debt-relief mechanisms. In this context, the Executive Boards also agreed to the provision of interim debt relief to cover part of the debt service falling due to the IMF and IDA until Niger reached the completion point under the HIPC Initiative framework. The Fund provided interim debt relief in an amount equivalent to SDR 6.678 million in nominal terms for the period December 2000–November 2003, and IDA interim relief amounted to US$29.2 million through November 2003. Other multilateral institutions have agreed to provide interim relief as well, including the African Development Bank Group (AfDB), the Islamic Development Bank (IsDB), the European Commission (EC), the OPEC Fund (OPEC), the Arab Bank for Economic Development in Africa (BADEA), and the West African Economic and Monetary Union (WAEMU). Paris Club creditors took similar action and provided flow relief on Cologne terms until end-December 2003. Finally, China and the Kuwait Fund for Arab Economic Development have granted assistance since 2001 and 2002, respectively. Total cumulative interim assistance from the decision point up to end-2002 amounted to US$57.1 million.

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[1] See http://www.imf.org/external/np/hipc/2000/ner/niger.pdf, Country Report No. 01.138, and IDA/R2000-236 (12/20/00).

[2] See www.imf.org, IMF Country Report No. 01/15.

[3] See http://www.imf.org/external/np/prsp/2000/ner/01/index.htm and IDA/SecM2000-691 (12/20/00).

3. The paper is organized as follows. Section II assesses Niger's performance in meeting the requirements for reaching the completion point under the enhanced HIPC Initiative. Section III reviews the status of creditor participation and the delivery of debt relief to Niger under the enhanced HIPC Initiative, presents the results of a new debt sustainability analysis (DSA) based on the reconciled stock of debt at end-2002, and provides an analysis of the sensitivity of the debt indicators to changes in macroeconomic variables. In view of the fact that the ratio of NPV of debt-to-exports exceeds the HIPC threshold, Section IV focuses on considerations pertaining to a topping up of enhanced HIPC Initiative assistance. Section V provides conclusions; and Section VI presents issues for discussion.

II. Assessment of Requirements for Reaching the Completion Point

4. Under the enhanced HIPC Initiative framework, the floating completion point is reached when a country (i) prepares and implements a comprehensive poverty reduction strategy; (ii) maintains a stable macroeconomic environment designed to promote growth; and (iii) carries out in a satisfactory manner key social and structural reforms. Specific outcome-oriented trigger conditions are set at the decision point to assess progress in reaching the completion point. As evidenced by the first progress report on the implementation of the poverty reduction strategy and the track record of policy implementation under IMF- and IDA-supported programs since 2000, Niger has made the necessary progress to qualify for the completion point.

A. Poverty Reduction and Social Sector Policies

5. **Poverty is widespread in Niger.** According to the latest household survey of 1993, two-thirds of the population lives below the poverty line and one-third is considered extremely poor.[4] Niger's social development indicators are among the weakest in sub-Saharan Africa, and the United Nation Development Program (UNDP) human development index ranked Niger 174th out of 175 countries in 2003. Despite recent progress, the infant mortality rate is 156 deaths per 1,000 births, and the average life expectancy at birth is only 46 years. Barely 59 percent of the population has access to potable water, only 5 percent of the rural population has access to sanitation facilities, and less than half of the population has access to health services (Text Table 1 and Table 1).

6. **Since 2000, Niger has implemented policy reforms and programs aimed at fostering strong and sustained economic growth and poverty reduction.** A full Poverty Reduction Strategy Paper (PRSP) was completed in January 2002, using an extensive participatory approach and building on lessons learned from previous experiences, such as

[4] A new household survey to be conducted in 2004-05 will update Niger's poverty profile.

Text Table 1. Social Development Indicators for Niger and Sub-Saharan Africa (SSA)

	Niger		SSA	
	1990	**2001**	**1990**	**2001**
Infant mortality (per 1,000 live births)	191	156	110	105
Total fertility rate (births per women)	7.6	7.2	6.1	5.1
Population growth (percent)	3.0	3.1	2.9	2.3
Life expectancy at birth (years)	45	46	50	46
Illiteracy (percent of population aged 15 and above)	89	84	50	38
Gross primary enrollment (percent school-age population)	29	42 1/	74	86
Of which: female	21	33 1/	67	80
Access to safe water	53	59	53	58
Access to sanitation (percent of rural population)	...	5	...	45

Source: World Bank 2003, *World Development Indicators* (2001 or most recent estimate).

1/ 2002 data.

the preparation in 1997 of a poverty reduction program.[5] It rests on four strategic pillars: (i) the creation of a macroeconomic environment to promote economic growth; (ii) the development of the productive sectors, especially in rural areas, to reduce vulnerability and increase income generation, (iii) the improvement in access of the poor to quality social services, and (iv) the strengthening of human and institutional capacities, promotion of good governance, and decentralization. The Executive Boards of the IMF and IDA considered the PRSP a realistic and credible approach to reducing poverty in Niger, and, at a forum held in Niamey on June 7–8, 2003, the donor community reaffirmed its endorsement of the PRSP as the strategic anchor for assistance to Niger. The first progress report on the implementation of the PRSP was also prepared through a participatory process that culminated in its endorsement by the government via a national workshop held in July 2003. The document assesses progress achieved in the implementation of policies and programs underpinning the four pillars of the PRSP, discusses progress in strengthening the monitoring and evaluation of the strategy, and candidly acknowledges the challenges that Niger faces in addressing pervasive poverty. The joint Bank/Fund staff assessment (JSA) of this progress report concludes that Niger's PRSP remains a credible framework for Bank and Fund concessional assistance.[6]

7. **Education.** Niger's education sector has been constrained by a number of factors, including poor coverage of basic education, quality deficiencies, internal and external

[5] See http://www.imf.org/external/np/prsp/2002/ner/01/010102.pdf and IDA/SecM2002-23483 (1/16/02).

[6] See www.imf.org, IMF Country Reports Nos. 03/384 and 03/387, and IDA/SecM2003-0567 (11/7/03).

inefficiency, severe financing constraints, and limited institutional and organizational capacity. As a result, the sector has stagnated in the last two decades. Over the past three years, the government has embarked on policy reforms to improve access to basic education by addressing supply-side constraints on schooling. To this end, innovative reforms have been launched with the support of the World Bank. These include the program of hiring contractual teachers to meet teacher shortages, a pilot program of decentralized block grants at the school level, and measures that aim at addressing the issue of teaching quality. As a result, primary enrollment has increased, with the gross enrollment rate moving from 27 percent in 1995 to 42 percent in 2002. Between 2001 and 2002, more than 2,000 new classrooms were built, of which 86 percent are located in rural areas; 3,701 contractual teachers were hired, mainly in rural areas;[7] and a countrywide school map was established. However, there is a limit to what could have been achieved in such a short period, and much remains to be done. Niger's literacy rate of 15 percent is one of the lowest in the world. The enrollment ratio varies between about 24 percent in Zinder to 99 percent in Niamey. It was estimated that 51 percent of all boys, compared with 29 percent of all girls, are enrolled in the first grade.[8]

8. **The government of Niger has recently intensified the reform program with the support of the donor community**. In 2002, the government introduced a ten-year development plan for education (PDDE) consistent with the education strategy presented in the PRSP. The Bank plays a key role in supporting this development plan. In particular, in the context of the recently approved Basic Education Project, the Bank will support the first phase of Niger's ten-year Basic Education Program, focusing on the following: (i) expanding enrollment in basic education; (ii) increasing efficiency and quality of basic education; and (iii) strengthening the institutional capacity of the Ministry of Education (MOE) and empowering local entities and communities. In addition, Niger's proposal for the Education-for-All Fast Track initiative (EFA-FTI), which aims at accelerating progress toward meeting the Millennium Development Goals (MDGs) in primary education by 2015, is being supported by the donor community. In this context, the government is committed to aligning the objectives of the PDDE with those of the EFA-FTI. However, in the presence of limited technical, institutional, human, and absorptive capacity, it was agreed to keep less ambitious performance targets for the first phase of the program.

9. **Health**. In the 1990s, Niger's health conditions were precarious as a result of a combination of factors, including the high prevalence of communicable and parasitic diseases, poor nutrition, high fertility, inadequate preventive and curative health services, low access to safe drinking water and sanitation facilities, low levels of literacy and education, and pervasive poverty. Health sector performance was constrained by inadequate coverage and quality of health services, the lack of resources available for primary health services, insufficient availability and affordability of essential drugs, weak management capacity,

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[7] For school-year 2003/04, more than 2,000 contractual teachers were hired.

[8] This estimate is based on data from 2000.

inadequate human resources, and inefficient and inequitable budgetary allocations. Against this background, the government initiated a reform program that aimed at ensuring continued improvement in the health status of the population. The implementation of this program resulted in an improvement of both the quality and coverage of basic health care. Coverage increased significantly, with the share of people living within 5 kilometers of a health care facility increasing from 32 percent in 1994 to 47 percent in 2000. The availability of essential drugs in health facilities also improved as a result of the implementation of a law on cost recovery and increased logistical and managerial capacity. The Bank has been supporting the government's reform program through a Health Sector Development Project.

10. **Over the past three years, the health sector reform program has gained momentum**. A ten-year health sector strategy, based on the PRSP, was prepared and adopted by the government in the second half of 2002.[9] In order to operationalize this strategy, the government has initiated the preparation of a detailed five-year development plan. A pilot program of decentralized recruitment of contractual health workers was launched in 2002, under which 452 health workers were recruited. Health facilities are currently using cost recovery schemes, the strengthening of the existing health centers is continuing, and essential generic drugs are available within the country. Nevertheless, overall, health conditions in Niger remain abysmal. Infant mortality and maternal mortality rates are among the highest in the region. Thirty-nine percent of children under the age of 5 are malnourished.

11. **HIV/AIDS**. With a prevalence rate estimated at 1 percent in 2002, Niger is the least affected by the epidemic among sub-Saharan African countries.[10] However, HIV/AIDS still poses a major risk to human and economic development in Niger, given the high prevalence of sexually transmitted diseases (STDs), high-risk behavior, and low institutional capacity to deal with affected cases. The government has developed a multisectoral strategy to combat the disease. The National Strategic Framework for the Fight Against STDs/HIV/AIDS, covering the period 2002–06 and prepared in collaboration with development partners, including the World Bank, is being implemented. The establishment of a baseline of qualitative and quantitative data, a condition for reaching the HIPC Initiative completion point, served as a basis for the finalization of this strategy. The strategy aims at (i) strengthening and expanding prevention activities, (ii) scaling up treatment and care activities, (iii) enhancing mitigation of the impact of HIV/AIDS on households and

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[9] A document on Strategic Orientations for Health Sector Development, covering 2001–11, was prepared and adopted by the government in the second half of 2002. The main objectives are to (i) increase access for all people to good-quality health care at all levels of the system; (ii) raise health coverage from 48 percent in 2000 to 80 percent by 2011; (iii) reduce significantly communicable diseases; and (iv) improve the quality of services and promote new approaches to health care, especially prevention.

[10] A study carried out in 2002 by the Ministry of Health revealed that the overall prevalence rate of HIV/AIDS in Niger stood at 0.87 percent. The study also confirmed higher prevalence rates in urban areas (2.08 percent) than in rural areas (0.64 percent).

communities, and (iv) building national capacity for management and implementation of the National Strategic Framework. In order to help Niger achieve these objectives, the Bank is supporting the implementation of the National Strategic Framework for the Fight Against STDs/HIV/AIDS. To this end, a Multisectoral STDs/HIV/AIDS Support Project was approved in March 2003 to support Niger in its efforts to operationalize and implement the strategic framework.

B. Macroeconomic Stability

12. **Overall macroeconomic performance has been satisfactory since 2000, despite the recurrence of sociopolitical tensions, the crisis in Côte d'Ivoire, and difficulties in securing timely and adequate external assistance.** The positive macroeconomic trends were linked not only to good weather conditions that spurred strong growth in the rural sector but also to the improvement in public finances, the increase in capital expenditure on infrastructure, and the implementation of structural measures to promote growth. Real GDP is estimated to have grown at an annual average rate of 5.0 percent over the 2001–02 period, with a strong recovery of 7.1 percent in 2001 following the drought in 2000 (Table 2, and Figures 1 and 2).The growth performance was accompanied by a fall in average inflation, on a 12-month basis, from 4.0 percent at end-2001 to 2.7 percent at end-2002 and -0.7 percent at end-September 2003. The external current account deficits (excluding grants for budgetary assistance) remained below the program targets and averaged 7.5 percent of GDP over the 2001–02 period. The lower-than-anticipated deficit reflects in part a slight improvement in the terms of trade.

13. **The recovery of economic activity has been accompanied by the implementation of successful fiscal adjustment policies and an improvement in public finances.** Policies were aimed at ensuring a sustainable fiscal position and complying gradually with the convergence criteria of the WAEMU. As envisaged under the PRSP and the PRGF arrangement, revenue increased from 8.6 percent of GDP in 2000 to 10.6 percent in 2002. Current expenditure declined from 11.2 percent of GDP to 10.7 percent, thanks in part to a strict control of the wage bill. Capital expenditure increased from 5.7 percent of GDP to 7.7 percent over the same period, in line with the implementation of the Poverty Reduction Strategy and supported in part by resources freed by the HIPC Initiative. Excluding grants for budgetary assistance (averaging annually 1.6 percent of GDP in 2000–02) and foreign-financed capital expenditure, the budget deficit was reduced from 3 percent of GDP in 2000 to 1.8 percent in 2002. In addition, the stock of domestic payments arrears fell by 38 percent in 2001–02, a reduction equivalent to about 3.5 percent of GDP. Fiscal adjustment is to be maintained in 2003 with a basic fiscal deficit capped at 2.0 percent of GDP, despite expenditure pressures linked to sociopolitical tensions, smaller revenue transfers from the WAEMU Commission as a result of the crisis in Côte d'Ivoire, and shortfalls in external financing.[11]

[11] The basic budget deficit is the overall budget deficit, on a commitment basis, excluding grants for budgetary assistance and foreign-financed capital expenditure.

14. **Unpredictability in the level and timing of external budgetary assistance has, however, hampered the execution of the budget laws and required the implementation of tight cash management practices and intensified expenditure control**. Over the 2000-02 period, external budgetary assistance was, on average, equivalent to 42 percent of revenue and 32 percent of expenditure (excluding foreign-financed projects). For 2002, disbursements of budgetary aid were 1.2 percent of GDP lower than programmed under the PRGF arrangement, and a shortfall of 0.4 percent of GDP is expected in 2003. Moreover, because of recurrent administrative delays in concluding annual agreements with partners, disbursements have mostly occurred at the end of each year, exacerbating the tight budgetary constraints and generating difficulties in budget execution, given the limited possible recourse to domestic financing.

C. Key Structural Reforms

15. **Progress in the structural reform area has been mixed**. Although important budgetary reforms aiming at better governance and management of public finances have been implemented with success, the privatization agenda encountered some delays, regulatory and procurement reforms have been slow, and much remains to be done to strengthen the financial sector.

16. **Niger's performance in expenditure tracking improved over the last two years**. A joint Bank and Fund assessment undertaken in 2002 found Niger to have met only three of the 15 benchmarks, one of the lowest scores of all HIPC countries. Major weaknesses were noted in budget formulation, execution and reporting. Specifically, the key weaknesses highlighted in Niger's public expenditure management (PEM) included (i) deficiencies in identification of poverty-reducing expenditure and the absence of a reporting mechanism for such expenditure; (ii) the paucity of information on quarterly budget execution; (iii) a poor external audit system; and (iv) the absence of a clear medium-term perspective integrated into the budget formulation process. Against this background, Niger adopted an action plan to tackle the gaps identified in its PEM. A 2003 follow-up study on HIPC expenditure tracking found Niger to be one of 14 out of a total of 24 countries which had implemented more than 80 percent of the measures in its action plan.[12]. As noted in paragraph 29, HIPC Initiative resources used to finance the special poverty reduction program initiated by President Tandja have been fully budgeted and subject to semi-annual reports. However, there is still significant work to be done in all stages of the budget process.

17. **In line with the action plan to strengthen public expenditure management, the introduction of a new budget nomenclature and a new charter of public accounts, as well as the adoption of a new procurement code, are the major budgetary reforms achieved since the adoption of the PRSP.** The expenditure process was also strengthened, the Chamber of Accounts and Budgetary Discipline began to audit the 1997 budget accounts,

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[12] "Update on Implementation of Action Plans to Strengthen Capacity of HIPCs to Track Poverty-Reducing Public Spending," (http://www.imf.org) and IDA/R2003-0043 (03/13/03).

and the National Assembly approved the budget review laws *(Lois de règlement)* for 1998-2000. These reforms will enhance transparency and good governance in public finances. However, the limited institutional capacity of the Ministry of Finance and Economy delayed other measures, such as reinforcing external debt management through the installation of a new debt-management and recording software (completed in early September 2003) and rendering the new procurement code fully operational (also accomplished in September 2003).

18. At the **budget implementation level**, the two key achievements have been the significant increase in execution rates in 2002 and the clearance of substantial amounts of arrears. The execution rate for the total recurrent budget in 2002 was 71 percent, compared with 61 percent in 2000. The release of funds enabled the Ministries of Education and Health to spend 90 percent and 70 percent of their budgets, respectively, during 2000–02.

19. **Budgetary reforms are being reinforced** with the assistance of IDA in the context of the Second Public Expenditure Adjustment Credit (PEAC II). A **formal budget preparation framework** has been established through the issuance of an *arrêté* which delineates the budget preparation process and establishes the sequence and dates of actions, as well as the role and responsibilities of all ministries, services, and other actors involved in that process. In addition, starting in 2004, budget preparation will contain budget scenarios based on alternative revenue projections. To enhance budget execution and improve the predictability and transparency of budget releases, a framework for a cash allocation plan is being developed further. This will determine quarterly allocations by ministries on the basis of the voted budget and projected revenue flows, will specify core expenditure for which funding will be ensured, and will set criteria for allocation of remaining funds.

20. **Over the medium to long term, the government intends to adopt a program budgeting approach**. In this regard, the government will prepare multiyear program budgets for the education, health, and rural development sectors that will cover the period 2005–07 and serve as the basis for the preparation of the 2005 budget. The progressive establishment of a medium-term expenditure framework (MTEF) will also contribute to a more predictable and transparent environment for expenditure decisions.

21. With a view to preparing Niger for **programmatic lending**, budget reforms will be deepened and broadened through the Public Expenditure Management and Financial Accountability Assessment Review (PEMFAR), which is being carried out by IDA in partnership with the government and the European Union. The implementation and effectiveness of this new round of budget reforms will require the strengthening of Niger's limited capacity, support for which is being provided by a number of partners, including the Bank, Fund, France, and the European Union.

22. **The government of Niger has also imparted new momentum to the privatization program since 2000**, with the assistance of IDA via the Privatization and Regulatory Reform Technical Assistance Project. As a result, the telecommunications company, SONITEL, was privatized through the sale of 51 percent of its capital. To liberalize the telecommunications

sector, two cellular telephone network licenses were awarded through a competitive bidding process in November 2000. In January 2001, a ten-year leasing contract was signed for the production, transport, and distribution of safe water in the 51 centers previously managed by the state water utility. Although the privatization of the petroleum distribution firm, SONIDEP, was initially delayed, bidding documents were issued in October 2003. The completion of this operation, namely, bringing SONIDEP to the point of sale, is expected in the second quarter of 2004. By contrast, the privatization of the electricity company, NIGELEC, has proved difficult owing to outstanding problems, including the need for a substantial amount of financing for rehabilitation and expansion,[13] the resolution of pending regulatory issues, and the heavy dependence of Niger on the Nigerian Electrical Power Authority (NEPA), which is in an extremely weak financial position and whose role in the privatization structure needs to be determined.[14]

23. With regard to **regulatory reform**, the establishment of a Multisectoral Regulatory Agency (MRA) is well advanced. A consultant was hired to help design the MRA and 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. It is expected that the MRA will start its operations by January 2004, and an international expert will serve as advisor to the President of the MRA for the first few months. IDA has recommended that the MRA be twinned with a regulatory authority in an industrial country to help build its managerial capacity.

24. **The government initiated in 2002 the reform of public procurement, which** aims at increasing transparency and accountability in the awarding of public contracts by ensuring equal treatment of all bidders and facilitating sound competition among them. A new Code of Public Procurement consistent with WAEMU guidelines was approved in 2002. The restructuring of the Central Procurement Commission (Commission Centrale des Marchés, CCM) was initiated, and implementation of the new code has recently begun through the issuance of relevant arrêtés.

25. **Important constraints have hampered the development of Niger's financial sector**: operating costs are high, the range of financial products is narrow, a large proportion of portfolios are nonperforming, the system for resolving creditor-borrower disputes is weak, and there is little or no competition among institutions. The geographical reach of the financial sector is also limited because of the unsatisfactory condition of microfinance institution, and the closure of the postal savings bank.

[13] The financial requirements for rehabilitation and expansion are estimated at between US$60 and US$110 million for the low- and high-case scenarios, respectively.

[14] NEPA is itself under a privatization plan of the government of Nigeria.

26. **Key elements of the reform agenda to strengthen the financial sector are the following**: (i) restructuring of the banks that remain under government control (Crédit du Niger, CDN, and the Caisse des Prêts aux Collectivités Territoriales, CPCT); (ii) restructuring of the Islamic Trade and Investment Bank (BINCI); (iii) restructuring of the National Postal and Savings Office (ONPE); (iv) an actuarial audit of the National Social Security Fund (CNSS); (v) reform of the insurance sector; and (vi) promotion and supervision of the microfinance sector and reform of the social security system. In the context of a proposed Bank-financed technical assistance project, the government initiated a series of reforms in 2002, including the restructuring of the insurance sector and two banks (BINCI and Banque Commerciale du Niger). Audits of microfinance institutions were launched and the restructuring of the postal financial services started in 2003.

D. Floating Completion Point Conditions

27. In accordance with the decisions of the Boards of IDA and the IMF, specific triggers were set to assess Niger's eligibility for the completion point under the enhanced HIPC Initiative framework (Box 1).[15] These requirements were for the government to (i) maintain a stable macroeconomic environment; (ii) prepare a full PRSP through a participatory process and satisfactorily implement it for at least one year; and (iii) implement key governance reforms and social measures in the education and health sectors.

28. **By end-November 2003, nine of the thirteen prerequisites for reaching the completion point had been met, and satisfactory progress had been achieved with respect to the remaining four conditions concerning specific achievements in the health and education sectors.** In particular, the government had prepared a full PRSP that the Boards of IDA and the IMF considered a realistic and credible instrument to reduce poverty in February 2002. The poverty reduction strategy has been implemented satisfactorily since that time, as evidenced by the JSA of the country's first progress report.

29. **The government has also maintained macroeconomic stability and built a positive track record of policy implementation under its program supported by the Fund and the Bank (Table 3)**. Poverty reduction programs financed by HIPC Initiative assistance have been fully budgeted in the context of a special program initiated by President Tandja and subject to semiannual reports. The reports highlight key achievements of this special program, which focuses on education, health, and rural development. The authorities have, however, acknowledged some weaknesses in the implementation of this program that are related mainly to lengthy procurement procedures, the need to reinforce analytical studies prior to the construction of the new infrastructures, and delays in project execution. An independent evaluation of this program and the use of HIPC Initiative resources are being initiated. It aims essentially to identify and alleviate constraints on the execution of this program, as well as to ensure its better integration into sectoral programs.

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[15] Box 5 of Decision Point Document Under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative – December 6, 2000, and IDA/R2000-236 (12/20/00).

Box 1. Niger: Status of Triggers for the Floating Completion Point
(As of End-November 2003)

Conditions	Status
Poverty reduction	
Prepare a full PRSP through a participatory process and satisfactorily implement it for at least one year, as evidenced by the joint staff assessment of the country's annual progress report.	**Met**. The PRSP was prepared by the government through an extensive and comprehensive consultation process, adopted by the government in January 2002, and discussed by the Bank and Fund Boards in February 2002. The PRSP progress report was finalized and validated by the government at end-July 2003, and the joint staff assessment submitted to the Boards in October–November 2003.
Macroeconomic stability	
Continue to maintain macroeconomic stability, as evidenced by satisfactory implementation of the PRGF-supported program.	**Met.** The fifth review under the PRGF arrangement was completed on November 24, 2003.
Governance	
Ensure full budgeting of poverty reduction programs financed with HIPC Initiative assistance and publish semiannual reports of the budget execution of these programs.	**Met**. Poverty reduction projects under the Special Program of President Tandja have been financed by the HIPC Initiative resources since 2001 and are fully budgeted with separate budget lines. Semiannual budget execution reports have been prepared and published.
Evaluate the impact of public spending on the poor through a pilot beneficiary incidence analysis in the health sector.	**Not met, but satisfactory progress achieved**. The study will benefit from the public expenditure review conducted in November 2003 and will be completed by the second half of 2004.
Submit budget review laws to the National Assembly and the corresponding treasury accounts to the Supreme Court's Accounting Office for fiscal years 1998–2000.	**Met**. Treasury accounts for 1997–2000 have been submitted to the Supreme Court's Accounting Office.
Social sector reforms – education	
Construct at least 1,000 new classrooms, 85 percent of which will be located in rural areas (baseline: 12,359 classrooms in 1998/99).	**Met**. 2,433 new classrooms have been constructed over the 2001–02 period, of which 86 percent are located in rural areas.
Recruit 1,200 new volunteer primary school teachers, 75 percent of whom will be placed in rural schools (baseline: 2,367 primary volunteer teachers in 1999/2000).	**Met.** 3,701 new volunteer were recruited, of whom 77 percent teach in rural schools. For school-year 2003/04, 2,702 new volunteer teachers were recruited.
Complete (i) a countrywide school map and; (ii) a report on demand- and supply-side impediments to primary school enrollment.	**Not met, but satisfactory progress achieved.** A countrywide school map was designed and is operational. A full report on the demand- and supply-side impediments to primary school enrollment, combining the conclusions of recently completed studies, will be available in the first quarter of 2004.

Box 1. Niger: Status of Triggers for the Floating Completion Point
(As of End-November 2003)

Conditions	Status
Limit grade-6 repetition rates to 15 percent or lower (baseline: 37 percent in 1999/2000).	**Not met, but satisfactory progress achieved**. The target set at the decision point is deemed to have been overly ambitious. The government has committed itself to achieving the target of 15 percent by 2006, a more realistic horizon. To this effect, comprehensive pedagogical reforms have been formulated and incorporated in the educational ten-year program with a view to gradually achieving the target.
Social sector reforms—Health	
Increase the staffing of rural health centers through the redeployment and/or recruitment of at least 300 multipurpose nurses and auxiliary midwives.	**Met**. 452 health workers were recruited in 2002 out of which 312 were multi-purpose nurses, 80 were auxiliary midwives, and 60 were other health employees. In 2003, 490 additional health workers have been recruited.
Adopt a plan to improve the availability of essential drugs in rural health centers.	**Not met, but satisfactory progress achieved.** Measures were taken in 2002 to improve the supply of drugs for health facilities, and a plan building upon these measures is to be adopted by the end of 2003. A monitoring and evaluation system will complement this plan in 2004.
Increase national immunization rates of children aged 12–24 months for DPT3 to 40 percent (baseline: 25 percent in 1998).	**Met.** The immunization rate was 47 percent at end-June 2003.
Social sector reforms – HIV/AIDS	
Establish a baseline of qualitative (e.g., behavioral patterns of high-risk populations) and quantitative data to serve as a basis for the finalization and adoption of a strategy to fight HIV/AIDS.	**Met**. The National Strategic Framework for the Fight against STDs/HIV/AIDS is now being implemented.

30. **Moreover, substantial progress has been achieved in the implementation of social sector reforms (health, education, and HIV/AIDS; Table 4)**. The targets for new classrooms and additional staffing for primary education and rural health centers were overshot by significant margins. The objective for DPT3 immunization of children was observed in 2003, and a baseline of quantitative and qualitative data to serve as basis for the finalization of a strategy to fight HIV/AIDS was established.

31. **Despite overall progress in policy implementation in the health and education sectors, four triggers for the completion point in these sectors have not yet been met**: (i) the carrying out of a study on the impact of health spending on the poor; (ii) the completion of a plan for supplying local health centers with medicines; (iii) an analysis of

the barriers to school enrollment; and (iv) the lowering of the repetition rates in the sixth grade from 37 percent in 1999/2000 to 15 percent. The delays in fulfilling these conditions reflect mainly the weak institutional capacity of the country and difficulties in coordinating the technical assistance required.

32. **The government has nonetheless made satisfactory progress toward meeting these triggers, which justify its request for waivers to reach the completion point**:

- The government has postponed the **beneficiary incidence study of public health spending** so that this study can benefit from the PEMFAR, which the government intended to use as a basis for conducting the analysis. The results of the PEMFAR will, in particular, enable an appropriate design of the impact assessment study, including as regards the selection of the geographical zones of the pilot study. The study is expected to be completed by the second half of 2004. To this end, the government has included a budget allocation in the 2004 budget law to finance the study and will submit the study's terms of reference to IDA by end-December 2003.

- The **plan to ensure an adequate supply of medicines in local health centers** has been prepared in the context of a review of the policy on medicine distribution, and the government has confirmed that this plan will be adopted in December 2003. In the meantime, it has taken steps to improve the availability of essential drugs. Measures were already taken in May 2002 to facilitate access by local health centers to supplies of drugs provided by authorized facilities. These actions are to be complemented by the establishment of an effective monitoring and evaluation system in 2004.

- The **study on demand- and supply-side impediments to primary school enrollment** is under way. It is based on the various regional studies that have been launched over the years. One study covered the regions Dosso, Diffa, and Miriah and was completed in 2000. Another study that covers three pilot zones and analyzes the effect of distance on schooling is being carried out with the assistance of IDA. A report covering Dakoro and Bouza has been completed, and one on Iléla is expected to be finalized by January 2004. These studies serve as a basis for a comprehensive report on demand and supply constraints on basic education that the government intends to finalize in the first quarter of 2004.

- **The grade-six repetition rate was reduced from 37 percent in 2000 to 34 percent in 2002**, and experts have concluded that the original target of 15 percent set at the decision point was overly ambitious. In this context, the government has adopted a more realistic timetable and is committed to reaching the original target of 15 percent by 2006. Comprehensive pedagogical reforms have been designed and incorporated into the ten-year development plan for education, with a view to gradually achieving the original target thanks to better management of the educational system and school enrollment before the final year of the primary school cycle, as well as to better funding in the context of the EFA-FTI.

33. **The staffs are of the view that the Nigerien authorities have established a solid track record of policy implementation since 1999 and that satisfactory progress has been achieved toward meeting the four remaining conditions for the floating completion point**. The overall assessment of good performance since the decision point also takes into account the persistent weaknesses in the institutional capacity and the difficult circumstances under which the authorities have implemented their program, including sociopolitical tensions and delays in disbursement of external assistance. The delay in meeting the four outstanding triggers does not detract from the overall considerable progress achieved in the health and education sector since 1999.

III. Delivery of Debt Relief and Longer-Term Debt Sustainability

A. Updated Data Reconciliation for the Decision Point

34. **In light of additional information received from creditors and a new reconciliation of external debt data at end-1999, IDA and IMF staffs have revised the DSA that was presented in the decision point document for Niger**. The following changes may be noted (Table 8):

- **Multilateral creditors.** The NPV of Niger's debt to the IsDB was revised downward from US$39.3 million to US$36.0 million, while the NPV of debt to the BADEA was revised upward from US$24.5 million to US$29.0 million.[16]

- **Bilateral creditors.** The NPV of the debt to Saudi Arabia and Taiwan Province of China was revised downward from US$38.7 million to US$26.1 million and from US$77.5 million to US$69.4 million, respectively, while the NPV of the debt to Kuwait was revised upward from US$34.4 million to US$53.7 million.[17]

35. **Despite these revisions to the decision point debt data, the decision point estimate of the total stock of debt at end-1999, in NPV terms and after the application of traditional debt-relief mechanisms, was adjusted by less than 0.1 percent, from US$973.2 million to US$972.7 million.** Taking into account an upward revision of the estimate of the three-year, backward-looking average of exports at end-1999 of 0.7 percent, from US$301.9 million to US$304.0 million, the combined impact of the changes in the NPV figures and the revision of exports figures would translate into a decrease of HIPC Initiative

[16] In the case of the IsDB, the figures used in the decision point document were modified following updated information sent by the creditor; in the case of BADEA, inaccuracies in the calculation of the outstanding debt were corrected.

[17] Niger's debt vis-à-vis Kuwait was increased in line with new estimates of external payments arrears. Saudi Arabian and Taiwanese debts were revised downward because of new information provided on the nominal stocks of debt.

assistance from US$520.6 million, as calculated at the decision point, to US$516.7 million.[18] Thus, no revision of the HIPC Initiative assistance and the resulting common reduction factor of 53.5 percent calculated at the decision point is proposed on account of the update of the debt sustainability analysis at end-1999 level.[19]

B. Status of Creditor Participation

Multilateral creditors

36. **Debt relief from multilateral creditors under the enhanced HIPC Initiative, as estimated in the decision point document, amounts to US$309.2 million in NPV terms,** and interim assistance has been granted by IDA, the IMF, the AfDB, the IsDB, the EC, the OPEC Fund, BADEA, and WAEMU (Table 17). The International Fund for Agricultural Development (IFAD) has committed itself to providing its share of assistance as soon as Niger reaches the completion point. However, total assistance from multilateral creditors is not entirely secured, since the Economic Community of West African States (ECOWAS) and the Fonds d'Entraide et de Garantie des Emprunts du Conseil de l'Entente (FEGECE) have not so far committed themselves to providing their contribution (representing US$3.1 million, equivalent to 0.6 percent of total assistance under the enhanced HIPC Initiative, or 1.0 percent of the assistance from multilateral creditors).

37. **Assistance from IDA**. Debt relief from IDA amounts to US$170 million in NPV terms. This assistance is being delivered through a reduction of 66.5 percent in the debt service falling due on disbursed and outstanding credits to IDA as of end-December 1999. This mechanism will be applied over the period from January 2001 to December 2020, providing a cumulative nominal assistance of US$301.7 million. Of this amount, US$29.2 million has already been delivered as interim assistance over the period from January 2001 to November 2003 (equivalent to 9.1 percent of total assistance). Debt-service savings from IDA are expected to average US$15 million per year over the next ten years and US$17 million for the outer years (Table 18).

38. **Assistance from the IMF**. IMF assistance amounts to SDR 21.56 million in NPV terms (approximately US$27.8 million).[20] IMF assistance is delivered through grants from

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[18] Exports used in the denominator the NPV of debt-to-exports ratio refer to the exports of goods and nonfactor services, excluding transit trade, and are computed as a three-year backward-looking average.

[19] Under the 2002 information reporting framework in the context of the HIPC Initiative, which applies to commitments of HIPC Initiative assistance made after March 15, 2002, and thus does not apply to Niger (IDA/SecM2002-013, 3/11/02), adjustments of less than one percentage point in the estimated NPV of debt at the decision point do not require a revision of the amount of enhanced HIPC Initiative assistance that had been calculated at the decision point.

[20] Based on the U.S. dollar-SDR exchange rate as of December 14, 2000.

the PRGF/HIPC Trust Fund to Niger's Umbrella Account. These resources, plus accrued interest, have covered about 50 percent of the payments falling due to the Fund over the 2001–03 period and will cover about 83 percent of Niger's obligations to the Fund (as of October 31, 2000) over the 2004–07 period (Table 19). Total nominal debt-service savings are expected to amount to SDR 39.5 million, of which SDR 6,678 million was provided over the period December 2000–November 2003.

39. **Assistance from the AfDB Group**. Debt relief from the AfDB Group amounts to US$37.2 million in NPV terms. This assistance is being provided through a reduction of 80 percent in the debt-service payments to the AfDB Group over the period January 2001–July 2019, on disbursed and outstanding debt as of end-December 1999. Total nominal debt service savings will amount to US$58.4 million.

40. **Assistance from the IsDB and the OPEC Fund** was delivered in full. The IsDB delivered its share of assistance (US$21.0 million in NPV terms) in 2001 through a concessional rescheduling of Niger's outstanding obligations, including arrears, as of end-December 2000. The OPEC Fund's assistance (US$6.6 million in NPV terms) was provided in full in February 2002 through two concessional loans in the amount of US$16.0 million. Part of the resources (US$11 million) from these loans were used to refinance the arrears; the remaining amount is being used to meet current debt-service obligations.

Bilateral and commercial creditors[21]

41. **Paris Club creditors have agreed in principle to provide assistance under the enhanced HIPC Initiative under Cologne terms for an amount of US$105 million in end-1999 NPV terms**. In January 2001, Niger concluded a flow rescheduling agreement on Cologne terms with the Paris Club (a reduction of 90 percent in the NPV of consolidated maturities and interest payments over the 2001–03 period). The 2001 Paris Club agreement included a goodwill clause, in which the participating countries declared their readiness to provide their full share of assistance through a stock-of-debt operation at the completion point, provided Niger maintained satisfactory relations with the participating creditor countries. Additionally, several Paris Club creditors have indicated their willingness to provide debt relief beyond that required under the enhanced HIPC Initiative (Table 20), and three of them—France, the United Kingdom, and the United States—have already granted this complementary debt relief. Debt relief provided by Paris Club members beyond the HIPC Initiative would amount to about US$19.3 million in NPV terms as at end-2002.

42. **Non-Paris Club bilateral and commercial creditors are expected to provide treatment comparable to that of the Paris Club, with assistance under the enhanced HIPC Initiative amounting to US$104.3 million in end-1999 NPV terms**. Of these creditors, China, Kuwait, and Libya have indicated their intention to provide debt relief in the

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[21] Paris Club, non-Paris Club, and commercial creditors are listed in Table 8.

context of the enhanced HIPC Initiative. China started providing debt relief through the cancellation of one loan in 2001, and the Kuwait Fund for Arab Economic Development provided in 2002 debt relief through a stock-of-debt operation, including outstanding arrears, which covered their share of traditional and enhanced HIPC Initiative relief. These two operations amounted to US$3.6 million and US$27.8 million, respectively, in 1999 NPV terms. The only debt vis-à-vis a commercial creditor, owed to La Belgolaise (Belgium), was paid off in full in 2000 without benefit of debt relief.

43. **Creditors accounting for 85 percent (US$444 million in NPV terms) of total HIPC Initiative debt relief estimated at the decision point have given satisfactory financing assurances**. The Nigerien authorities are pursuing their efforts to obtain HIPC Initiative relief from creditors who are not yet participating in the Initiative (Box 2).

C. Updated Debt Sustainability Analysis for the Completion Point

Debt sustainability at end-2002

44. **The DSA included in the decision point document has been updated jointly by the authorities and the staffs of the IMF and IDA,** on the basis of loan-by-loan data provided by the authorities for nominal debt disbursed and outstanding at end-2002. These nominal debt data have been reconciled with creditor statements from all multilateral and Paris Club creditors, and from most non-Paris Club official bilateral creditors. The exchange rates and interest rates used for the calculation of the debt are presented in Table 10.

45. **Based on a full reconciliation of debt data, Niger's nominal stock of external debt reached US$1,757.7 million at end-2002, compared with US$1,601.7 million at end-1999 (Table 9)**. Of total nominal debt at end-2002, 75.6 percent was owed to multilateral creditors, compared with 66.7 percent at end-1999. IDA is still the largest creditor of Niger, accounting for 49.6 percent of total outstanding debt at end-2002; disbursements from IDA between end-1999 and end-2002 accounted for about 69 percent of total disbursements during that period.

46. **The NPV of Niger's external debt at end-2002, after full application of traditional debt-relief mechanisms, is estimated at US$1,176.3 million**, equivalent to 407.2 percent of the three-year backward-looking average of exports in 2002 (Tables 11 and 12). Assuming full delivery at end-2002 of current debt relief committed under the HIPC Initiative, the NPV of debt would be reduced to US$603.0 million, which is equivalent to 209.0 percent of exports, compared with a decision point projection of 185 percent. Finally, taking into account the bilateral debt relief granted beyond HIPC Initiative assistance, the NPV of debt is further reduced to US$575.9 million; this still represents 199.3 percent of exports, significantly above the 150 percent threshold defined under the enhanced HIPC Initiative framework. Section VI, on topping-up considerations, presents a detailed analysis of the factors involved in considering bringing the NPV of debt-to-exports ratio to 150 percent.

Box 2. Niger: Creditor Participation in Provision of Comparable Assistance

Broad and equitable participation of all creditors is essential to the successful implementation of the enhanced HIPC Initiative. Debt relief from creditors who have fully committed themselves to providing assistance under the HIPC Initiative, regardless whether a specific agreement with Niger was signed, represents 85 percent of total required enhanced HIPC assistance. From this amount, 81 percent have started delivering debt relief, and the remainder will do so at the completion point.

At the time the DSA was prepared, creditors whose participation in, and contribution to, the HIPC Initiative were still missing included the following:

- **Economic Community of West African Countries (ECOWAS) and FEGECE (Conseil de l'Entente)** (representing 0.1 percent and 0.5 percent of total assistance, respectively). The debt owed vis-à-vis these two multilateral creditors is in arrears. Both institutions have indicated that they would not participate in the enhanced HIPC Initiative due to financial constraints.

- **Algeria** (representing 1.5 percent of total assistance). Debt is not being serviced. In July 2001, the terms of a rescheduling of the debt were agreed by both parties and drafted, encompassing a rescheduling of the arrears outstanding at end-December 2000 and debt service falling due in 2001, 2002, and 2003 over 23 years including a 6-year grace period with an interest rate of 2 percent. However, the agreement has never been signed and implemented, despite Niger's attempts to accelerate the process with Algeria.

- **Iraq** (representing 0.01 percent of total assistance). The debt is in arrears. The Nigerien authorities sent a letter requesting a contribution to the HIPC Initiative from Iraq through the Iraqi Embassy in Washington on November 9, 2002. No response was received.

- **Taiwan, Province of China** (representing 8 percent of total assistance). The debt is not being serviced, and 66 percent of the outstanding debt at end-2002 is in arrears. On May 3, 2002, Niger contacted Taiwan through its embassy in Washington to request its participation in the HIPC Initiative. No response was received. In 1996, following the resumption of Niger's diplomatic relations with the government of China, the Export-Import Bank of Taiwan brought an action against the government of Niger to the Federal Court of New York requesting the full payment of the debt. Although the court sentenced the government of Niger to pay back its external debt in full vis-à-vis Taiwan, no further action was taken.

- **Saudi Arabia** (representing 4 percent of total assistance). Eighty-nine percent of the outstanding debt at end-2002 is in arrears. Niger is currently executing an agreement signed in 1999 pertaining to the repayments of arrears (approximately US$0.4 million per month), which leads to a regularization of contacts with Saudi Arabia, with a view to negotiating a debt-relief agreement offering terms comparable with the Paris Club.

- **United Arab Emirates** (representing 0.4 percent of total assistance). The debt is in arrears.

- **Commercial creditor—Belgium – Belgolaise** (representing 0.4 percent of total assistance). The debt was paid off in 2002 without debt relief.

Debt sustainability over the period 2003–22

47. **The long-term macroeconomic framework for the DSA was also revised and compared with the decision point document** (Box 3, and Tables 5-6). The revised framework maintains the thrust of the baseline scenario presented at the time of the decision point, in particular Niger's compliance over time with the criteria of the WAEMU's Convergence, Stability, Growth, and Solidarity Pact.[22] It also incorporates the lessons of recent economic developments and takes into account the advent of gold mining and export activities over the period 2004–12. Consequently, the most important revisions of the original macroeconomic framework are as follows:

- The annual projections of **economic growth** have been revised downward by about 0.6 percentage point over the period 2005–22. This revision reflects the economic performance in 2000–02, which has been viewed as good, despite a drought in 2000, notwithstanding an average growth rate of real GDP of 2.8 percent per year, compared with a projection of 3.6 percent. In light of Niger's high vulnerability to climatic conditions, the revised projections of economic activities are more realistic. Growth will nevertheless benefit over the 2004–13 period from new gold mining and exports activities, and the average growth rate over the 2003–12 period is estimated at 4.3 percent.

- **Export performance** has been better than envisaged at the decision point, and exports reached the equivalent of 17.1 percent of GDP on average over the period 2000–02, compared with a projection of 14.9 percent of GDP. While impaired by the decline of uranium exports, this performance resulted from a rapid expansion of exports of nonuranium goods and services, mainly agricultural products and livestock. It is linked to (i) the overall turnaround and recovery of economic activities after the political turmoil of the late 1990s, despite the crisis in Côte d'Ivoire, and (ii) favorable climatic conditions, which have led to ample supplies of food products for exports. Uranium exports remain projected to decline gradually from 4.1 percent of GDP in 2002 to 1.1 percent in 2022, while nonmining exports (excluding transit trade) would increase from the equivalent of 7.5 percent of GDP on average in 2000-02 to 8.4 percent of GDP in 2003–12 and 9.4 percent of GDP in 2013–22. Services would continue building on their good performance in 2000–02 (an improvement of 1 percentage point of GDP, compared with decision point

[22] The primary criteria include a positive basic fiscal balance, a level of total indebtedness inferior to 70 percent of GDP, an annual average inflation rate no greater than 3 percent, and the nonaccumulation of domestic and external payments arrears. The secondary criteria include a wage bill limited to no more than 35 percent of tax revenue, a level of domestically financed investment greater than 20 percent of tax revenue, an external account deficit (excluding grants) contained below 5 percent of GDP, and tax revenue in excess of 17 percent of GDP.

projections) to reach an average of 3.5 percent of GDP in 2013–22. Finally, compared with the initial projections, exports would also be boosted by gold exports equivalent to 0.6 percent of GDP on average over the period 2004–13.

- The **fiscal policy stance** of the original framework has been maintained in the new scenario. Fiscal adjustment is to be gradually achieved over the period 2004–22, while ensuring the implementation of the Poverty Reduction Strategy. An important element of the baseline scenario has been to limit domestic financing, with a view to ensuring fiscal sustainability. Financing gaps are projected to slowly decline from 3.7 percent of GDP to below 1 percent as of 2015.

Box 3. Niger: Macroeconomic Assumptions Underlying the Debt Sustainability Analysis over the 2003–22 Period

- Real GDP growth would increase progressively and reach annual averages of 4.3 and 5.1 percent for the periods 2003–12 and 2013–22, respectively, assuming the conduct of prudent macroeconomic policies and the success of the Poverty Reduction Strategy. Economic growth would be supported by a large increase in investment and a strengthening of nonmining activities, particularly agriculture and services (commerce, transportation, and tourism), while new gold mining activities provide a temporary boost in 2004–06. Niger would also benefit from an expected sustained improvement in the economic performance of its regional trade partners, Nigeria in particular, which would contribute to the diversification of exports away from uranium exports.

- Inflation would be contained at an average of 1.8 percent during the period, reflecting the conduct of prudent monetary policy at the regional level and a stable real exchange rate. Gross domestic investment would rise from 14.2 percent in 2002 to 20.1 percent of GDP in 2022, and the share of private investment in GDP would increase by 30 percent over the projected period. Gross national savings would increase from 7.0 percent of GDP in 2002 to an average of 10.9 percent in 2003–12 and 13.9 percent in 2013–22, reflecting concurrent increases of public and private savings.

- The external current account deficit (excluding grants for budgetary assistance) would decline from 8.4 percent in 2002 to 5 percent of GDP by 2020. Exports are projected to grow at annual average rate of 6.5 percent, spurred the strengthening of nonmining exports, including services. Imports are projected to grow at annual average rate of 5.8 percent, broadly in line with nominal GDP growth.

- Fiscal policy would aim at ensuring a gradual convergence to the WAEMU criteria. The government's own saving, the current budget surplus excluding grants for budgetary assistance, would gradually increase from zero in 2003 to averages of 1.8 percent and 3.3 percent of GDP in 2004–12 and 2013–22, respectively. As a result, the overall budget deficit, excluding foreign-financed capital expenditure and grants, would be balanced after 2012. These outcomes reflect a strengthening of government revenue to 17 percent of GDP by 2022 and implementation of prudent expenditure policies. Current expenditure would increase from 10.7 percent of GDP in 2002 to 11.3 percent and 12.9 percent in 2004–12 and 2013–22, respectively, while capital outlays would remain stable at 9 percent of GDP. Domestic payments arrears will be gradually cleared by 2009, and domestic financing would average zero over 2004–22.

- A prudent external debt policy would be followed. Grants are assumed to represent 60 percent of total external financing needs (including project assistance), and the remaining external financing requirement would be borrowed on highly concessional terms, containing a 60 percent grant element.

- The revised macroeconomic scenario assumes that 60 percent of **external financing** is provided through grants and 40 percent through loans. This percentage of grant disbursements is slightly higher than the observed average over the period 1997-2002, that is, 55 percent. New borrowing, excluding IMF disbursements under the current PRGF arrangement, is also assumed to have an average grant element of 60 percent. The decision point scenario projected a 70 percent ratio of grant financing and IDA conditions for new borrowing,[23] but these projections have proved unrealistic despite the efforts of the government to finance their budgetary program and the implementation of the poverty reduction strategy along these lines.

48. **Under these assumptions, Niger's NPV of debt-to-exports ratio would remain above 150 percent over the complete period of analysis (Tables 13–15, and Figures 3 and 4).**[24] Assuming full delivery of HIPC Initiative assistance at end-2002 and additional bilateral debt relief, the ratio would decline from 199 percent in 2002 to 174 percent in 2006 and rise to 180 percent by 2014 before declining again to 160 percent by 2022.[25] The NPV of debt after full provision of enhanced HIPC Initiative assistance is projected to rise gradually, as new debt is disbursed, reaching US$1,836.1 million by 2022. As regards the denominator, as gold production comes onstream, exports would grow significantly faster than debt during the period 2004–06.

49. **Albeit higher than projected at the decision point, the debt service-to-exports ratio and debt service-to-revenue ratio are projected to remain below 10 percent**. This outcome reflects the impact of stock-of-debt operations and reductions in debt-service obligations under the HIPC Initiative, as well as the high concessionality of current and future debt. The ratios are projected to average 7.0 and 8.2 percent, respectively, over the period 2004–12, and then decline slightly until 2018. However, as the flows of assistance under the HIPC Initiative diminish and debt service on new debt increases, both ratios show a significant upward trend over the period 2019–22. Debt-service ratios after the provision of additional bilateral relief follow a similar pattern.

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[23] With the exception of projected Fund financing under the PRGF arrangement approved in December 2000.

[24] Figure 4 also include two variants of the baseline scenario that provide the DSA results under the assumptions of (i) a second Fund PRGF arrangement, to start in 2004; and (ii) lower gold exports.

[25] The trough in the trajectory of the NPV of debt-to-exports ratio over the period 2002–14 reflects mainly the temporary surge in exports in 2004-13 as a result of gold production and the increasing NPV of new debt during the first 10 years corresponding to the grace period.

D. Sensitivity Analysis and Long-Term Sustainability

50. **This section analyzes the impact, in terms of debt sustainability, of two alternative scenarios predicated on less favorable long-term macroeconomic conditions.** The first scenario examines the likely effect of less favorable terms of external financing, while the second one analyses the effect of lower GDP growth over the projection period. The results under both scenarios are presented in Table 16 and Figure 5.

Sensitivity scenario 1: less favorable terms of external financing

51. **Niger's long-term debt sustainability is very sensitive to the composition and concessionality of overall external financing**. The DSA baseline scenario assumes that 60 percent of total external assistance is provided in the form of grants and the remaining 40 percent through highly concessional loans. However, Niger may not be able to mobilize the projected level of grants and may need to rely on higher levels of borrowing. Also, new loans may not be available on the terms assumed under the baseline scenario. The first sensitivity scenario assumes that (i) only 50 percent of external financing is provided through grants, (ii) the shortfall in grants is offset by increased new borrowing, and (iii) the average grant element of new borrowing is 50 percent. Assuming that no additional adjustment measures are taken, the wider financing gaps resulting from higher debt-service obligations under this alternative scenario have been offset by slightly higher domestic financing and smaller accumulation of net foreign assets in the balance of payments and monetary sectors.

52. **Under the assumptions detailed above, Niger's external debt situation becomes highly unsustainable**. The NPV of debt-to-exports ratio, after additional bilateral debt relief, would increase from 195 percent in 2004 to 216 percent in 2016, and fall to 209 percent in 2022 (57 percentage points higher than projected under the baseline scenario for 2022). Debt service would also be higher, increasing from 5.7 percent of exports in 2004 to 10.6 percent in 2022.

Sensitivity scenario 2: low growth

53. **Niger's narrow resource and export bases, as well as its vulnerability to external shocks, could make the achievement of relatively high levels of sustained growth difficult and potentially erratic.** Several factors can slow Niger's economic performance, including periods of drought, delays in the implementation of structural reforms, and domestic sociopolitical instability. Furthermore, political crises in neighboring countries, such as the recent crisis in Côte d'Ivoire, can easily cause a setback in growth and export performance.

54. **To take into account such adverse factors, the second alternative scenario assumes that the average annual growth of nonmining activities is limited to 2.9 and 3.8 percent in 2003–12 and 2013–22, respectively, compared with 4.4 and 5.2 percent in the baseline scenario.** This scenario replicates the performance observed in 2000–02 for the first decade under consideration before assuming some improvement in economic performance in the

second decade. It corresponds to a cycle of a drought followed by a recovery every three years during the whole period, which affects negatively the export capacity and performance of the country with regards to food products. As a result, Niger's average growth over the period 2003–22 would reach only 3.3 percent, 1.5 percentage points lower than under the baseline scenario.[26] Exports would be equivalent, on average, to 7.7 percent of GDP, compared with 9.0 percent in the baseline scenario, while imports would remain high as a result of higher food imports and the implementation of the poverty reduction strategy. The external current account deficit would widen to 7.9 percent of GDP on average, compared with 5.8 percent of GDP in the baseline scenario. Lower growth would also result in lower government revenues and delay the observance of the WAEMU convergence criteria. Assuming no additional adjustment measures, the basic budget would be balanced only by 2022, as the government would seek to execute as much as possible of the expenditure program established for the baseline scenario, particularly over the first decade. The resulting additional gap is assumed to be financed on the same terms as in the baseline scenario.

55. **The NPV of debt-to-exports ratio under this scenario would increase steadily from 187 percent in 2005 to 262 percent in 2020 before declining slightly.** The debt service-to-exports ratio would average 8.8 percent over the period and increase to 12.5 percent by 2022. The trajectory of the NPV of debt-to-exports ratio under this scenario would be very close to that under the sensitivity scenario with less favorable external financing over the period 2003–12, before reaching higher levels in 2013–22.

56. **The two alternative scenarios highlight the sensitivity of the DSA to macroeconomic performance and the conditions of external financing.** They underline the importance of following prudent policies and strengthening the debt-management capabilities (Appendix I), as well as reinforcing the economic base for ensuring sustained growth. Substantial recourse to grants and highly concessional loans, combined with a modest use of borrowing on the regional financial market, are essential for achieving both debt and fiscal sustainability. Furthermore, given the vulnerability of the country to weather conditions and possible domestic and regional political instability, Niger can mitigate these large potential risks only by strengthening the country's repayment capacity. This entails conducting prudent fiscal policies that rely on stronger performance of internal revenue collection and implementing the poverty reduction strategy, in particular its structural reform agenda, with a view to strengthening and diversifying the economy.

IV. Consideration of a Topping Up of Enhanced HIPC Assistance

57. **The enhanced HIPC Initiative framework allows for an exceptional topping up of HIPC Initiative assistance in the event of a deterioration of the debt sustainability indicators beyond their thresholds after the decision point, if this deterioration is due to exogenous factors that lead to fundamental changes in a country's economic**

[26] Implying an annual growth rate in real GDP per capita of only 0.2 percent over the period.

circumstances.[27] In such an event, additional relief may be provided in order to bring the NPV of debt-to-exports ratio down to 150 percent at the completion point. This section provides an assessment of the factors that resulted in a significant increase in Niger's NPV of debt-to-exports ratio and their impact on its long-term debt sustainability.

58. **With an NPV of debt-to-exports ratio reaching 199 percent at the completion point, despite full delivery of current HIPC Initiative assistance and additional bilateral debt relief, Niger is a case that warrants consideration of additional HIPC Initiative relief.** This consideration is reinforced by the unsustainability of Niger's external debt burden over the period 2003–22, as evidenced by the ratio of the NPV of debt-to-exports that continuously exceeds 150 percent. The NPV of debt-to-exports ratio declines from 199 percent in 2002 to annual averages of 181 percent and 173 percent over 2003–12 and 2013–22, respectively.[28]

59. **This high debt burden based on the NPV of debt-to-exports ratio is concurrent with ratios of debt service to exports and debt service to revenue that remain below 10 percent**. The levels of these ratios reflect the impact of HIPC Initiative debt relief and high concessionality of new debt, and point to Niger's positive capacity to repay its debt. However, the NPV of all future debt-service obligations remains disproportionately high, which could limit Niger's access to additional loan financing even at very concessional terms.

60. **The increase in the ratio of the NPV of debt to exports, after full delivery of HIPC Initiative assistance, from the HIPC Initiative threshold of 150 percent to 209 percent at end-2002 results from (i) an increase in Niger's external indebtedness; (ii) a decline in the level of exports over the period 2000–02; and (iii) the impact of the lower discount rates observed at end-2002 (Text Table 2)**. Net new borrowing undertaken between 2000 and 2002 explains 29 percentage points, or about 50 percent, of the overshooting in the NPV of debt-to-exports ratio of 59 percentage points, while the lower discount rates at end-2002 and the decline in exports explain 20 and 10 percentage points, respectively. Nearly 60 percent of the overshooting had been anticipated at the decision point on account of new borrowing and export weakening, while the negative impact of lower discount rates was entirely unanticipated. These factors are discussed in detail below.

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[27] See Box 1 of Enhanced HIPC Initiative – Completion Point Considerations, August 20, 2001 and IDA/SecM2001-0539/1 (8/21/2001).

[28] Additional bilateral debt relief beyond HIPC Initiative requirements is equivalent in NPV terms to about 4.5 and 3 percentage points of exports over 2003–12 and 2013–22, respectively.

Text Table 2. Niger: Anticipated and Unanticipated Contributions to the Increase in the Net Present Value (NPV) of Debt-to-Exports Ratio From 150 Percent at End-1999 to 209 Percent at End-2002. 1/ 2/

	Total variation from End-1999		Anticipated Variation at the Decision Point		Unanticipated Variation Relative to Decision Point Projections	
	Percentage points	Percent of total	Percentage points	Percent of total	Percentage points	Percent of total
Total	58.7	100.0	34.8	100.0	23.9	100.0
Impact of changes in parameters						
for NPV calculation	19.2	32.7	0.0	0.0	19.2	80.3
Discount rates	20.0	34.1	0.0	0.0	20.0	83.6
Exchange rates	-0.8	-1.3	0.0	0.0	-0.8	-3.3
Impact of exports changes	10.4	17.6	16.6	47.7	-6.3	-26.2
Uranium	21.6	36.8	20.6	59.3	1.0	4.2
Nonuranium	-11.3	-19.2	-4.0	-11.5	-7.3	-30.4
Impact of external debt changes	29.2	49.7	18.2	52.3	11.0	45.9
Amortization of end-1999 debt	-18.4	-31.3	-18.4	-52.8	0.0	-0.1
New borrowing	47.6	81.0	36.6	105.0	11.0	45.9
Volume impact	42.6	72.5	36.6	105.0	6.0	25.0
Concessionality	5.0	8.5	0.0	0.0	5.0	20.9

Sources: IMF and IDA staff estimates.

1/ NPV of debt-to-exports ratio (in percent), assuming full delivery of HIPC Initiative assistance:

At end-1999	150.0
Projected for end-2002 at end-1999 (Decision Point)	184.8
Estimate at end-2002	208.7

2/ Additional bilateral assistance beyond HIPC Initiative debt relief provides a 10 percentage points reduction in the NPV of debt-to-exports ratio at end-2002.

A. External Indebtedness

61. **Compared with the projections made at the decision point and incorporated in the original PRGF-supported program, Niger had to face in 2000–02 a shortfall in external grant financing of US$189.9 million, or 44 percent of the amounts projected (Text Table 3)**. The authorities coped mainly through adjustment, but a modest share of the grant shortfall was covered by additional borrowing, which exceeded its target by US$48.0 million, with three-fourths of this amount related to project financing.[29] These actions ensured the implementation of the poverty reduction strategy and preserved the basic

[29] New borrowing over the period 2000–02, in gross terms, explains 83 percent of the overshooting of the NPV of debt-to-exports ratio beyond 150 percent at end-2002.

thrust of the budgetary program, but contributed to an increase of the ratio of the NPV of debt-to-exports ratio by 11 percentage points above the projection of 185 percent. Compared with the HIPC Initiative threshold of 150 percent, total net new borrowing accounts for 29 percentage points, or 50 percent of the increase in the ratio to 209 percent at end-2002. The average annual shortfall in net external financing was equivalent to 2.1 percent of GDP, 31 percent of revenue, and 17 percent of expenditure (excluding foreign-financed project outlays) per year over the period. Detailed information on the shortfall and the measures taken by the government to address it are as follows:

- Ninety percent of the overall external financing shortfall, or US$129.1 million, affected budgetary assistance. Only 40 percent of the projected level of grants for budgetary assistance was disbursed, resulting in a shortfall of US$140.6 million, of which less than 10 percent was compensated for by higher-than-projected borrowing. The shortfall in budgetary assistance did not reflect policy slippages or delays in implementing reforms, but resulted from difficulties in obtaining assistance in line with decision point projections.[30] The government took significant measures to address the shortfall in budgetary assistance grants, and was relatively successful in preserving its budgetary expenditure program and the implementation of the poverty reduction strategy, particularly the projects financed by HIPC Initiative interim assistance. Nearly half of the shortfall in grants was addressed through a delay in the cash settlement of the stock of domestic payments arrears; a greater recourse to domestic financing compensated for most of the remaining shortfall, which help to ensure the additionality of HIPC Initiative assistance and limit additional external borrowing to US$11.5 million. In addition, the government implemented a cash management system and imposed a strict regulation of budgetary expenditure.

- The shortfall in project financing was limited to US$12.9 million, less than 5 percent of the projected amount. However, the structure of financing was different, as a substantial shortfall in grant disbursements was partly compensated for by US$36.4 million of loan financing in excess of the projected amount. This outcome has contributed to the implementation of the poverty reduction strategy and the much-needed rehabilitation and extension of public infrastructure.[31]

[30] A freeze of EC budgetary assistance contributed in part to the shortfall in 2001–02. The freeze was in effect pending the conclusions of a June 2001 audit of EC-financed outlays of the Ministries of Finance and Education mostly in 1996–2000. The EC disbursed nevertheless the equivalent of US$40.6 million in grants for budgetary assistance in 2000–02, including US$12.2 million earmarked for the settlement of Niger's external payments arrears vis-à-vis the European Investment Bank (EIB). These external payments arrears were cleared in June 2003.

[31] Aggregate data do not allow for a distinction between disbursements on new projects and faster disbursements on projects existing at end-1999.

Text Table 3. Niger: External Financing, 2000-02

	Decision Point Projections	Actuals	Difference	Difference in Percent of Projections
	(in millions of U.S. dollars)			
Total	671.8	529.8	-142.0	-21.1
Budgetary assistance	391.6	262.5	-129.1	-33.0
Grants	233.8	93.1	-140.6	-60.2
Loans	157.9	169.4	11.5	7.3
IMF PRGF	56.1	43.9	-12.2	-21.7
Other	101.8	125.5	23.7	23.3
Projects	280.2	267.3	-12.9	-4.6
Grants	196.1	146.8	-49.3	-25.1
Loans	84.0	120.5	36.4	43.3
Memorandum items:				
Loans	241.9	289.9	48.0	19.8
Budgetary assistance	157.9	169.4	11.5	7.3
IMF	56.1	43.9	-12.2	-21.7
Other	101.8	125.5	23.7	23.3
Projects	84.0	120.5	36.4	43.3
Grants	429.9	240.0	-189.9	-44.2
Budgetary assistance	233.8	93.1	-140.6	-60.2
Projects	196.1	146.8	-49.3	-25.1
	(In percent of total, unless otherwise indicated)			
Total	100.0	100.0	0.0	0.0
Grants	64.0	45.3	-18.7	-29.2
Loans	36.0	54.7	18.7	51.9
Total (excluding IMF)	100.0	100.0	0.0	0.0
Grants	69.8	49.4	-20.4	-29.3
Loans	30.2	50.6	20.4	67.7

Sources: IMF and IDA staff estimates.

62. **Nearly two-thirds of the overshooting of the NPV of debt-to-exports ratio beyond the threshold of 150 percent as a result of new borrowing had been anticipated at the time of the decision point** in the context of the economic program of the government. The remaining one third reflects a donor environment that has failed to provide support to Niger to the extent and under the conditions envisaged at the decision point, thus weakening Niger's debt sustainability.

63. **A less favorable international environment than earlier envisaged is reflected in the shortfall in grant financing and less concessional terms on new borrowing, which are considered exogenous factors in Niger's debt problem and have contributed to a fundamental change in the economic circumstances of the country.** The government's track record of policy implementation over the period was satisfactory, but, despite commendable efforts, it did not obtain foreign financing in line with the amounts and terms

envisaged at the decision point. The support of Niger's economic and financial program, as well as its poverty reduction strategy, is particularly affected by this external financing problem. The staffs are of the view that the government took adequate measures to address this issue while keeping the momentum of (i) adjustment and reform policies aimed at Niger's sustainable economic development; and (ii) the implementation of the poverty reduction strategy. The importance of an adequate level and structure of external financing were stressed at the decision point, and Niger's government has remained committed to following prudent external debt policies.

64. **Looking ahead, and despite the renewed budgetary assistance to be provided by the EC, the staffs believe that the conditions of external financing envisaged at the decision point (with a grant share of 70 percent and a concessionality of new borrowing on IDA terms) are unlikely to be achieved**. The revised external financing conditions, which underlie the completion point DSA (namely, a grant share of 60 percent and a concessionality of new borrowing equivalent to a grant element of 60 percent), consequently reflect a permanent change in the environment of Niger that contributes to the deterioration in the ratios of NPV of debt to exports . These new assumed conditions remain, nevertheless, more favorable than the actual conditions observed over 2000–02, taking into account a correction for the freeze of EU support in 2001–02, and will necessitate the full support of the donor community for Niger's adjustment programs and poverty reduction strategy.

B. Evolution of Exports

65. **The three-year average of exports declined by 5 percent from US$304.0 million at end-1999 to US$288.9 million at end-2002**. This outcome contributed to an increase in the NPV of debt-to-exports ratio of 10 percentage points above the threshold of 150 percent, which is equivalent to 18 percent of the total overshooting to 209 percent. The export decline largely reflects the sharp contraction of Niger's most important export, uranium, of 27 percent over the period.[32] Considered alone, this contraction of uranium exports would have increased the NPV of debt-to-exports ratio by about 21 percentage points. The growth of other exports (10 percent) contributed to a reduction of 11 points in the NPV of debt-to-exports ratio.

66. **Most of the decline in the three-year average of exports over the period 2000–02 had been anticipated at the decision point;** however, the actual decline was less than projected, thanks to a better performance of nonuranium exports due in part to favorable weather conditions. The three-year average of nonuranium exports reached US$200.2 million

[32] The three-year average of uranium exports, which accounted for 40 percent of total exports in 1999, declined from US$122.1 million to US$88.7 million in 2002, with lower export volumes and prices in U.S. dollar explaining 9 and 20 percent of this decline, respectively. The lower prices in U.S. dollar reflect lower euro prices of 6 percent and the CFA franc depreciation against the U.S. dollar of 15 percent over the period.

in 2002, compared with a projection of US$185.9 million, reflecting mainly larger volume. As a result of this better overall performance of exports, the projected ratio of the NPV of debt to exports at end-2002 of 185 percent would have been reduced by 6 percentage points.

67. **Given the importance of uranium in the structure of exports and the projected reduction in its real price, the decline of uranium exports over time constitutes another fundamental and exogenous change in the economic circumstances of Niger that affects negatively its debt sustainability**.[33] Between 1999 and 2002, the share of uranium in total exports (based on three-year averages) fell from 40 percent to 30 percent. The export volume declined by 9 percent between 1999 and 2002, and its U.S. dollar denominated price was reduced by 21 percent.[34] Uranium exports are projected to remain stable at around US$100 million per year over the period 2003–22; their share in total exports will drop to 9 percent of total exports by 2022 as a result of (i) export volumes that would remain constant after 2002[35] and (ii) stable prices in U.S. dollar terms, implying a sharp decline in real prices.[36]

68. **This significant worsening of Niger's export capacity is partially hidden by the strong performance projected for other exports under the baseline scenario**. This export diversification is predicated on favorable climatic conditions, a regular and sustained growth performance of the economy, the envisaged greater penetration of regional markets by Nigerien products, and the expected coming onstream of gold production and exports over 2004–13. However, the achievement of the envisaged growth of other exports of goods and services of 9 percent and 7 percent per year, respectively, over the period 2003–12 may encounter difficulties as a result of unexpected external shocks, such as episodic droughts, or delays in the production and exports of gold. This risk exacerbates the negative role of uranium in assessing Niger's debt sustainability.

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[33] Recent developments and trends in Niger's uranium sector are presented in Box 1 of the preliminary document under the HIPC Initiative framework (www.imf.org/external, Country Report No. 01/138; and IDA/R2000-203, 11/15/00) and Box 1 of the IMF staff report on the 2001 Article IV consultation and second review under the PRGF arrangement (www.imf/Ext; Country Report No. 02/35)

[34] In CFA francs, the price reduction was 6 percent.

[35] Diversification of export markets for this strategic commodity is virtually nonexistent, and an increase in the demand of Niger's traditional customers is considered unrealistic at this junction.

[36] The decline in nominal uranium prices in euro terms up to 2010 is projected to be compensated for by the depreciation of the U.S. dollar over the period.

C. Parameters for the Calculation of the Net Present Value of Debt

69. **Consistent with the HIPC Initiative's methodology, the revised DSA used the discount rates and the exchange rates of end-2002 to calculate the NPV of debt throughout the period 2002–22.** The changes observed in these parameters between end-1999 and end-2002 resulted in a net increase of 19 percentage points in the NPV of debt-to-exports ratio, thereby explaining 33 percent of the overshooting of the ratio from 150 to 209 percent. Practically all of this contribution results from the lower discount rates observed at end-2002, most notably the SDR and U.S. dollar interest rates, which declined from 5.59 percent to 4.82 percent and from 7.04 percent to 5.12 percent, respectively, while the Euro interest rate increased slightly from 5.47 percent to 5.55 percent (Table 10). Debts denominated in SDRs and U.S. dollars accounted for 45.7 percent and 21.4 percent of Niger's total indebtedness (in NPV terms) at end-2002, respectively, while euro-denominated debt was equivalent to 17.3 percent of the total (Text Table 4). The end-2002 exchange rates used to calculate the NPV of debt remained very close to their end-1999 levels and contributed to a very small decline in the NPV of debt-to-exports ratio (around 1 percentage point). The contribution of these exogenous factors to the overshooting of the NPV of debt-to-exports ratio was entirely unanticipated.

Text Table 4. Niger: Structure of External Debt by Currency Denomination
(In percent of total)

Currencies	Nominal Value		Net Present Value	
	1999	2002	1999	2002
Total	100.0	100.0	100.0	100.0
Special drawing rights	46.7	55.4	35.0	45.7
U.S. dollar	19.6	18.2	20.9	21.4
Euro	14.6	13.5	21.0	17.3
Kuwaiti dinar	4.4	2.4	5.7	2.3
Japanese yen	4.0	3.8	5.1	4.9
Saudi Arabian riyal	2.6	2.4	3.6	3.4
CFA franc	2.0	1.9	2.9	2.3
French franc	1.8	0.0	1.6	0.0
U.K. pound sterling	1.2	0.8	1.7	1.2
Other	3.1	1.7	2.6	1.5

Source: IDA and Fund staffs estimates.

The assessment of the role of discount rates therefore hinges on whether the lower rates have led to a fundamental change in Niger's economic circumstances, adversely

affecting its long-term debt sustainability (see Box 4).[37] One view would be that, because interest rates on Niger's external debt are mostly fixed, changes in the discount rates would not alter the level of future debt-service obligations, leaving Niger's actual debt burden unchanged. Another view would be that the increase in the NPV of debt-to-exports ratios reflects a rise in the real debt burden of the country. To the extent that lower interest rates reflect lower inflationary expectations, Niger's fixed debt-service payments would not decline in real terms at the same rate as they would have in a relatively high-inflation environment. Moreover, under the HIPC Initiative guidelines, the lower discount rates at the completion point are required to be applied to debt service payments over the entire projection period. Under this construction, the resulting NPV of debt-to-exports ratio exceeds the HIPC threshold by a large margin and the adverse effects are projected to last well over five years. On the basis of this methodology, staffs therefore would consider the decline in the discount rate as an exogenous factor leading to a fundamental change in the economic circumstances of Niger.

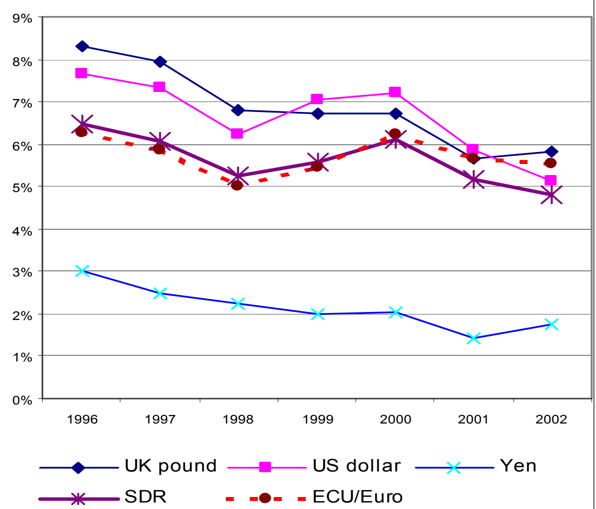
D. Staff Assessment

70. **The staffs are of the view that the decline in uranium exports, Niger's difficulties in obtaining external financing with the mix and terms envisaged at the decision point, and the reduction in the discount rates meet the established criteria for fundamental changes in the economic circumstances of the country**. Furthermore, given that, (i) the track record of the authorities in policy and reform implementation was satisfactory and was not at the origin of the shortfall in grants, which they had to counteract by taking significant measures; (ii) the debt ratios are likely to remain high throughout the projection period in the absence of a remedial action; and (iii) key factors that increased the NPV of debt-to-exports ratio remained beyond the control of the country, the staffs' overall assessment is that additional HIPC Initiative assistance to Niger would be justified. The staffs therefore recommend that additional HIPC Initiative relief be granted to bring Niger's NPV of debt-to-exports ratio of 199 percent at end-2002 down to the HIPC Initiative threshold of 150 percent. On the basis of the updated DSA, a topping up of US$142.5 million of HIPC Initiative assistance at the completion point would be needed to achieve this.

[37] The issue of the impact of discount rates changes on debt sustainability in low-income countries will be examined further in a joint Bank-Fund paper that is being prepared for Board discussion in early 2004.

Box 4. The Role of Discount Rates in the Calculation of the NPV of Debt-to-Exports Ratios

Box Figure 1. CIRR Discount Rates Used (6-months average at end-year, 1996-2002)



In considering topping up of HIPC Initiative assistance at the completion point, an assessment may have to be made as to whether a reduction in the discount rate, which has led to a rise in the net present value (NPV) of debt-to-exports ratio, contributes to a fundamental change in the economic circumstances of the country.

Under the HIPC Initiative, the NPV of debt is calculated at the reference year and for the subsequent 20-year projection period as the discounted value of future debt service payments using the exchange rates and the discount rates prevailing at the reference year. The discount rates used in the calculation of the NPV of debt are the 6-months backward average of long-term Commercial Interest Reference Rates (CIRRs) of the OECD. Since the inception of the HIPC Initiative in 1996, the CIRRs have fluctuated from year to year, but have continued their trend decline observed since the high interest rates of the early 1990s (see Box Figure 1).

There are two views as to whether a reduction in the discount rate used for NPV calculations could lead to a fundamental change in the economic circumstances of a country. One view is that the nominal debt service burden of a country remains unchanged to the extent that actual interest rates on HIPCs' external debt are mostly fixed. It would also point to the uncertainty of whether the recent decline in market rates (and the associated increase in NPV of debt) is permanent or temporary, that changes in the discount rates primarily reflect economic conditions in the industrial countries, and that current projections anticipate an increase in long-term interest rates (and therefore in CIRRs) over the next few years.

Another view is that, to the extent that lower interest rates and CIRRs at the completion point incorporate expectations of lower global inflation, the rise in the NPV of debt-to-exports ratio reflects an increase in the country's real debt burden. Lower inflation in the future would effectively mean that a country's fixed debt service payments will decline less in real terms than would have been envisaged at the decision point. Moreover, the country's export earnings (in the denominator of the debt-export ratio) are likely to rise less rapidly in nominal terms because of lower global inflation. As to the uncertainty concerning the future evolution of interest rates, the current completion point guidelines require staff to assess the NPV of debt-to-exports ratios using the prevailing discount rate rather than projected rates.

The discount rate issue has important policy implications as the NPV calculations are sensitive to variations in the discount rate. For instance, a 1 percentage point reduction in the SDR discount rate from 6 to 5 percent would increase the NPV of a new 40-year IDA credit by about 21 percent and the NPV of a PRGF loan by about 8 percent. Bank and Fund staffs are preparing for Board discussions in early 2004 a joint paper on debt sustainability in low income countries that examines this issue further.

V. Conclusions

71. The staffs of the IMF and IDA are of the view that **Niger's performance with respect to the conditions for reaching the completion point under the enhanced HIPC Initiative has been satisfactory**. The PRGF-supported program has been implemented as planned. Performance under the IDA lending program has been satisfactory as well.

72. In light of the above, **the staffs of the IMF and IDA recommend that the Executive Directors determine that Niger has reached the completion point under the enhanced HIPC Initiative framework and that an exceptional additional HIPC Initiative assistance be granted to lower Niger's NPV of debt-to-exports ratio at end-2002 to 150 percent**. The additional assistance of the IMF would be granted when other creditors provide sufficient assurances of their participation in this exceptional effort.

VI. Issues for discussion

73. The staffs seek guidance from the Directors on the following points:

- Do Directors agree that Niger has met the conditions for reaching the completion point under the enhanced HIPC Initiative framework, as established at the time of the decision point?

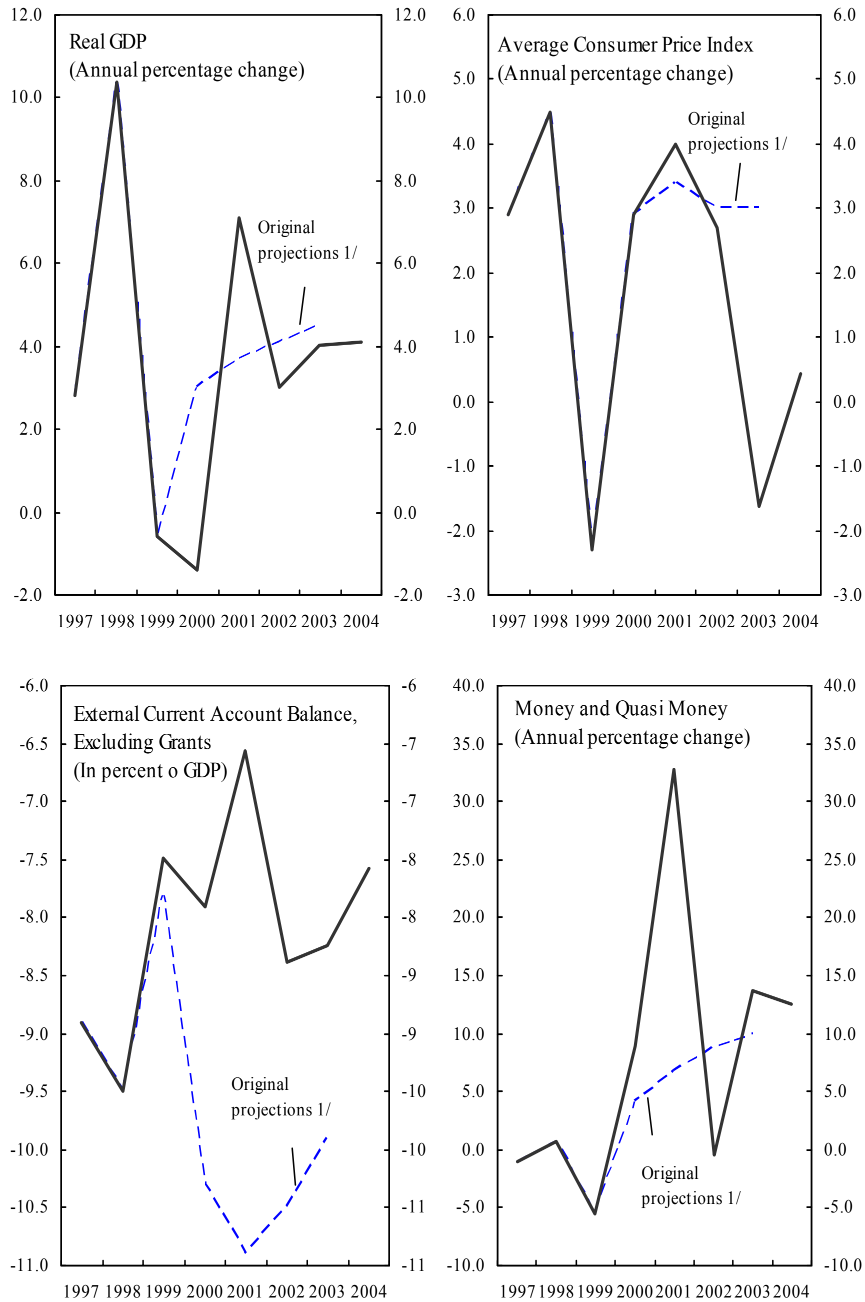
- Do Directors agree that sufficient assurances have been given by Niger's other creditors to commit enhanced HIPC Initiative resources to Niger, as approved at the decision point, on an irrevocable basis?

- Do Directors agree that there was a fundamental change in Niger's economic circumstances, adversely affecting its debt burden, arising from exogenous factors?

    - If so, do Directors agree that exceptional additional HIPC Initiative assistance be granted to bring Niger's NPV of debt-to-exports ratio at end-2002 from 199 percent down to 150 percent?
    - If so, do Directors agree that this additional assistance could be granted when other creditors provide sufficient assurances to participate in this exceptional effort?

- Do Directors agree that Niger's PRSP and expenditure-tracking mechanism provide assurance that enhanced HIPC Initiative assistance and other resources will further poverty reduction efforts?

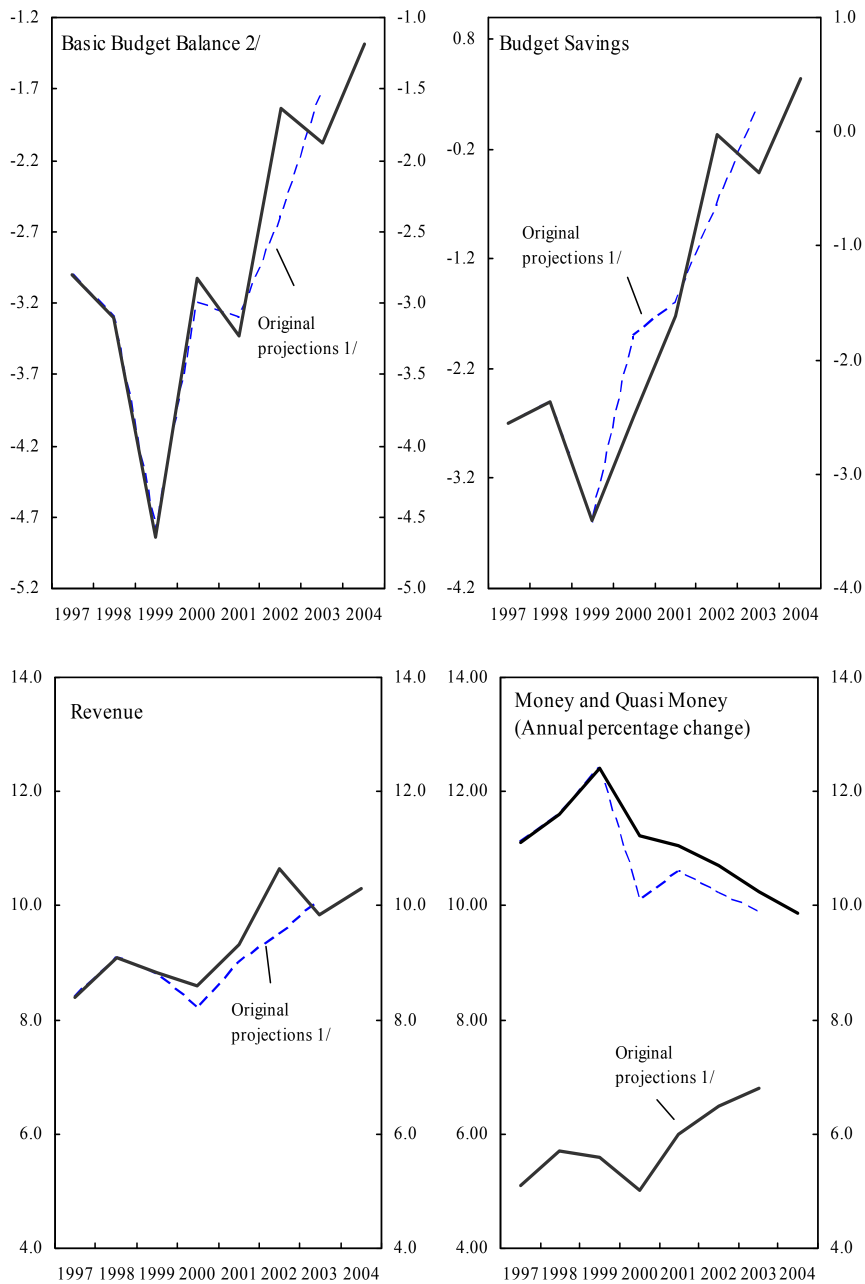
Figure 1. Niger: Selected Economic Indicators, 1997-2004 1/



Sources: Nigerien authorities; and staff estimates and projections.

1/ Dashed line corresponds to origianl projections under the PRGF arrangement approved in December 2000 (IMF Country Report No. 01/15). Solid line corresponds to actual data until 2002, estimates for 2003, and current projections for 2004.

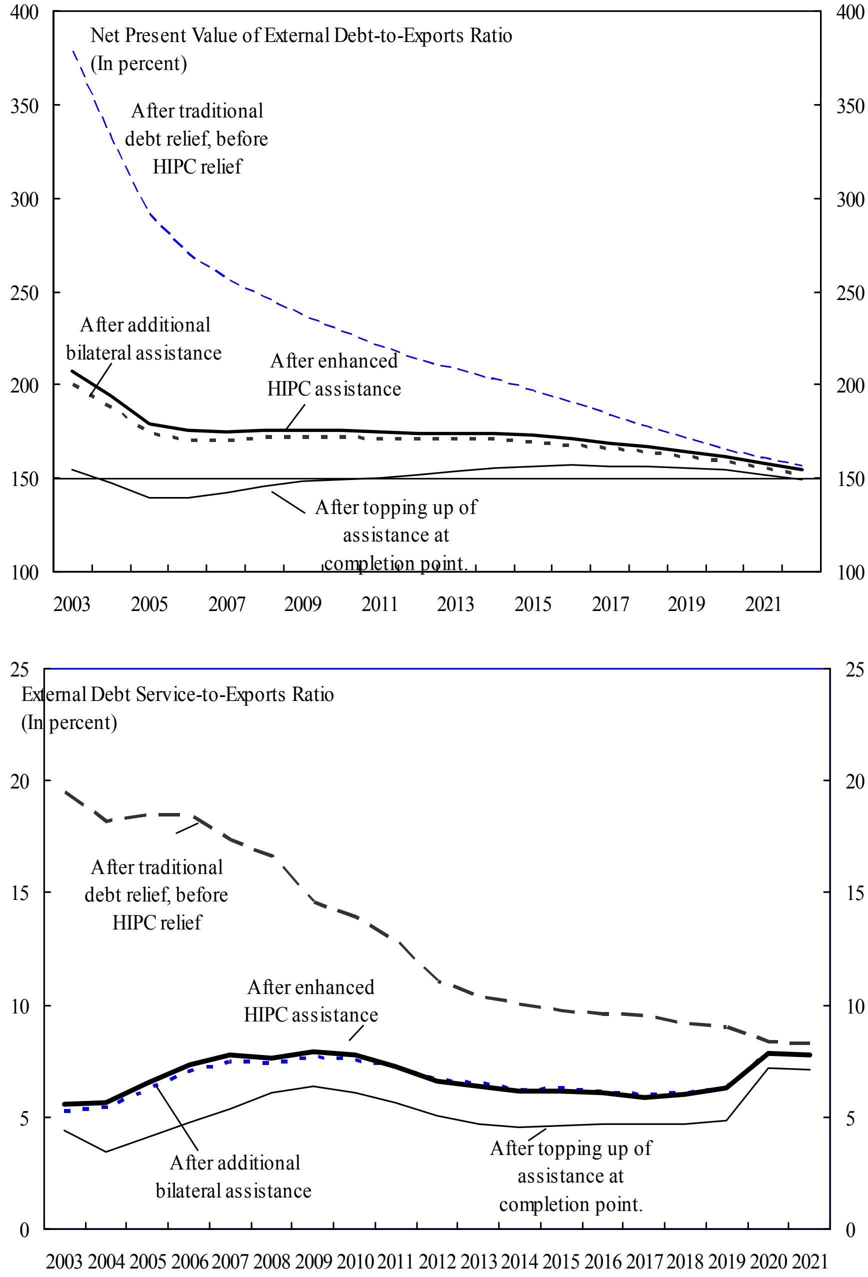
Figure 2. Niger: Selected Fiscal Indicators, 1997-2004 1/



Sources: Nigerien authorities; and staff estimates and projections.

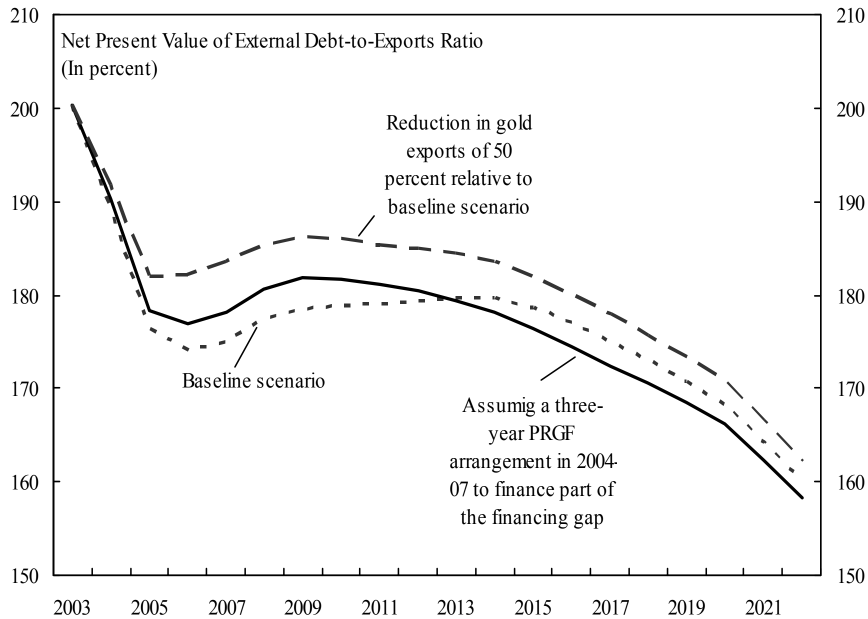
1/ Dashed line corresponds to origianl projections under the PRGF arrangement approved in December 200 (IMF Country Report No. 01/15). Solid line corresponds to actual data until 2002, estimates for 2003, and current projections for 2004.

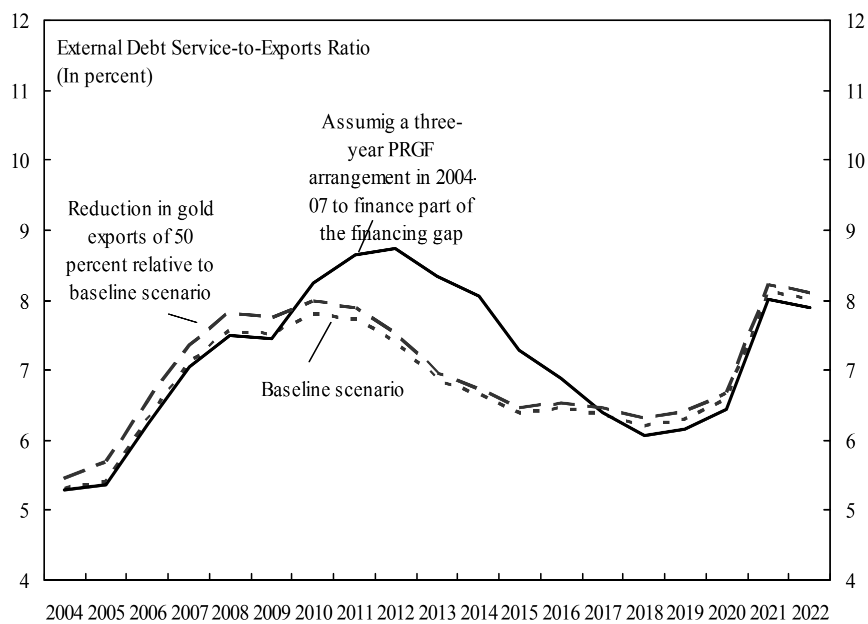
Figure 3. Niger: External Debt and Debt-Service Indicators for
Medium- and Long-Term Public Debt, 2003-22



Sources: Nigerien authorities; and staff estimates and projections.

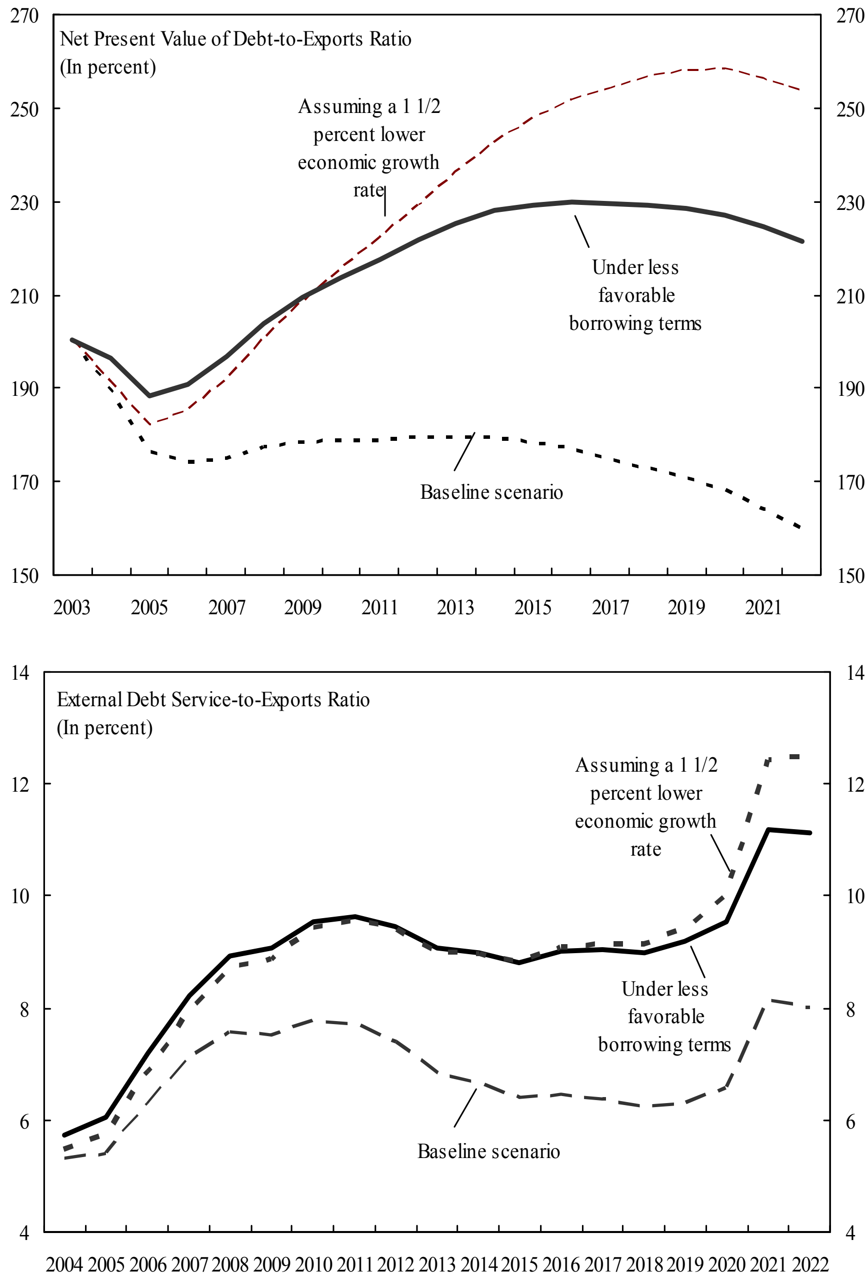
Figure 4. Niger: External Debt and Debt-Service Indicators with
New PRGF Arrangement and Lower-than Projected Gold Exports, 2003-22





Sources: Nigerien authorities; and staff estimates and projections.

Figure 5. Niger: Sensitivity Analysis, 2003-22



Sources: Nigerien authorities; and staff estimates and projections.

Table 1. Niger: Selected Social and Demographic Indicators

	Latest Single Year			Same Region/Income Group	
	1970-75	1980-85	1995-2001	Sub-Saharan Africa	Low income
Population					
Total population, midyear (in millions)	4.8	6.6	11.2	673.9	2,505.9
Growth rate (annual average for period in percent)	2.9	3.2	3.4	2.5	1.9
Urban population (in percent of population)	10.6	14.3	21.1	32.3	30.8
Total fertility rate (births per woman)	8.0	8.0	7.2	5.1	3.5
Income					
GNI per capita (in U.S. dollars)	250.0	230.0	180.0	460.0	430.0
Consumer price index (1995=100)	31.2	89.0	118.5	...	...
Food price index (1995=100)	...	101.6	131.2	...	...
Share of income or consumption					
Gini index	...	...	50.5	...	...
Lowest quintile (percentage of income or consumption)	...	...	2.6	...	...
Highest quintile (percentage of income or consumption)	...	...	53.3	...	...
Social Indicators					
Public expenditure (in percent of GDP)					
Health	...	...	1.8	2.5	1.1
Education	2.3	3.1	2.7	3.4	2.8
Social security and welfare	...	0.31	...	...	...
Net primary school enrollment rate (in percent of age group)					
Total	...	24.6	30.4	...	...
Male	...	32.2	36.3	...	...
Female	...	17.0	24.4	52.0	...
Access to an improved water source (in percent of population)					
Total	...	...	59.0	58.1	76.1
Urban	...	...	70.0	82.7	90.2
Rural	...	...	56.0	46.4	70.1
Immunization rate (percent under 12 months)					
Measles	...	27.0	51.0	57.8	59.8
DPT	...	4.0	31.0	52.9	61.5
Child malnutrition (percent under 5 years)	...	49.4	40.0	...	...
Life expectancy at birth (in years)					
Total	39.9	43.7	45.7	46.2	58.9
Male	38.4	42.1	44.0	45.4	57.9
Female	41.5	45.3	47.5	47.0	60.0
Mortality					
Infant (per 1,000 live births)	194.0	191.0	156.0	105.4	80.4
Under 5 (per 1,000 live births)	325.0	320.0	265.0	170.6	120.6
Adult (15-59)					
Male (per 1,000 population)	610.7	561.9	473.0	519.9	311.9
Female (per 1,000 population)	490.2	452.9	308.0	461.3	255.7
Maternal (modeled, per 100,000 live births)	...	...	920.0	...	...
Births attended by skilled health staff (in percent)	...	20.0	15.7	...	...

Source: World Bank; *World Development Indicators* 2003.

Table 2. Niger: Selected Economic and Financial Indicators, 1999-2006

	1999	2000	2001	2002	2003	2004	2005	2006
					Rev. Prog.	Projections		
	(Annual percentage change, unless otherwise indicated)							
National income and prices								
GDP at constant prices	-0.6	-1.4	7.1	3.0	4.0	4.1	4.3	4.2
GDP deflator	2.0	4.5	4.0	3.0	0.8	1.1	1.8	1.8
Consumer price index								
Annual average	-2.3	2.9	4.0	2.7	-0.7	2.0	2.0	1.8
End of period	-1.9	4.7	3.2	0.6	0.4	2.0	2.0	1.8
External sector								
Exports, f.o.b.	-10.4	13.9	-0.7	2.6	7.5	12.7	10.3	4.2
Imports, f.o.b.	-12.8	15.9	3.4	18.8	8.6	9.5	3.3	4.8
Export volume	-14.6	21.7	-7.0	0.6	6.5	4.9	4.8	4.6
Import volume	-8.5	7.1	9.1	14.7	7.7	9.5	2.2	3.5
Terms of trade (deterioration -)	9.3	-12.7	10.0	0.4	-0.1	1.4	0.5	0.2
Nominal effective exchange rate (depreciation -)	-1.6	-3.1	0.4	1.4	…	…	…	…
Real effective exchange rate (depreciation -)	-6.3	-2.6	2.2	2.1	…	…	…	…
Gross official reserves (in months of imports)	1.0	2.1	2.8	2.5	2.5	2.6	2.7	2.8
Government finances								
Total revenue	-2.0	0.5	20.6	21.1	4.2	10.4	10.9	10.7
Total expenditure and net lending 1/	9.9	-8.0	14.6	13.2	9.6	6.6	8.5	7.8
Of which: current expenditure	8.1	-6.7	9.5	2.8	3.2	4.1	8.1	8.8
capital expenditure	15.0	-8.3	20.9	31.0	18.3	9.6	8.9	6.7
Money and credit								
Domestic credit 2/	6.3	-8.1	2.3	10.9	9.0	4.7	3.4	3.2
Credit to the government (net) 2/	7.8	-30.1	4.9	3.7	4.5	0.4	0.4	0.3
Credit to the economy 2/	-1.5	22.1	-2.5	7.1	4.5	4.2	3.1	2.8
Net domestic assets 2/	9.1	-5.5	-0.5	5.9	12.2	2.9	1.6	2.0
Money and quasi money	-5.5	8.9	32.8	-0.4	13.7	13.9	12.6	13.0
Interest rate (money market, in percent; end of period)	5.0	5.0	5.0	5.0	…	…	…	…
	(In percent of GDP, unless otherwise indicated)							
Government finances								
Total revenue 3/	8.8	8.6	9.3	10.6	10.6	11.1	11.6	12.1
Total expenditure and net lending	18.7	16.7	17.2	18.4	19.2	19.4	19.9	20.2
Of which: Current expenditure	12.4	11.2	11.0	10.7	10.5	10.4	10.6	10.9
Capital expenditure	6.5	5.7	6.2	7.7	8.7	9.0	9.3	9.3
Primary budget balance 4/	-8.3	-6.5	-6.1	-6.3	-7.5	-7.6	-7.6	-7.4
Basic balance (excluding grants) 3 / 5/	-4.8	-3.0	-3.4	-1.8	-2.0	-1.5	-1.2	-1.1
Overall balance (commitment basis, excluding grants) 6/	-9.9	-8.1	-7.9	-7.7	-8.6	-8.4	-8.3	-8.1
Overall balance (commitment basis, including grants) 6/	-5.4	-3.5	-3.2	-2.8	-5.2	-4.5	-4.4	-4.2
Gross investment	11.2	11.4	12.1	14.2	15.8	16.8	16.9	17.2
Gross domestic savings	3.9	3.5	4.4	4.0	5.1	6.6	8.1	8.5
External current account balance								
Excluding grants for budgetary assistance	-7.5	-7.9	-6.6	-8.4	-8.8	-8.2	-6.7	-6.6
Including grants for budgetary assistance 7/	-6.5	-6.2	-4.8	-7.2	-8.8	-8.2	-6.7	-6.6
External public debt (end of period) 8/	83.6	90.2	86.9	80.7	68.4	58.1	57.0	56.0
	(In percent)							
Debt-service ratio in percent of :								
Exports of goods and services	23.3	24.7	27.5	28.0	22.1	12.7	9.5	10.1
Government revenue	42.0	51.1	50.0	43.7	36.1	20.5	15.1	15.3
	(In billions of CFA francs)							
Gross domestic product at current market prices	1,242.6	1,280.4	1,426.0	1,512.8	1,586.4	1,669.9	1,772.9	1,880.8
Government payments arrears (reduction -)	49.1	-112.0	-17.0	-33.4	-18.0	-15.0	-10.0	-10.0
Domestic	23.6	3.6	-17.0	-33.4	-18.0	-15.0	-10.0	-10.0
External	25.6	-115.6	0.0	0.0	0.0	0.0	1.0	2.0
Overall balance of payments 9/	-46.7	-21.7	-24.3	-43.0	-85.5	59.0	43.9	41.1

Sources: Nigerien authorities; and staff estimates and projections.

1/ Commitment basis as per payment orders issued.
2/ In percent of beginning-of-period money stock.
3/ In 2002, includes 0.6 percent of GDP of revenue from the settlement of reciprocal debts between the government and public enterprises.
4/ Total revenue, excluding grants, minus expenditure, excluding interest payments.
5/ Total revenue, excluding grants, minus total expenditure, excluding foreign-financed investment projects.
6/ Program data and projections include grants for projects and HIPC Initiative assistance. Actual data also include grants for budgetary assistance that are disbursed by Niger's development partners, such as the European Union and bilateral creditors.
7/ For projections, budgetary assistance is not included as it is part of the financing gap.
8/ Including obligations to IMF. The estimates for 2002, 2003 (revised program) and onward reflect the latest debt sustainability exercise.
9/ Before debt relief. For projections, including the financing gap.

Table 3. Niger: Observance of Quantitative and Structural Performance Criteria, 2001-03

	2001		2002		2003
	March	September	March	September	March
Quantitative performance criteria					
Variation of net bank credit to the government	Met	Met	Met	Met	Met
Basic budget deficit (commitments basis, excluding grants)	Not met	Met	Met	Met	Met
Reduction in government domestic payments arrears	Not met	Met	Not met	Met	Met
Continuous quantitative performance criteria					
Accumulation of external payments arrears	Not met	Not met	Not met	Not met	Met
External debt contracted or guaranteed by the government with maturities of 0-1 year	Met	Met	Met	Met	Met
Nonconcessional external debt contracted or guaranteed by the government with maturities over 1 year	Not met	Met	Not met	Not met	Met
Quantitative indicative targets					
Budgetary revenue	Met	Met	Met	Met	Met
Wage bill	Met	Met	Not met	Not met	Met

	Test Date	Status
Structural benchmarks		
Transmittal to the IMF staff of a draft final budget law for 2001, together with the declaration of conformity established by the Audit Court, and transmittal of the fiscal-year 2002 accounts to the Audit Court	End-December 2002	Met . Completed as prior action on August 15, 2003.
Transmittal to the government of a study prepared by an independent consulting firm on the remuneration of the petroleum sector operators included in the pricing formula of the petroleum products	End-December 2002	Met. Completed as a prior action on August 15, 2003.
Selection of a consultant to prepare the study of the medium-term financial projections of the National Retirement Pension Fund (FNR)	End-December 2002	Met in April, 2003.
Introduction of the new budget nomenclature and the new public accounts charter, and their use in preparing the 2003 Budget Law	End-September 2002	Met.
Strengthening of the External Debt Service Unit through the introduction of a new debt-management software and training of staff	End-June 2002	Met. Completed as prior action on September 8, 2003.
Submission of a report on (i) the execution of the presidential program to reduce poverty and (ii) the use of resources freed by the HIPC Initiative in 2001	End-March 2002	Met in April, 2002.
Preparation of a final budget law (*Loi de règlement*) for 2000 to be submitted to the National Assembly and transmittal of the 2000 budgetary accounts to the Audit Court	End-December 2001	Met in April, 2002.
Computerization of the budgetary expenditure processes of the government at the central level	End-September 2001	Met in December, 2001.
Preparation of a new budget and public accounting nomenclature that would improve the recording of government operations and ensure consistency between the budget law and public accounting	End-June 2001	Met in September 2001.
Approval of an automatic, transparent, and flexible pricing system for petroleum products	End-June 2001	Met in August, 2001.
Establishment of the opening balances for 2001 accounts on the treasury's books	End-March 2001	Met in September, 2001.
Structural performance criterion		
Implementation of an automatic, transparent, and flexible pricing system for petroleum products	Continuously	Observed.

Table 4. Niger: Public Expenditure for Health and Education, 2001-03

	2001				2002				2003
	Budget	Execution	*Of which*: HIPC assistance	Rate of execution In percent) 1/	Budget	Execution	*Of which*: HIPC assistance	Rate of execution (in percent)	Budget
				(In billions of CFA francs)					
Health	36.6	33.4	2.1	91.3	38.9	34.9	2.8	89.7	53.4
Current outlays	16.6	12.7	0.0	76.6	16.8	13.9	0.0	82.7	16.1
Personnel	4.5	4.5	0.0	100.0	4.8	4.6	0.0	97.7	5.2
Nonpersonnel	12.1	8.2	0.0	67.8	12.1	9.3	0.0	76.5	10.9
Investment program	20.0	20.7	2.1	103.4	22.1	21.0	2.8	94.9	37.3
Domestically financed 2/	5.3	7.7	2.1	147.6	6.3	6.7	2.8	105.9	10.1
Financed from abroad 3/	14.8	12.9	0.0	87.5	15.7	14.3	0.0	90.9	27.2
Education	39.0	38.4	1.7	98.6	55.9	52.6	1.9	94.1	59.8
Current outlays	32.7	30.0	0.0	91.8	38.5	38.4	0.0	99.7	37.8
Personnel	21.2	21.2	0.0	100.0	20.9	22.6	0.0	108.1	20.5
Nonpersonnel	11.5	8.8	0.0	76.6	17.6	15.8	0.0	89.9	17.4
Investment program	6.3	8.4	1.7	134.2	17.4	14.2	1.9	81.6	21.9
Domestically financed 2/	4.0	3.5	1.7	88.8	6.1	5.0	1.9	81.8	7.4
Financed from abroad 3/	2.3	4.9	0.0	211.8	11.4	9.3	0.0	81.5	14.6
				(In percent of GDP)					
Total expenditure on health and education	5.3	5.0	0.3	...	6.3	5.8	0.3	...	7.1
Current outlays	3.5	3.0	0.0	...	3.7	3.5	0.0	...	3.4
Personnel	1.8	1.8	0.0	...	1.7	1.8	0.0	...	1.6
Nonpersonnel	1.7	1.2	0.0	...	2.0	1.7	0.0	...	1.8
Investment program	1.8	2.0	0.3	...	2.6	2.3	0.3	...	3.7
Domestically financed	0.6	0.8	0.3	...	0.8	0.8	0.3	...	1.1
Financed from abroad	1.2	1.2	0.0	...	1.8	1.6	0.0	...	2.6

Sources: Nigerien authorities; and staff estimates.

1/ Execution rates do not strictly reflect budget execution because off-budget expenditures are also included in the calculation of the execution rates.
2/ Includes HIPC Initiative assistance.
3/ All off-budget expenditures are assumed to be financed from abroad as most of these are related to projects directly managed by foreign donors which are not known to the authorities at the time when the investment budget is elaborated.

Table 5. Niger: Main Assumptions Used for the Debt Sustainability Analysis at the Completion Point, 2003-22

(In percent of GDP, unless otherwise indicated)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Est.				Projections				
Economic growth and inflation									
Real GDP (percentage change)	4.0	4.1	4.3	4.2	4.1	4.2	4.3	4.4	4.5
Real GDP (per capita)	0.9	1.0	1.2	1.2	1.1	1.1	1.3	1.3	1.6
Average inflation (in percent)	-0.7	2.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8
National accounts									
Gross domestic investment	15.8	16.8	16.9	17.2	17.3	17.3	17.4	17.6	17.8
Of which : private	5.7	6.4	6.2	6.4	6.6	6.7	6.9	7.1	7.3
Public	9.9	10.2	10.5	10.6	10.5	10.4	10.4	10.3	10.3
Public excluding HIPC Initiative expenditure	8.9	8.7	8.5	8.7	8.8	8.9	9.0	9.3	9.4
Gross national savings	7.0	8.6	10.2	10.6	10.6	10.8	11.2	11.6	11.9
Fiscal sector									
Government revenue	10.6	11.1	11.6	12.1	12.6	13.2	13.7	14.2	14.7
Government expenditure and net lending	19.2	19.4	19.9	20.2	20.3	20.4	20.6	20.7	20.9
Current expenditure	10.5	10.4	10.6	10.9	11.1	11.3	11.6	11.8	12.0
Capital expenditure	8.7	9.0	9.3	9.3	9.2	9.1	9.0	8.9	8.9
Primary budget balance 1/	-7.5	-7.6	-7.6	-7.4	-7.0	-6.6	-6.2	-5.9	-5.6
Basic budget balance 2/	-2.0	-1.5	-1.2	-1.1	-0.9	-0.7	-0.5	-0.3	-0.1
Basic budget balance (incl. capital expenditure financed by the HIPC Initiative)	-3.1	-3.0	-3.2	-3.0	-2.7	-2.2	-1.9	-1.4	-1.1
Current balance 3/	0.0	0.7	1.0	1.2	1.5	1.8	2.1	2.4	2.7
Overall government balance (commitment basis, excl. grants)	-8.6	-8.4	-8.3	-8.1	-7.7	-7.3	-6.9	-6.6	-6.2
Variation of arrears	-1.1	-0.9	-0.6	-0.5	-0.5	-0.5	-0.4	0.0	0.0
Overall government balance (cash basis, excl. grants)	-9.8	-9.3	-8.8	-8.6	-8.2	-7.7	-7.3	-6.6	-6.2
Financing gap	3.7	3.4	3.3	3.1	3.1	3.0	2.8	2.1	1.9
Balance of payments									
Exports of goods and services	16.9	17.9	18.5	18.2	18.1	18.0	17.9	17.7	17.5
Goods	13.9	14.9	15.4	15.2	15.0	14.9	14.7	14.5	14.2
Services	3.0	3.1	3.0	3.1	3.1	3.1	3.2	3.2	3.2
Imports of goods and services	27.6	28.2	27.3	26.9	26.8	26.6	26.2	25.8	25.5
Balance of trade	-10.7	-10.2	-8.9	-8.7	-8.7	-8.5	-8.3	-8.1	-8.0
Current account balance (excl. grants for budget assistance)	-8.8	-8.2	-6.7	-6.6	-6.6	-6.6	-6.2	-5.9	-5.8
Gross official reserves (in months of imports)	2.5	2.6	2.7	2.8	2.8	2.9	3.0	2.9	2.8

Sources: Nigerien authorities; and staff estimates and projections.

1/ Total revenue, excluding grants, minus expenditure, excluding interest payments.

2/ Total revenue, excluding grants, minus total expenditure, excluding foreign-financed investment projects.

3/ Total revenue, excluding grants, minus current expenditures.

Table 5. Niger: Main Assumptions Used for the Debt Sustainability Analysis at the Completion Point, 2003-22 (concluded)
(In percent of GDP, unless otherwise indicated)

	2012	2014	2016	2018	2020	2022	2003-12	2013-22
							Averages	
Economic growth and inflation								
Real GDP (percentage change)	4.6	4.8	5.0	5.2	5.4	5.5	4.3	5.1
Real GDP (per capita)	1.7	1.9	2.2	2.3	2.5	2.6	1.3	2.3
Average inflation (in percent)	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
National accounts								
Gross domestic investment	18.0	18.4	18.8	19.2	19.6	20.1	17.4	19.1
Of which : private	7.4	7.8	8.1	8.5	8.8	9.2	6.8	8.4
Public	10.4	10.4	10.5	10.6	10.6	10.7	10.4	10.5
Public excluding HIPC Initiative expenditure	9.6	9.8	10.0	10.1	10.3	10.6	9.0	10.1
Gross national savings	12.4	12.9	13.5	14.0	14.5	15.1	10.9	13.9
Fiscal sector								
Government revenue	14.9	15.4	15.9	16.4	16.7	17.0	13.1	16.2
Government expenditure and net lending	21.1	21.2	21.6	22.0	22.2	22.4	20.4	21.8
Current expenditure	12.1	12.3	12.7	13.1	13.3	13.4	11.3	12.9
Capital expenditure	9.0	8.9	8.9	9.0	8.9	9.0	9.1	8.9
Primary budget balance 1/	-5.5	-5.2	-5.1	-5.1	-5.0	-4.9	-6.6	-5.1
Basic budget balance 2/	-0.1	-0.1	-0.1	0.0	-0.1	0.1	-0.7	0.0
Basic budget balance (incl. capital expenditure financed by the HIPC Initiative)	-0.9	-0.6	-0.5	-0.5	-0.4	0.0	-2.1	-0.4
Current balance 3/	2.8	3.1	3.2	3.4	3.4	3.6	1.8	3.3
Overall government balance (commitment basis, excl. grants)	-6.2	-5.8	-5.7	-5.6	-5.6	-5.4	-7.3	-5.6
Variation of arrears	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	0.0
Overall government balance (cash basis, excl. grants)	-6.2	-5.8	-5.7	-5.6	-5.6	-5.4	-7.7	-5.6
Financing gap	1.6	1.4	0.9	1.0	0.9	0.8	2.7	1.0
Balance of payments								
Exports of goods and services	17.3	16.9	16.8	16.7	16.6	16.5	17.9	16.8
Goods	14.0	13.6	13.4	13.2	13.0	12.8	14.8	13.3
Services	3.3	3.4	3.4	3.5	3.6	3.7	3.2	3.5
Imports of goods and services	25.2	24.6	24.2	23.8	23.4	23.0	26.5	23.9
Balance of trade	-7.9	-7.7	-7.3	-7.1	-6.8	-6.5	-8.6	-7.1
Current account balance (excl. grants for budget assistance)	-5.6	-5.4	-5.3	-5.2	-5.0	-4.9	-6.5	-5.2
Gross official reserves (in months of imports)	2.8	2.8	2.5	2.5	2.6	3.0	2.8	2.7

Sources: Nigerien authorities; and staff estimates and projections.

1/ Total revenue, excluding grants, minus expenditure, excluding interest payments.
2/ Total revenue, excluding grants, minus total expenditure, excluding foreign-financed investment projects.
3/ Total revenue, excluding grants, minus current expenditures.

Table 6. Niger: Balance of Payments, 2000-22
(In millions of U.S. dollars)

	2000	2001	2002	2003	2003	2004	2005	2006
				Prog. IMF CR 03/110	Rev. Prog.	Projections		
Current account balance								
Incl. grants for budgetary assistance 1/	-111.4	-92.8	-156.0	-224.7	-236.9	-231.8	-201.4	-207.8
Excl. grants for budgetary assistance	-142.6	-127.8	-182.7	-224.7	-236.9	-231.8	-201.4	-207.8
Balance on goods	-47.7	-59.2	-120.8	-138.9	-160.3	-156.0	-130.2	-138.3
Exports, f.o.b	283.3	272.7	294.9	340.0	375.7	422.7	461.0	476.5
Of which: uranium	90.1	86.1	89.9	103.2	105.9	105.2	103.5	102.2
Cattle	52.1	55.0	61.6	72.2	76.1	84.5	92.5	100.9
Gold	0.0	0.0	0.0	0.0	0.0	23.1	40.3	32.9
Reexports	36.8	36.9	57.1	63.0	69.1	69.0	68.2	67.7
Imports, f.o.b	-331.0	-331.9	-415.7	-478.9	535.9	578.7	591.2	614.8
Of which: food products	-90.3	-104.9	-110.1	-124.1	-128.0	-131.7	-134.6	-138.0
Petroleum products	-66.6	-35.3	-48.0	-53.3	-55.2	-51.0	-49.3	-49.2
Capital goods	-62.2	-61.7	-93.1	-134.6	-135.9	-166.2	-167.3	-175.6
Services and income (net)	-111.2	-105.5	-114.8	-139.7	-140.5	-147.0	-147.1	-149.9
Services (net)	-94.6	-90.5	-100.8	-126.4	-129.6	-134.7	-134.6	-135.4
Income (net)	-16.5	-15.0	-14.0	-13.3	-10.9	-12.3	-12.5	-14.5
Of which: interest on external public debt	-27.6	-32.9	-30.5	-28.2	-27.4	-18.1	-16.3	-17.1
Unrequited current transfers (net)	47.5	71.9	79.6	54.0	63.8	71.2	75.9	80.5
Private (net)	3.8	14.4	16.4	11.2	19.1	17.7	19.7	20.3
Public (net)	43.7	57.6	63.2	42.7	44.7	53.5	56.2	60.2
Of which: grants for budgetary assistance 2/	31.2	35.0	26.7	0.0	0.0	0.0	0.0	0.0
HIPC Initiative assistance	0.1	11.1	14.8	18.0	18.3	23.9	26.3	26.7
Capital and financial account	80.8	59.6	94.1	81.2	91.2	131.4	127.4	139.1
Capital account	66.0	46.8	68.1	73.8	76.9	87.9	92.8	99.5
Private capital transfers	1.8	2.1	2.2	2.5	2.6	2.6	2.6	2.6
Project grants	52.2	44.6	65.9	71.3	74.3	85.3	90.2	97.0
Acquisition/disposal of nonproduced, nonfinancial assets	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	14.8	12.8	26.0	7.4	14.4	43.5	34.6	39.5
Direct investment	9.0	26.5	4.3	4.7	13.1	23.8	14.5	19.3
Portfolio investment	9.2	3.7	1.4	4.0	1.7	1.8	1.9	2.0
Other investment	19.9	-4.8	28.7	-1.3	-0.5	17.9	18.2	18.2
Public sector (net)	27.2	17.0	45.8	18.6	12.5	34.7	37.1	37.6
Disbursements	77.0	73.4	112.3	83.5	76.8	68.2	60.1	64.6
Loans for budgetary assistance 3/	37.0	41.6	63.6	0.0	0.0	0.0	0.0	0.0
Project loans	40.0	31.8	48.6	83.5	76.8	68.2	60.1	64.6
Amortization 4/	49.8	56.4	66.5	64.9	64.2	33.5	23.1	27.0
Other (net)	-7.3	-21.8	-17.1	-19.9	-13.0	-16.8	-18.9	-19.4
Of which : commercial banks' net foreign assets	9.6	-23.3	-1.2	0.0	-3.5	-8.6	-9.0	-9.3
HIPC Initiative assistance 5/	0.0	0.0	0.0	7.4	7.5	4.2	2.5	2.5
Errors and omissions	-23.3	-12.6	-8.4	0.0	0.0	0.0	0.0	0.0
Overall balance	-30.6	-33.2	-61.9	-143.5	-145.7	-100.4	-74.0	-68.7
Financing	30.6	33.1	61.9	143.5	145.7	100.4	74.0	68.7
Net foreign assets	-28.8	-23.6	13.7	-6.5	0.0	-14.5	-24.6	-29.5
Of which : net use of Fund resources	9.4	9.4	17.9	13.4	14.1	-1.7	-13.4	-14.4
Rescheduling obtained 6/	222.1	56.7	48.2	43.2	44.6	17.4	1.3	1.3
Change in arrears	-162.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0	106.8	101.1	97.5	97.4	97.0
Memorandum items:								
Total HIPC Initiative assistance	0.1	11.1	14.8	31.2	31.1	51.7	68.4	67.7
Of which: assistance on stock-of-debt operation 7/	...	...	...	5.8	5.4	23.7	39.6	38.5

Sources: Nigerien authorities; and staff estimates and projections.

1/ After 2002, future grants for budgetary assistance are part of the remaining gap, and account for 60 percent of that gap.
2/ In 2002, a grant of CFAF 8.9 billion was provided by the European Commission (EC) for the settlement of external payments arrears to the European Investment Bank.
3/ In 2002, two loans of CFAF 9.4 billion and CFAF 13.7 billion were disbursed by the Organization of Petroleum Exporting Coutries (OPEC Fund) for (i) the settlement of Niger's external payments arrears at end 1999 vis-à-vis the OPEC Fund; and (ii) the OPEC Fund's contribution to the HIPC Initiative.
4/ Includes after 2000 the payments of external arrears rescheduled in 2000, that is (i) in 2000, payments vis-a-vis the African Development Bank (AfDB) and the OPEC Fund; (ii) in 2002, payments vis-a-vis the OPEC Fund, Libya, the Saudi Fund for Developme and a commercial bank; and (iii) in 2003, payments vis-à-vis the European Investment Bank.
5/ Includes in the 2002 program assistance from IDA and the AfDB that are now classified as grants; for 2003-05, includes assistance provided through a rescheduling of current maturities by Paris Club creditors (up to the completion point), and China, and of the relief granted by the Islamic Development Bank (IsDB) and the OPEC Fund.
6/ Includes debt under discussion for CFAF 16.6 billion in 2001, CFAF 14.7 billion in 2002, and CFAF 9.5 billion in 2003. CFAF 8.8 billion are estimated in 2004 as all HIPC Initiative assistance is not assumed to be delivered by all Non-Paris Club members.
7/ Includes assistance from the West African Economic and Monetary Union (WAEMU), the Arab Bank for Development in Africa (BADEA), the Kuwait Fund for Arab Economic Development (KFAED), the Paris Club (as of 2004), and the remaining of the assistance from the IsDB and the OPEC Fund.

Table 6. Niger: Balance of Payments, 2000-22 (continued)

(In millions of U.S. dollars)

	2007	2008	2009	2010	2011	2012	2013	2014
	Projections							
Current account balance								
Incl. grants for budgetary assistance 1/	-219.7	-229.2	-229.1	-233.0	-244.0	-249.4	-264.2	-276.3
Excl. grants for budgetary assistance	-219.7	-229.2	-229.1	-233.0	-244.0	-249.4	-264.2	-276.3
Balance on goods	-147.5	-154.9	-162.4	-176.4	-190.2	-204.5	-219.9	-236.1
Exports, f.o.b	496.3	518.9	545.6	568.8	595.4	624.3	655.6	689.5
Of which: uranium	101.0	99.8	99.3	98.8	98.8	98.8	98.8	98.8
Cattle	109.6	118.6	128.6	139.1	150.1	161.9	174.7	188.6
Gold	28.9	27.1	25.4	19.5	14.6	9.7	4.9	0.0
Reexports	67.2	66.8	66.8	66.8	66.8	66.8	66.8	66.8
Imports, f.o.b	643.8	673.8	708.0	745.2	785.6	828.8	875.5	925.6
Of which: food products	-141.6	-145.3	-150.2	-155.2	-160.3	-165.6	-171.2	-176.9
Petroleum products	-51.5	-53.9	-56.7	-60.1	-63.9	-68.0	-72.5	-77.3
Capital goods	-185.1	-195.2	-205.9	-217.9	-230.9	-244.9	-260.1	-276.5
Services and income (net)	-156.1	-159.3	-160.4	-158.1	-158.5	-160.5	-166.0	-168.2
Services (net)	-140.9	-142.7	-144.4	-142.4	-144.4	-146.2	-152.4	-154.1
Income (net)	-15.2	-16.6	-16.1	-15.7	-14.1	-14.3	-13.5	-14.1
Of which: interest on external public debt	-18.0	-18.8	-19.8	-20.8	-21.7	-22.8	-23.8	-25.0
Unrequited current transfers (net)	83.9	85.0	93.7	101.5	104.7	115.5	121.7	128.1
Private (net)	21.3	22.5	26.6	29.8	30.5	34.8	36.9	39.2
Public (net)	62.5	62.5	67.1	71.7	74.1	80.7	84.8	88.9
Of which: grants for budgetary assistance 2/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HIPC Initiative assistance	25.4	21.3	21.8	21.9	22.1	22.4	22.4	21.8
Capital and financial account	143.3	152.0	156.8	172.4	181.7	198.9	210.8	224.0
Capital account	103.0	108.3	113.8	125.0	132.2	144.0	152.3	159.7
Private capital transfers	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.8
Project grants	100.4	105.8	111.2	122.3	129.5	141.3	149.6	157.0
Acquisition/disposal of nonproduced, nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	40.3	43.7	43.0	47.4	49.5	54.9	58.5	64.2
Direct investment	20.3	21.9	23.3	24.7	26.2	27.7	29.3	31.0
Portfolio investment	2.1	2.2	2.2	2.3	2.5	2.6	2.8	3.0
Other investment	17.9	19.6	17.4	20.4	20.9	24.6	26.4	30.2
Public sector (net)	37.2	39.6	37.7	42.2	44.6	50.3	55.5	60.9
Disbursements	66.9	70.5	74.2	81.6	86.4	94.2	99.7	104.7
Loans for budgetary assistance 3/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project loans	66.9	70.5	74.2	81.6	86.4	94.2	99.7	104.7
Amortization 4/	29.7	30.9	36.5	39.3	41.8	43.9	44.3	43.7
Other (net)	-19.4	-20.0	-20.3	-21.8	-23.7	-25.8	-29.1	-30.7
Of which : commercial banks' net foreign assets	-9.7	-10.2	-10.7	-11.2	-11.8	-12.3	-13.0	-13.6
HIPC Initiative assistance 5/	3.2	3.2	2.8	2.1	1.1	0.0	-2.3	-2.9
Errors and omissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-76.4	-77.2	-72.3	-60.7	-62.3	-50.5	-53.4	-52.3
Financing	76.4	77.2	72.3	60.7	62.3	50.5	53.4	52.3
Net foreign assets	-26.6	-27.8	-32.6	-21.7	-19.8	-22.5	-13.6	-16.2
Of which : net use of Fund resources	-15.2	-14.9	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduling obtained 6/	1.4	1.4	1.4	1.4	1.4	0.3	-0.8	-0.9
Change in arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing gap	101.6	103.5	103.5	81.0	80.7	72.7	67.8	69.4
Memorandum items:								
Total HIPC Initiative assistance	66.6	61.0	60.0	48.3	46.7	44.1	36.6	34.7
Of which: assistance on stock-of-debt operation 7/	38.0	36.5	35.4	24.3	23.5	21.8	16.6	15.8

Sources: Nigerien authorities; and staff estimates and projections.

1/ After 2002, future grants for budgetary assistance are part of the remaining gap, and account for 60 percent of that gap.

2/ In 2002, a grant of CFAF 8.9 billion was provided by the European Commission (EC) for the settlement of external payments arrears to the European Investment Bank.

3/ In 2002, two loans of CFAF 9.4 billion and CFAF 13.7 billion were disbursed by the Organization of Petroleum Exporting Coutries (OPEC Fund) for (i) the settlement of Niger's external payments arrears at end 1999 vis-à-vis the OPEC Fund; and (ii) the OPEC Fund's contribution to the HIPC Initiative.

4/ Includes after 2000 the payments of external arrears rescheduled in 2000, that is (i) in 2000, payments vis-a-vis the African Development Bank (AfDB) and the OPEC Fund; (ii) in 2002, payments vis-a-vis the OPEC Fund, Libya, the Saudi Fund for Developme and a commercial bank; and (iii) in 2003, payments vis-à-vis the European Investment Bank.

5/ Includes in the 2002 program assistance from IDA and the AfDB that are now classified as grants; for 2003-05, includes assistance provided through a rescheduling of current maturities by Paris Club creditors (up to the completion point), and China, and of the relief granted by the Islamic Development Bank (IsDB) and the OPEC Fund.

6/ Includes debt under discussion for CFAF 16.6 billion in 2001, CFAF 14.7 billion in 2002, and CFAF 9.5 billion in 2003. CFAF 8.8 billion are estimated in 2004 as all HIPC Initiative assistance is not assumed to be delivered by all Non-Paris Club members.

7/ Includes assistance from the West African Economic and Monetary Union (WAEMU), the Arab Bank for Development in Africa (BADEA), the Kuwait Fund for Arab Economic Development (KFAED), the Paris Club (as of 2004), and the remaining of the assistance from the IsDB and the OPEC Fund.

Table 6. Niger: Balance of Payments, 2000-22 (concluded)
(In millions of U.S. dollars)

	2015	2016	2017	2018	2019	2020	2021	2022
	Projections							
Current account balance								
Incl. grants for budgetary assistance 1/	-287.9	-304.1	-324.0	-346.2	-369.6	-384.8	-410.0	-434.8
Excl. grants for budgetary assistance	-287.9	-304.1	-324.0	-346.2	-369.6	-384.8	-410.0	-434.8
Balance on goods	-248.9	-262.2	-276.4	-292.0	-308.9	-327.4	-347.3	-365.1
Exports, f.o.b	731.1	776.2	824.5	876.5	932.2	992.1	1056.4	1129.3
Of which: uranium	98.8	98.8	98.8	98.8	98.8	98.8	98.8	98.8
Cattle	203.5	220.1	238.0	257.5	278.5	301.2	325.8	352.4
Gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reexports	66.8	66.8	66.8	66.8	66.8	66.8	66.8	66.8
Imports, f.o.b	980.0	1038.4	1100.9	1168.4	1241.2	1319.4	1403.7	1494.5
Of which: food products	-182.7	-188.8	-195.1	-201.6	-208.3	-215.2	-222.4	-229.8
Petroleum products	-82.7	-88.5	-94.8	-101.6	-108.8	-116.5	-124.8	-133.9
Capital goods	-294.4	-313.6	-334.3	-356.7	-381.0	-407.3	-435.7	-466.4
Services and income (net)	-171.6	-178.4	-185.4	-192.8	-201.6	-213.3	-225.2	-236.1
Services (net)	-155.6	-162.2	-169.1	-176.3	-183.8	-191.6	-199.6	-207.9
Income (net)	-16.0	-16.2	-16.3	-16.5	-17.8	-21.8	-25.5	-28.2
Of which: interest on external public debt	-26.1	-27.3	-28.6	-29.9	-31.3	-32.9	-34.5	-36.3
Unrequited current transfers (net)	132.6	136.5	137.8	138.6	140.9	155.9	162.6	166.5
Private (net)	40.1	42.2	42.1	41.6	41.6	48.1	50.9	59.7
Public (net)	92.5	94.3	95.8	96.9	99.3	107.8	111.7	106.8
Of which: grants for budgetary assistance 2/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HIPC Initiative assistance	22.0	22.1	22.3	22.4	21.7	18.7	0.9	0.9
Capital and financial account	236.7	260.1	283.1	301.1	325.5	351.5	391.2	424.3
Capital account	167.1	182.5	196.3	206.9	223.0	240.5	267.3	290.3
Private capital transfers	2.8	2.8	2.9	2.9	3.0	3.0	3.1	3.1
Project grants	164.3	179.6	193.4	203.9	220.1	237.5	264.2	287.1
Acquisition/disposal of nonproduced, nonfinancial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	69.6	77.6	86.8	94.2	102.5	111.0	124.0	134.1
Direct investment	32.8	34.7	36.7	38.7	40.9	43.2	45.6	48.1
Portfolio investment	3.2	3.4	3.6	3.9	4.2	4.5	4.8	5.2
Other investment	33.6	39.5	46.5	51.6	57.4	63.4	73.6	80.9
Public sector (net)	65.3	72.6	79.8	85.3	92.7	100.5	113.8	124.0
Disbursements	109.5	119.8	128.9	136.0	146.7	158.3	176.1	191.4
Loans for budgetary assistance 3/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project loans	109.5	119.8	128.9	136.0	146.7	158.3	176.1	191.4
Amortization 4/	44.2	47.2	49.1	50.7	54.0	57.9	62.4	67.4
Other (net)	-31.7	-33.1	-33.3	-33.7	-35.3	-37.1	-40.2	-43.2
Of which: commercial banks' net foreign assets	-14.3	-15.0	-15.8	-16.5	-17.4	-18.2	-19.2	-20.1
HIPC Initiative assistance 5/	-2.6	-2.7	-1.5	-0.3	-0.3	-0.3	-1.4	-2.3
Errors and omissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-51.2	-44.0	-40.9	-45.1	-44.1	-33.3	-18.8	-10.4
Financing	51.2	44.0	40.9	45.1	44.1	33.3	18.8	10.4
Net foreign assets	2.0	-9.4	-14.1	-18.5	-22.2	-36.4	-50.6	-58.3
Of which: net use of Fund resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduling obtained 6/	-0.9	-0.9	-0.9	-0.8	-0.8	-0.1	0.0	0.1
Change in arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing gap	50.1	54.3	55.9	64.4	67.1	69.8	69.3	68.6
Memorandum items:								
Total HIPC Initiative assistance	34.8	34.1	35.8	37.5	35.3	32.1	7.2	6.9
Of which: assistance on stock-of-debt operation 7/	15.5	14.6	15.1	15.4	13.9	13.7	7.8	8.3

Sources: Nigerien authorities; and staff estimates and projections.

1/ After 2002, future grants for budgetary assistance are part of the remaining gap, and account for 60 percent of that gap.
2/ In 2002, a grant of CFAF 8.9 billion was provided by the European Commission (EC) for the settlement of external payments arrears to the European Investment Bank.
3/ In 2002, two loans of CFAF 9.4 billion and CFAF 13.7 billion were disbursed by the Organization of Petroleum Exporting Coutries (OPEC Fund) for (i) the settlement of Niger's external payments arrears at end 1999 vis-à-vis the OPEC Fund; and (ii) the OPEC Fund's contribution to the HIPC Initiative.
4/ Includes after 2000 the payments of external arrears rescheduled in 2000, that is (i) in 2000, payments vis-a-vis the African Development Bank (AfDB) and the OPEC Fund; (ii) in 2002, payments vis-a-vis the OPEC Fund, Libya, the Saudi Fund for Developme and a commercial bank; and (iii) in 2003, payments vis-à-vis the European Investment Bank.
5/ Includes in the 2002 program assistance from IDA and the AfDB that are now classified as grants; for 2003-05, includes assistance provided through a rescheduling of current maturities by Paris Club creditors (up to the completion point), and China, and of the relief granted by the Islamic Development Bank (IsDB) and the OPEC Fund.
6/ Includes debt under discussion for CFAF 16.6 billion in 2001, CFAF 14.7 billion in 2002, and CFAF 9.5 billion in 2003. CFAF 8.8 billion are estimated in 2004 as all HIPC Initiative assistance is not assumed to be delivered by all Non-Paris Club members.
7/ Includes assistance from the West African Economic and Monetary Union (WAEMU), the Arab Bank for Development in Africa (BADEA), the Kuwait Fund for Arab Economic Development (KFAED), the Paris Club (as of 2004), and the remaining of the assistance from the IsDB and the OPEC Fund.

Table 7. Niger: Fiscal Impact of the Enhanced HIPC Initiative, 2000-05
(In billions of CFA francs, unless otherwise indicated)

	2000	2001	2002	2003	2004 Proj.	2005 Proj.
A. Interest due before HIPC Initiative assistance	19.6	24.1	21.2	17.7	18.6	18.4
B. Interest paid before HIPC Initiative assistance	19.6	24.1	21.2	...	...	...
C. HIPC Initiative assistance on interest (as a result of stock-of-debt operation only)	0.0	0.0	0.0	1.4	7.9	8.7
D. Interest due after HIPC Initiative assistance	19.6	24.1	21.2	15.8	10.6	9.7
E. Amortization due before HIPC Initiative assistance	35.4	41.3	46.2	39.5	25.6	28.5
F. Amortization paid before HIPC Initiative assistance	35.4	41.3	46.2	...	...	...
G. HIPC Initiative assistance on amortization (as a result of stock-of-debt operation only)	0.0	0.0	0.0	1.8	6.0	14.8
H. Amortization due after HIPC Initiative assistance	35.4	41.3	46.2	37.7	19.7	13.7
I. HIPC Initiative assistance provided as grants (to cover debt service due)	0.1	8.1	10.3	10.7	14.0	15.6
J. HIPC Initiative assistance as exceptional financing (to cover debt service due)	0.0	0.0	0.0	4.4	2.5	1.5
Total HIPC Initiative assistance (C+G+I+J)	0.1	8.1	10.3	18.3	30.4	40.6
Total HIPC Initiative assistance (in millions of U.S. dollars)	0.1	11.1	14.8	31.1	51.7	68.4
Net cash flow to the budget from HIPC Initiative assistance (B+F-(D+H-I-J))	0.1	8.1	10.3	18.8	30.4	40.6

Sources: Nigerien authorities; and staff estimates and projections.

Table 8. Niger: Nominal and Net Present Value (NPV) of External Debt Outstanding at End-1999 1/
(In millions of U.S. dollars)

	Nominal Debt		NPV of Debt After Traditional Debt Relief 2/	
	As estimated at enhanced decision point	Revised at the completion point	As estimated at enhanced decision point	Revised at the completion point
Total debt	1,603.8	1,601.7	973.2	972.7
Multilateral	1,069.4	1,068.7	578.1	577.7
AfDB	139.9	135.7	69.6	68.8
BADEA	24.6	29.5	24.5	29.0
Conseil de l'Entente	4.5	4.2	4.5	4.2
ECOWAS	1.2	1.2	1.2	1.2
EU	39.4	39.4	27.7	27.5
IDA	692.9	692.5	317.9	317.8
IFAD	32.0	32.0	16.5	16.7
IMF	67.2	68.1	52.0	51.5
ISDB	42.4	40.6	39.3	36.0
OPEC Fund	12.8	12.8	12.4	12.4
WAEMU	12.5	12.5	12.5	12.5
Bilateral and commercial	534.4	533.0	395.1	395.0
Paris Club	275.2	276.7	196.2	195.9
France	198.5	198.5	140.3	139.8
Japan	28.1	28.1	26.2	26.1
Spain	19.0	20.3	10.8	11.0
United Kingdom	18.4	18.2	12.1	11.9
United States	11.4	11.8	6.9	7.1
Other official bilateral	254.6	251.7	194.9	194.6
Algeria	17.6	19.0	14.2	15.2
China, People's Republic of	10.5	10.5	7.6	7.6
Iraq	0.2	0.2	0.1	0.1
Kuwait	46.2	70.4	34.4	53.7
Libya	27.8	27.8	18.9	18.7
Saudi Arabia	61.7	41.5	38.7	26.1
Taiwan Province of China	85.7	77.5	77.5	69.4
United Arab Emirates	4.7	4.7	3.6	3.9
Commercial (Belgium)	4.6	4.6	4.0	4.5

Sources: Nigerien authorities; and staff estimates.

1/ Refers to public and publicly guaranteed external debt.
2/ Assumes a stock-of-debt operation on Naples terms at end-1999, and at least comparable treatment by non-Paris Club and commercial creditors.

Table 9. Niger: External Public and Publicly Guaranteed Debt at End-December 2002 1/

(In millions of U.S. dollars, unless otherwise indicated)

	Legal Situation 2/		Net Present Value of Debt				
	Nominal debt	NPV of debt	After full application of traditional debt relief 3/	After enhanced HIPC relief 4/	After additional bilateral relief 5/	After additional Bilateral relief (In percent of total debt)	Topping-up amount at the completion point
Total	1,757.7	1,146.6	1,176.3	603.0	575.9	100.0	142.5
Multilateral	1,329.5	763.9	797.0	481.8	481.8	83.7	119.2
AfDF	157.0	88.4	88.4	51.6	51.6	9.0	12.8
BADEA	31.2	26.8	31.3	21.9	21.9	3.8	5.4
BOAD	4.2	3.3	3.3	3.3	3.3	0.6	0.8
Conseil de l'Entente	4.4	4.4	4.4	2.1	2.1	0.4	0.5
ECOWAS	1.5	1.5	1.5	0.8	0.8	0.1	0.2
EU	41.1	30.9	30.9	15.2	15.2	2.6	3.8
IDA	872.0	462.5	462.5	283.2	283.2	49.2	70.1
IFAD	37.2	21.4	21.4	11.5	11.5	2.0	2.9
IMF	106.4	87.1	87.1	57.4	57.4	10.0	14.21328
IsDB	43.8	21.6	40.1	21.6	21.6	3.8	5.4
OPEC Fund	17.6	6.8	12.9	6.8	6.8	1.2	1.7
WAEMU	13.1	9.1	13.1	6.2	6.2	1.1	1.5
Official bilateral	428.2	382.7	379.3	121.2	94.1	16.3	23.3
Paris Club	197.3	182.6	190.4	31.0	11.6	2.0	2.9
Pre-cutoff date 6/	166.2	152.6	151.4	1.2	0.4	0.1	0.1
Official Development Assistance (ODA)	5.4	4.5	3.5	0.0	0.0	0.0	0.0
Non-ODA	160.8	148.1	147.8	1.2	0.3	0.1	0.1
Post-cutoff date 6/	31.0	30.0	39.0	29.7	11.3	2.0	2.8
ODA	20.5	19.6	28.4	19.8	1.3	0.2	0.3
Non-ODA	10.6	10.4	10.6	10.0	10.0	1.7	2.5
France	139.1	126.8	138.6	13.8	10.0	1.7	2.5
Japan	20.5	19.6	19.6	16.7	1.3	0.2	0.3
Spain	15.5	15.6	12.9	0.4	0.4	0.1	0.1
United Kingdom	12.0	10.3	11.9	0.1	0.0	0.0	0.0
United States	10.3	10.3	7.4	0.1	0.0	0.0	0.0
Other official bilateral	230.9	200.2	188.9	90.2	82.4	14.3	20.4
Algeria	22.9	21.3	12.8	14.7	14.7	2.6	3.6
China, People's Republic of	2.7	2.1	6.2	1.0	1.0	0.2	0.3
Iraq	1.9	1.9	0.8	0.0	0.0	0.0	0.0
Kuwait	42.0	19.6	55.3	27.4	19.6	3.4	4.8
Libya	29.3	26.9	19.3	9.8	9.8	1.7	2.4
Saudi Arabia	42.0	40.1	27.0	3.4	3.4	0.6	0.8
Taiwan Province of China	85.0	83.2	63.1	31.8	31.8	5.5	7.9
United Arab Emirates	5.1	5.1	4.4	2.1	2.1	0.4	0.5

Sources: Nigerien authorities; and staff estimates.

1/ Refers to public and publicly guaranteed external debt.
2/ Reflects all stock-of-debt and rescheduling operations that effectively took place before end-2002 as a result of delivery of HIPC Initiative assistance.
3/ Assumes a stock-of-debt operation on Naples terms at end-1999, and at least comparable treatment by non-Paris Club creditors.
4/ Assumes full hypothetical delivery of the HIPC Initiative assistance at end-2002.
5/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.
6/ Paris Club cutoff date is July 1, 1983.

Table 10. Comparison of Discount Rate and Exchange Rate Assumptions
at the Decision Point and at the Completion Point

Currency Name	Discount Rate 1/ 2/ (In percent per annum)		Exchange Rate 3/ (Currency per U.S. dollar)	
	At decision point	At completion point	At decision point	At completion point
Algerian dinar	5.59	4.82	69.3	79.7
Austrian schilling	5.47	5.55	13.7	13.1
Belgian franc	5.47	5.55	40.2	38.5
Canadian dollar	6.67	5.88	1.4	1.6
Chinese yuan	5.59	4.82	8.3	8.3
Danish krone	5.32	5.78	7.4	7.1
Deutsche mark	5.47	5.55	1.9	1.9
Domestic currency: CFA franc	5.47	5.55	653.0	625.5
European currency unit (euro)	5.47	5.55	1.0	1.0
Finnish markka	5.47	5.55	5.9	5.7
French franc	5.47	5.55	6.5	6.3
Iraqi dinar	5.59	4.82	3.2	3.2
Irish pound	5.47	5.55	0.8	0.8
Italian lira	5.47	5.55	1,927.4	1,846.4
Japanese yen	1.98	1.75	102.2	119.9
Kuwaiti dinar	5.59	4.82	0.3	0.3
Luxembourg franc	5.47	5.55	40.2	38.5
Netherlands guilder	5.47	5.55	2.2	2.1
Norwegian krone	6.64	7.76	8.0	7.0
Portuguese escudo	5.47	5.55	199.6	191.2
Saudi Arabien ryal	5.59	4.82	3.7	3.7
Spanish peseta	5.47	5.55	165.6	158.7
Special drawing rights	5.59	4.82	0.7	0.7
Swedish krona	5.80	6.11	8.5	8.8
Swiss franc	4.27	3.42	1.6	1.4
U.K. pound sterling	6.70	5.84	0.6	0.6
U.A.E. dirham	5.59	4.82	3.7	3.7
U.S. dollar	7.04	5.12	1.0	1.0

Sources: Organization for Economic Cooperation and Development; and IMF, *International Financial Statistics* .

Table 11. Niger: Comparison of Net Present Value (NPV) of External Public Debt at End-December 2002
Between the Decision Point and the Completion Point 1/
(In millions of U.S. dollars, unless otherwise indicated)

	Decision Point (projection)	Completion Point (Actual)		
	After enhanced HIPC debt relief	After traditional debt relief 1/	After enhanced HIPC debt relief 2/	After additional bilateral relief 3/
NPV of debt using end-December 1999 parameters	508	1,107	545	529
Multilateral	388	744	437	437
Official bilateral	120	363	107	92
NPV of debt using end-December 2002 parameters	…	1,176	603	576
Multilateral	…	797	482	482
Official bilateral	…	379	121	94
NPV of debt-to-exports ratio (in percent)				
Using end-December 1999 parameters	185			
Using end-December 2002 parameters	…	407	209	199
Memorandum items:				
Exports of goods and services 4/				
Decision point	275	…	…	…
Completion point	…	289	289	289

Sources: Nigerien authorities; and staff estimates.

1/ Assumes a stock-of-debt operation on Naples terms at end-1999, and at least comparable treatment by non-Paris Club creditors.
2/ Assumes full hypothetical delivery of the assistance provided under the HIPC Initiative.
3/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.
4/ Based on the three-year backward-looking moving average of the exports of goods and services as defined in IMF, *Balance of Payments Manual* , 5th ed., 1993 and excluding transit trade.

Table 12. Niger: Enhanced HIPC Initiative Assistance Levels and Topping Up at Completion Point
(In millions of U.S. dollars, unless otherwise indicated)

	Net Present Value (NPV) of Debt	Three-year's Exports Moving Average 1/	NPV of Assistance	NPV of Debt After Assistance	NPV of Debt-to-Exports Ratio (In percent)	Burden Sharing Based on Overall Exposure (In percent)
Decision point (end-1999)						
Decision point database 2/	973.3	303.7	520.6	452.7	150	
Completion point (end-2002)						
NPV of debt after enhanced HIPC Initiative assistance 3/	603.0	288.9	...	...	209	
NPV of debt after bilateral debt relief beyond HIPC 3/ 4/	575.8	288.9	...	...	199	
Calculation of topping-up assistance						
Total NPV of debt after bilateral debt relief beyond HIPC 3/ 4/	575.8	288.9	142.5	433.3	150	100
Multilateral	481.8		119.2	362.6		84
Bilateral	94.0		23.3	70.8		16

Sources: Nigerien authorities; and staff estimates.

1/ Based on the latest annual data on the three-year backward-looking average of exports of goods and services centered on the previous year.
2/ The NPV of debt reflects a stock-of-debt-operation on Naples terms at end-1999, and at least comparable treatment by non-Paris Club and commercial creditors.
3/ Assumes unconditional delivery of HIPC Initiative assistance at end-2002.
4/ Reflects debt relief beyond HIPC Initiative assistance provided by some bilateral creditors on a voluntary basis.

Table 13. Niger: Net Present Value (NPV) of External Public Debt, 2002-22 1/
(In millions of U.S. dollars)

	2002	2003	2004	2005	2006	2007	2008
	Actual	Projections					
I. After traditional debt-relief mechanisms 2/							
1. NPV of total debt, including new borrowing	1,176.3	1,222.7	1,247.8	1,262.0	1,274.1	1,284.6	1,299.0
2. NPV of outstanding debt	1,176.3	1,149.8	1,118.9	1,086.6	1,048.7	1,005.9	963.1
3. Official bilateral creditors	379.3	355.9	333.3	311.1	288.6	264.9	241.3
Paris Club	190.4	185.4	181.1	176.6	171.1	164.4	157.9
Other official bilateral creditors	188.9	170.5	152.2	134.4	117.5	100.5	83.4
4. Multilateral creditors	797.0	793.9	785.6	775.5	760.1	741.0	721.9
IDA	462.5	467.9	472.4	476.1	476.7	475.0	471.2
IMF	87.1	81.6	72.0	61.9	50.5	37.7	26.2
African Development Bank Group	88.4	89.3	89.4	88.9	88.5	88.0	87.4
Other multilateral creditors	159.0	155.1	151.9	148.5	144.5	140.2	137.1
II. After traditional debt-relief mechanisms and nonconcessional rescheduling of multilateral arrears 3/							
1. NPV of total debt, including new borrowing	1,186.2	1,231.0	1,252.4	1,255.0	1,261.5	1,265.8	1,274.0
2. NPV of outstanding debt	1,186.2	1,158.1	1,123.5	1,079.6	1,036.1	987.1	938.2
3. Official bilateral creditors	379.3	355.9	333.3	311.1	288.6	264.9	241.3
Paris Club	190.4	185.4	181.1	176.6	171.1	164.4	157.9
Other official bilateral creditors	188.9	170.5	152.2	134.4	117.5	100.5	83.4
4. Multilateral creditors	806.9	802.2	790.2	768.5	747.6	722.2	696.9
IDA	462.5	467.9	472.4	476.1	476.7	475.0	471.2
IMF	87.1	81.6	72.0	61.9	50.5	37.7	26.2
African Development Bank Group	88.4	89.3	89.4	88.9	88.5	88.0	87.4
Other multilateral creditors	168.9	163.4	156.4	141.5	131.9	121.4	112.1
II. After enhanced HIPC Initiative assistance							
1. NPV of total debt, including new borrowing	1,192.7	669.9	731.6	782.8	833.4	883.0	932.8
NPV of total debt after full delivery at end-2002	603.0	669.9	731.6	782.8	833.4	883.0	932.8
2. NPV of outstanding debt	1,192.7	597.0	602.7	607.4	608.1	604.2	597.0
3. Official bilateral creditors	445.4	108.7	109.0	109.3	109.7	109.9	110.1
Paris Club	205.5	27.6	27.7	27.7	27.8	27.8	27.9
Other official bilateral creditors	239.9	81.1	81.3	81.6	81.9	82.1	82.2
4. Multilateral	747.3	488.3	493.7	498.1	498.4	494.3	486.9
IDA	452.6	290.2	297.1	303.9	309.7	314.8	319.0
IMF	84.0	56.0	53.0	51.0	46.2	37.7	26.2
African Development Bank Group	86.7	52.8	53.7	54.5	55.6	56.6	57.8
Other multilateral creditors	123.9	89.2	90.0	88.6	87.0	85.2	83.9
III. After bilateral debt relief beyond HIPC Initiative assistance 4/							
1. NPV of total debt, including new borrowing	1,130.0	646.1	708.4	760.3	811.5	861.9	912.7
NPV of total debt after full delivery at end-2002	575.8	646.1	708.4	760.3	811.5	861.9	912.7
2. NPV of outstanding debt	1,130.0	573.2	579.6	584.8	586.2	583.1	576.8
3. Official bilateral creditors	382.7	84.9	85.8	86.8	87.8	88.8	89.9
Paris Club	182.6	8.7	8.7	8.7	8.7	8.7	8.7
Other official bilateral creditors	200.2	76.2	77.1	78.0	79.0	80.1	81.2
4. Multilateral creditors	747.3	488.3	493.7	498.1	498.4	494.3	486.9
IV. After toppingup of assistance at the completion point							
1. NPV of total debt, including new borrowing	1,130.0	497.2	557.0	611.3	666.6	722.3	778.3
NPV of total debt after full delivery	433.3	497.2	557.0	611.3	666.6	722.3	778.3
2. NPV of outstanding debt	1,130.0	424.3	428.1	435.9	441.2	443.5	442.5
3. Official bilateral creditors	382.7	61.6	62.4	63.1	63.9	64.7	65.5
Paris Club	182.6	5.9	5.9	5.9	5.9	5.8	5.8
Other official bilateral creditors	200.2	55.8	56.5	57.2	58.0	58.8	59.7
4. Multilateral creditors	747.3	362.6	365.8	372.8	377.4	378.8	377.0
Memorandum items:							
NPV of new borrowing	0.0	72.9	128.9	175.4	225.4	278.8	335.8
Nominal stock of total debt							
After bilateral debt relief beyond HIPC Initiative assistance	1,757.7	1,571.4	1,651.0	1,701.9	1,759.6	1,817.7	1,881.4
After topping up of assistance at the completion point	1,757.7	1,539.1	1,618.7	1,669.6	1,727.4	1,785.6	1,849.3

Sources: Nigerien authorities; and staff estimates and projections.

1/ Calculated using the corresponding currency-specific discount rates and exchange rates as in Table 10.
2/ Assumes a stock-of-debt operation on Naples terms at end of 1999, and at least comparable treatment by non-Paris Club creditors.
3/ Assumes that arrears accumulated towards multilateral creditors at end-2002 are rescheduled following the same repayment profile used under the delivery of HIPC Initiative assistance, but using commercial interest rates at end-1999. This methodology allows for easily computing debt relief granted on arrears rescheduled.
4/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.

Table 13. Niger: Net Present Value (NPV) of External Public Debt, 2002-22 1/ (continued)
(In millions of U.S. dollars)

	2009	2010	2011	2012	2013	2014	2016
					Projections		
I. After traditional debt-relief mechanisms 2/							
1. NPV of total debt, including new borrowing	1,314.3	1,337.2	1,362.7	1,393.9	1,435.6	1,482.4	1,577.6
2. NPV of outstanding debt	922.6	891.1	858.6	828.2	805.1	781.0	727.2
3. Official bilateral creditors	217.2	202.5	187.4	172.6	161.9	151.2	127.3
Paris Club	150.7	144.5	137.5	129.6	121.4	112.8	92.2
Other official bilateral creditors	66.5	58.0	49.9	43.0	40.5	38.4	35.1
4. Multilateral creditors	705.4	688.6	671.2	655.6	643.3	629.8	599.9
IDA	466.7	461.8	454.6	446.0	436.8	426.7	403.5
IMF	18.2	9.8	3.3	0.0	0.0	0.0	0.0
African Development Bank Group	86.5	85.3	84.2	83.0	81.8	79.9	75.9
Other multilateral creditors	134.1	131.7	129.1	126.7	124.7	123.3	120.6
II. After traditional debt-relief mechanisms and nonconcessional rescheduling of multilateral arrears 3/							
1. NPV of total debt, including new borrowing	1,283.2	1,300.1	1,319.5	1,345.1	1,383.0	1,425.9	1,514.9
2. NPV of outstanding debt	891.5	854.0	815.4	779.4	752.5	724.6	664.5
3. Official bilateral creditors	217.2	202.5	187.4	172.6	161.9	151.2	127.3
Paris Club	150.7	144.5	137.5	129.6	121.4	112.8	92.2
Other official bilateral creditors	66.5	58.0	49.9	43.0	40.5	38.4	35.1
4. Multilateral creditors	674.3	651.5	628.0	606.8	590.6	573.4	537.2
IDA	466.7	461.8	454.6	446.0	436.8	426.7	403.5
IMF	18.2	9.8	3.3	0.0	0.0	0.0	0.0
African Development Bank Group	86.5	85.3	84.2	83.0	81.8	79.9	75.9
Other multilateral creditors	103.1	94.6	85.9	77.8	72.1	66.8	57.8
II. After enhanced HIPC Initiative assistance							
1. NPV of total debt, including new borrowing	984.9	1,034.9	1,087.5	1,145.3	1,209.6	1,278.4	1,422.1
NPV of total debt after full delivery at end-2002	984.9	1,034.9	1,087.5	1,145.3	1,209.6	1,278.4	1,422.1
2. NPV of outstanding debt	593.2	588.8	583.4	579.7	579.2	577.0	571.7
3. Official bilateral creditors	110.3	110.4	110.4	110.3	110.0	109.7	108.3
Paris Club	27.9	27.9	27.9	27.8	27.7	27.5	27.0
Other official bilateral creditors	82.4	82.5	82.5	82.4	82.3	82.1	81.3
4. Multilateral	482.8	478.3	473.0	469.4	469.2	467.3	463.4
IDA	323.3	327.8	330.6	332.6	334.7	336.8	340.2
IMF	18.2	9.8	3.3	0.0	0.0	0.0	0.0
African Development Bank Group	58.8	59.8	60.9	61.9	63.1	64.2	66.4
Other multilateral creditors	82.6	81.0	78.2	74.8	71.3	66.4	56.7
III. After bilateral debt relief beyond HIPC Initiative assistance 4/							
1. NPV of total debt, including new borrowing	965.5	1,016.5	1,070.1	1,127.9	1,191.1	1,258.5	1,399.5
NPV of total debt after full delivery at end-2002	965.5	1,016.5	1,070.1	1,127.9	1,191.1	1,258.5	1,399.5
2. NPV of outstanding debt	573.9	570.4	566.0	562.2	560.6	557.1	549.0
3. Official bilateral creditors	91.0	92.1	93.0	92.8	91.5	89.8	85.7
Paris Club	8.7	8.7	8.6	8.5	8.4	8.2	7.7
Other official bilateral creditors	82.3	83.4	84.4	84.3	83.1	81.6	78.0
4. Multilateral creditors	482.8	478.3	473.0	469.4	469.2	467.3	463.4
IV. After toppingup of assistance at the completion point							
1. NPV of total debt, including new borrowing	832.8	885.6	942.8	1,006.0	1,075.6	1,151.2	1,310.7
NPV of total debt after full delivery	832.8	885.6	942.8	1,006.0	1,075.6	1,151.2	1,310.7
2. NPV of outstanding debt	441.1	439.4	438.7	440.3	445.1	449.8	460.3
3. Official bilateral creditors	66.4	67.3	68.2	68.8	68.9	69.1	69.2
Paris Club	5.8	5.8	5.8	5.7	5.6	5.5	5.2
Other official bilateral creditors	60.6	61.5	62.5	63.1	63.3	63.6	64.0
4. Multilateral creditors	374.7	372.1	370.4	371.5	376.1	380.8	391.1
Memorandum items:							
NPV of new borrowing	391.7	446.2	504.1	565.7	630.5	701.4	850.4
Nominal stock of total debt							
After bilateral debt relief beyond HIPC Initiative assistance	1,947.3	2,008.9	2,074.8	2,145.6	2,221.9	2,303.8	2,470.0
After topping up of assistance at the completion point	1,915.3	1,977.0	2,043.2	2,115.1	2,193.2	2,277.3	2,448.1

Sources: Nigerien authorities; and staff estimates and projections.

1/ Calculated using the corresponding currency-specific discount rates and exchange rates as in Table 10.
2/ Assumes a stock-of-debt operation on Naples terms at end of 1999, and at least comparable treatment by non-Paris Club creditors.
3/ Assumes that arrears accumulated towards multilateral creditors at end-2002 are rescheduled following the same repayment profile used under the delivery of HIPC Initiative assistance, but using commercial interest rates at end-1999. This methodology allows for easily computing debt relief granted on arrears rescheduled.
4/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.

Table 13. Niger: Net Present Value (NPV) of External Public Debt, 2002-22 1/ (concluded)
(In millions of U.S. dollars)

	2018	2019	2020	2021	2022	2002-12	2013-22
						Averages	
I. After traditional debt-relief mechanisms 2/							
1. NPV of total debt, including new borrowing	1,682.7	1,741.0	1,802.5	1,874.8	1,951.0	1,288.6	1,670.5
2. NPV of outstanding debt	663.5	629.2	592.1	557.2	518.8	1,004.5	672.6
3. Official bilateral creditors	98.5	83.6	66.5	53.9	39.6	268.5	103.6
Paris Club	65.0	50.5	33.9	22.0	8.3	162.7	68.9
Other official bilateral creditors	33.5	33.1	32.6	32.0	31.3	105.9	34.7
4. Multilateral creditors	565.0	545.6	525.6	503.3	479.3	736.0	569.0
IDA	375.4	359.8	343.5	325.2	305.5	466.4	378.2
IMF	0.0	0.0	0.0	0.0	0.0	40.8	0.0
African Development Bank Group	71.7	69.2	66.6	63.9	61.0	87.2	72.2
Other multilateral creditors	117.9	116.7	115.5	114.1	112.8	141.6	118.7
II. After traditional debt-relief mechanisms and nonconcessional rescheduling of multilateral arrears 3/							
1. NPV of total debt, including new borrowing	1,614.7	1,670.9	1,730.4	1,801.6	1,877.5	1,270.4	1,605.1
2. NPV of outstanding debt	595.5	559.1	520.0	484.1	445.3	986.3	607.2
3. Official bilateral creditors	98.5	83.6	66.5	53.9	39.6	268.5	103.6
Paris Club	65.0	50.5	33.9	22.0	8.3	162.7	68.9
Other official bilateral creditors	33.5	33.1	32.6	32.0	31.3	105.9	34.7
4. Multilateral creditors	497.0	475.5	453.4	430.1	405.8	717.7	503.6
IDA	375.4	359.8	343.5	325.2	305.5	466.4	378.2
IMF	0.0	0.0	0.0	0.0	0.0	40.8	0.0
African Development Bank Group	71.7	69.2	66.6	63.9	61.0	87.2	72.2
Other multilateral creditors	49.9	46.6	43.3	41.0	39.3	123.4	53.3
II. After enhanced HIPC Initiative assistance							
1. NPV of total debt, including new borrowing	1,586.8	1,676.4	1,767.8	1,847.8	1,932.6	934.4	1,557.1
NPV of total debt after full delivery at end-2002	1,586.8	1,676.4	1,767.8	1,847.8	1,932.6	880.8	1,557.1
2. NPV of outstanding debt	567.6	564.6	557.4	530.3	500.4	650.4	559.2
3. Official bilateral creditors	105.8	104.0	100.7	96.8	92.2	140.3	104.4
Paris Club	26.1	25.5	24.7	23.6	22.4	44.0	25.9
Other official bilateral creditors	79.7	78.4	76.0	73.2	69.8	96.4	78.5
4. Multilateral	461.8	460.7	456.7	433.5	408.2	510.0	454.8
IDA	342.1	342.8	343.5	325.2	305.5	327.4	335.1
IMF	0.0	0.0	0.0	0.0	0.0	35.0	0.0
African Development Bank Group	68.9	69.2	66.6	63.9	61.0	59.9	65.6
Other multilateral creditors	50.7	48.7	46.6	44.3	41.7	87.7	54.1
III. After bilateral debt relief beyond HIPC Initiative assistance 4/							
1. NPV of total debt, including new borrowing	1,561.2	1,649.2	1,739.7	1,818.9	1,902.9	910.1	1,532.5
NPV of total debt after full delivery at end-2002	1,561.2	1,649.2	1,739.7	1,818.9	1,902.9	859.7	1,532.5
2. NPV of outstanding debt	541.9	537.5	529.3	501.3	470.7	626.0	534.6
3. Official bilateral creditors	80.2	76.8	72.6	67.9	62.5	116.0	79.8
Paris Club	6.9	6.4	5.9	5.2	4.4	24.5	6.8
Other official bilateral creditors	73.2	70.4	66.7	62.7	58.1	91.5	72.9
4. Multilateral creditors	461.8	460.7	456.7	433.5	408.2	510.0	454.8
IV. After toppingup of assistance at the completion point							
1. NPV of total debt, including new borrowing	1,491.8	1,590.9	1,695.6	1,781.4	1,872.5	784.5	1,459.6
NPV of total debt after full delivery	1,491.8	1,590.9	1,695.6	1,781.4	1,872.5	721.2	1,459.6
2. NPV of outstanding debt	472.5	479.1	485.2	463.8	440.3	500.5	461.7
3. Official bilateral creditors	69.0	68.9	67.8	66.6	65.1	94.1	68.3
Paris Club	4.6	4.3	3.9	3.5	3.0	21.9	4.6
Other official bilateral creditors	64.4	64.6	63.9	63.1	62.1	72.2	63.7
4. Multilateral creditors	403.5	410.3	417.4	397.2	375.2	406.4	393.4
Memorandum items:							
NPV of new borrowing	1,019.2	1,111.8	1,210.4	1,317.5	1,432.2	312.5	997.9
Nominal stock of total debt							
After bilateral debt relief beyond HIPC Initiative assistance	2,668.6	2,780.6	2,901.8	3,035.8	3,180.1	1,847.0	2,651.0
After topping up of assistance at the completion point	2,652.4	2,767.7	2,892.1	3,029.5	3,177.7	1,818.0	2,634.2

Sources: Nigerien authorities; and staff estimates and projections.

1/ Calculated using the corresponding currency-specific discount rates and exchange rates as in Table 10.
2/ Assumes a stock-of-debt operation on Naples terms at end of 1999, and at least comparable treatment by non-Paris Club creditors.
3/ Assumes that arrears accumulated towards multilateral creditors at end-2002 are rescheduled following the same repayment profile used under the delivery of HIPC Initiative assistance, but using commercial interest rates at end-1999. This methodology allows for easily computing debt relief granted on arrears rescheduled.
4/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.

Table 14. Niger: External Debt Service After Full Implementation of Debt-Relief Mechanisms, 2003-22 1/
(In millions of U.S. dollars)

	2003	2004	2005	2006	2007	2008
	Projections					
I. After traditional debt-relief mechanisms 2/						
1. Total debt service including new borrowing	80.6	84.8	85.9	90.9	95.2	94.2
2. Total debt service on outstanding debt	79.1	82.1	82.1	86.0	89.1	86.9
3. Multilateral creditors	36.5	41.5	43.0	47.7	50.7	49.8
IDA	17.1	18.2	19.2	22.5	24.8	26.8
IMF	9.7	13.6	13.5	14.4	15.2	13.3
African Development Bank	2.7	3.5	4.1	4.0	4.1	4.2
Other multilateral creditors	7.1	6.2	6.3	6.7	6.7	5.4
4. Official bilateral	42.6	40.6	39.1	38.3	38.4	37.2
Paris Club	14.8	13.8	13.8	14.7	15.5	15.1
Other official bilateral creditors	27.8	26.8	25.3	23.6	22.9	22.1
II. After traditional debt-relief mechanisms and nonconcessional rescheduling of multilateral arrears 3/						
1. Total debt service including new borrowing	86.3	92.4	95.2	99.9	104.5	103.2
2. Total debt service on outstanding debt	84.7	89.7	91.5	95.0	98.5	95.9
3. Multilateral creditors	42.1	49.1	52.3	56.7	60.1	58.8
IDA	17.1	18.2	19.2	22.5	24.8	26.8
IMF	9.7	13.6	13.5	14.4	15.2	13.3
African Development Bank	2.7	3.5	4.1	4.0	4.1	4.2
Other multilateral creditors	12.7	13.9	15.6	15.7	16.1	14.4
4. Official bilateral	42.6	40.6	39.1	38.3	38.4	37.2
Paris Club	14.8	13.8	13.8	14.7	15.5	15.1
Other official bilateral creditors	27.8	26.8	25.3	23.6	22.9	22.1
III. After enhanced HIPC Initiative assistance						
1. Total debt service including new borrowing	35.9	24.3	26.9	32.2	37.9	42.2
2. Total debt service on outstanding debt	34.4	21.6	23.1	27.3	31.9	35.0
3. Multilateral creditors	15.7	17.0	18.5	22.7	27.1	30.2
IDA	6.7	7.1	7.5	9.0	9.9	10.9
IMF	4.2	5.8	4.5	7.3	10.7	13.3
African Development Bank	0.7	1.2	1.2	1.1	1.1	1.1
Other multilateral creditors	4.1	2.9	5.2	5.4	5.5	4.9
4. Official bilateral	18.7	4.6	4.6	4.6	4.8	4.8
Paris Club	4.9	0.9	0.9	0.9	0.9	0.9
Other official bilateral creditors	13.8	3.7	3.7	3.7	3.9	3.9
IV. After bilateral debt relief beyond HIPC Initiative assistance 4/						
1. Total debt service including new borrowing	31.1	23.1	25.6	30.9	36.5	40.8
2. Total debt service on outstanding debt	29.6	20.4	21.8	26.0	30.5	33.6
3. Multilateral creditors	15.7	17.0	18.5	22.7	27.1	30.2
4. Official bilateral	13.9	3.3	3.3	3.3	3.3	3.3
Paris Club	3.5	0.5	0.5	0.5	0.5	0.5
Other official bilateral creditors	10.4	2.9	2.9	2.9	2.9	2.9
V. After toppingup of assistance at the completion point						
1. Total debt service including new borrowing	31.1	19.1	16.5	20.4	24.9	29.5
2. Total debt service on outstanding debt	29.6	16.4	12.7	15.5	18.9	22.2
3. Multilateral creditors	15.7	14.0	10.3	13.2	16.5	19.8
4. Official bilateral	13.9	2.4	2.4	2.4	2.4	2.4
Paris Club	3.5	0.3	0.3	0.3	0.3	0.3
Other official bilateral creditors	10.4	2.0	2.0	2.0	2.0	2.0
Memorandum items:						
1. Debt service of new borrowing 5/	1.5	2.7	3.8	4.9	6.0	7.2
2. Nominal assistance under the enhanced HIPC Initiative 6/	43.7	68.1	68.4	67.7	66.6	61.0
3. Nominal assistance beyond HIPC Initiative assistance	4.8	1.3	1.3	1.3	1.4	1.4
4. Nominal assistance from topping up 7/	0.0	4.0	9.1	10.5	11.6	11.4

Sources: Nigerien authorities; and staff estimates and projections.

1/ Converted into U.S. dollars using the end-2002 exchange rates (see Table 10).

2/ Assumes a stock-of-debt operation on Naples terms at end-1999, and at least comparable treatment by non-Paris Club creditors.

3/ Assumes that arrears accumulated toward multilateral creditors at end-2002 are rescheduled following the same repayment profile used under the delivery of HIPC Initiative assistance, but using commercial interest rates at end-1999. This methodology all debt relief granted on arrears rescheduled.

4/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.

5/ Only reflects multilateral new borrowing.

6/ Computed as the difference between debt service due after the application of traditional debt-relief mechanisms and a nonconcessional rescheduling of both multilateral and bilateral post-cutoff date arrears outstanding at end-2002, and debt service due.

7/ Computed as the difference between debt service due after bilateral debt relief beyond HIPC Initiative assistance and debt-service due after topping up at the completion point.

Table 14. Niger: External Debt Service After Full Implementation of Debt-Relief Mechanisms, 2003-22 1/ (continued)
(In millions of U.S. dollars)

	2009	2010	2011	2012	2013	2014
			Projections			
I. After traditional debt-relief mechanisms 2/						
1. Total debt service including new borrowing	95.5	87.9	88.5	86.1	78.7	78.2
2. Total debt service on outstanding debt	82.6	71.7	71.1	67.3	58.6	58.5
3. Multilateral creditors	46.2	45.8	45.5	42.9	38.9	39.4
IDA	27.4	27.5	29.5	30.7	30.8	31.2
IMF	9.3	9.3	6.9	3.5	0.0	0.0
African Development Bank	4.5	4.7	4.6	4.7	4.6	5.3
Other multilateral creditors	5.0	4.4	4.4	4.1	3.6	2.9
4. Official bilateral	36.4	25.9	25.6	24.4	19.7	19.1
Paris Club	15.4	14.2	14.6	15.1	15.0	15.1
Other official bilateral creditors	21.0	11.7	11.0	9.3	4.6	4.0
II. After traditional debt-relief mechanisms and nonconcessional rescheduling of multilateral arrears 3/						
1. Total debt service including new borrowing	104.1	96.1	96.5	93.3	83.8	83.1
2. Total debt service on outstanding debt	91.3	79.9	79.1	74.6	63.7	63.4
3. Multilateral creditors	54.8	54.0	53.5	50.1	44.0	44.3
IDA	27.4	27.5	29.5	30.7	30.8	31.2
IMF	9.3	9.3	6.9	3.5	0.0	0.0
African Development Bank	4.5	4.7	4.6	4.7	4.6	5.3
Other multilateral creditors	13.7	12.7	12.4	11.3	8.6	7.8
4. Official bilateral	36.4	25.9	25.6	24.4	19.7	19.1
Paris Club	15.4	14.2	14.6	15.1	15.0	15.1
Other official bilateral creditors	21.0	11.7	11.0	9.3	4.6	4.0
III. After enhanced HIPC Initiative assistance						
1. Total debt service including new borrowing	44.1	47.9	49.9	49.2	47.2	48.4
2. Total debt service on outstanding debt	31.3	31.7	32.4	30.4	27.1	28.7
3. Multilateral creditors	26.6	26.8	27.4	25.3	21.8	23.4
IDA	11.1	11.2	13.1	13.9	13.9	14.1
IMF	9.3	9.3	6.9	3.5	0.0	0.0
African Development Bank	1.3	1.3	1.3	1.3	1.3	1.5
Other multilateral creditors	4.9	5.0	6.1	6.6	6.6	7.7
4. Official bilateral	4.7	4.9	5.0	5.1	5.3	5.3
Paris Club	0.9	0.9	0.9	1.0	1.0	1.1
Other official bilateral creditors	3.9	4.0	4.1	4.1	4.2	4.2
IV. After bilateral debt relief beyond HIPC Initiative assistance 4/						
1. Total debt service including new borrowing	42.8	46.5	48.5	48.9	47.9	49.3
2. Total debt service on outstanding debt	29.9	30.3	31.0	30.1	27.8	29.6
3. Multilateral creditors	26.6	26.8	27.4	25.3	21.8	23.4
4. Official bilateral	3.3	3.5	3.6	4.8	6.0	6.2
Paris Club	0.5	0.5	0.5	0.6	0.6	0.6
Other official bilateral creditors	2.9	3.0	3.1	4.2	5.4	5.5
V. After toppingup of assistance at the completion point						
1. Total debt service including new borrowing	35.4	39.0	39.2	38.1	36.3	36.2
2. Total debt service on outstanding debt	22.6	22.8	21.7	19.3	16.2	16.5
3. Multilateral creditors	20.2	20.4	19.3	16.5	12.9	13.2
4. Official bilateral	2.4	2.4	2.4	2.9	3.3	3.3
Paris Club	0.3	0.3	0.4	0.4	0.4	0.4
Other official bilateral creditors	2.0	2.1	2.1	2.5	2.9	2.9
Memorandum items:						
1. Debt service of new borrowing 5/	12.8	16.2	17.5	18.8	20.1	19.7
2. Nominal assistance under the enhanced HIPC Initiative 6/	60.0	48.3	46.7	44.1	36.6	34.7
3. Nominal assistance beyond HIPC Initiative assistance	1.4	1.4	1.4	0.3	-0.8	-0.9
4. Nominal assistance from topping up 7/	7.4	7.5	9.3	10.8	11.6	13.1

Sources: Nigerien authorities; and staff estimates and projections.

1/ Converted into U.S. dollars using the end-2002 exchange rates (see Table 10).

2/ Assumes a stock-of-debt operation on Naples terms at end-1999, and at least comparable treatment by non-Paris Club creditors.

3/ Assumes that arrears accumulated toward multilateral creditors at end-2002 are rescheduled following the same repayment profile used under the delivery of HIPC Initiative assistance, but using commercial interest rates at end-1999. This methodology all debt relief granted on arrears rescheduled.

4/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.

5/ Only reflects multilateral new borrowing.

6/ Computed as the difference between debt service due after the application of traditional debt-relief mechanisms and a nonconcessional rescheduling of both multilateral and bilateral post-cutoff date arrears outstanding at end-2002, and debt service due.

7/ Computed as the difference between debt service due after bilateral debt relief beyond HIPC Initiative assistance and debt-service due after topping up at the completion point.

Table 14. Niger: External Debt Service After Full Implementation of Debt-Relief Mechanisms, 2003-22 1/ (concluded)
(In millions of U.S. dollars)

	2016	2018	2020	2022	2003-12	2013-22
	Projections				Averages	
I. After traditional debt-relief mechanisms 2/						
1. Total debt service including new borrowing	83.7	94.1	102.3	108.7	89.0	91.4
2. Total debt service on outstanding debt	59.4	62.5	62.8	60.4	79.8	60.3
3. Multilateral creditors	40.2	41.3	41.4	43.3	45.0	40.9
IDA	32.3	33.6	33.6	35.4	24.4	33.0
IMF	0.0	0.0	0.0	0.0	10.9	0.0
African Development Bank	5.2	5.2	5.5	5.6	4.1	5.3
Other multilateral creditors	2.6	2.4	2.3	2.3	5.6	2.6
4. Official bilateral	19.2	21.3	21.4	17.1	34.9	19.4
Paris Club	16.2	19.3	19.3	14.8	14.7	16.5
Other official bilateral creditors	3.0	2.0	2.1	2.3	20.2	2.9
II. After traditional debt-relief mechanisms and nonconcessional rescheduling of multilateral arrears 3/						
1. Total debt service including new borrowing	87.6	96.6	104.6	109.2	97.2	94.5
2. Total debt service on outstanding debt	63.3	65.1	65.0	60.8	88.0	63.3
3. Multilateral creditors	44.1	43.8	43.6	43.7	53.2	43.9
IDA	32.3	33.6	33.6	35.4	24.4	33.0
IMF	0.0	0.0	0.0	0.0	10.9	0.0
African Development Bank	5.2	5.2	5.5	5.6	4.1	5.3
Other multilateral creditors	6.5	5.0	4.6	2.7	13.8	5.6
4. Official bilateral	19.2	21.3	21.4	17.1	34.9	19.4
Paris Club	16.2	19.3	19.3	14.8	14.7	16.5
Other official bilateral creditors	3.0	2.0	2.1	2.3	20.2	2.9
III. After enhanced HIPC Initiative assistance						
1. Total debt service including new borrowing	53.5	59.1	72.6	102.3	39.0	65.0
2. Total debt service on outstanding debt	29.3	27.5	33.0	54.0	29.9	33.8
3. Multilateral creditors	23.6	21.3	25.1	45.1	23.7	27.3
IDA	14.8	15.8	15.8	35.4	10.1	19.0
IMF	0.0	0.0	0.0	0.0	7.5	0.0
African Development Bank	1.5	1.5	5.5	5.6	1.2	2.8
Other multilateral creditors	7.2	4.0	3.8	4.1	5.1	5.4
4. Official bilateral	5.7	6.2	7.9	8.8	6.2	6.6
Paris Club	1.2	1.3	1.7	1.9	1.3	1.4
Other official bilateral creditors	4.5	4.9	6.2	7.0	4.9	5.2
IV. After bilateral debt relief beyond HIPC Initiative assistance 4/						
1. Total debt service including new borrowing	54.4	59.9	72.7	102.2	37.5	65.6
2. Total debt service on outstanding debt	30.2	28.4	33.1	53.8	28.3	34.4
3. Multilateral creditors	23.6	21.3	25.1	45.1	23.7	27.3
4. Official bilateral	6.6	7.1	8.0	8.7	4.6	7.2
Paris Club	0.7	0.8	0.9	1.1	0.8	0.8
Other official bilateral creditors	5.9	6.3	7.1	7.7	3.8	6.3
V. After toppingup of assistance at the completion point						
1. Total debt service including new borrowing	40.7	47.3	56.4	93.9	29.2	53.2
2. Total debt service on outstanding debt	16.4	15.7	16.8	45.6	20.1	22.0
3. Multilateral creditors	13.0	12.2	12.3	40.8	16.5	18.2
4. Official bilateral	3.4	3.5	4.5	4.8	3.6	3.8
Paris Club	0.5	0.6	0.6	0.7	0.7	0.5
Other official bilateral creditors	2.9	3.0	3.8	4.1	2.9	3.2
Memorandum items:						
1. Debt service of new borrowing 5/	24.3	31.5	39.6	48.3	9.1	31.2
2. Nominal assistance under the enhanced HIPC Initiative 6/	34.1	37.5	32.1	6.9	57.5	26.8
3. Nominal assistance beyond HIPC Initiative assistance	-0.9	-0.8	-0.1	0.1	1.6	-1.1
4. Nominal assistance from topping up 7/	13.8	12.6	16.3	8.3	8.2	12.4

Sources: Nigerien authorities; and staff estimates and projections.

1/ Converted into U.S. dollars using the end-2002 exchange rates (see Table 10).

2/ Assumes a stock-of-debt operation on Naples terms at end-1999, and at least comparable treatment by non-Paris Club creditors.

3/ Assumes that arrears accumulated toward multilateral creditors at end-2002 are rescheduled following the same repayment profile used under the delivery of HIPC Initiative assistance, but using commercial interest rates at end-1999. This methodology all debt relief granted on arrears rescheduled.

4/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.

5/ Only reflects multilateral new borrowing.

6/ Computed as the difference between debt service due after the application of traditional debt-relief mechanisms and a nonconcessional rescheduling of both multilateral and bilateral post-cutoff date arrears outstanding at end-2002, and debt service due.

7/ Computed as the difference between debt service due after bilateral debt relief beyond HIPC Initiative assistance and debt-service due after topping up at the completion point.

Table 15. Niger: External Debt Indicators, 2002-22
(In percent, unless otherwise indicated)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Actual	Projections							
I. After traditional debt-relief mechanisms 1/									
NPV of debt-to-GDP ratio	54.0	45.2	43.9	42.3	40.5	38.8	37.3	35.5	34.0
NPV of debt-to-exports ratio 2/	407.2	379.0	333.4	292.9	273.4	260.9	252.4	243.1	235.3
NPV of debt-to-revenue ratio 3/	508.1	427.7	395.7	364.9	335.2	307.5	283.0	259.8	240.0
Debt service-to-exports ratio 4/	…	20.9	19.5	18.2	18.5	18.5	17.5	16.8	14.7
Debt service-to-revenue ratio 3/	…	28.2	26.9	24.8	23.9	22.8	20.5	18.9	15.8
II. After enhanced HIPC Initiative assistance									
NPV of debt-to-GDP ratio	54.8	24.8	25.7	26.2	26.5	26.7	26.8	26.6	26.3
NPV of debt-to-exports ratio 2/	412.9	207.7	195.5	181.7	178.8	179.3	181.3	182.1	182.1
NPV of debt-to-exports ratio (existing debt at end-2002 only) 2/	412.9	185.1	161.1	141.0	130.5	122.7	116.0	109.7	103.6
NPV of debt-to-exports ratio after hypothetical full delivery in 2002 2/	208.7	207.7	195.5	181.7	178.8	179.3	181.3	182.1	182.1
NPV of debt-to-revenue ratio 3/	515.1	234.3	232.0	226.4	219.3	211.4	203.2	194.7	185.8
Debt service-to-exports ratio 4/	…	9.3	5.6	5.7	6.6	7.4	7.8	7.8	8.0
Debt service-to-revenue ratio 3/	…	12.6	7.7	7.8	8.5	9.1	9.2	8.7	8.6
III. After bilateral debt relief beyond HIPC Initiative assistance 5/									
NPV of debt-to-GDP ratio	51.9	23.9	24.9	25.5	25.8	26.1	26.2	26.1	25.9
NPV of debt-to-exports ratio 2/	391.2	200.3	189.3	176.5	174.1	175.0	177.4	178.6	178.9
NPV of debt-to-exports ratio (existing debt at end-2002 only) 2/	391.2	177.7	154.9	135.8	125.8	118.4	112.1	106.1	100.4
NPV of debt-to-exports ratio after hypothetical full delivery in 2002 2/	199.3	200.3	189.3	176.5	174.1	175.0	177.4	178.6	178.9
NPV of debt-to-revenue ratio 3/	488.0	226.0	224.7	219.8	213.5	206.3	198.8	190.9	182.5
Debt service-to-exports ratio 4/	…	8.1	5.3	5.4	6.3	7.1	7.6	7.5	7.8
Debt service-to-revenue ratio 3/	…	10.9	7.3	7.4	8.1	8.7	8.9	8.5	8.3
IV. After topping-up of assistance at the completion point									
NPV of debt-to-GDP ratio	51.9	18.4	19.6	20.5	21.2	21.8	22.3	22.5	22.5
NPV of debt-to-exports ratio 2/	391.2	154.1	148.8	141.9	143.0	146.7	151.3	154.0	155.8
NPV of debt-to-exports ratio (existing debt at end-2002 only) 2/	391.2	131.5	114.4	101.2	94.7	90.1	86.0	81.6	77.3
NPV of debt-to-exports ratio after hypothetical full delivery in 2002 2/	150.0	154.1	148.8	141.9	143.0	146.7	151.3	154.0	155.8
NPV of debt-to-revenue ratio 3/	488.0	173.9	176.6	176.8	175.4	172.9	169.6	164.6	159.0
Debt service-to-exports ratio 4/	…	7.9	4.4	3.5	4.2	4.8	5.5	6.2	6.5
Debt service-to-revenue ratio 3/	…	10.6	6.0	4.8	5.4	6.0	6.4	7.0	7.0
Memorandum items (in millions of U.S. dollars):									
NPV of debt after enhanced HIPC Initiative assistance	1,192.7	669.9	731.6	782.8	833.4	883.0	932.8	984.9	1,034.9
Of which: existing debt at end-2002	1,192.7	597.0	602.7	607.4	608.1	604.2	597.0	593.2	588.8
Debt service after enhanced HIPC Initiative assistance	…	35.9	24.3	26.9	32.2	37.9	42.2	44.1	47.9
Gross domestic product	2,177.3	2,705.2	2,843.6	2,985.8	3,143.5	3,308.5	3,483.8	3,699.3	3,930.4
Exports of goods and services 4/	303.1	385.2	434.4	472.8	490.9	513.6	539.2	569.3	596.5
Exports of goods and services 2/	288.9	322.6	374.2	430.8	466.0	492.4	514.6	540.7	568.3
Government revenue 3/	231.5	285.9	315.3	345.8	380.1	417.7	459.0	505.9	557.1

Sources: Nigerien authorities; and staff estimates and projections.

1/ Assumes a stock-of-debt operation on Naples terms at end-1999, and at least comparable treatment by non-Paris Club creditors.
2/ Based on a three-year backward-looking moving average of exports of goods and services.
3/ Revenue is defined as central government revenue, excluding grants.
4/ Current-year exports, as defined in IMF, *Balance of Payments Manual*, 5th ed., 1993, and excluding transit trade.
5/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.

Table 15. Niger: External Debt Indicators, 2002-22 (concluded)
(In percent, unless otherwise indicated)

	2011	2012	2014	2015	2016	2018	2020	2022	2003-12	2013-22
					Projections				Averages	
I. After traditional debt-relief mechanisms 1/										
NPV of debt-to-GDP ratio	32.6	31.3	29.2	28.2	27.2	25.4	23.6	22.2	38.1	26.0
NPV of debt-to-exports ratio 2/	227.9	221.7	211.7	205.7	199.6	186.5	174.3	164.1	272.0	190.1
NPV of debt-to-revenue ratio 3/	222.0	209.7	189.5	180.0	171.1	154.4	141.7	130.5	304.6	161.3
Debt service-to-exports ratio 4/	14.1	13.0	10.6	10.2	9.9	9.8	9.3	8.5	17.2	9.7
Debt service-to-revenue ratio 3/	14.4	13.0	10.0	9.5	9.1	8.6	8.0	7.3	20.9	8.8
II. After enhanced HIPC Initiative assistance										
NPV of debt-to-GDP ratio	26.0	25.7	25.2	24.9	24.6	23.9	23.2	22.0	26.1	24.0
NPV of debt-to-exports ratio 2/	181.9	182.2	182.6	181.5	179.9	175.8	171.0	162.5	185.3	175.4
NPV of debt-to-exports ratio (existing debt at end-2002 only) 2/	97.6	92.2	82.4	77.4	72.3	62.9	53.9	42.1	125.9	65.2
NPV of debt-to-exports ratio after hypothetical full delivery in 2002 2/	181.9	182.2	182.6	181.5	179.9	175.8	171.0	162.5	185.3	175.4
NPV of debt-to-revenue ratio 3/	177.2	172.3	163.4	158.8	154.2	145.6	138.9	129.2	205.6	148.4
Debt service-to-exports ratio 4/	7.9	7.4	6.5	6.3	6.4	6.1	6.6	8.0	7.4	6.7
Debt service-to-revenue ratio 3/	8.1	7.4	6.2	5.8	5.8	5.4	5.7	6.8	8.8	6.0
III. After bilateral debt relief beyond HIPC Initiative assistance 5/										
NPV of debt-to-GDP ratio	25.6	25.3	24.8	24.5	24.2	23.5	22.8	21.6	25.5	23.6
NPV of debt-to-exports ratio 2/	179.0	179.4	179.7	178.6	177.0	173.0	168.3	160.0	180.8	172.6
NPV of debt-to-exports ratio (existing debt at end-2002 only) 2/	94.7	89.4	79.6	74.5	69.5	60.0	51.2	39.6	121.5	62.4
NPV of debt-to-exports ratio after hypothetical full delivery in 2002 2/	179.0	179.4	179.7	178.6	177.0	173.0	168.3	160.0	180.8	172.6
NPV of debt-to-revenue ratio 3/	174.3	169.6	160.9	156.3	151.8	143.2	136.7	127.3	200.6	146.1
Debt service-to-exports ratio 4/	7.7	7.4	6.7	6.4	6.5	6.2	6.6	8.0	7.0	6.8
Debt service-to-revenue ratio 3/	7.9	7.4	6.3	5.9	5.9	5.5	5.7	6.8	8.3	6.1
IV. After topping-up of assistance at the completion point										
NPV of debt-to-GDP ratio	22.5	22.6	22.7	22.7	22.6	22.5	22.2	21.3	21.4	22.3
NPV of debt-to-exports ratio 2/	157.7	160.0	164.4	165.4	165.8	165.3	164.0	157.5	151.3	163.6
NPV of debt-to-exports ratio (existing debt at end-2002 only) 2/	73.4	70.0	64.2	61.3	58.2	52.4	46.9	37.0	92.0	53.4
NPV of debt-to-exports ratio after hypothetical full delivery in 2002 2/	157.7	160.0	164.4	165.4	165.8	165.3	164.0	157.5	151.3	163.6
NPV of debt-to-revenue ratio 3/	153.6	151.3	147.2	144.7	142.1	136.8	133.3	125.2	167.4	138.3
Debt service-to-exports ratio 4/	6.2	5.8	4.9	4.7	4.8	4.9	5.1	7.4	5.5	5.4
Debt service-to-revenue ratio 3/	6.4	5.7	4.6	4.4	4.4	4.3	4.4	6.3	6.5	4.9
Memorandum items (in millions of U.S. dollars):										
NPV of debt after enhanced HIPC Initiative assistance	1,087.5	1,145.3	1,278.4	1,347.8	1,422.1	1,586.8	1,767.8	1,932.6	908.6	1,557.1
Of which: existing debt at end-2002	583.4	579.7	577.0	574.7	571.7	567.6	557.4	500.4	596.1	559.2
Debt service after enhanced HIPC Initiative assistance	49.9	49.2	48.4	49.6	53.5	59.1	72.6	102.3	39.0	65.0
Gross domestic product	4,183.0	4,454.9	5,071.3	5,416.2	5,790.1	6,637.6	7,630.1	8,795.9	3,473.8	6,559.4
Exports of goods and services 4/	627.7	661.8	739.8	789.0	842.7	963.9	1,105.8	1,276.2	529.1	953.5
Exports of goods and services 2/	597.8	628.7	700.2	742.6	790.5	902.5	1,033.9	1,189.2	493.6	893.9
Government revenue 3/	613.8	664.9	782.2	849.0	922.0	1,090.2	1,272.3	1,495.2	454.6	1,068.7

Sources: Nigerien authorities; and staff estimates and projections.

1/ Assumes a stock-of-debt operation on Naples terms at end-1999, and at least comparable treatment by non-Paris Club creditors.
2/ Based on a three-year backward-looking moving average of exports of goods and services.
3/ Revenue is defined as central government revenue, excluding grants.
4/ Current-year exports, as defined in IMF, *Balance of Payments Manual* , 5th ed., 1993, and excluding transit trade.
5/ Reflects debt relief provided by some bilateral creditors, on a voluntary basis, in addition to the assistance provided under the HIPC Initiative.

Table 16. Niger: Sensitivity Analysis, 2003-22 1/
(In percent, unless otherwise indicated)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
					Projections				
Baseline scenario									
Net present value (NPV) of debt-to-exports ratio 2/	200.3	189.3	176.5	174.1	175.0	177.4	178.6	178.9	179.0
Debt service-to-exports ratio 3/	8.1	5.3	5.4	6.3	7.1	7.6	7.5	7.8	7.7
Debt service-to-revenue ratio 4/	10.9	7.3	7.4	8.1	8.7	8.9	8.5	8.3	7.9
Memorandum items (in millions of U.S. dollars):									
NPV of debt	646.1	708.4	760.3	811.5	861.9	912.7	965.5	1,016.5	1,070.1
Of which : new borrowing	72.9	128.9	175.4	225.4	278.8	335.8	391.7	446.2	504.1
Debt service	31.1	23.1	25.6	30.9	36.5	40.8	42.8	46.5	48.5
Of which : new borrowing	1.5	2.7	3.8	4.9	6.0	7.2	12.8	16.2	17.5
Exports of goods and services 3/	322.6	374.2	430.8	466.0	492.4	514.6	540.7	568.3	597.8
Exports of goods and services 2/	385.2	434.4	472.8	490.9	513.6	539.2	569.3	596.5	627.7
Revenues 4/	285.9	315.3	345.8	380.1	417.7	459.0	505.9	557.1	613.8
Sensitivity analysis									
Alternative scenario I 5/									
NPV of debt-to-exports ratio 2/	204.9	195.1	185.1	185.8	189.8	195.6	200.0	203.2	206.1
Debt service-to-exports ratio 3/	8.4	5.7	6.0	7.0	8.0	8.7	8.8	9.2	9.3
Debt service-to-revenue ratio 4/	11.2	7.8	8.2	9.1	9.9	10.2	9.9	9.9	9.5
Memorandum items (in millions of U.S. dollars):									
NPV of debt	660.8	730.0	797.5	865.7	934.6	1,006.4	1,081.6	1,154.8	1,232.4
Of which : new borrowing	87.6	150.4	212.7	279.6	351.4	429.6	507.7	584.4	666.4
Debt service	32.2	24.7	28.2	34.5	41.2	46.7	49.9	54.9	58.2
Of which : new borrowing	2.5	4.4	6.4	8.5	10.7	13.1	20.0	24.6	27.2
Exports of goods and services 3/	322.6	374.2	430.8	466.0	492.4	514.6	540.7	568.3	597.8
Exports of goods and services 2/	385.2	434.4	472.8	490.9	513.6	539.2	569.3	596.5	627.7
Revenue 4/	285.9	315.3	345.8	380.1	417.7	459.0	505.9	557.1	613.8
Alternative scenario II 6/									
NPV of debt-to-exports ratio 2/	200.3	191.3	182.0	185.1	192.0	200.8	208.4	215.4	222.1
Debt service-to-exports ratio 3/	8.1	5.5	5.7	6.9	8.0	8.7	8.9	9.4	9.6
Debt service-to-revenue ratio 4/	10.9	7.3	7.6	8.5	9.3	9.6	9.3	9.4	9.1
Memorandum items (in millions of U.S. dollars):									
NPV of debt	646.1	708.4	761.9	815.8	870.3	926.7	987.4	1,050.1	1,116.3
Of which : new borrowing	72.9	128.9	177.0	229.7	287.1	349.9	413.5	479.7	550.3
Debt service	31.1	23.1	25.6	31.0	36.7	41.2	43.3	47.3	49.6
Of which : new borrowing	1.5	2.7	3.8	5.0	6.2	7.6	13.4	17.0	18.6
Exports of goods and services 3/	322.6	370.4	418.5	440.7	453.3	461.5	473.8	487.4	502.6
Exports of goods and services 2/	385.2	422.9	447.6	451.7	460.6	472.3	488.5	501.5	517.7
Revenue 4/	285.9	315.4	336.1	364.3	394.7	427.5	464.5	504.3	547.5

Sources: Nigerien authorities; and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed debt, and assistance under the HIPC Initiative and bilateral debt relief beyond HIPC Initiative assistance ar

2/ Based on a three-year-backward-looking moving average of exports of goods and services.

3/ Based on current-year exports, as defined in IMF, *Balance of Payments Manual,* 5th ed., 1993 and excluding transit trade.

4/ Revenues are defined as central government revenues, excluding grants.

5/ Scenario I assumes less favorable financing conditions than under the baseline scenario.

6/ Scenario II assumes a lower economic growth by 1.5 percent per year than under the baseline scenario.

Table 16. Niger: Sensitivity Analysis, 2003-22 1/ (continued)
(In percent, unless otherwise indicated)

	2012	2014	2015	2016	2018	2020	2022	2003-12	2013-22
	Projections							Averages	
Baseline scenario									
Net present value (NPV) of debt-to-exports ratio 2/	179.4	179.7	178.6	177.0	173.0	168.3	160.0	180.8	172.6
Debt service-to-exports ratio 3/	7.4	6.7	6.4	6.5	6.2	6.6	8.0	7.0	6.8
Debt service-to-revenue ratio 4/	7.4	6.3	5.9	5.9	5.5	5.7	6.8	8.3	6.1
Memorandum items (in millions of U.S. dollars):									
NPV of debt	1,127.9	1,258.5	1,326.6	1,399.5	1,561.2	1,739.7	1,902.9	888.1	1,532.5
Of which : new borrowing	565.7	701.4	773.1	850.4	1,019.2	1,210.4	1,432.2	312.5	997.9
Debt service	48.9	49.3	50.5	54.4	59.9	72.7	102.2	37.5	65.6
Of which : new borrowing	18.8	19.7	20.9	24.3	31.5	39.6	48.3	9.1	31.2
Exports of goods and services 3/	628.7	700.2	742.6	790.5	902.5	1,033.9	1,189.2	493.6	893.9
Exports of goods and services 2/	661.8	739.8	789.0	842.7	963.9	1,105.8	1,276.2	529.1	953.5
Revenues 4/	664.9	782.2	849.0	922.0	1,090.2	1,272.3	1,495.2	454.6	1,068.7
Sensitivity analysis									
Alternative scenario I 5/									
NPV of debt-to-exports ratio 2/	209.3	214.7	215.6	215.9	215.1	213.4	209.0	197.5	213.7
Debt service-to-exports ratio 3/	9.1	8.6	8.4	8.5	8.5	9.0	10.6	8.0	9.0
Debt service-to-revenue ratio 4/	9.0	8.1	7.8	7.8	7.5	7.8	9.1	9.5	8.1
Memorandum items (in millions of U.S. dollars):									
NPV of debt	1,315.8	1,503.5	1,601.0	1,706.4	1,940.9	2,206.3	2,486.0	978.0	1,908.1
Of which : new borrowing	753.6	946.4	1,047.5	1,157.4	1,399.0	1,677.1	2,015.3	402.3	1,373.6
Debt service	60.1	63.6	66.2	72.0	81.7	99.6	135.5	43.1	87.2
Of which : new borrowing	30.0	34.0	36.6	41.8	53.3	66.5	81.6	14.7	52.8
Exports of goods and services 3/	628.7	700.2	742.6	790.5	902.5	1,033.9	1,189.2	493.6	893.9
Exports of goods and services 2/	661.8	739.8	789.0	842.7	963.9	1,105.8	1,276.2	529.1	953.5
Revenue 4/	664.9	782.2	849.0	922.0	1,090.2	1,272.3	1,495.2	454.6	1,068.7
Alternative scenario II 6/									
NPV of debt-to-exports ratio 2/	229.4	242.6	247.9	251.7	256.5	258.4	253.5	202.7	251.5
Debt service-to-exports ratio 3/	9.4	8.9	8.8	9.1	9.1	10.0	12.5	8.0	9.8
Debt service-to-revenue ratio 4/	8.6	7.8	7.6	7.7	7.6	8.2	10.0	9.0	8.3
Memorandum items (in millions of U.S. dollars):									
NPV of debt	1,188.6	1,347.7	1,433.6	1,522.1	1,712.0	1,913.3	2,090.2	907.2	1,671.4
Of which : new borrowing	626.4	790.6	880.1	973.0	1,170.1	1,384.0	1,619.6	331.5	1,136.9
Debt service	50.4	51.5	53.1	57.5	64.0	78.0	108.8	37.9	69.6
Of which : new borrowing	20.3	22.0	23.6	27.4	35.6	44.9	55.0	9.6	35.2
Exports of goods and services 3/	518.2	555.5	578.4	604.8	667.5	740.3	824.6	444.9	662.6
Exports of goods and services 2/	535.5	576.1	604.0	634.2	701.7	779.9	870.4	468.3	695.1
Revenue 4/	584.6	661.7	701.3	744.0	839.4	949.8	1,084.5	422.5	830.0

Sources: Nigerien authorities; and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed debt, and assistance under the HIPC Initiative and bilateral debt relief beyond HIPC Initiative assistance a

2/ Based on a three-year-backward-looking moving average of exports of goods and services.

3/ Based on current-year exports, as defined in IMF, *Balance of Payments Manual,* 5th ed., 1993 and excluding transit trade.

4/ Revenues are defined as central government revenues, excluding grants.

5/ Scenario I assumes less favorable financing conditions than under the baseline scenario.

6/ Scenario II assumes a lower economic growth by 1.5 percent per year than under the baseline scenario.

Table 17. Niger: Status of Creditor Participation Under the Enhanced HIPC Initiative

	Debt Relief in NPV Terms (US$ mil.)	Percentage of Total Assistance	Satisfactory Reply	Modalities To Deliver Debt Relief
IDA	170.0	32.7	Yes	Assistance will be delivered through a reduction of 66.5 percent of the debt service falling due to IDA, on disbursed and outstanding debt as of end-1999, over the period 2001-20. Interim assistance is being provided with effect from January 2001.
African Development Bank (AfDB)	37.2	7.2	Yes	Assistance will be delivered through a reduction of 80 percent of the debt-service payments to the AfDB Group over the period January 2001 – July 2019 on the disbursed and outstanding debt as of end-December 1999. Interim assistance is being provided with effect from January 2001.
IMF	27.8	5.3	Yes	Assistance will be delivered through grants from the PRGF/HIPC Trust Fund which cover about 55.8 percent of the payments falling due during 2001-07, corresponding to Niger's obligations as of October 31, 2000. Interim assistance is being provided starting in January 2001.
Islamic Development Bank (IsDB)	21.0	4.0	Yes	Assistance provided in full through a concessional rescheduling of Niger's outstanding obligations as of end-2000.
EC	14.8	2.8	Yes	Interim assistance is being provided through the repayment of debt service on identified loans, with effect since January 2002. At the completion point, a grant will be provided to pay off the amount outstanding on identified loans in the proportion needed to fully provide the assistance.
Arab Bank for Economic Development in Africa (BADEA)	13.1	2.5	Yes	Estimated US$8.5 million of assistance in net present value (NPV) terms was provided through a concessional rescheduling of the arrears as of end-2000 and the payments falling due in 2001 and 2002. The remaining assistance will be provided at the completion point.
International Fund for Agricultural Development (IFAD)	8.8	1.7	Yes	Assistance will be delivered at the completion point, through a reduction of debt-service payments on eligible debt by up to 100 percent until the target in NPV terms is reached. Preliminary estimates show that IFAD's relief could be delivered over ten years.
West Africa Development Bank (BOAD); West Africa Economic and Monetary Union (WAEMU)	6.7	1.3	Yes	Estimated US$4.2 million of assistance in NPV terms was provided by WAEMU through a concessional rescheduling of Niger's arrears with BOAD as of end-December 1999.
OPEC Fund for International Development	6.6	1.3	Yes	Full assistance was provided through two concessional loans whose resources were used to refinance the arrears toward the OPEC Fund and to meet the payments to the Fund until the resources are exhausted.
Conseil de l'Entente (FEGECE)	2.4	0.5	No	FEGECE has not yet agreed to participate in the Initiative.
Economic Community of West African States (ECOWAS)	0.7	0.1	No	ECOWAS has not yet agreed to participate in the Initiative.
Total multilateral creditors	309.2	59.4		
Paris Club creditors	104.9	20.2		Cologne flow provided during interim period. Stock-of-debt operation under Cologne terms (90 percent NPV reduction) is expected at completion point.
Non-Paris Club creditors	104.2	20.0		
Algeria			No	Being contacted by Niger.
China, People's Republic of			Yes	Cancelled one loan delivering thus its full share of relief in 2001.
Iraq			No	Being contacted by Niger.
Kuwait			Yes	Provided a stock-of-debt operation delivering thus its full share of relief in July 2002.
Lybia			Yes	Has indicated its intention to participate in the HIPC initiative.
Saudi Arabia			No	Being contacted by Niger.
Taiwan Province of China			No	Being contacted by Niger.
United Arab Emirates			No	Being contacted by Niger.
Commercial creditors	2.1	0.4	No	Debt fully repaid without HIPC Initiative assistance.
Total bilateral and commercial creditors	211.3	40.6		
Total	520.6	100.0		

Sources: Nigerien authorities; and staff estimates.

Table 18. Niger: Delivery of IDA Assistance Under the Enhanced HIPC Initiative, 2001-20 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2015	2020	2001-10	2011-20	Total Nominal Assistance
	Actual		Projections										Averages		
I. Debt service to IDA before HIPC Initiative assistance 1/	13.6	15.4	17.1	18.2	19.2	22.5	24.8	26.8	27.4	27.5	31.7	33.6	21.2	32.0	
Principal	8.2	9.4	10.5	11.7	12.8	16.3	18.6	20.9	21.5	21.8	26.9	29.9	15.2	27.4	
Interest	5.4	6.0	6.5	6.4	6.3	6.2	6.1	6.0	5.8	5.7	4.7	3.6	6.1	4.6	
II. IDA assistance under the HIPC Initiative framework 2/	9.1	9.7	10.4	11.0	11.6	13.6	14.8	15.9	16.2	16.3	17.3	17.8	12.9	17.3	301.7
Principal	7.4	8.3	9.1	9.9	10.7	13.0	14.5	15.8	16.2	16.3	17.3	17.8	12.1	17.3	294.2
Interest	1.7	1.5	1.3	1.1	0.9	0.6	0.3	0.1	0.0	0.0	0.0	0.0	0.8	0.0	7.5
III. Debt service to IDA after HIPC Initiative assistance (I - II) 2/	4.5	5.7	6.7	7.1	7.5	9.0	9.9	10.9	11.1	11.2	14.4	15.8	8.4	14.7	
Principal	0.8	1.1	1.5	1.8	2.1	3.3	4.1	5.1	5.3	5.5	9.6	12.2	3.1	10.1	
Interest	3.7	4.5	5.2	5.3	5.4	5.7	5.8	5.8	5.8	5.7	4.7	3.6	5.3	4.6	
IV. IDA assistance under the HIPC Initiative framework with possible topping up at the completion point 3/	9.1	9.7	10.4	13.5	15.0	17.6	19.4	21.0	21.4	21.5	24.8	26.3	15.8	25.0	408.7
V. Debt service to IDA after HIPC Initiative assistance with possible topping up at the completion point (I-IV) 3/	4.5	5.7	6.7	4.1	3.3	4.0	4.4	5.0	5.1	5.1	7.3	8.4	4.8	7.6	
Percentage of debt service to IDA covered by HIPC Initiative assistance 2/	66.9	63.2	60.8	60.8	60.6	60.3	60.0	59.2	59.3	59.2	54.7	52.9			
Percentage of debt service to IDA covered by HIPC Initiative assistance with with possible topping up at the completion point 3/	66.9	63.2	60.8	74.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2			
Memorandum items:															
HIPC Initiative assistance approved at decision point in NPV terms	170.0														
Of which: assistance provided during the interim period	26.8														
Possible topping-up assistance in NPV terms	70.1														

Source: IDA staff estimates.

1/ From 2003 onwards, principal and interest payments due to IDA correspond to prorated projections based on the disbursed and outstanding debt as of end-December 2002, converted into U.S. dollars using the exchange rate as of end-December 2002.
2/ Enhanced HIPC Initiative assistance as approved by the Board of IDA at the decision point: IDA/R2000-236 (12/6/00).
3/ Subject to IDA Board approval of topping-up assistance at the completion point.

Table 19. Niger: Delivery of IMF Assistance Under the Enhanced HIPC Initiative, 2000-08 1/
(In millions of SDRs, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt service due on IMF obligations before the HIPC Initiative 2/	0.1	1.5	3.3	7.4	10.3	10.2	9.2	7.2	3.4
Principal	0.0	1.0	2.9	6.8	9.7	9.7	8.7	6.8	2.9
Interest	0.1	0.6	0.4	0.7	0.6	0.6	0.5	0.5	0.5
I - Delivery of HIPC Initiative assistance without topping-up of assistance at the completion point									
IMF assistance-deposits into Niger's account									
Interim assistance	0.430	0.0	1.079	5.169					
Completion point assistance 3/	0.0	0.0	0.0	14.882					
Delivery schedule of IMF assistance (in percent of total assistance)	0.0	2.0	5.0	14.0	19.9	15.5	19.5	16.5	7.6
IMF assistance-drawdown schedule 4/	0.0	0.4	1.1	4.1	5.5	5.2	4.8	3.9	1.8
IMF assistance without interest	0.0	0.4	1.1	3.0	4.3	3.3	4.2	3.6	1.6
Estimated interest earnings	0.0	0.0	0.0	1.1	1.2	1.9	0.5	0.3	0.2
Debt service due on IMF obligations after IMF assistance 4/	0.1	1.1	2.2	3.3	4.8	5.0	4.5	3.3	1.5
Share of debt service due on IMF obligations covered by IMF assistance (in percent) 4/	0.0	28.0	32.8	55.0	53.6	51.2	51.6	53.9	54.1
Proportion (in percent) of each principal repayment falling due during the period to be paid by IMF HIPC Initiative assistance from the principal deposited into Niger's account 5/	0.0	44.6	37.2	62.5	44.5	34.6	48.4	52.6	56.3
Debt service due on current IMF obligations after IMF assistance (in millions of U.S. dollars) 6/	2.7	1.1	2.9	4.2	6.1	6.4	8.0	9.9	10.8
(in percent of exports)	0.9	0.4	1.0	1.1	1.4	1.4	1.6	1.9	2.0
Share of total debt service covered by IMF assistance (in percent)	4.4	1.6	4.1	5.2	7.2	7.5	8.8	10.4	11.5
II - Delivery of HIPC Initiative assistance with topping-up of assistance at the completion point									
IMF assistance-deposits into Niger's account									
Interim assistance	0.430	0.0	1.079	5.169					
Completion point assistance 3/	0.0	0.0	0.0	24.652					
Delivery schedule of IMF assistance (in percent of total assistance)	0.0	1.4	3.4	9.6	13.7	20.0	23.5	20.0	8.3
IMF assistance-drawdown schedule 4/	0.0	0.4	1.1	4.6	6.1	9.2	8.3	6.9	2.9
IMF assistance without interest	0.0	0.4	1.1	3.0	4.3	6.3	7.4	6.3	2.6
Estimated interest earnings	0.0	0.0	0.0	1.6	1.8	2.9	1.0	0.6	0.3
Debt service due on IMF obligations after IMF assistance 4/	0.1	1.1	2.2	2.8	4.2	1.0	0.9	0.4	0.4
Share of debt service due on IMF obligations covered by IMF assistance (in percent) 4/	0.0	28.0	32.8	61.9	59.1	90.1	90.4	94.8	86.9
Proportion (in percent) of each principal repayment falling due during the period to be paid by IMF HIPC Initiative assistance from the principal deposited into Niger's account 5/	0.0	44.6	37.2	62.5	44.5	64.9	84.7	92.7	90.0
Debt service due on current IMF obligations after IMF assistance (in millions of U.S. dollars) 6/	2.7	1.1	2.9	3.5	5.3	1.0	3.1	5.9	9.4
(in percent of exports)	0.9	0.4	1.0	0.9	1.2	0.2	0.6	1.1	1.7
Share of total debt service covered by IMF assistance (in percent)	4.4	1.6	4.1	4.3	6.3	1.2	3.4	6.2	9.9
Memorandum items:	(In millions of U.S. dollars)								
Debt service due on IMF obligations 6/	2.7	1.7	4.3	9.7	13.6	13.5	14.4	15.2	13.3
Total debt service due 6/ 7/	60.8	67.5	69.5	80.6	84.8	85.9	90.9	95.2	94.2

Sources: Nigerien authorities; and staff estimates and projections.

1/ Total IMF assistance under the enhanced HIPC Initiative is SDR 21.56 million without topping up of assistance at the completion point and SDR 31.33 million with topping up of assistance at the completion point. These amounts are calculated on the basis of data available at the decision point and completion point, and excluding interest earned on Niger's account and on committed but undisbursed amounts, as described in footnote 4. The topping up assistance of SDR 9.771 million will be updated using the US$/SDR exchange rate at the completion point and disbursed to Niger, with accrued interest, when satisfactory financing assurances for the disbursement of such amount have been obtained.

2/ Forthcoming obligations estimated based on rates and principal schedules in effect as of October 31, 2000. Interest obligations include net SDR charges and assessments. Data for 2000 cover only the month of December.

3/ A final disbursement of assistance in the amount of SDR 14.882 million, or 24.652 million if topping up of assistance is approved, plus accumulated interest income accrued during the interim period is to be disbursed into Niger's account at the assumed completion point in December 2003.

4/ Includes estimated interest earnings on (i) amounts held in Niger's account and (ii) amounts committed but not yet disbursed up to the completion point. It is assumed that these amounts earn a rate of return of 5 percent in SDR terms; actual interest earnings may be higher or lower. Interest accrued on (i) during a calendar year will be used toward the first repayment obligation(s) falling due in the following calendar year except in the final year, when it will be used toward payment of the final obligation(s) falling due in that year. Interest accrued on (ii) during the interim period will be used toward the repayment of obligations falling due during the three years after the completion point.

5/ The proportion for 2003 applies to principal repayment obligations that fall due from mid-April through end-December, as approved by the Board on March 31, 2003 and October 16, 2003.

6/ Based on decision point projections up to 2002 and completion point projections converted using end-2002 exchange rate thereafter.

7/ After the application of traditional debt-relief mechanisms.

Table 20. Paris Club Creditors' Delivery of Debt Relief Under Bilateral Initiatives
Beyond the Enhanced HIPC Initiative

	Countries Covered	Official Development Assistance (ODA) (In percent)		Non-ODA (In percent)		Provision of Relief	
		Pre-cutoff date	Post-cutoff date	Pre-cutoff date	Post-cutoff date	Decision point (in percent)	Completion point
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Australia	HIPCs	100	100	100	100 1/	1/	
Austria	HIPCs (case-by-case)	Case-by-case (100)	Case-by-case (100)	Case-by-case (100)	-	Case-by-case	Case-by-case
Belgium	HIPCs	100	100	Case-by-case (100)	-	100 flow	Stock
Canada	HIPCs 2/	- 3/	- 3/	100	100	100 flow	Stock
Denmark	HIPCs	100	Case-by-case (up to 100)	-	-	-	Stock
France	HIPCs	100	100	100	-	100 flow 4/	Stock
Finland	HIPCs	95	98	-	-	-	-
Germany	HIPCs	100	100	100	-	100 flow	Stock
Ireland	-	-	-	-	-	-	-
Italy	HIPCs	100	100 5/	100	100 5/	100 flow	Stock
Japan	HIPCs	100	100	100	-	-	Stock
Netherlands	HIPCs	100	100	100	-	90-100 flow 6/	Stock
Norway	HIPCs	- 3/	- 3/	100	100 7/	100 flow	Stock
Russia	Case-by-case	-	-	-	-	-	Stock
Spain	HIPCs	100	Case-by-case	Case-by-case	Case-by-case	-	Stock
Sweden	Case-by-case	- 3/	- 3/	Case-by-case (100)	-	-	Stock
Switzerland	HIPCs	- 3/	- 3/	Case-by-case	Case-by-case	Case-by-case, flow	Stock
United Kingdom	HIPCs	100	100	100	100 8/	100 flow 8/	Stock
United States	HIPCs	100	100	100	100 9/	100 flow	Stock

Source: Paris Club Secretariat.

Note: Columns (1) to (7) describe the additional debt relief provided following a specific methodology under bilateral initiatives and need to be read as a whole for each creditor. In column (1), "HIPCs" stands for eligible countries effectively qualifying for the HIPC Initiative process. A "100 percent" mention in the table means that the debt relief provided under the enhanced HIPC Initiative framework will be topped up to 100 percent through a bilateral initiative.

1/ Australia: post-cutoff-date non-ODA relief to apply to debts incurred before a date to be finalized; timing details for both flow and stock relief are to be finalized.

2/ Canada: including Bangladesh. Canada has granted a moratorium of debt service as of January 2001 on all debt disbursed before end-March 1999 for 11 out of 17 HIPCs with debt service due to Canada. The debt will be written off at the completion point. The countries to be covered are Benin, Bolivia, Cameroon, Ethiopia, Guyana, Honduras, Madagascar, Mali, Senegal, Tanzania, and Zambia.

3/ 100 percent of ODA claims have already been cancelled on HIPCs, with the exception of Myanmar's debt to Canada.

4/ France: cancellation of 100 percent of debt service on pre-cutoff-date commercial claims as they fall due starting at the decision point. Once countries have reached their completion point debt relief on ODA claims will go to a special account and will be used for specific development projects.

5/ Italy: cancellation of 100 percent of all debts (pre- and post-cutoff-dates, ODA and non-ODA) incurred before June 20, 1999 (the Cologne summit). At decision point cancellation of the related amounts falling due in the interim period. At completion point cancellation of the stock of remaining debt.

6/ The Netherlands: 100 percent ODA: pre- and post-cutoff-date debt will be cancelled at decision point; for non-ODA: in some particular cases (Bolivia, Burkina Faso, Mali, Ethiopia, Nicaragua, and Tanzania), the Netherlands will write off 100 percent of the consolidated amounts on the flow at decision point; all other HIPCs will receive interim relief up to 90 percent reduction of the consolidated amounts. At completion point, all HIPC countries will receive 100 percent cancellation of the remaining stock of the pre-cutoff-date debt.

7/ On debt assumed before December 31, 1997.

8/ United Kingdom: "beyond 100 percent" full write-off of all debts of HIPCs as of their decision points, and reimbursement at the decision point of any debt service paid before the decision point.

9/ United States: 100 percent post-cutoff-date non-ODA treated on debt assumed prior to 06/20/99 (the Cologne summit).

Table 21. HIPC Initiative: Status of Country Cases Considered Under the Initiative, as of September 2003

Country	Decision Point	Completion Point	Target NPV of Debt-to- Export (in percent)	Target NPV of Debt-to- Gov. revenue (in percent)	Assistance Levels 1/ (In millions of U.S. dollars, present value) Total	Bilateral	Multilateral	IMF	World Bank	Percentage Reduction in NPV of Debt 2/	Estimated Total Nominal Debt Service Relief (In millions of U.S. dollars)
Completion point reached under enhanced framework											
Benin	Jul. 00	Apr. 03	150	...	265	77	189	24	84	31	460
Bolivia					1,302	425	876	84	194		2,060
Original framework	Sep. 97	Sep. 98	225	...	448	157	291	29	54	14	760
Enhanced framework	Feb. 00	Jun. 01	150	...	854	268	585	55	140	30	1,300
Burkina Faso					553	83	469	58	231		930
Original framework	Sep. 97	Jul. 00	205	...	229	32	196	22	91	27	400
Enhanced framework	Jul. 00	Apr. 02	150	...	195	35	161	22	79	30	300
topping up		Apr. 02	150	...	129	16	112	14	61		230
Mali					538	169	369	59	187		895
Original framework	Sep. 98	Sep. 00	200	...	121	37	84	14	44	9	220
Enhanced framework	Sep. 00	Feb. 03	150	...	417	132	285	45	143	29	675
Mauritania	Feb. 00	Jun. 02	137	250	622	261	361	47	100	50	1,100
Mozambique					2,023	1,270	753	143	443		4,300
Original framework	Apr. 98	Jun. 99	200	...	1,717	1,076	641	125	381	63	3,700
Enhanced framework	Apr. 00	Sep. 01	150	...	306	194	112	18	62	27	600
Tanzania	Apr. 00	Nov. 01	150	...	2,026	1,006	1,020	120	695	54	3,000
Uganda					1,003	183	820	160	517		1,950
Original framework	Apr. 97	Apr. 98	202	...	347	73	274	69	160	20	650
Enhanced framework	Feb. 00	May 00	150	...	656	110	546	91	357	37	1,300
Decision point reached under enhanced framework											
Cameroon	Oct. 00	Floating	150	...	1,260	874	324	37	179	27	2,000
Chad	May. 01	Floating	150	...	170	35	134	18	68	30	260
Congo, Dem. Rep. of	Jul. 03	Floating	150	...	6,311	3,837	2,474	472	831	80	10,389
Ethiopia	Nov. 01	Floating	150	...	1,275	482	763	34	463	47	1,930
Gambia, The	Dec. 00	Floating	150	...	67	17	49	2	22	27	90
Ghana	Feb. 02	Floating	69	250	2,186	1,084	1,102	112	781	56	3,700
Guinea	Dec. 00	Floating	150	...	545	215	328	31	152	32	800
Guinea-Bissau	Dec. 00	Floating	150	...	416	212	204	12	93	85	790
Guyana					585	220	365	74	68		1,030
Original framework	Dec. 97	May 99	107	280	256	91	165	35	27	24	440
Enhanced framework	Nov. 00	Floating	150	250	329	129	200	40	41	40	590
Honduras	Jul. 00	Floating	110	250	556	215	340	30	98	18	900
Madagascar	Dec. 00	Floating	150	...	814	457	357	22	252	40	1,500
Malawi	Dec. 00	Floating	150	...	643	163	480	30	331	44	1,000
Nicaragua	Dec. 00	Floating	150	...	3,267	2,145	1,123	82	189	72	4,500
Niger	Dec. 00	Floating	150	...	521	211	309	28	170	54	900
Rwanda	Dec. 00	Floating	150	...	452	56	397	44	228	71	800
São Tomé and Príncipe	Dec. 00	Floating	150	...	97	29	68	-	24	83	200
Senegal	Jun. 00	Floating	133	250	488	193	259	45	124	19	850
Sierra Leone	Mar. 02	Floating	150	...	600	268	332	123	122	80	950
Zambia	Dec. 00	Floating	150	...	2,499	1,168	1,331	602	493	63	3,850
Decision point reached under original framework											
Côte d'Ivoire	Mar. 98	...	141	280	345	163	182	23	91	6 3/	800
Total assistance provided/committed					31,428	15,519	15,778	2,517 4/	7,230		51,934

Sources: IMF and World Bank Board decisions, completion point documents, decision point documents, preliminary HIPC documents, and staff calculations.

1/ Assistance levels are at countries' respective decision or completion points, as applicable.

2/ In percent of the net present value (NPV)of debt at the decision or completion point (as applicable), after the full use of traditional debt-relief mechanisms.

3/ Nonreschedulable debt to non-Paris Club official bilateral creditors and the London Club, which was already subject to a highly concessional restructuring, is excluded from the NPV of debt at the completion point in the calculation of this ratio.

4/ Equivalent to SDR 2,023 million at an SDR/U.S. dollar exchange rate of 0.8039.

Debt Management

A. Institutional Framework

The responsibility of Niger's external debt management is shared between different units within the Ministry of Finance and Economy (MFE) and the Central Bank of West African States (BCEAO). The units within the MFE that participate in the process are: the Direction de la Dette Publique (DDP), the Direction du Trésor (DT), the Direction du Financement et des Investissements (DFI) and the Direction du Plan et Programme (DPP). Based on technical evaluation carried out by these offices, new borrowing operations and the provision of state guarantees on non-government external borrowing are approved by the MFE. State guarantees approved by the MFE are then subjected to a further confirmation by the National Assembly.

The legal and institutional frameworks governing Niger's external debt management need to be strengthened. The responsibilities, mandates and functions of the units participating in the debt-management process are currently defined through administrative regulations rather than appropriate laws. Inadequate flow of information and lack of coordination among these units have generated some problems in the past, including the recurrence of temporary external payments arrears.

In this regard, the Nigerien authorities intend to centralize all debt management responsibilities within the DT of the MFE. While a centralized framework for debt management is not intrinsically superior to a decentralized one, the new institutional arrangement and debt-management software described below will help to address the aforementioned problems and, in particular, prevent new external payments arrears via a better monitoring of debt obligations and their payment. Staffs consider that the legal framework governing Niger's external debt management should be strengthened through a comprehensive law. Focus should be on clear specification of the rules and procedures concerning debt management functions and increased transparency and accountability.

New borrowing operations and the provision of state guarantees on nongovernment external borrowing are approved by the MFE based on technical evaluations carried out by the DT. State guarantees approved by the MFE are then subjected to a further confirmation by the National Assembly.

B. Policy Coordination

In the absence of a formal committee or working group, the coordination between external debt management and macroeconomic policies is done on an ad hoc basis. As a result, the link between external debt management and the formulation of macroeconomic policies presents weaknesses that could impair Niger's capacity to formulate and implement an adequate long-term debt sustainability strategy. Improvement of coordination between the MFE, the BCEAO and the line ministries is a priority for Nigerien authorities.

C. Debt Recording and Debt Reporting

At the decision point, the debt-recording system used by the country was identified as the main obstacle to an effective management of external debt.[38] Since then, resources provided by the Agence Intergouvernementale de la Francophonie allowed the acquisition of the Commonwealth Secretariat-Debt Recording and Management System (CS-DRMS 2000+). In September 2003, the government had installed the software in eight working stations with technical help from a Pôle-Dette mission. This mission also trained 17 Nigerien officials in the use of the software, including three information-technology staff who would be in charge of ensuring the maintenance of the system. The officials trained in the use of the new software should soon complete the migration of Niger's external debt database, and the new software would then be fully operational.

Niger's loan-by-loan records and documentation provide for a fairly comprehensive accounting of the country's medium- and long-term public and publicly guaranteed external debt. However, there are some important areas where improvement is needed:

- Data coverage needs to be extended to include nonguaranteed debt of public and mixed enterprises, as well as short term and private debt, so as to provide a comprehensive view of all external debt obligations. Also, the information on all categories of debt should be stored in one central database, easily accessible to relevant government authorities.

- Reconciliation of debt data with creditors should be undertaken on a regular basis in order to improve accuracy.

- Documentation concerning new loan agreements, disbursements, and debt service should be processed in a timely and more accurate manner.

D. Analytical Capacity

The number of Nigerien officials participating in the external debt-management process seems to be sufficient, although they suffer from ill-defined functions and inadequate training. In this regard, additional training is urgently needed to enhance the analytical capacity required to evaluate new loans, negotiate debt relief agreements, and integrate debt management into the overall macroeconomic framework.

[38] Among, other limitations, the debt-recording system was not multiuser, unable to project debt data, prone to data entry errors, not user friendly and required a substantial amount of training to use. Also, it was not compatible with other ministerial platforms.

INTERNATIONAL MONETARY FUND

NIGER

Enhanced Initiative for Heavily Indebted Poor Countries Completion Point Document—Supplementary Information

Prepared by the African and Policy Development and Review Departments

(In consultation with the Legal Department)

Approved by Abdoulaye Bio-Tchané, Martin Fetherston, and Thomas Laryea

April 6, 2004

1. This supplement provides additional information that has become available since the circulation of the Niger HIPC Initiative Completion Point document on December 17, 2003. This information does not alter the thrust of the staff assessment.

2. The political situation remains calm, as Niger prepares for local elections in May 2004, to be followed by parliamentary and presidential elections in November 2004. Last year, the National Assembly adopted a new electoral code to ensure that the upcoming elections were fair and transparent.

3. The authorities have maintained a sound record of policy implementation, and performance under the 2003 program was broadly satisfactory. On the basis of preliminary information, all but one of the quantitative and structural performance criteria for 2003 were met*,* while one quantitative indicative target and one structural benchmark were not observed. More specifically, the performance criterion on the reduction of domestic arrears was not observed; only CFAF 12.6 billion[1] was cleared, owing to a shortfall in revenue (see below) and a delay until December 2003 in most programmed external assistance. Also, the indicative target on total government revenue was missed by an estimated CFAF 11.7 billion (0.7 percent of GDP). In the area of structural reform, the benchmark on the preparation of Medium-Term Expenditure Frameworks (MTEF) for the education and health sectors was not observed, but is expected to be fully implemented by end-April 2004.

[1] The amount is CFAF 5.4 billion (0.3 percent of GDP) lower than the targeted CFAF 18 billion. In January 2004, an additional CFAF 3.9 billion reduction of domestic arrears was effected.

4. The government continues to make progress towards restoring macroeconomic stability and putting the economy on the path to stronger growth. In 2003, real GDP growth is estimated to have reached 4 percent, due to a favorable rainy season and buoyant activities in the construction and trade sectors; end-year inflation was contained at less than 1 percent for the second year in a row. The external current account deficit (excluding grants for budgetary assistance) remained unchanged at the 2002 level of about 8.5 percent of GDP, reflecting a rebound of exports of agricultural products and sustained imports of capital goods.

5. In the fiscal area, the basic budget balance (on a commitment basis, excluding grants) recorded a deficit of around 2 percent of GDP, consistent with the program objective for end-December 2003. However, as mentioned above, government revenue was lower than programmed, as a result of border closings with Nigeria, smaller-than-programmed West African Economic and Monetary Union (WAEMU) transfers, and weaknesses in VAT collection. The authorities compensated for the revenue shortfall by effecting a freeze on domestically financed capital spending. As regards monetary developments, broad money is estimated to have risen by 13.7 percent in 2003, with net bank credit to the government and to the private sector increasing by 3.2 percent and 4.5 percent of beginning-of-period broad money, respectively, and net foreign assets of the banking system rising by 1.4 percent of beginning-of-period M2.

6. The structural reform agenda suffered delays in 2003, due to institutional weaknesses and delays in the delivery of needed external technical assistance. Concerning the privatization program, the parastatal company importing petroleum products (SONIDEP) will likely be brought to the point of sale in the second quarter of 2004, much later than the original timing of 2003, owing to delays in preparing bidding documents. The privatization of the electricity parastatal company (NIGELEC) has also proven difficult owing to the need to mobilize US$60-100 million in funding for rehabilitation and expansion, the resolution of pending regulatory issues, and a heavy dependence on the Nigerian Electrical Power Authority (NEPA), which itself faces a very difficult financial situation.

7. The efforts to improve the management of public resources continued. In particular, debt management was strengthened with the installation of new software and the training of the relevant personnel in its use; and all debt-related transactions were centralized at the Treasury. The authorities prepared the first annual progress report on the implementation of the PRSP in 2003, which showed a broadly satisfactory execution of the strategy since January 2002 (EBD/03/94**).** The Board considered the report on November 24, 2003.

8. When the Executive Board completed the fifth PRGF review in November 2003, Niger had implemented 9 of its 13 completion point triggers. Subsequently, two of the remaining four triggers were met, including the preparation of a report on demand and supply-side impediments to primary school enrollment and the plan to improve the availability of essential drugs in rural health centers. A report summarizing various studies on constraints on primary education was recently produced and judged satisfactory by IDA. The plan to ensure the availability of essential drugs in rural health centers was prepared and

adopted by the government through the issuance of a decree by the Minister of Health dated January 7, 2004.

9. The government has indicated its commitment to fulfilling the remaining two trigger conditions; delays in meeting them reflect mainly Niger's limited implementation capacity and difficulties in coordinating the required technical assistance. The study on the incidence of beneficiaries of public spending in the health sector will be completed by end-June 2004. The terms of reference of the study have been prepared with IDA assistance, and a preliminary discussion of the issues involved has been undertaken in the context of the Public Expenditure Management and Financial Accountability Review (PEMFAR) exercise that the government, the World Bank and the European Union are conducting jointly. The first draft of the study is to be submitted to IDA by end-April 2004.

10. The grade-six repetition rate was reduced from 37 percent in 2000 to 34 percent in 2003, compared with an initial target of 15 percent. However, World Bank experts have concluded that the initial objective was overly ambitious, and the government has adopted a more realistic timetable under which the 15 percent target is to be reached by 2006 at the earliest. To this end, several policy reforms are being put in place, including reforms to address supply-side constraints on schooling, the volunteer teacher program, and the implementation of the ten-year development plan for education. The eligibility of Niger for the Education For All-Fast Track Initiative (EFA-FTI) will ensure better funding for education and help to lower the repetition rate.

11. As indicated in the completion point document, creditors accounting for 85 percent of total HIPC Initiative relief estimated at the decision point have given satisfactory assurances of financial participation. The authorities have initiated contacts with their creditors to ensure that requisite assurances are also obtained in relation to the additional topping-up assistance as determined at the completion point. Fund disbursement of topping-up will be deferred until those assurances are in place.

12. A mission is expected to visit Niger during April 12-26, 2004, to conduct discussions for the 2004 Article IV consultation, the sixth and final review under the PRGF arrangement, and the ex post assessment of Longer-Term Program Engagement.