

Niger

RISK & COMPLIANCE REPORT

DATE: January 2017

Executive Summary - Niger

| | |
|---|--|
| Sanctions: | None |
| FAFT list of AML Deficient Countries | No |
| Higher Risk Areas: | <p>Non - Compliance with FATF 40 + 9 Recommendations</p> <p>Weakness in Government Legislation to combat Money Laundering</p> <p>Not on EU White list equivalent jurisdictions</p> <p>Corruption Index (Transparency International & W.G.I.)</p> <p>World Governance Indicators (Average Score)</p> <p>Failed States Index (Political Issues)(Average Score)</p> |
| <p>Major Investment Areas:</p> <p>Agriculture - products:</p> <p>cowpeas, cotton, peanuts, millet, sorghum, cassava (manioc), rice; cattle, sheep, goats, camels, donkeys, horses, poultry</p> <p>Industries:</p> <p>uranium mining, cement, brick, soap, textiles, food processing, chemicals, slaughterhouses</p> <p>Exports - commodities:</p> <p>uranium ore, livestock, cowpeas, onions</p> <p>Exports - partners:</p> <p>Nigeria 41%, US 17%, India 14.1%, Italy 8.5%, China 7.7%, Ghana 5.7% (2012)</p> <p>Imports - commodities:</p> <p>foodstuffs, machinery, vehicles and parts, petroleum, cereals</p> <p>Imports - partners:</p> <p>France 14.2%, China 11.1%, French Polynesia 9.9%, Nigeria 9.7%, Togo 5.5% (2012)</p> | |
| <p>Investment Restrictions:</p> <p>Niger is eager to attract foreign investment and has taken steps to improve the business climate. The Government of Niger (GON) has made revisions to the investment code in</p> | |

order to make petroleum and mining exploration and production more attractive to foreign investors.

The Investment Code offers advantages to sectors the GON deems key to economic development: energy production, mineral exploration and mining, agriculture, food processing, forestry, fishing, low-cost housing construction, handicrafts, hotels, schools, health centres, and transportation. Total foreign ownership is permitted in most sectors except energy, mineral resources, and sectors restricted for national security purposes. Foreign ownership of land is permitted but requires authorization from the Ministry of Planning, Land Management and Community Development.

Contents

Section 1 - Background..... 4

Section 2 - Anti – Money Laundering / Terrorist Financing 5

 FATF status..... 5

 Compliance with FATF Recommendations..... 5

 Fifth follow-up report of Niger 5

 GIABA Annual Report 2013..... 6

 US Department of State Money Laundering assessment (INCSR) 7

 Reports..... 11

 International Sanctions..... 17

 Bribery & Corruption..... 18

 Corruption and Government Transparency - Report by US State Dept..... 18

Section 3 - Economy..... 19

Section 4 - Investment Climate 21

Section 5 - Government..... 33

Section 6 - Tax..... 34

Methodology and Sources..... 35

Section 1 - Background

Niger became independent from France in 1960 and experienced single-party and military rule until 1991, when Gen. Ali SAIBOU was forced by public pressure to allow multiparty elections, which resulted in a democratic government in 1993. Political infighting brought the government to a standstill and in 1996 led to a coup by Col. Ibrahim BARE. In 1999, BARE was killed in a counter coup by military officers who restored democratic rule and held elections that brought Mamadou TANDJA to power in December of that year. TANDJA was reelected in 2004 and in 2009 spearheaded a constitutional amendment that would allow him to extend his term as president. In February 2010, a military coup deposed TANDJA, immediately suspended the constitution, and dissolved the Cabinet. ISSOUFOU Mahamadou emerged victorious from a crowded field in the election following the coup and was inaugurated in April 2011. Niger is one of the poorest countries in the world with minimal government services and insufficient funds to develop its resource base. The largely agrarian and subsistence-based economy is frequently disrupted by extended droughts common to the Sahel region of Africa. The Nigerien Movement for Justice, a predominately Tuareg ethnic group, emerged in February 2007, and attacked several military targets in Niger's northern region throughout 2007 and 2008. Successful government offensives in 2009 limited the rebels' operational capabilities. Niger is facing increased security concerns on its borders from various external threats including insecurity in Libya and spillover from the rebellion in Mali.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Niger is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Niger was undertaken by the Financial Action Task Force (FATF) in 2008. According to that Evaluation, Niger was deemed Compliant for 2 and Largely Compliant for 5 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for all 6 of the Core Recommendations.

Fifth follow-up report of Niger

Niger passed Decree No. 2013-220/PRN/MF on 14 June 2013 and also approved its National AML/CFT Strategy aimed at financing ML/TF. The Cabinet adopted a draft Bill to establish specialized economic and financial crimes units. The Bill also provides for the establishment of one judicial unit and two other units, the monitoring and trial units, within the regional branches of each Court of Appeal. Niger also took the initiative of addressing deficiencies relating to record-keeping as provided in Article 10 of the Anti-terrorism Financing Act No. 2010-05 of January 2010, which outlines the identification documents and transactions to be kept for the purposes of evidence. The country organized capacity-building programs for various AML/CFT stakeholders. In April 2013, with the support of GIABA, the Niger FIU undertook a study tour to the FIUs of Côte d'Ivoire and Senegal. Niger informed the Plenary that following the dissemination of intelligence by the FIU to the Prosecutor's office, prosecution of suspects was in progress.

The Niger FIU asked for and received information from counterpart FIUs as well as from four foreign FIUs. The FIU has embarked on the process for admission to the Egmont Group and was invited as an observer to attend the 21st Plenary of the Egmont Group held in Sun City, South Africa. The Plenary acknowledged the steady progress being made by Niger in improving its AML/CFT system and encouraged the country to sustain the momentum. The Plenary maintained Niger on Expedited Regular Follow-up and directed the country to submit its sixth follow-up report to the Plenary in November 2014.

Prevalence of Predicate Crimes

Organized criminals and Islamist groups have exploited the vast space of sparsely populated desert land in the north and Niger's long unmanned borders to perpetrate illicit activities across the Western Sahelian countries. The most prevalent crimes have included smuggling of goods (mainly of tobacco and arms), trafficking in drugs and persons, terrorism, kidnapping, abduction and banditry. The entrenchment of terrorist groups in Nigerien local communities and their cross-border collaboration with similar groups in Nigeria and Mali who are notorious for funding their activities through narco-trafficking prove that Niger is exposed to drug trafficking. To stress the seriousness of this threat, the Government expressed concern in September over the trafficking of arms, cocaine and cannabis in the north of the country, and called on the US to reinforce its military personnel and drones operating in the country. The threat has become more critical with the displacement of AQIM and other terrorist groups from Mali after the French military intervention in that country earlier in the year. More terrorist attacks have occurred in Niger across the border from Mali since then, and it is logical to expect that the associated crime of drug trafficking would rise in the country.

Human trafficking is also rife in Niger. It is reported that girls are subjected to prostitution along the border with Nigeria, particularly along the main highway between the towns of Birnin Konni and Zinder. Due to its proximity to North Africa and its vast poorly policed empty desert space to the north, Niger serves as a transit country for men, women, and children from most West African countries en route to Western Europe.

The most prevalent ML/TF predicate crimes in 2013, as listed in the Niger Country Report, are: drug trafficking, corruption, tax fraud, smuggling of precious stones and metals, other investments, bank fraud, forgery, capital market crimes, and cyber crime.

As a cash-based economy, most economic transactions take place in the informal financial sector. The widespread reliance on informal remittance and transfer systems for transactions makes the country a fertile ground for laundering the proceeds of the crimes discussed above.

The techniques that criminals use to launder the proceeds of these crimes are the same as for Mali. They include the abuse of real estate, cross-border cash movements, banks, insurance companies, DNFBNs, casinos, microfinance, and stock market investments. Niger is highly vulnerable to the threats of ML/TF, which appears to be growing with the spate of terrorism in northern Nigeria and as the situation in Mali is being tackled.

AML/CFT Situation

Recognizing the seriousness of the ML/TF threats it faces, Niger has been making steady progress in strengthening its AML/CFT regime to counter those threats. In 2013, its FIU received 20 STRs, 16 of which

are linked to money laundering. Only 7 of those cases, however, were sent to law enforcement authorities for further investigation; there is no report to suggest that further

investigation and prosecution were carried out. This lack of progress with investigation and prosecution of confirmed cases points to some of the glaring weaknesses of the country's AML/CFT regime.

The factors hindering AML/CFT efforts, as reported by the country include: weak enforcement, inadequate supervision, and lack of AML/CFT coordination mechanisms. These and other areas require further technical assistance to enable Niger to further strengthen its AML/CFT system.

Conclusion

Niger's AML/CFT system has evolved steadily and the country has demonstrated political commitment to strengthen its system. Like its neighbor, Mali, Niger appears to be spurred by the grim reality of the threats of terrorism and organized crime within and around its jurisdiction.

This political commitment is exemplary and encouraging. GIABA will work closely with the relevant authorities in the country in the coming years to support their AML/CFT efforts.

The political and social environment in which the country's AML/CFT system operates is highly dynamic. As the context unravels, GIABA will use its unique position to mobilize regional and international support for the country.

US Department of State Money Laundering assessment (INCSR)

Niger was deemed a 'Monitored' Jurisdiction by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

Perceived Risks:

Niger is one of the poorest and least developed countries in the world. Niger is not a regional financial center; its banking sector is rudimentary. It is a member of the Central Bank of West African States (BCEAO), and so shares its central bank and currency, the CFA Franc, with other countries in the region. High transaction costs deter businesses from placing large amounts of cash in the banking system. Most economic activity takes place in the informal, cash-based financial sector; and informal remitters and other money and value transfer services are widespread.

With porous borders and a large, under-governed territory, Niger provides an ideal transit point for various criminal organizations and terrorist groups. are commonplace in Niger. Illegal proceeds derive from trafficking of drugs, small arms, people, and everyday commodities across the Algerian and Libyan borders in the sparsely-populated north of the country. The regional smuggling of huge quantities of cigarettes across the Sahel is also very lucrative for traffickers in Niger. Cigarettes from counterfeit plants, mainly from Nigeria, are

distributed in the region, the Maghreb, the Middle East, and Europe. Kidnapping for ransom is a significant fundraising method for terrorist groups. Other factors affecting security are the continuing rise in regional instability, including continued threats to security posed by al-Qaida and its affiliates, the Islamic State of Iraq and the Levant (ISIL), Malian jihadist groups, and the Nigeria-based terror group Boko Haram, which has attacked communities in Niger's Diffa region on many occasions since the beginning of the year.

In October 2014, the National Assembly President Hama Amadou, a leading opposition figure, fled Niger to avoid being arrested on criminal charges. He returned to the country in November 2015 and was immediately arrested. As of November 2015, the political climate in Niger is contentious. Opposition groups have demonstrated to protest the continued detention of Amadou, a perceived failure of the state to provide basic services, and perceived restrictions on freedom of speech and expression. Meanwhile, national and local elections are scheduled to take place in February and May 2016, respectively.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

"All serious crimes" approach or "list" approach to predicate crimes: All serious crimes

Are legal persons covered: criminally: YES civilly: YES

KNOW-YOUR-CUSTOMER (KYC) RULES:

Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: YES KYC covered entities: Public Treasury and State Savings Deposit institutions; BCEAO; banks, microfinance institutions, and money exchanges; insurance companies and brokers; securities exchanges or brokers; post office; mutual funds and fixed capital investment companies; lawyers, asset or fund custodians, and management and intermediation firms; business brokers for financial entities, auditors, and real estate agents; sellers of high-value items, fine arts, or precious stones; fund carriers; casinos; travel agencies; and nongovernmental organizations (NGOs)

REPORTING REQUIREMENTS:

Number of STRs) received and time frame: 26 in 2015

Number of CTRs received and time frame: Not applicable

STR covered entities: Public Treasury and State Savings Deposit institutions; BCEAO; banks, microfinance institutions, and money exchanges; insurance companies and brokers; securities exchanges or brokers; post office; mutual funds and fixed capital investment companies; lawyers, asset or fund custodians, and management and intermediation firms; business brokers for financial entities, auditors, and real estate agents; sellers of high-value items, fine arts, or precious stones; fund carriers; casinos; travel agencies; and NGOs

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:

Prosecutions: 5 in 2015

Convictions: 0 in 2015

RECORDS EXCHANGE MECHANISM:

With U.S.: MLAT: NO Other mechanism: NO
With other governments/jurisdictions: YES

Niger is a member of the Inter Governmental Action Group against Money Laundering in West Africa (GIABA), a FATF-style regional body.

ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:

In spite of its severe lack of resources, Niger has made efforts to rectify the identified deficiencies in its AML/CFT regime and increase its capacity to implement that regime. Despite those efforts, the Government of Niger's AML/CFT laws are not in full compliance with international standards. Although addressed in the AML/CFT laws, customer due diligence procedures for designated non-financial businesses and professions (DNFBPs) have not been implemented.

The National Center for the Treatment of Financial Information (CENTIF), Niger's financial intelligence unit (FIU), submitted five reports to the Ministry of Justice for legal action in 2014. CENTIF works with other FIUs in the region to provide technical assistance and outreach to stakeholders. In addition, Nigerien authorities cooperate with law enforcement efforts, mutual legal assistance, and asset sharing groups within the region. The Government of Niger has an AML/CFT inter-ministerial committee.

In 2014 Niger joined the Partnership on Illicit Finance, an initiative that brings like-minded African countries together to jointly address the generation and movement of proceeds from corruption and other financial crimes. It includes two main objectives: to examine illicit financial flows from Africa and to develop national action plans to improve transparency and accountability in the public and private sectors.

The Government of Niger should continue to improve its AML/CFT regime in conjunction with regional partners and international donors. Border security is of paramount concern. The government should ensure its laws are fully implemented, to include the enforcement of KYC and reporting requirements for all DNFBPs.

Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):

According to the US State Department, Niger does not conform with regard to the following government legislation: -

Record Large Transactions - By law or regulation, banks are required to maintain records of large transactions in currency or other monetary instruments.

Arrangements for Asset Sharing - By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions that assisted in the conduct of the underlying investigation.

Cooperates with International Law Enforcement - By law or regulation, banks are permitted/required to cooperate with authorized investigations involving or initiated by third party jurisdictions, including sharing of records or other financial data.

Ability to freeze assets without delay - The government has an independent national system and mechanism for freezing terrorist assets in a timely manner (including but not limited to bank accounts, other financial assets, airplanes, autos, residences, and/or other property belonging to terrorists or terrorist organizations)

Disclosure Protection - "Safe Harbour" - By law, the jurisdiction provides a "safe harbour" defence to banks or other financial institutions and their employees who provide otherwise confidential banking data to authorities in pursuit of authorized investigations.

EU White list of Equivalent Jurisdictions

Niger is not currently on the EU White list of Equivalent Jurisdictions

World Governance indicators

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

Failed States Index

[To view Failed States Index Ctrl + Click here](#)

Offshore Financial Centre

Niger is not considered to be an Offshore Financial Centre

US State Dept Narcotics Report 2011:

Drug production and use are not high-priority problems in Niger, though trafficking and use appear to be increasing. According to the head of the Drug Enforcement Coordination Centre (CCLAD), population growth and increasing poverty continue to have dire social consequences that often result in drug abuse. Low prices for narcotics, especially cannabis and prescription medications, are also contributing to a gradual increase in consumption and to narcotics-related health problems.

Drug-trafficking routes run from Mauritania through Mali and cross northern Niger along the Algerian and Libyan borders, continuing toward North Africa, the Middle East, and Europe. The drugs originate mainly from South America. Instability and wider availability of arms resulting from the Libyan conflict may have expanded traffickers' capacity to move drugs through these routes. Only a very small amount of cannabis is grown in Niger, and to date there is no evidence of synthetic drug production facilities.

Niger is a party to the 1988 UN Drug Convention, the UN Convention against Transnational Organized Crime and to the UN Convention against Corruption. As a matter of government policy, the Government of Niger does not encourage or facilitate illicit production or distribution of narcotics and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from illegal drug transactions.

Cannabis and diverted prescription medications are readily and cheaply available in Niger. They are generally trafficked into Niger from Nigeria and Benin on heavy transport trucks, in the baggage of people traveling north into Niger, and on camels using traditional trade routes. Enough marijuana to make a cigarette or two is available for as little as 100 to 200 CFA (20-40 cents) and can be purchased on the periphery of many markets throughout Niger, but especially in Niamey and other urban areas. Diazepam, a depressant commonly marketed as Valium, is the prescription medication of choice for abuse and can be purchased on the street for as little as 25 to 50 CFA (five-10 cents) per pill. Drug use can be recreational or work-related, for work involving intense effort or extended drudgery. Dealers and users are generally 15 to 40 years old, and include members of affluent families. The CCLAD has visited schools in and outside Niamey to raise drug abuse awareness among students.

The CCLAD operates nationwide and is headed by a National Police Commissioner appointed in October 2010. The CCLAD is the focal point for government and private organizations that combat drugs and is tasked with compiling statistics, developing intelligence, and pursuing drug users and distributors. The CCLAD receives support from the French government and uses the French national public health laboratory to analyze recovered drugs. Within the Ministry of Justice, the Director of Criminal Affairs and Pardons heads the National Coordinating Commission for the Fight against Drugs, which organizes outreach and educational programs. The CCLAD headquarters office in Niamey includes 30 police officers, with plans for the addition of six National Guardsmen. The CCLAD has branches in Agadez (covering Agadez and Tahoua regions) and in Zinder (covering Diffa, Maradi, and Zinder regions). The centre in Niamey also covers the regions of Dosso and

Tillabery. The CCLAD is under- equipped and understaffed, and can offer no incentives to attract other security agents to join its ranks. Since its creation in 1992, the CCLAD has not been able to establish a detoxification or rehabilitation centre for drug patients. The CCLAD intends to strengthen its branches in Agadez and Zinder by the end of 2012. It also intends to provide drug enforcement training for all security forces. The CCLAD plans to draft proposals for their upcoming activities and request assistance from partner countries.

During the first six months of 2011, the CCLAD-Niamey and other security forces arrested 242 people (including 97 sentenced to prison terms) and seized 655.4 kilograms of cannabis and 182,020 Diazepam (D5) pills. On June 7, drug enforcement officers at the Port of Cotonou, Benin, seized a container in transit to Niger in which they found 405 kilograms of cocaine shipped from Brazil. On June 10, the Togolese drug enforcement agency seized 97 kilograms of cocaine in a container registered as carrying soybean oil en route to Niger. On September 3, near Dirkou, in Agadez region, the CCLAD with support from other security forces apprehended traffickers aboard three vehicles carrying a total of at least 3,200 kilograms of cannabis resin with an illicit market value of 13 billion CFA (\$27.5 million). The CCLAD escorted the vehicles and their contents to headquarters in Niamey. On November 3, near Madama, in Agadez region, security forces clashed with suspected drug traffickers aboard four vehicles. The suspects managed to escape, leaving one government soldier injured. The CCLAD reports that it is investigating several cases involving politicians.

US State Dept Trafficking in Persons Report 2014 (introduction):

Niger is classified a Tier 2 country - a country whose government does not fully comply with the Trafficking Victims Protection Act's minimum standards, but is making significant efforts to bring themselves into compliance with those standards.

Niger is a source, transit, and destination country for children, women, and men subjected to forced labor and sex trafficking. Caste-based slavery practices continue primarily in the northern part of the country. Nigerien boys are subjected to forced labor, including forced begging within the country, as well as in Mali and Nigeria, by corrupt marabouts (religious instructors). Corrupt marabouts or loosely organized clandestine networks may also place Nigerien girls into domestic servitude or in the sex trade. Nigerien children are subjected to forced labor in gold mines, agriculture, and stone quarries within the country. Girls are subjected to prostitution along the border with Nigeria, particularly along the main highway between the towns of Birni N'Konni and Zinder. In the Tahoua region of Niger, girls born into slavery are forced to marry men who buy them as "fifth wives" and subsequently subject them to forced labor and sexual servitude; their children are born into slave castes. Traditional chiefs play a primary role in this form of exploitation, either through enslaving children in their own families or arranging "marriages" for other powerful individuals. Some girls in forced marriages may be exploited in the sex trade after fleeing their nominal "marriages." Nigerien girls reportedly enter into "marriages" with citizens of Nigeria and other foreign nationals living in Saudi Arabia and the United Arab Emirates, after which they are forced into domestic servitude upon arrival in these countries.

Nigerien women and children are recruited from Niger and transported to Nigeria, North Africa, the Middle East, and Europe where they are subsequently subjected to domestic

servitude, sex trafficking, and forced labor in agriculture or animal herding. In 2013, 92 Nigeriens—mostly women and children suspected to be victims of trafficking—died in the Nigerien desert after their bus broke down en route to Algeria. Niger is a transit country for men, women, and children from Benin, Burkina Faso, Chad, Cameroon, Cote d'Ivoire, Gabon, Ghana, Liberia, Mali, Nigeria, and Togo migrating to northern Africa and Western Europe, where some are subsequently subjected to forced labor or sex trafficking. Additionally, some migrants are subjected to forced labor in Niger as domestic servants, mechanics, welders, laborers in mines and on farms, or as staff in bars and restaurants. Corrupt law enforcement and border officials accept bribes from traffickers to facilitate the transportation of victims into and throughout the country.

The Government of Niger does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. The National Agency for the Fight against Trafficking in Persons (ANLTP), the government's permanent implementing body to address trafficking in persons, was established and became operational in 2014. The government continued to conduct awareness-raising events throughout the year, often with support from international organizations. In a positive development, the government convicted eight police officers for accepting bribes from suspected traffickers. It continued to prosecute and convict traffickers using its 2010 anti-trafficking law and to identify and refer victims to NGOs to receive care; however, a six-month staffing gap in the National Commission for the Coordination of the Fight against Trafficking in Persons (CNCLTP)—currently serving as the coordinating body for the government's anti-trafficking efforts—limited the effectiveness of the government's efforts, and the overall number of convictions obtained and victims identified declined considerably.

US State Dept Terrorism Report 2015

Overview: In 2015, Boko Haram repeatedly crossed the border from Nigeria to launch multiple attacks in the Diffa Region of Niger, leading to numerous civilian and security forces deaths. Additionally, hundreds of Nigerian soldiers and tens of thousands of displaced persons fleeing from Boko Haram crossed into Niger, further adding to tensions in Diffa. The Government of Niger deployed additional military and law enforcement resources to this area.

Suspected members of al-Qa'ida in the Islamic Maghreb (AQIM) and other terrorist organizations continued to transit through the vast northern part of Niger in the areas bordering Algeria, Chad, Libya, and Mali. Weapons and contraband were moved through these areas, some of which were interdicted by the Nigerien military. During 2015, using foreign assistance, the Nigerien military continued to increase its capability to patrol, collect information, and interdict terrorists in the north.

Niger remained an outspoken opponent of terrorism in the region, continued to cooperate with international partners – including the United States – and received substantial international counterterrorism assistance. Niger is one of six countries participating in President Obama's Security Governance Initiative (SGI). The United States and Niger signed a Joint Country Action Plan for SGI in October 2015, focusing on developing a national security

review and strategic framework, aligning existing human and material resources more efficiently to address short- and long-term security needs, and external communications.

2015 Terrorist Incidents: There were dozens of localized attacks in the Diffa Region, many leading to loss of life, injury, and loss of property. Attacks included:

- On February 6, Boko Haram terrorists attacked Diffa town and Bosso town in Diffa; one civilian was killed.
- On September 25, approximately 10 Boko Haram terrorists attacked N' Gourtouwa village in Diffa, killing 15 villagers, including the village chief.
- On October 4, four individuals detonated suicide bombs in two locations near Diffa town, killing five civilians and one police officer.
- On October 27, Boko Haram terrorists killed 13 civilians in the village of Ala in Diffa.

Legislation, Law Enforcement, and Border Security: Niger's laws criminalize acts of terrorism consistent with international instruments on terrorism. Recent amendments to the code of criminal procedure created a specialized counterterrorism jurisdiction and authorized stronger investigative techniques. Niger's interagency counterterrorism investigative entity, the Central Service for the Fight against Terrorism (SCLCT), includes a separate operational cell in the regional capital of Diffa, where the majority of terrorist attacks occur.

The law enforcement and security services of Niger were actively engaged in detecting, deterring, and preventing acts of terrorism in Nigerien territory. A lack of sufficient manpower, funding, and equipment made this more difficult, however. Counterterrorism investigations in Niger are primarily the responsibility of the SCLCT, which is made up of representatives from Niger's three primary law enforcement organizations: the National Police, the National Guard, and the Gendarmerie. Information sharing occurred among the law enforcement agencies of SCLCT.

Niger's long borders and areas of harsh terrain make effective border security a challenge, specifically in the north along the borders with Algeria, Libya, and Mali. These borders are very difficult to secure and patrol, and are often exploited by smugglers. Niger attempted to improve its border security by increasing the number of border control facilities and requesting assistance from partners to construct and equip facilities. Niger continued to use rudimentary terrorism watchlists that it shares with the security services and at border checkpoints, although the lists were not frequently updated. The ability to conduct biographic and/or biometric screening remained limited to Niamey's international airport and one border control point. Niger's air surveillance capability increased. Niger has the ability to collect advance Passenger Name Records and is able to use these records in counterterrorism efforts.

Information sharing within the Government of Niger is sometimes slow between services due to stove-piping or a lack of communications equipment. Resource constraints across the spectrum of basic needs, such as electricity, radios, reliable vehicles, computers, technology, and personnel, along with resource constraints within the Ministries of Justice and Interior, made it difficult for the Government of Niger to provide strong law enforcement and border security. Additionally, effective whole-of-government coordination in the fight against terrorism continued to present challenges, and capacity remained lacking in areas such as proactive investigations and non-confession-based prosecutions.

Throughout 2015, the SCLCT arrested terrorist suspects on charges that included planning acts of terrorism, association with a terrorist organization, recruitment, and terrorism financing. At year's end, approximately 1,200 terrorism suspects were detained in Niger awaiting trial, including at least 70 minors. Most of the cases were under review by investigating judges.

Niger continued to receive counterterrorism assistance from a variety of international partners, including the United States, the EU, France, and the UN. Niger continued to permit French forces to be based in Niamey, as well as in other locations to conduct operations such as ground and air surveillance. The United States provided terrorism assistance to Nigerien law enforcement – primarily through the Department of State's Antiterrorism Assistance program, a Resident Legal Advisor from the U.S. Department of Justice (DOJ), and the Global Security Contingency Fund, a joint interagency program between the Departments of Defense, Justice, and State.

Countering the Financing of Terrorism: Niger is a member of the Inter-Governmental Action Group against Money Laundering in West Africa, a Financial Action Task Force-style regional body. Niger's porous borders and historical trafficking routes make it easy for terrorists to transfer large sums of cash. At year's end, suspected AQIM and Boko Haram members were awaiting trial on charges of terrorism financing. In 2015, Niger's financial intelligence unit, CENTIF, joined the Egmont Group.

Countering Violent Extremism: Niger's strategy to counter violent extremism included the Sahel-Sahara Development and Security Strategy (SDSS), which aimed to improve security through access to economic opportunities and employment, especially for youth; access to basic social services; good governance at the community and local authority level; and reintegration of forced returnees from Algeria, Cote D'Ivoire, Libya, and Nigeria. The SDSS launched four years ago, but it was not fully funded; therefore, results were limited.

Niger's SDSS, supported by USAID's Peace through Development II program, helped reduce the risk of instability and increased resiliency to violent extremism through such activities as strengthening moderate, non-extremist voices through radio, social media, and civic education; and working with religious leaders who promote religious tolerance and peaceful resolution of conflict.

The Resilient Voices program supported credible Nigerien voices to promote peace, tolerance, and respect for Nigerien identity. In 2015, the Ministry of Justice's Director of Reinsertion and Rehabilitation worked with the DOJ Resident Legal Advisor to identify and address needs in the prison system, including the lack of programs that focused specifically on rehabilitation and reintegration of violent extremist prisoners into mainstream society.

International and Regional Cooperation: Niger supported the UN Multidimensional Integrated Stabilization Mission in Mali by contributing an infantry battalion. Additionally, Niger worked with Algeria, Mali, and Mauritania at the General Staff Joint Operations Committee in Tamanrasset, Algeria. Niger participates in a judicial cooperation organization, the Sahel Judicial Platform, with other countries in the region.

Niger increased its efforts to improve joint patrols and operations with Algeria, conducted joint patrols with Chad and Nigeria, and increased its cooperation with Lake Chad Basin Commission member countries to fight against Boko Haram. Nigerien officials hosted and

attended multiple international meetings concerning international efforts to counter the threat of Boko Haram. Niger is a member of and contributes troops to the Lake Chad Basin Multinational Joint Task Force (MNJTF) along with Benin, Chad, Cameroon, and Nigeria.

Niger is an active member of the Trans-Sahara Counterterrorism Partnership. Nigerien officials continued to participate actively in regional programs organized by the Global Counterterrorism Forum Sahel and Rule of Law Working Groups. Niger contributed forces to regional efforts to fight Boko Haram via the Lake Chad Basin Multinational Joint Task Force

The G-5 Sahel was created in February 2014 to enable region-wide collaboration on the Sahel-Saharan region's political and security situation, and Niger participated in G-5 Sahel meetings held among the five member countries: Burkina Faso, Chad, Mali, Mauritania, and Niger, along with representatives of the AU, UN, the Economic Community of West African States, the EU, and the Organization of Islamic Cooperation.

International Sanctions

None applicable

Bribery & Corruption

| Index | Rating (100-Good / 0-Bad) |
|--|---------------------------|
| Transparency International Corruption Index | 35 |
| World Governance Indicator – Control of Corruption | 33 |

Corruption and Government Transparency - Report by US State Dept

Niger ranked 106 out of 177 in Transparency International's 2013 Corruption Perceptions Index. Niger's economic freedom score is 55.1, making its economy the 127th freest in the 2014 Index. Improved control of government spending, labor freedom, monetary freedom, and freedom from corruption helped Niger outweigh a substantial decline in trade freedom and move up in the index. Niger is ranked 24th out of 46 countries in the Sub-Saharan Africa region, and its overall score is slightly above the regional average.

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Corruption in the executive and legislative branches is compounded by poorly financed and poorly trained law enforcement and weak administrative controls. Foreigners are advised not to pay bribes to policemen, customs officials, or other government officials. Bureaucratic processes can be slow, but this is often due more to inefficiency and lack of information technology than to corruption. The Millennium Challenge Corporation (MCC) Board selected Niger for the first time in 2012 as a country eligible for a Compact. The Board recognized the country's efforts in good governance, the engagement and commitment of the GON in the fight against corruption, the respect of political rights, civil liberties, freedom of information, and the adoption of policy reforms to strengthen economic freedom.

Section 3 - Economy

Niger is a landlocked, Sub-Saharan nation, whose economy centers on subsistence crops, livestock, and some of the world's largest uranium deposits. Agriculture contributes about one-third of GDP and provides livelihood for about nine-tenths of the population. Drought, desertification, and strong population growth have undercut the economy. Niger shares a common currency, the CFA franc, and a common central bank, the Central Bank of West African States (BCEAO), with seven other members of the West African Monetary Union. Debt relief has significantly reduced Niger's annual debt service obligations, freeing funds for expenditures on basic health care, primary education, HIV/AIDS prevention, rural infrastructure, and other programs geared at poverty reduction. Nearly half of the government's budget is derived from foreign donor resources. The economy in recent years has been hurt by terrorist activity and kidnappings near its uranium mines and instability in Mali. Future growth may be sustained by exploitation of oil, gold, coal, and other mineral resources. Niger has sizable reserves of oil and oil production, which began in 2012, along with refining, and exports are expected to grow through 2016. However, oil revenues have fallen well short of predictions, mainly because of logistical challenges. Food insecurity and drought remain perennial problems for Niger. The mining sector may be affected by the government's attempt to renegotiate extraction rights contracts.

Agriculture - products:

cowpeas, cotton, peanuts, millet, sorghum, cassava (manioc), rice; cattle, sheep, goats, camels, donkeys, horses, poultry

Industries:

uranium mining, cement, brick, soap, textiles, food processing, chemicals, slaughterhouses

Exports - commodities:

uranium ore, livestock, cowpeas, onions

Exports - partners:

Nigeria 41%, US 17%, India 14.1%, Italy 8.5%, China 7.7%, Ghana 5.7% (2012)

Imports - commodities:

foodstuffs, machinery, vehicles and parts, petroleum, cereals

Imports - partners:

France 14.2%, China 11.1%, French Polynesia 9.9%, Nigeria 9.7%, Togo 5.5% (2012)

Banking

The Central Bank of West African States (BCEAO), a central bank common to the eight members of the West African Economic and Monetary Union (WAEMU or UEMOA), governs Niger's banking system. Along with BCEAO, the "Commission Bancaire" is a supranational supervisory entity created in April 1990 to control financial institutions. The eight member countries use the CFA franc issued by the BCEAO and pegged to the euro at a rate of 1 euro equals 656 CFA francs. The French Treasury guarantees parity and fixed convertibility. BCEAO has an operating account at the French Treasury where it is required to hold at least 65 percent of its foreign exchange reserves.

Nine commercial banks operate in Niger. The system is characterized by the over liquidity of banks and their hesitancy to lend for medium and long-term loans. The banking system is served by three medium-sized local banks: BIA Niger (Banque Internationale pour l'Afrique), Ecobank and SONIBANK (Societe Nigerienne de Banque). There are several small commercial banks: Bank Of Africa; BCN (Banque Commerciale du Niger, a Libyan-Nigerien joint venture); Credit du Niger; BINCI (Banque Islamique du Niger pour le Commerce et l'Investissement) with Saudi and Islamic Development Bank ownership; BSIC (Bank of the 23 CEN-SAD member countries), BRS (Banque Régionale de Solidarité); a development bank where all WAEMU member countries are shareholders, and the new Banque Atlantique.

Stock Exchange

Founded in 1998, the Bourse Régionale des Valeurs Mobilières SA ("West African Regional Stock Exchange") or BRVM, is a regional stock exchange headquartered in Abidjan, Cote D'Ivoire, serving the following west African countries: Benin, Burkina Faso, Guinea Bissau, Côte d'Ivoire, Mali, Niger, Senegal and Togo.

Executive Summary

Niger has enjoyed political stability and an increase in development of natural resources including uranium and oil over the past three years. In response to the troubled security climate in the wider region, Niger has increased security-sector spending and become a keen partner of the U.S. and other allied nations in efforts to ensure the security of Nigerien citizens and foreigners in Niger alike. Some of the biggest opportunities in Niger include infrastructure projects and development of its natural resources. Modernization of the agricultural sector presents another opportunity, as agriculture makes up 39 percent of GDP and employs 55 percent of the active workforce yet it does not employ modern practices and is susceptible to climactic shocks which slow the economy. Inflation has been kept low and the IMF estimates that GDP will continue to grow at one of the fastest rates in the world. Niger is open to foreign trade and President Issoufou has met with interested U.S. investors and followed up the meetings by ensuring his staff works to ensure potential investors have the information and assistance they need. The country's aim is to implement the trade policy of the West African Economic and Monetary Union (WAEMU) and it has joined the Generalized System of Preferences (GSP) of the European Union. Customs duties and taxes have been revised recently, though the implementation of new codes is still in progress. In 2014 a new investment code was adopted.

1. Openness To, and Restrictions Upon, Foreign Investment

Niger is open to foreign investment and has adopted new tax and investment codes which the Government of Niger (GON) is working to implement. The GON has negotiated with companies interested in investing, but several international business representatives note what they believe are “unrealistic expectations,” saying the GON has dreams of collecting unfairly high taxes in sectors including telecommunications, soft drink production, gold mining, and uranium mining. However, the GON has negotiated with businesses and regularly waives taxes for companies involved in importation, exportation and production of goods in Niger. The GON is working to strike the balance between attracting investors and collecting taxes at a fair rate; it is flexible when a solid case is made. Under the Investment Code, industrial investments can enjoy some tax and customs exemptions, including in some cases exemptions from the value-added tax (VAT).

While the extractive industries lead the way in terms of investment opportunities for foreign companies, Niger's agricultural and service sectors are also areas where the GON is extremely open to foreign investment. In the agricultural sector, Niger lags far behind in modernization in all aspects of the value chain, including production, harvesting, transportation, processing, storage, and marketing. There is great demand for the mechanization of farming, but Niger has few financing opportunities that would allow for an increase in productivity that would enhance food security, a GON priority. In 2014, the GON purchased hundreds of tractors from China. When the U.S. embassy invited the GON and the private sector to participate in an escorted delegation to a U.S. agricultural trade show, both expressed immediate and significant interest.

The investment code lays out the general principles governing the reception and protection of foreign investment, as well as the incentives available for approved projects. The code offers guarantees to foreign direct investors, allowing them to transfer income of any kind from the capital invested and the proceeds from the liquidation of the investment, and ensures the existence of arbitration via the International Center for the Settlement of Investment Disputes (ICSID). The code allows for tax breaks, though terms are to be negotiated with the Ministry of Commerce on a case-by-case basis. Most investors benefit from special tax treatment and tariff protection for varying periods depending on the level and location of investment. The investment code guarantees equal treatment of investors regardless of nationality. Nigerien authorities have announced that the National Council of Private Investors (CNIP), which is charged with reviewing Niger's investment climate and performance and proposing specific actions to address national investment priorities, will restart activity soon, though it has not met for over a year and has not been an effective mechanism for instituting change to improve the business climate.

The Chamber of Commerce's *Guichet Unique*, or one-stop shop, is the first step for foreign investors interested in doing business in Niger. The *Guichet Unique* can inform potential investors of investment incentives and the laws and regulations that govern investment. It is currently undergoing a World Bank-funded transformation into what is supposed to be a more efficient structure that will be called the House of Business. The Chamber of Commerce also has a division called the Center for Investment Promotion (CPI) that welcomes, directs, advises, and assists national and foreign investors. The investment code offers incentives to sectors the GON deems key to economic development: energy production, mineral exploration and mining, agriculture, food processing, forestry, fishing, low-cost housing construction, handicrafts, hotels, schools, health centers, and transportation. Total foreign ownership is permitted in most sectors except energy, mineral resources, and sectors restricted for national security purposes. In the extractive industries, any company to which the GON grants a mining permit must give the GON a 10 percent share of the company. However the GON reserves the right to require companies developing mineral resources to give the GON up to a 33 percent stake in their Nigerien operation. Foreign ownership of land is permitted but requires authorization from the Ministry of Planning, Land Management and Community Development. The Investment Code has established three different tiers of privileges for investors, listed below.

- Tier 1: Promotional tier, for investments of 25 million CFA francs (US\$50,000) or above.
- Tier 2: Priority tier, for investments of 50 million CFA francs (US\$100,000) or above.
- Tier 3: Conventional tier, for large businesses with investments of at least 2 billion CFA (approximately USD 4 million). During the investment phase, the approved investments are exempt from import duties and taxes on material and equipment needed for the project that are not available locally. The advantages provided during the operational phase include exemption from profit tax (35 per cent). Apart from these regimes, two additional incentive schemes are part of the investment code. These apply to companies operating in remote regions, energy, agro-industry, and low-cost housing sectors.

Disincentives to investment include the limited domestic market, high transportation costs (Niger is landlocked), and a slow and cumbersome government bureaucracy. Niger's low

literacy rate and weak education system limit the availability of skilled labor and service providers. English is not widely spoken (French is the official language). Additional deterrents to investment include limited institutional capacity for sustained growth, inadequate infrastructure, and corruption. Investors must exercise due diligence in selecting local business partners, and recognize that the sanctity of contracts - specifically with regard to dispute-resolution provisions - has not always been observed. International companies are required to have a local representative, and a good local representative can help the company navigate the complex political and bureaucratic processes.

Niger ranks near the bottom of the IFC's "Doing Business" index, and the regulatory environment has been a barrier to private-sector growth. According to 2014 data, starting a business in Niger took 17 days and required six different procedures.

Amendments made in 2011 to the Organization for the Harmonization of Business Law in Africa (OHADA)'s Uniform Act on Secured Transactions sought to improve access to credit. The amendments broadened the range of assets that can be used as collateral to include future assets, extended the security interest to the proceeds of the original asset and introduced the possibility of out-of-court enforcement. However, financing for projects remains difficult to obtain and hinders private sector development.

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

| Measure | Year | Rank or value | Website Address |
|---|------|---------------|---|
| TI Corruption Perceptions index | 2013 | 106/177 | http://cpi.transparency.org/cpi2013/results/ |
| Heritage Foundation's Economic Freedom index | 2013 | 127/177 | http://www.heritage.org/index/ranking |
| World Bank's Doing Business Report "Ease of Doing Business" | 2014 | 176/189 | http://doingbusiness.org/rankings |
| Global Innovation Index | 2013 | 131/142 | http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener |

| | | | |
|---------------------------------|------|------------|---|
| World Bank GNI per capita | 2012 | USD 390 | http://data.worldbank.org/indicator/NY.GNP.PCAP.CD |
|---------------------------------|------|------------|---|

TABLE 1B - Scorecards: The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) of \$4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: <http://www.mcc.gov/pages/selection/scorecards>. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: <http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf>.

Economic Indices

| | | |
|---------------------------------|------|------|
| MCC Government Effectiveness | 2014 | 69% |
| MCC Rule of Law | 2014 | 67% |
| MCC Control of Corruption | 2014 | 65% |
| MCC Fiscal Policy | 2014 | 62% |
| MCC Trade Policy | 2014 | 66% |
| MCC Regulatory Quality | 2014 | 64% |
| MCC Business Start-Up | 2014 | 38% |
| MCC Land Rights Access | 2014 | 34% |
| MCC Natural Resource Protection | 2014 | 64% |
| MCC Access to Credit | 2014 | 50% |
| MCC Inflation | 2014 | 100% |

2. Conversion and Transfer Policies

As a member of the African Financial Community (CFA) and the Economic Community of West African States (ECOWAS), Niger has benefited from a foreign exchange system that is free from restrictions on payments and transfers. Foreign capital and domestic capital are legally equal. Investments are not screened, and most sectors of the economy are open to foreign investment. Currency conversions above 2 million CFA (about USD 4,000) must be approved by the government.

3. Expropriation and Compensation

Article 28 of the 2010 Constitution states "Everyone has the right to own property and no one shall be deprived of his property except for public purposes subject to prior and just compensation."

The investment code guarantees that no business will be subject to nationalization or expropriation except when deemed "in the public interest" as prescribed by the law. The code requires that the government compensate any expropriated business with just and equitable payment. In 2009, the then-GON unilaterally terminated the operating license of DATAPORT, a consortium of foreign investors from Libya and China that had purchased the national telecommunications provider SONITEL when it was privatized in 2002. The quantity of compensation paid to the companies was not publicized.

There were cases in which the former government of Niger reduced terms of telecommunications licenses due to failure to provide quality service. In early 2010, the Minister of Communications stated that the government of Niger would reduce the duration of two mobile phone operators' licenses because of poor service. According to the Minister, the fifteen-year license awarded to the Kuwaiti telecommunications firm Zain in 2000 was cut by five years pending a return to the agreed level of service quality. A second mobile telephone company, Moov, operated by Atlantique Telecom and majority-owned by Abu Dhabi-based Etisalat, saw its fifteen-year license reduced by three years. The quality issues included inadequate national coverage and a call loss rate more than double the international norm of five percent or less.

Niger's parliament voted to nationalize incumbent telecoms operator Sonitel, abandoning a renewed attempt to privatize the company. The move allows the GON to carry out investments in the company over the next five years. The GON began looking for a new buyer for Sonitel and its mobile arm SahelCom in August 2011, after a deal to sell a stake in the company to Libya's LAP Green Network for USD 62 million was scrapped the previous June. After heavy criticism of the deal by Niger's main telecommunication union, the GON decided to cancel it and claimed the Libyan government investment vehicle had not been able to meet the terms of the agreement.

4. Dispute Settlement

While Niger's laws protect property and commercial rights, the administration of justice can be slow and unequal. The investment code provides for settlement of disputes and indemnification by arbitration or by recourse to the World Bank's International Center for Settlement of Disputes on Investment. However, investment dispute mechanisms in contracts are not always respected and due diligence is extremely important. Procedures are in place but are often not adhered to because of a lack of resources and corruption in the judicial system.

In 2011, an American contractor was detained by police at the behest of a disgruntled Nigerien subcontractor, in violation of contract provisions. The contractor was released by mid-day when the complaint was determined to be civil rather than criminal. There is an ongoing commercial dispute between U.S. firm SeaBoard against both ECOBANK and a Nigerien trader for the loss of rice shipped from SeaBoard to the Nigerien trader that

defaulted on its payment to SeaBoard. Before SeaBoard was able to recover the rice, ECOBANK seized the rice as payment of a debt between the private trader and ECOBANK. SeaBoard is working with Nigerien counsel to resolve this commercial dispute.

Niger has been a member of the Organization for the Harmonization of Business Law in Africa (OHADA) since 1995. OHADA aims to harmonize business laws in sixteen African countries by adopting common rules adapted to their economies, setting up appropriate judicial procedures, and encouraging arbitration for the settlement of contractual disputes. OHADA regulations on business and commercial law include definition and classification of legal persons engaged in trade; procedures for credit and recovery of debts; means of enforcement; bankruptcy; receivership; and arbitration. Niger is a party to the New York Convention on the Recognition of Foreign Arbitral Awards.

5. Performance Requirements and Investment Incentives

Performance requirements are not imposed as a condition for establishing, maintaining, or expanding foreign direct investments. Niger offers incentives that are dependent on the size of the investment and number of jobs created. The Investment Code offers VAT-inclusive tax exemptions depending on the size of the business. Potential tax exemptions include start-up costs; property, industrial and commercial profits; services and materials required for production; and energy use. Exemption periods range from ten to fifteen years and include waivers of duties and license fees. There are no restrictions on foreign companies opening a local office in Niger, though they must obtain a business certificate from the Ministry of Commerce.

Niger has been a member of the WTO since 1996 and as such is committed to trade liberalization and opening its market to foreign investments. Products including traditional handicrafts of West Africa Economic and Monetary Union (WAEMU) origin enter duty free, together with a limited number of industrial products from producing enterprises approved by the WAEMU Commission. Niger's African Growth and Opportunity Act (AGOA) eligibility was reinstated in 2011 after the restoration of democracy that year. Under the provisions of AGOA, most Nigerien exports may enter the United States duty free. In December 2003, it was determined that Niger qualified for textile and apparel benefits provided under AGOA. Niger qualified for Category 9 of AGOA in 2006, which allows for the duty free entry of hand-woven fabric into the United States.

6. Right to Private Ownership and Establishment

Foreign and domestic private entities have the right to establish and own business enterprises. Private entities can freely establish, acquire, and dispose of interests in business enterprises. Legally established private-sector companies have the same access to markets, credit, and other business operations as do public enterprises. Foreign ownership of land is permitted but requires authorization from the Ministry of Planning. While Niger's legal framework grants private companies wide ranging freedoms, companies encounter barriers to business on an almost daily basis. The poor legal and physical infrastructures make it difficult and expensive for firms to operate, and an inadequate regulatory framework hampers private sector development. In addition, onerous and inconsistent regulations impose substantial costs.

7. Protection of Property Rights

Niger is a member of the West African Intellectual Property Organization (OAPI), which sets the legal framework for protecting intellectual property and approves requests for registration. Protection is initially granted for ten years and is renewable for an additional ten years.

As a signatory to the 1983 Paris Convention for the Protection of Industrial Property, Niger provides national protection under Nigerien patent and trademark laws to foreign businesses. Niger is also a member of the World Intellectual Property Organization (WIPO) and a signatory to the Universal Copyright Convention.

Niger's judiciary system is understaffed. Despite a legal regime that protects intellectual property rights, the government of Niger lacks the capacity and resources to enforce copyright violations. Counterfeit CDs, videocassettes and pharmaceuticals are readily available. The international property rights index does not rank Niger. Law enforcement is poorly trained and there are weak administrative controls. Property rights also remain hampered by an ineffective judicial framework and a court system that is vulnerable to political interference. On average, it takes 35 days and 4 procedures to register a property in Niger. The World Intellectual Property Organization's page for Niger can be found at: <http://www.wipo.int/wipolex/en/profile.jsp?code=NE>.

Local lawyers list: <http://niamey.usembassy.gov/niger/attorney.html>

Embassy point of contact: Mr. Samaila Salifou, +227-20-72-26-61 extension 4443
SalifouS@State.gov

8. Transparency of the Regulatory System

Investment approval should be within thirty days from the date of application but investors should be prepared for delays due to inter-ministerial processing. While efforts continue to make the tax laws more transparent, investors find it useful to specify financial obligations, such as tax liability, in individual business agreements. It is important to seek qualified guidance to ensure compliance with tax and labor regulations.

In March 2011, the Extractive Industry Transparency Initiative (EITI) designated Niger as "compliant." The GON has made improvements towards transparent management and public disclosure of revenues generated from mining activities. Niger ranked 106 out of 177 in the 2013 Transparency International Corruption Perceptions Index, an improvement of seven spots over 2012.

A multi-sectoral regulatory agency (ARM) established in 2004 has been replaced by a single-sector regulatory agency (ARTP) in 2013 to focus on telecommunications oversight. Other sectors are regulated by the relevant ministry in charge of the sector.

Niger is a member of the U.N. Conference on Trade and Development's international network of transparent investment procedures: <http://niger.eregulations.org/> (French language only). Foreign and national investors can find detailed information on administrative procedures applicable to investment and income generating operations

including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures.

9. Efficient Capital Markets and Portfolio Investment

There are no limits on the free flow of financial resources. Credit is allocated on market terms and foreigners do not face discrimination. However, the Nigerien banking sector is poorly developed, inefficient, and expensive. All the local banks are subsidiaries of banks based elsewhere in the region; there are no American or European banks. Bank credit to the private sector has been less than 10 percent of GDP and fewer than two percent of Nigeriens have a bank account. The Central Bank of West African States governs Niger's banking institutions and sets minimum reserve requirements. Credit is generally allocated on market terms, but the cost is high and credit is usually extended only to large businesses. Four major commercial banks control roughly 90 percent of deposits. The government of Niger holds shares in several financial institutions.

10. Competition from State-Owned Enterprises

There are no laws or rules that offer preferential treatment to State-Owned Enterprises (SOEs) but there are SOEs operating in the telecommunications, services, oil, uranium, and electricity industries. The GON passed a privatization law that provides the legal framework for privatization of 12 SOEs but further progress towards privatization has not occurred. The oil-distribution company (SONIDEP) and the national electricity company (NIGELEC) still hold monopolies. However, three mobile phone and two Internet licenses have been granted and competition exists in these sectors. For 30 years the French government-owned company AREVA held a virtual monopoly over Niger's uranium, but recently uranium mining concessions have been awarded to companies from several other countries. Various foreign firms are competing in other extractive industries including the oil and gas sector.

11. Corporate Social Responsibility

The GON has focused on ensuring existing corporate social responsibility (CSR) obligations are met and that communities benefit in compliance with the Nigerien law that states 15 percent of revenues from the extractive industries must be returned to the municipality affected by the project. However, the money is difficult to track and local authorities who do receive funds note the GON has not published implementation procedures for how local authorities can spend the funds. As a result, foreign companies are forced to do any and all corporate social responsibility projects without an active and engaged government using the tax revenue generated by the company. Companies often engage in CSR projects involving health care, education, and other visible projects.

12. Political Violence

Niger has enjoyed political stability for the past three years. Democratic elections were held in 2011 and are due to be held again in 2016. While there can be political tension between the ruling majority and opposition, there has been almost no political violence since the current government took office. The GON has effectively improved its security posture as it seeks to remain a relative oasis of stability in a region marred by conflict and violence in neighboring countries Mali, Nigeria, and Libya. There is a continuing threat of terrorist activity

by al-Qaida in the Lands of the Islamic Maghreb (AQIM) and associated groups, which have conducted kidnappings for ransom and terrorist attacks in Niger, Algeria and Mali. The security situation of neighboring Mali and the presence of violent extremist groups AQIM, Ansar al-Din and MUJAO have been a serious concern for the GON, which is an active participant in the United Nations peacekeeping mission in Mali. There is concern that Boko Haram's violent tactics may spill over from northern Nigeria, although there have been no attacks in Niger.

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14. Bilateral Investment Agreements

Niger signed a bilateral investment agreement with the United States in September 1962. Foreign investment in Niger has been predominantly French, but recently Chinese, Turkish and Indian investors have shown interest. Niger is a signatory of investment treaties with Algeria, Egypt, Germany, Switzerland, and Tunisia. As a member of the West African Economic and Monetary Union (WAEMU), Niger has asked its trade partners to deal with WAEMU regarding trade agreements.

15. OPIC and Other Investment Insurance Programs

Niger is eligible for OPIC coverage but OPIC has not been involved in any Niger investments to date. The Export-Import Bank (Ex-Im) has a number of programs geared towards helping sub-Saharan manufacturers expand their business by financing U.S. exports of manufacturing equipment and services. Niger joined the Multilateral Investment Guarantee Agency (MIGA) in May 2012, so direct foreign investment into the country is eligible for the agency's political risk insurance. Niger is also a member of the *Bourse Régionale des Valeurs Mobilières* (BRVM), a regional stock market located in Abidjan, Cote d'Ivoire.

16. Labor

Niger has ratified eight fundamental International Labor Organization (ILO) conventions, including conventions on forced labor, freedom of association, right to organize and collective bargaining, equal remuneration, discrimination, minimum age, and child labor, and also enforces the Niger labor code. The Constitution provides formal recognition of a worker's right to establish and join trade unions; however, roughly 95 percent of the work force is employed in the nonunionized subsistence agricultural and small trading sectors. The National Union of Nigerien Workers (USTN), a federation consisting of 38 unions, represents the majority of salary earners; most are government employees, such as civil servants, teachers, and employees in state-owned corporations. The USTN and affiliated National Union of Nigerien Teachers (SNEN) profess political autonomy, but they have informal ties to political parties. There are several breakaway union confederations and independent teachers' and magistrates' unions. In addition to the Constitution and the labor code, there is a basic framework agreement among the USTN, employers and the Government that defines all classes and categories of work, establishes basic conditions of work, and defines union activities.

The labor code is based on ILO principles and protects the right to organize and prohibits antiunion discrimination by employers. Labor unions reported no such discrimination. In private and state-owned enterprises, unions used their right to bargain collectively with management without government interference for wages greater than the statutory minimum as well as for more favorable work conditions. Collective bargaining also exists in the public sector. The USTN represents civil servants in bargaining with the Government. Agreements between labor and management apply uniformly to all employees.

The labor code regulates employment, vocational training, remuneration, collective bargaining, labor representation and labor disputes and establishes the Labor Court and the Consultative Commission for Labor and Employment, and regulates the Technical Consultative Committee for Occupational Safety and Health. The code introduces provisions to promote employment of disabled persons by requiring companies to set aside 5% of jobs when recruiting. The Labor Code establishes a minimum wage for salaried workers of each class and category within the formal sector; however, minimum wages were not sufficient to provide a decent standard of living for workers and their families. The legal workweek is 40 hours with a minimum of one 24-hour rest period; however, for certain occupations, the Ministry of Labor authorizes longer workweeks of up to 72 hours.

17. Foreign Trade Zones/Free Ports

Niger is open to foreign trade. The country's aim is to implement the trade policy of the West African Economic and Monetary Union (WAEMU) and it has joined the Generalized System of

Preferences (GSP) of the European Union. Custom duties are not very high. Production costs, restricted facilities in terms of loans, and import/export activities through the informal sector have limited the development of international trade. Nevertheless, the country is trying to diversify its mining base in order to promote trade. Niger is landlocked, has no free trade zones and relies on the Ports of Cotonou in Benin and Lome in Togo as its primary seaports. Importers also use the ports of Tema, Ghana and sometimes Lagos, Nigeria. Delivery can take months due to delays at borders and internal control points along the route. The relatively low number of commercial flights to Niger means that transport costs are high. The trade balance is in deficit, a trend that increased slightly in 2013, since Niger's uranium exports were lower than expected. The country's main trade partners are Nigeria, the European Union, the United States, China, Ivory Coast and Algeria.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Data on the annual inflow of FDI to Niger were gathered from the West African Central Bank (BCEAO). Niger welcomes FDI. The investment code guarantees equal treatment to foreign investors regardless of nationality. Total foreign ownership of businesses is permitted in all sectors except those few restricted for national security purposes, such as arms and munitions and private security forces, which require special arrangements.

Recent Foreign Investments

| Name | Product | Millions US\$ | Year | Country |
|----------------|------------------|---------------|------|--|
| Infrastructure | Railway | 1,380 | 2013 | France (Bollore) |
| Mining | Uranium | 2,000 | 2013 | Canada (Green Castle Resources) |
| Mining | Uranium | 20 | 2013 | Nigeria, Britain |
| Infrastructure | Office Towers | 800 | 2013 | Islamic Development Bank |
| Infrastructure | Road | 200 | 2013 | China (CNPC) |
| Infrastructure | Road | 122 | 2013 | West African Development Bank |
| Infrastructure | Road Interchange | 60 | 2013 | China (CGC) |
| Infrastructure | Road | 6 | 2013 | ECOWAS Bank of Investment & Development (EBID) |

| | | | | |
|-----------------|--------------------------|---------|------|-------------------------------------|
| Kandadji dam | Electricity & Irrigation | 257.0 | 2011 | World Bank, ADB, OPEC, France (AFD) |
| Malbaza Factory | Cement | 78.0 | 2011 | Niger, India, Norway |
| SOMINA | Uranium | 334.7 | 2008 | China |
| Imouraren | Uranium | 1,500.0 | 2008 | France (AREVA) |
| SORAZ Refinery | Oil | 980.0 | 2008 | China |

Section 5 - Government

Chiefs of State and Cabinet Members:

For the current list of Chief of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

Legal system:

Mixed legal system of civil law (based on French civil law), Islamic law, and customary law

International organization participation:

ACP, AfDB, AU, CD, ECOWAS, EITI (compliant country), Entente, FAO, FZ, G-77, IAEA, IBRD, ICAO, ICRM, IDA, IDB, IFAD, IFC, IFRC, ILO, IMF, Interpol, IOC, IOM, IPU, ISO (correspondent), ITSO, ITU, ITUC (NGOs), MIGA, MONUSCO, NAM, OIC, OIF, OPCW, UN, UNCTAD, UNESCO, UNIDO, UNMIL, UNOCI, UNWTO, UPU, WADB (regional), WAEMU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

Section 6 - Tax

Exchange control

No Information available

Treaty and non-treaty withholding tax rates

No Information available

Methodology and Sources

Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

Section 2 - Anti – Money Laundering / Terrorist Financing

| | Lower Risk | Medium Risk | Higher Risk |
|---|-----------------------------------|---------------------------------------|-----------------------------------|
| FATF List of Countries identified with strategic AML deficiencies | Not Listed | AML Deficient but Committed | High Risk |
| Compliance with FATF 40 + 9 recommendations | >69% Compliant or Fully Compliant | 35 – 69% Compliant or Fully Compliant | <35% Compliant or Fully Compliant |
| US Dept of State Money Laundering assessment (INCSR) | Monitored | Concern | Primary Concern |
| INCSR - Weakness in Government Legislation | <2 | 2-4 | 5-20 |
| US Sec of State supporter of / Safe Haven for International Terrorism | No | Safe Haven for Terrorism | State Supporter of Terrorism |
| EU White list equivalent jurisdictions | Yes | | No |
| International Sanctions UN Sanctions / US Sanctions / EU Sanctions | None | Arab League / Other | UN , EU or US |
| Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network | >69% | 35 – 69% | <35% |
| World government Indicators (Average) | >69% | 35 – 69% | <35% |
| Failed States Index (Average) | >69% | 35 – 69% | <35% |
| Offshore Finance Centre | No | | Yes |

Section 3 - Economy

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

Section 4 - Foreign Investment

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

Section 5 - Government

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

Section 6 - Tax

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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