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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE:
SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

Assistance to Mauritania

Report of the Secretary-General

1. In its resolution 40/219 of 17 December 1985, the General Assembly, inter alia, requested the Secretary-General to continue his efforts to mobilize international assistance for Mauritania and to ensure that the appropriate arrangements are made in order to establish an effective programme of special assistance; to keep the situation of Mauritania constantly under review; and to report to the General Assembly at its forty-first session on the implementation of the resolution.
2. Pursuant to that resolution, the Secretary-General arranged for an inter-agency mission, led by the Director of the Unit for Special Economic Assistance Programmes, to visit Mauritania from 18 July to 25 July 1986, to consult with the Government on the country's adverse economic situation, and to prepare a report on its most urgent requirements of assistance. The report of the mission, annexed hereto, reviews the general economic, financial and social situation of the country, describes briefly the Economic and Financial Recovery Programme 1985-1988, identifies the areas of complementary action to achieve the goals of the Programme and describes the projects and proposals which require special economic assistance.
3. The Secretary-General strongly recommends that the findings of the mission be given the most favourable consideration by the international community.

ANNEX

Report of the inter-agency mission to Mauritania

(18-24 July 1986)

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I. INTRODUCTION

1. Pursuant to General Assembly resolution 40/219 of 17 December 1985, an inter-agency mission, led by the Director of the Unit for Special Economic Assistance Programmes, visited Mauritania from 18 to 25 July 1986. It included experts from the United Nations Conference on Trade and Development (UNCTAD) and from the United Nations Center for Human Settlements (Habitat). The Deputy Resident Representative of the United Nations Development Programme (UNDP) also actively participated in the work of the mission.

2. During its visit, the mission held talks with the Minister of Economy and Finance as well as with the Secretaries of State for Planning and Literacy. It also consulted with senior officials of the Ministries of Foreign Affairs, Economy and Finance, Health and Social Affairs, Education, Equipment and Energy, and Water Supplies. Moreover, the mission met with members of the diplomatic corps and with local representatives of intergovernmental organizations.

3. The mission wishes to express its gratitude to the Government of Mauritania for its assistance and co-operation. The mission also wishes to record its appreciation for the help and assistance it received from the Deputy Resident Representative of the United Nations Development Programme (UNDP) and the representatives of the United Nations system in Mauritania.

II. ECONOMIC SITUATION

A. General

4. Mauritania is located in the Saharan region of West Africa bordering the Atlantic Ocean. The aridity of the climate and the poverty of the soil account for the lowest population density in West Africa: 1.5 inhabitants per square kilometre with a total population of 1.7 million (1984 figures) for a land area greater than 1 million square kilometres. Three quarters of the country is desert or semi-desert and the rest is suitable only for extensive agricultural cultivation with the exception of a narrow strip of fertile land to the south-west on the banks of the Senegal river where sedentary agricultural production is possible.

5. From 1970 to 1982, the annual population growth rate averaged 2.3 per cent, with a life expectancy at birth of 43 years. The literacy rate, less than 5 per cent at independence in 1960, has now reached approximately 25 per cent but remains among the lowest in Africa. French and Arabic are the official languages of Mauritania.

6. There has been a rapid transformation of traditional Mauritanian society, a transformation aggravated by war and rapidly increasing desertification aggravated by prolonged periods of severe drought since the mid-60s. Mauritania has undergone an urbanization process that has been more accelerated than anywhere else in West Africa. The population living a nomadic or semi-nomadic life based on animal husbandry declined from an estimated 83 per cent in 1965 to 15 per cent in 1985.

On the other hand, the population living in communities of over 5,000 inhabitants has increased from 3.5 per cent in 1960 to almost 40 per cent in 1986. The capital, Nouakchott, was established in 1960 and has grown from an initial population of 5,000 to approximately 400,000 in 1986. The urban areas do not have the infrastructures and services to meet the needs of their growing population. For example, Nouakchott lacks sufficient water supplies. In addition, urban unemployment is becoming a serious problem.

7. The extreme duality of the Mauritanian economy - a modern mining enclave and the traditional rural sector - poses a serious challenge to development efforts. In 1982, nearly 69 per cent of the active population depended on animal husbandry, agriculture and fisheries (as opposed to 91 per cent in 1960), 8 per cent was in the industrial sector and 23 per cent in the services sector. Of the economically active population, approximately 60,000 are employed in the modern sector while the remainder, about 540,000 people, depend on the traditional rural sector. The public sector (government and public corporations) accounts for approximately 50 per cent of employment in the modern sector.

8. The transportation and communication infrastructure of Mauritania is very poor. Road development is highly costly because of the size of the country and its difficult physical features. The road network consists of 80,000 kilometres, generally in poor condition, of which 1,500 kilometres are paved. Given the low density of traffic, as well as the high cost of construction and maintenance, road investments are often uneconomical. Nevertheless, in order to unify the dispersed population, one of the priority objectives of the Government is to develop a national transportation infrastructure centered on Nouakchott, which is located half-way between the economic centres of the north and the south. A road linking Nouakchott and Ném in the south-eastern part of the country was completed in 1984. The only railway line in Mauritania was constructed to transport iron ore from the mines located in the north to the port of Nouadhibou. The Senegal river can be used for transport throughout the year over 270 kilometres. Nouadhibou, the main fisheries centre, has a deep-water port while a second one is being completed at Nouakchott. These two cities have each an airport and there are 14 small airstrips in the country.

B. Desertification and drought

9. Any evaluation of the economic situation in Mauritania must give special consideration to the problem of desertification. For the last 15 years, Mauritania has suffered from drought, which has aggravated the man-made process of land degradation. These phenomena have assumed an importance that is unequalled in any other country of the Sahel: from the 15 million hectares considered as non-affected by desertification at the beginning of the 1960s, only less than 1 million remain unaffected in 1986. It is estimated that the desert is expanding at an annual rate of 6 kilometres. The country has only a few small forests left in the valley of the Senegal river. Wood is Mauritania's only energy source, and in the absence of a well-designed strategy to reduce its consumption and raise sustainable forest yields, the accessible forest resources could be totally destroyed within the next 20 years.

10. A direct result of this situation has been a steady decline in cultivable land and agricultural production as well as the loss of livestock. The effect on the rural population, deprived of their harvests, animals and family income, sometimes also of their water source, have been no less dramatic, and include widespread malnutrition and high morbidity, especially among young children. Reference has been made (see para. 6 above) to the resultant migration to urban areas with its attendant problems.

11. There is an urgent need to reverse the process of desertification within Mauritania. The viability of the country is at stake. Already, important development projects - irrigation schemes, hydraulic works, dams and wells, roads, etc. - are constantly threatened by the encroaching sand. For example, the Nouakchott-Néma highway has been covered at several points by sand dunes and efforts to keep the road open pose a serious financial burden. Many towns located south of the 17th parallel are threatened by sand while north of this parallel, desertification has spared only a few urban centres. A major focus for development in Mauritania is intensive agricultural production in the Senegal basin; however, without a protective hinterland, it is highly unlikely that the planned hydro-agricultural development projects can succeed.

12. In addition, if the process of desertification is not halted in Mauritania, the neighbouring countries of Mali and Senegal will also be endangered. There is a definite possibility that the Senegal river may soon constitute the frontier between the Sahara and the Sahel.

13. To combat the advance of the desert, the Government has devised a global strategy which, because of the connection between desertification and the rural migration, consists in promoting rural development in the interior and also encouraging populations to remain in place. This approach is reflected in the Economic and Financial Recovery Programme 1985-1988 (see below). In addition, since 1983, the Government is implementing a major programme to stabilize dunes with the assistance of the United Nations system. The first phase of this project sponsored by the United Nations Sudano-Sahelian Office and FAO covered 10 of the 12 regions of the country. A second phase of four-year duration will begin in January 1987 and is aimed at consolidating and extending the programme. It includes the protection of the transportation and communication systems, palm groves, oasis and villages. In this context, a centre of research on reforestation has been set up to identify and select grass seeds and types of firewood suited to the ecological conditions of the region. However, because of a severe lack of resources, these efforts are minimal in face of the wide dimension of the problem.

C. Recent economic performance

14. The Mauritanian economy is based on four main activities: agriculture, animal husbandry, mining and fisheries. The agricultural base is extremely poor and even under normal circumstances, domestic production covers only approximately one quarter of domestic needs. Crop production (principally millet, sorghum, maize, rice paddy, dates, pulses and vegetables) has been seriously affected by drought and, on the overall, has shown virtually no growth over the past decade. Livestock

was a major source of growth in the 1960s but the 1968-1973 drought resulted in the reduction of the herd by one third. Although it has expanded marginally since, animal husbandry has not regained its previous importance in the economy. The mining sector has suffered from weak international demand for iron and this has resulted in both lower levels of production and low prices. Fisheries remains a bright prospect for the future. In the past, those resources were exploited by foreign interests, and it is only recently that Mauritania has begun to develop a domestic industry and to capture the benefits of the sector.

15. The decline in economic activity over the past decade is largely due to repeated droughts and to the recession in the industrialized countries which, in turn, reflects the extreme vulnerability of both the modern and traditional sectors to exogenous factors. Involvement in the Western Saharan conflict was an additional drain on the economy. Finally, weak economic management by the Government through much of the 1970s contributed to the situation.

16. Since 1978, the Government has undertaken a series of policy measures designed to stabilize the economy and to promote development efforts. The Fourth Economic and Social Development Plan (1981-85) was only partially successful and had to be substantially revised in 1983. The planning process has culminated in the adoption of an Economic and Financial Recovery Programme which was presented to a World Bank Consultative Group meeting in November 1985.

1. Growth and structure of GDP

17. Between 1976 and 1985, real GDP increased by a little less than 2 per cent per annum, which resulted in an annual decline of 0.4 per cent in per capita GDP, which was estimated at \$430 in 1984. At its twenty-second session (19-22 March 1986), the Committee for Development Planning recommended that Mauritania be included in the list of countries classified by the United Nations as least developed.

18. The contribution of agriculture and livestock to GDP declined from 23.1 per cent in 1976 to 20.5 per cent in 1985. The share of the mining sector has averaged about 11 per cent for the period 1980-1985 as compared to 20 per cent in the beginning of the 1970s. The contribution of manufacturing remains stagnant at about 5 per cent of GDP. Fishing and fish processing account for approximately 10 per cent of GDP, still far below expectations. The only activity to record a steady expansion is the services sector, reflecting primarily the expansion of central government administration. In terms of consumption, the Government accounts for almost 25 per cent of GDP.

2. Central government accounts

19. Weak economic performance, the cost of the war and an ambitious public investment programme resulted in large fiscal and external deficits. In 1979, the Government began a stabilization programme in co-operation with the International Monetary Fund (IMF) which has had some success in limiting expenditures. It is

estimated that wages and salaries have declined in real terms by about 10 per cent over the past five years. This restraint however, was not sufficient to reduce the budgetary deficit to tolerable levels. The deficits were financed initially by external budgetary support and, when that declined sharply, by increasing recourse to external borrowing and the accumulation of external and domestic arrears. A 19 per cent devaluation of the currency and the introduction of new tax measures under the Finance Law of 1984 have eased the strain on government finances, but a continuing effort is still needed to restrain expenditures and to increase revenue.

3. Balance of payments

20. The economic difficulties confronting Mauritania - reliance on food imports, limited capacity for import substitution, declining demand and lower prices for iron ore, and unproductive investments financed externally - are reflected in its critical balance-of-payments position. The value of exports has increased as a result of increased fish exports which replaced iron ore as the principal foreign exchange earner. Much of this gain was offset by increased imports of primarily food and petroleum products and manufactured goods. It is estimated that in recent years, the current account deficit amounted to 24 to 45 per cent of GDP and it has been financed by foreign assistance in the form of grants and loans, by drawing heavily on foreign exchange reserves, and by the accumulation of external payments arrears.

4. Foreign assistance and external debt

21. Mauritania remains highly dependent on external financing to cover not only basic necessities such as food imports but also the public investment programme. Foreign assistance has averaged approximately \$200 million annually over the past five years, of which roughly two thirds is investment project financing. Direct budgetary support has declined, which poses serious problems for the Government's financial situation. There has been a sharp increase in food aid as a result of the recent drought.

22. The outstanding medium- and long-term debt is estimated at between \$1.7 and \$1.8 billion, or almost 250 per cent of GDP. Approximately 70 per cent of this amount is owed directly by the Government and the balance by the Central Bank, primary banks, and public and mixed enterprises. The debt is highly concessional with a grant element of 40 per cent. Nevertheless, annual debt service obligations exceed Mauritania's capacity to pay; scheduled payments will represent a debt service ratio to export of goods and services averaging 35 per cent over the next few years. In 1985, the Government adopted a set of measures with a view to negotiating the rescheduling of service on the public external debt.

D. The Economic and Financial Recovery Programme 1985-1988

23. The Economic and Financial Recovery Programme 1985-1988 (Recovery Programme), presented at the Consultative Group for Mauritania which met in Paris on 26 and 27 November 1985, represents the basic statement of the development policy of the Government. As such, it incorporates the terms of the stand-by agreement concluded with IMF in April 1985.

24. The main macro-economic goals of the Recovery Programme are: to maintain an annual real growth rate of 4 per cent; to improve the productivity of investments and thereby reduce their share of GDP; to bring the central government budget into balance and progressively achieve public savings for investment; and to reduce the balance-of-payments deficit by increasing exports and reducing imports.

25. The macro-economic policies required to achieve the above include a flexible exchange rate policy; a restrictive monetary and credit policy, giving priority to the private productive sectors; fiscal austerity; progressive liberalization of pricing and marketing; employment policy stressing appropriate vocational training and private sector employment creation; rehabilitation of the para-public sector; sectoral strategies giving priority to productive sectors (fisheries, agriculture) and rehabilitation projects (mining and public services); and promotion of private investment and the mobilization of the population to participate in the effort to satisfy its basic needs.

26. Specific policy measures and projects for the implementation of these policies are contained in the Recovery Programme. Three general areas of action can be identified. The first concerns macro-economic management to achieve fiscal austerity and implement the necessary reforms in such key areas as banking and public administration. The second includes measures to liberalize and privatize the economy. While the implementation of the measures in these two areas depends essentially on government action and their direct financial costs are not easily identifiable, it is evident that external assistance would substantially increase the likelihood of success.

27. The third area of policy measures covers strategies for individual sectors and includes an investment programme. Three types of projects are emphasized: rehabilitation projects to safeguard and consolidate existing assets; productive projects to diversify sources of revenue; and, support projects, particularly in the social sector, designed to meet the most essential human needs. Projected total public investment for the period 1985-1988 is approximately \$650 million. New projects to be implemented are valued at approximately \$520 million. The sectoral breakdown of the new projects is indicated below:

<u>Sector</u>	<u>Percentage</u>
Rural sector (of which 5.5 per cent for rural water supply)	42.1
Industry and craft production	2.0
Mining	1.2
Fisheries	8.7
Energy	1.6
Urban water supply	17.2
Infrastructure	10.0
Information and telecommunications	1.3
Housing and urban development	1.9
Education	4.8
Health	3.2
Miscellaneous	6.0

26. Donors have responded favourably to the investment programme of the Recovery Programme. The Government has reached agreement with its creditors on the initial rescheduling of debt. Negotiations are under way with the World Bank for a structural adjustment loan to support the implementation of the Recovery Programme. Food-aid commitments to cover immediate requirements appear to have been secured. Donors have made commitments or expressed an interest in many, but not all, of the projects in the investment programme. The Government has expressed its deep gratitude for this response but urged that adequate funding be provided for the complete execution of the Recovery Programme.

III. SPECIAL PROGRAMME OF ECONOMIC ASSISTANCE

29. As indicated above, the Recovery Programme is the basic development strategy of the Government. It was formulated in the context of the need to achieve internal and external financial stability in accordance with the stand-by agreement concluded with IMF. In discussions with the mission, the Government reaffirmed its adherence to the Recovery Programme but emphasized the need for complementary actions to achieve its goals and to improve the quality of life of the people and combat desertification. Because of the need to encourage productive investment, it was not possible to take into account certain vital projects under the Recovery Programme. In this context, it was agreed that the mission should focus on the following areas: (a) rural development and agriculture, (b) urbanization, (c) rural and urban water supply, (d) health and social affairs, and (e) education and literacy. Full details on the projects identified can be obtained from the appropriate authorities of the Government of Mauritania.

A. Rural development and agriculture

Background

30. Two important trends characterize the rural sector of Mauritania. The first is the decline in per capita food production. With the impact of drought, the situation has deteriorated further. In recent years, per capita food production has been only about 40 per cent of what it was 15 years ago. The second trend is the movement of the population from rural to urban areas and from the relatively more arid regions to the more fertile rural parts of the country.

31. The policies and projects in the Programme are geared towards two main objectives. The first is to increase food production so that dependence on imports is reduced. In this respect, the aim is to have domestic production cover 40 per cent of the demand for food grains, 20 per cent for vegetables, and 50 per cent for milk products by 1988. The second objective is to provide incentives to rural population groups to remain in their present locations.

32. The basic strategies for the attainment of these objectives give major emphasis to improved water supply and increased irrigation. Other important principles include development of animal production and a rational exploitation of pastures, increased participation by the users in equipping and maintaining water supply points, promotion of "food for work" programmes and use of proceeds from

increased food aid sales to finance food production projects. The Recovery Programme calls for improvements in the institutional framework as well as in extension services and farm credit systems.

33. The investment programme for rural development covers agriculture, rural infrastructure, pastoral and village water supply, environmental protection, livestock activities as well as research, training and technical assistance. Reflecting the increased priority assigned to this sector, rural development and agriculture accounts for 42.1 per cent of the cost of all new projects as opposed to 25.8 per cent of public expenditures allocated in 1980-1984. Agricultural projects account for about 60 per cent of these programmes.

34. Under present climatic conditions, the potential for rain-fed agriculture in Mauritania is severely limited. Therefore the utilization of irrigation is the key to substantially increasing agricultural production. This includes the rehabilitation of existing irrigated areas as well as bringing new areas under irrigation. Accordingly, the Recovery Programme gives special emphasis to projects with an important irrigation component. Half of the 2,000 hectares of irrigated land to be developed annually will be small and medium-scale irrigated schemes.

35. In order to dissuade population groups from migrating into cities or towards major irrigated regions, sufficient means of livelihood must be provided in all parts of the country. This is the purpose of some of the rural development investments included in the programme, which emphasize small irrigated areas. Additional ways of creating employment opportunities in rural areas are also being considered. Programme elements of environmental protection and pastoral and village water supply are essential parts of the proposed action to improve living conditions in rural areas.

Priority projects

36. The Government has identified three high-priority projects in the Recovery Programme related to rural development for which satisfactory financing has not yet been obtained:

(a) Training for and development of manufacture of agricultural implements by artisans: To improve the production of agricultural tools by rural craftsmen to meet the essential needs of the agricultural sector. Estimated total cost of \$1,250,000 of which \$600,000 is to be provided by UNDP.

(b) Supply of additional water to market-gardens and fruit crops in village communities: To include digging wells, supplying pumps, and maintaining existing facilities.

(c) Special Programme for Productive Activities (PSTP): An integrated small projects programme designed to reverse the mass exodus of inhabitants from drought-affected areas by improving local conditions, to include the construction and maintenance of wells, dams, social buildings, roads and paths as well as the development of agricultural plots and artisanal activities. Emphasis will be on labour intensive methods, the utilization of local techniques and resources, and popular participation in project design and execution. With the assistance of the

International Labour Organisation, a programme of work has been prepared covering 90 villages in seven regions most affected by the rural exodus. It is hoped that the programme can be expanded to cover other affected areas. The total cost of the PSTP is estimated at \$4.6 million over four years with the first phase accounting for \$3 million. About \$360,000 has been earmarked by UNDP. The Netherlands has pledged \$1.5 million over two years. Funding is sought for the balance.

37. In addition to the above and in consultation with the Government and the FAO field representative, the mission identified three emergency projects requiring financial assistance.

- (a) Supply of fertilizer: Estimated cost of \$750,000.
- (b) Medicines and veterinary equipment for the protection of livestock:
Estimated cost of \$320,000.
- (c) Protection of pastures against fire: Estimated cost of \$175,000.

B. Urban development

Background

38. As previously indicated, the massive flight of the rural population to urban centres with all of the attendant problems represents one of the greatest challenges confronting Mauritania today. At the time of independence, Mauritania was one of the least urbanized countries of sub-Saharan Africa. Today, 40 per cent of the population lives in urban centres, and it is projected that in less than 10 years, there will be more Mauritians in urban centres than in the rural areas. While the capital, Nouakchott, has been the major centre for relocation, the annual growth rate in other urban centres has reached 10 per cent. In addition, there has been an explosive multiplication of small population centres, especially in the south-eastern part of the country. It is anticipated that the hydro-agricultural development in the Senegal river basin will produce further significant migration into this area which already contains almost 80 per cent of the total population.

39. Urbanization has been accompanied by a continuous degradation of living conditions in the rural as well as in the urban centres. Most of the main urban centres are now surrounded by wide belts of hastily erected shanties. In 1975, it was established that 20 per cent of the urban families (50 per cent of those of Nouakchott) lived in inadequate housing; a more recent study shows that the conditions have seriously deteriorated since then. At the same time, because of a lack of resources for urban investment and in the absence of a comprehensive programme of action, the authorities have not been able to provide these new human settlements in a sufficient or equitable manner with essential infrastructures such as drinking water or basic facilities. The tendency to concentrate such public and private investment as was available in the capital, Nouakchott, has only reinforced its attractiveness to migrants.

40. The Government has initiated some action in response to this situation. A land management study was initiated in 1986 by the National Physical Planning Department. The basic orientation of the study includes curbing the growth of Nouakchott, developing smaller settlements in areas with high agricultural potential, and maintaining traditional agricultural areas at their present population levels. Master plans for the cities of Nouadhibou, Rosso, Kaédi, Kiffa and Aïoun were begun in 1985 by the Department of Urbanization and Housing with French and Italian assistance. However, the co-ordination of these town planning projects with national development projects is still insufficient and needs to be reinforced.

41. Since 1977, Mauritania has been conducting various experimentation projects with the assistance of non-governmental organizations and the United Nations Centre for Human Settlements, to find new ways of producing economic housing based on various combinations of the following: utilization of improved local construction materials; suitable technologies that can be easily mastered by the local population; locally available sources of renewable energy; and self-help housing construction. The results of these experiments were considered economically and technically positive but there has been no adequate follow-up.

42. A major constraint to the government efforts in this sector is the weakness of the Department of Urbanization and Housing, primarily as the result of inadequate budgetary support. In addition, the absence of figures on the requirements for infrastructure, equipment and housing makes it difficult to evaluate the costs involved and, in consequence, to elaborate a programme of action capable of being effectively implemented.

43. Given the lack of capital resources, urban centres will have to rely on local resources to achieve the desired minimum level of infrastructure and facilities. This might involve the popularization of the technical results of the experimental projects using local materials, self-help housing, perhaps utilizing "food for work" schemes, and broad participation from the informal sector of the building industry.

Priority projects

44. The mission, in consultation with the Ministry of Public Works, identified the following projects as requiring priority financial assistance:

(a) Master plan for town planning on a national scale and training of town planners: To reinforce the capacity of DHU and to promote the decentralization of its efforts, the project envisages (i) a planning and urban management study, (ii) town planning master plans for smaller communities, and (iii) the training of town planners. Initial cost to start the project is estimated at \$755,000.

(b) Dissemination of technology for low-cost housing: In order to take advantage of the positive results of previous experimentation by producing and testing construction manuals in selected locales. Total estimated cost is \$950,000.

C. Rural and urban water supply

Background

45. The priority assigned by the Government to rural and urban water supply is easily explained by the fact that 85 per cent of the population does not have access to drinking water. Thus, 17 per cent of the investment for the Recovery Programme is devoted to this sector. Co-ordination of foreign assistance will be increased by the introduction at the end of the year of sectoral meetings on water resource development which will permit regular consultations between the Government and its development partners.

Priority programmes

46. In consultation with the appropriate government authorities, the following areas for action have been identified; however, neither specific descriptions nor cost estimates were available:

(a) Survey of water sources: While the overall hydrological system is relatively well known, there is a general lack of knowledge of local resources. It is necessary to carry out two types of fundamental studies. The first would be an up-to-date aerial photographic survey of the country (the last survey was made in 1952). The second involves a geophysical survey of the most sensitive areas where the lack of aquifers makes it necessary to look for geological faults. These surveys are essential for the formulation of a general water supply policy covering both rural and urban areas.

(b) Water supply master plans for major towns: Although master plans have been prepared or are being prepared for some urban centres (Nouakchott, Nouadhibou, Aïoun, and Sélibaby), several towns are still not covered (Kiffa, Atar, Néma and Tidjikja). The case of Kiffa is particularly serious since it is a town of 200,000 people where pilot test drilling should be carried out at a depth estimated at between 300 and 700 metres.

(c) Rural water supply: The changing climate of Saharan and Sahelian Africa has led to the drying up of ground water and necessitated deeper drilling. The lack of geophysical knowledge has resulted in a failure rate of almost 60 per cent for drilling operations. The Government fully appreciates the need to improve performance in this regard since the location of new water points will encourage the stabilization of the population and is critical to the overall rural development strategy.

D. Health and social welfare

1. Health

Background

47. The present austerity policy required of the Government threatens to accentuate an already serious situation if additional resources are not provided. Currently, expenditures in this sector account for less than 5 per cent of budgetary resources.

48. There has been a general deterioration in health services in Mauritania over the past 15 years and the overall situation in 1986 is bleak. Compared to its West African neighbours, Mauritania has the lowest life expectancy (43 years) and the highest infant mortality rate (159 per 1,000, half of which occurs in the first month). Malnutrition makes the population more vulnerable to infections related to the lack of water and to poor hygiene. Contagious diseases are increasing in alarming proportions.

49. In the past, efforts favoured urban areas, resulting in the concentration of facilities and personnel in the urban centres, mainly in Nouakchott. Earlier attempts to reorient activities towards more decentralized health care with emphasis on preventative medicine failed, primarily because of a lack of funds and inadequate management. High personnel costs have reduced the already modest funds available for operational expenditures. Medical facilities and equipment are in very poor condition in both rural and urban centres. Although there are only 1,183 hospital beds for the whole country, the occupancy rate in 1983 was only 30 per cent, as a result of operational problems, and the situation has not significantly improved since. The lack of a general health plan for the medium and long term accentuates the difficulties of the sector.

50. The Government has endorsed the programme "Health for all by the year 2000". In this context, the Recovery Programme gives priority to population groups whose general health conditions are the most precarious and seeks to extend a network of primary health care facilities to the whole country. Special priority will be accorded to clean water and related measures in the area of hygiene and sanitary education.

Priority projects

51. The Government has identified the following projects contained in the Recovery Programme which are of priority concern and for which financing has not been obtained:

(a) Renovation of Nouakchott hospital: Restoration of the building and services and provision of necessary medical equipment to permit the full operation of the country's central facility. The estimated cost is \$1.3 million.

(b) Expansion of primary health care network: To make primary health care programmes available to the most disadvantaged population groups in the outlying urban areas and the countryside with emphasis on nutrition, vaccination, maternal and child health, hygiene and sanitation. The total estimated cost is \$2.7 million.

(c) Control of water-borne diseases and water quality control: Water is the leading cause of disease in Mauritania and special priority is accorded to activities in this sector. The estimated cost of the campaign against water-borne diseases is \$5.5 million and for water quality control \$290,000.

52. In addition to the above, the Government has emphasized the need to rehabilitate or establish regional health facilities in order to relieve the pressure on the central facility and to make health care available throughout the

country. Although cost estimates were not available, the following specific projects were identified:

- (a) Renovation of central health clinics in Aioun and Selibabi
- (b) Construction of small health centers at Kaédi and Rosso
- (c) Equipping regional hospitals at Rosso, Atar and Aleg

2. Social welfare

Background

53. Given the constraints encountered in the formulation of the PREF, it was not possible to accommodate social affairs projects in the investment programme. Thus, important programmes for the future of the country and the well-being of the population were left out. Two areas of action are considered a priority by the Government, those concerning women and those dealing with the handicapped.

Priority projects

54. The Government has identified the following specific projects in this regard:

(a) Rehabilitation of women's centres: There are 20 women's centres established to promote and assist women's co-operatives of which there are approximately 200 engaged in production and marketing (handicrafts, vegetable marketing, carpets, etc.). There is a need to rehabilitate and equip the buildings of the women's centres that have been provided by the Government. In addition, the co-operatives themselves are in need of some basic equipment, e.g. sewing machines. Estimated costs include \$5,500 for renovating and \$8,000 for equipping the women's centres, and \$4,000 for equipment for the co-operatives.

(b) Social programmes for young women: An increasingly serious problem in Mauritania involves young women who have been rejected by the school system and who are basically untrained. The proposal, which would supplement (a) above, would provide vocational training in the co-operatives for young women aged 18 to 30. The estimated cost of the programme is \$1,190,000 including approximately one third for technical assistance.

(c) Programmes for the disabled and disadvantaged: The number of disadvantaged persons and street children is increasing at an alarming rate, in part as a result of the urbanization process discussed earlier. There is in the first instance, the need for a general census of the number of disabled persons and street children as a basis for more adequate planning. Other immediate needs include additional support for an existing shelter for orphans and abandoned children initially established with the support of the CARITAS organization, and for the reconstruction of kindergartens at Néma and Rosso. The estimated cost is \$115,000 for the survey, \$50,000 for support to the shelter and \$13,000 each for the reconstruction of two kindergartens.

(d) National Centre for Orthopedics and Functional Rehabilitation: The National Centre includes an orthopedics and prosthesis workshop for the manufacture of appliances and a training programme for technicians and specialized workers. In the past, it has received financial and technical support from various organizations (including UNDP and DTCD) and countries. It is proposed to expand the existing facility with the construction of new buildings with room for 60 hospital beds and to establish interregional housing programmes which could cover other West African countries. The estimated cost is \$2,126,000.

E. Education and literacy

1. Education

Background

55. School enrolment in Mauritania, which has risen rapidly over the last two decades, now encompasses about 126,000 pupils in primary school, 46,000 in secondary school and roughly 7,500 at the higher levels. The PREF marks the beginning of a new strategy. Its principal component is the high priority given to the expansion of public primary education, which would increase the school enrolment rate from the current 33 per cent to 40 per cent (44 per cent if budgetary constraints permit) by 1988. Entry to the secondary level will be more selective than at the present: only 30 per cent of those finishing the primary level will be admitted to the secondary schools. Qualitative improvement in the post-primary education is an important aspect of the new strategy and it includes an increased emphasis on technical education at the secondary and higher levels. Private initiative will be promoted to help the Government in the education sector. Local communities will also be called upon to bear part of the costs.

Priority programmes

56. The Government attaches the highest priority to three investment projects in the education sector and notes that, given the stringencies imposed in the preparation of the PREF, educational projects had to be curtailed.

(a) Construction of classrooms: Construction of 150 to 200 classrooms per year for primary education, with priority given to rural areas. The estimated cost of construction for each classroom is approximately \$20,000 and the cost of equipment around \$1,500. The total cost of the project is estimated at \$3 million to \$4 million per year.

(b) Eastern Region Teachers' College: To improve the quantity and quality of available teachers, it is proposed to construct an Eastern Region Teachers' College at Assaba (Kiffa). The costs are estimated at \$197,500 for a study on construction and \$2.1 million for the actual construction that would begin in 1988. The Government estimates the total cost to be \$3.1 million, which includes, in addition to the fixed investment, operational expenses during a take-off period of two years.

(c) Extending the network of secondary and technical schools: To construct four technical colleges and a secondary technical training school. These are of major importance in the context of the increased emphasis upon technical education. Cost estimates are not as yet available; however, the Government will assume the costs of training the required teachers but it is seeking assistance for the fixed investment expenditures.

2. Literacy

Background

57. The literacy rate in Mauritania is extremely low. As part of its policy to assist the most deprived segments of the community and recognizing the link between literacy and development, the Government has accorded priority to improving adult literacy to include appropriate vocational training. As a first step, the Government will launch a consciousness-raising and information campaigns with mobile teams using audio-visual techniques. The literacy programme itself is geared to meet the specific requirements of the various communities, including the nomadic population. In addition to vocational training, the programme will also include basic instruction in hygiene and civics. The Mass Education Structure (SEM) already established in Mauritania will be used for the establishment of literacy education centres. Finally, the programme envisages the regular publication of a magazine designed to help maintain literacy skills.

Priority programme

58. The Government has already budgeted a portion of the expenses of the programme and will use civil servants in its implementation. However, additional assistance is needed in the following areas (no cost estimates are available):

- (a) Special rolling stock (including spare parts) with audio-visual material for 13 regions
- (b) Printing equipment
- (c) Financing of a series of educational films
- (d) Reproduction equipment

IV. CONCLUSIONS AND RECOMMENDATIONS

59. As indicated in the report, the Government, in co-operation with the IMF and the World Bank, and in consultation with its development partners, has embarked on a very courageous effort to establish a basis for viable long-term economic development. The Economic and Financial Recovery Programme was formulated in this context and took into account the current financial constraints.

60. Mauritania's principal problems are chronic drought and spreading desertification. These twin scourges are devastating the country's economy and critically affecting the well-being of its people. But in the face of the extensiveness of these problems, there is a crying lack of resources and assistance could substantially be increased if sufficient financing was available. UNSO has formulated sound projects for dealing with desertification and drought that have not been implemented because of the lack of funding. It is proposed that UNSO, FAO, UNDP, UNEP, and HABITAT might wish to consult with the Government of Mauritania on the preparation of a multisectoral action plan for eventual presentation to the international community for financing. The plan could include specific programmes and projects aimed specifically at combating drought and desertification. It would be a logical follow-up to the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, adopted by the General Assembly on 1 June 1986 at its thirteenth special session, especially chapter II, section 1 (c) of the Programme of Action. Such a plan could be the subject for discussion by the donor community at a sectoral round-table meeting on drought and desertification convened for this purpose.

61. With regard to other urgent development needs, and on the basis of consultations with the Government, the mission has identified a number of projects in various sectors in which complementary action is necessary and for which external assistance is required. These projects which have been described in detail in the preceding sections of this report are, for convenience, listed in the following summary.

SUMMARY

Programme of special economic assistance

A. Rural development and agriculture

	<u>Cost</u>
	(Thousands of United States \$) a/
Training for and development of the manufacture of agricultural implements by artisans (in Gorgol, Assaba and Guidimaka)	1 250
Supply of additional water to market-gardens and fruit crops in village communities for productive activities	n.a.
Special Programme for Productive Activities (PSTP) for four years (of which technical assistance represents \$500,000)	4 600
<u>Urgent activities</u>	
Supply of fertilizer	750
Medicines and veterinary equipment for the protection of livestock	320
Protection of pastures against fire	175

B. Urban development

Master plan for town planning on a national scale and training of town planners	755
Dissemination of technology for low-cost housing	950
In coastal fishing villages:	\$250 000
In riparian cities:	\$350 000
In cities along the Nouakchott-Néma highway:	\$350 000

C. Rural and urban water supply

Photographic survey of the country and partial or total geophysical coverage of the country by satellite	n.a.
Water supply master plan for the towns of Kima, Atar, Néma, Tidjikja	n.a.
Test drilling in the town of Kiffa	n.a.

Cost
 (Thousands of
 United States \$) a/

D. Health and social welfare

<u>Health</u>	
Renovation of the Nouakchott hospital	1 300
Extension of the primary health care network	2 700
Control of water-borne diseases	5 500
Water quality control	290
Renovation of the central health clinics at Aïoun and Selibabi	n.a.
Construction of small health centres at Kaédi and Rosso	n.a.
Equipping of regional hospitals at Rosso, Atar and Aleg	n.a.
<u>Social welfare</u>	
Rehabilitation of 20 women's centres	270
For renovation: \$5 500 each	
For equipment: \$8 000 each	
Equipment for women's co-operatives, each	4
Social programme for young women (one third of the cost is for technical assistance)	1 190
General census of disabled persons and street children	115
Shelter for orphans and abandoned children (additional financing)	50
Rebuilding of two kindergartens, each	13
National Centre for Orthopedics and Functional Rehabilitation	2 126

E. Education and literacy

1. Education

Construction of 150 to 200 classrooms a year for primary education, each costing \$20,000 and \$1,500 for equipment, per year	3 000 to 4 000
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	<u>Cost</u>
	(Thousands of United States \$) <u>a/</u>
Construction of a teachers' college in the eastern region	3 100
Construction of four technical colleges and one technical high school	n.a.
Extending the network of secondary and technical schools	n.a.
2. <u>Literacy</u>	
Special rolling stock (including spare parts) with audio-visual material for 13 regions	n.a.
Printing equipment	n.a.
Financing of a series of educational films	n.a.
Reproduction equipment	n.a.

a/ 1 \$US = 76 Mauritanian ouguiya.

APPENDIX I

Statistical tables

Table 1. Gross domestic product at constant 1982 prices, 1981-1985

(In millions of ouguiyas)

	1981	1982	1983	1984 Estimated	1985 Projected
Primary sector	<u>11 466</u>	<u>11 657</u>	<u>13 414</u>	<u>11 216</u>	<u>11 362</u>
Agriculture and forestry	1 335	1 148	848	1 141	1 301
Livestock	8 541	8 768	9 359	7 291	6 879
Fishing <u>a/</u>	1 590	1 741	3 207	2 784	3 182
Secondary sector	8 576	8 228	7 752	10 358	10 721
Mining	4 377	3 550	3 841	5 814	6 096
Fish processing	508	535	562	590	619
Other industries and handicraft	1 297	1 255	1 288	1 353	1 431
Construction and public works	2 394	2 888	2 061	2 601	2 575
Tertiary sector	<u>16 529</u>	<u>15 316</u>	<u>15 936</u>	<u>14 603</u>	<u>15 000</u>
Transport, storage and telecommunications	2 904	3 035	3 293	3 092	3 157
Trade and other non-government services	9 165	7 546	7 348	6 157	6 382
Government services	4 460	4 735	5 295	5 354	5 461
GDP (at factor cost)	<u>36 571</u>	<u>35 201</u>	<u>37 102</u>	<u>36 177</u>	<u>37 083</u>
Annual rate of growth	2.0	-3.7	5.4	-2.5	2.5
GDP (at constant 1982 market prices)	<u>39 692</u>	<u>38 838</u>	<u>41 401</u>	<u>41 190</u>	<u>42 220</u>
Annual growth rate (percentage)	3.7	-2.2	6.6	-0.5	2.5

Source: Data provided by the Mauritanian authorities.

a/ Including traditional and industrial fishing.

Table 2. Balance of payments 1981-1985

(In millions of United States dollars)

	1979-1981 (Average)	1982	1983	1984 Estimated
Exports, including NFS <u>a/</u>	281.0	302.5	367.9	348
Imports, including NFS	-483.7	-630.8	-594.4	-611
<u>Resource gap</u>	<u>-202.6</u>	<u>-328.3</u>	<u>-226.5</u>	<u>-263</u>
Factor service payments	-37.0	-54.0	-45.4	-39
Current public transfers	82.8	85.4	61.3	58
<u>Current account deficit</u>	<u>-156.9</u>	<u>-290.9</u>	<u>-210.5</u>	<u>-244</u>
<u>Capital inflow</u>	<u>174.3</u>	<u>243.0</u>	<u>181.0</u>	<u>217</u>
Net change in official reserves	<u>17.4</u>	<u>47.9</u>	<u>29.5</u>	<u>27</u>
Net official reserves year-end	26.9	-16.7	-45.7	-73
As per cent of GDP				
Current account deficit	22.0	41.8	28.4	34
Current account deficit before official transfers	33.5	54.0	36.7	41

Source: The World Bank.

a/ NFS: Non-factor services.

Table 3. Central government revenues and expenditures 1981-1985

(In millions of ouguiyas)

	1981	1982	1983	1984	1985 Forecast
Total revenue and grants	<u>11 700</u>	<u>11 838</u>	<u>13 317</u>	<u>16 323</u>	<u>19 532</u>
Budgetary revenue	6 665	7 211	8 935	10 296	12 348
Grants	5 035	4 627	4 382	6 027	7 184
Total expenditure and net lending	<u>13 357</u>	<u>16 302</u>	<u>18 156</u>	<u>19 944</u>	<u>21 708</u>
Current expenditure	9 579	10 681	12 791	12 499	15 424
Investment expenditure	3 685	5 354	5 247	7 303	6 139
Net lending	93	67	118	142	145
Overall deficit after grants	-6 692	-9 091	-9 221	-9 648	-9 360
Current deficit	-1 657	-4 464	-4 839	-3 621	-2 176

Source: Data provided by the Mauritanian authorities.

Table 4. Major exports and imports

(Millions of ouguiyas)

	1981	1982	1983	1984
<u>Trend of external trade</u>				
Exports, f.o.b.	12 499	12 050	15 982	18 497
Imports, c.i.f.	12 793	14 215	12 445	12 001
Balance	-294	-2 165	-3 537	-6 496

Source: IMF, International financial statistics.

	1981	1982	1983	1984
<u>Main commodities traded</u>				
<u>Exports</u>				
Iron ore	8 071	7 202	7 209	9 187
Fish and fish products	4 428	4 849	8 773	9 300
Gypsum	3	-	-	-
Gum arabic	-	15	-	-
<u>Imports</u>				
Food	5 316	5 506	-	-
Consumer products	1 378	1 918	1 331	-
Transport equipment	1 236	1 173	938	-
Machinery	719	705	761	-
Petroleum products	1 773	3 334	2 052	3 161

Sources: Banque Centrale de Mauritanie; IMF, international financial statistics.

Table 5. Gross official development assistance by donor a/
 (Millions of United States dollars)

	1980	1981	1982	1983
Bilateral	182.7	170.4	134.0	116.5
of which:				
OPEC countries	126.9	102.1	70.4	44.7
France	21.9	31.6	22.9	22.8
United States of America	15.0	19.0	13.0	19.0
West Germany	12.1	8.0	13.7	16.8
Multilateral	36.6	50.9	51.0	61.4
of which:				
Arab OPEC agencies	2.8	6.7	19.1	25.8
EEC	7.8	21.1	14.1	11.5
World Food Programme	6.1	4.2	2.8	7.3
ADF	5.4	1.9	2.9	5.9
Total	219.3	221.3	185.0	177.8
of which:				
grants	92.0	110.3	95.0	91.2

Source: OECD Development Assistance Committee, geographical distribution of financial flows to developing countries.

a/ Disbursements by OECD and OPEC members and multilateral agencies. Official development assistance is defined as grants and loans having a 25 per cent or more grant element, administered with the aim of economic and social development. Other official flows which do not conform to these criteria and technical assistance grants are excluded.

Table 6. Development assistance provided by the United Nations system in 1985

(Millions of United States dollars)

Technical assistance:
 UNDP:

IPF	2.4
SMF	0.2
SPR	0.16
EOTF	0.45
UNSO	2.3
UNFPA	0.8
UNIFEM	0.008
UNESCO	0.29
WHO (1/2 84/85)	0.6
UNICEF	1.6
FAO	<u>0.98</u>

10

Food aid:

WFP	10.3
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Capital assistance/disbursements:

IBRD)	
IDA)	10
IFAD)	
UNCDP	0.5

TOTAL: more than \$US 30

Source: Report of the UNDP Resident Representative (1985).

Note: On 31 July 1986, IFAD, as part of its Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, signed a financial agreement with Mauritania providing it with a loan of \$US 4.5 million and a grant of \$US 800,000 for its agricultural recovery programme.

Map

