Report Number: ICRR0022997

1. Project Data

Project ID	Project Name
P127204	Competitiveness & Growth Support
Country	**Practice Area(Lead)**
Niger	Finance, Competitiveness and Innovation

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-51320	31-Mar-2019	45,329,479.97
Bank Approval Date	**Closing Date (Actual)**	
26-Jun-2012	30-Jun-2021	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	50,000,000.00	0.00
Revised Commitment	49,826,656.33	0.00
Actual	45,329,479.97	0.00

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2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (p.5) and the Project Appraisal Document (PAD, p.14), the project development objectives were to improve selected aspects of Recipient’s (Government of Niger) business environment, to support the development of meat processing industry and to increase local business participation in the extractive industry sector.

This review will assess the achievement of the project objectives parsed as follows:

Objective 1: To improve selected aspects of Niger's business environment

Objective 2: To support development of the meat processing industry

Objective 3: To increase local business participation in the extractive industry

b. Were the project objectives/key associated outcome targets revised during implementation?
No

c. Will a split evaluation be undertaken?
No

d. Components
The project had four components.

1. Business Environment, Investment Promotion and SME Support for Identified Value Chains: (Estimated Cost at Appraisal: US$ 29.31 million, Actual Cost at Closing: US$ 15.50 million):

This component was to provide support to the Government of Niger (GoN) and to National Private Investors Council (CNIP) in improving business environment as well as investment and export promotion. In addition, Business Development Services (BDS) were to be provided to support enterprise development in mining and meat industries through Matching Grants program. This component had three sub-components:

1.1: Through this sub-component, technical assistance was to be provided to CNIP and other relevant authorities in investment legislation, tax, customs regimes, and mining and petroleum codes.

1.2: This sub-component was to provide support to Niger Export Promotion Agency (ANIPEX) through technical assistance on export promotion, operational budget support, and financing of equipment. Support to ANIPEX was to be granted in implementing its action plan for export promotion.

1.3: This sub-component was to finance technical assistance and training for Agency for Enterprise and Investment Promotion (APEIN), which would provide non-financial services and act as one-stop shop for businesses to access services necessary for establishment. Under this component, the design and the implementation of Matching Grants Program was foreseen. The program was to help firms to increase labor productivity, improve their capacities to serve large mining companies, and reach business partnership opportunities in the extractive industries value chain.

2. Support to selected value chains: (Estimated Cost at Appraisal: US$ 21.46 million, Actual Cost at Closing: US$ 22.10 million)

This component consisted of two sub-components:

2.1: This subcomponent was to support improvement of the policy and regulatory framework for diversification of mineral production, strengthen the institutional capacity for efficient management of the Extractive Industries (EI), and integrate extractives industry into local and regional development. The activities under this component were to help increase the EI's local supply base, as well as initiating growth of other services and industries resulting in more employment in those sectors. In order to reach these objectives, following activities were to be implemented: (i) TA and capacity building to GoN; (ii) initiating a multi-stakeholder consultative process to formulate a strategy for sustainable development of the oil and gas sector, training and technical assistance to Ministry of Energy and Hydrocarbons; (iii) purchases of software licenses and hardware for the storage and assessment of geologic and geophysics data; and (iv) rehabilitation of the petroleum data center. This sub-component was also to provide support to extractives industry by establishing a supplier data base and developing value chains. Capacity building for SMEs active in the sector and assisting them linking with larger companies were also foreseen under this sub-component.

2.2 This sub-component was to provide support to develop meat and butchery value chain. The activities to be financed under this sub-component were as follows: (i) Investment in the Niamey and Maradi abattoirs for increasing their production capacity and efficiency; (ii) the provision of a cold chain system including a refrigerated warehouse and transportation equipment; (iii) the installation of waste water treatment systems (for the separation of animal waste at slaughterhouses and meat processing plants which reduces the amount of materials and other pollutants released into the watercourses); and (iv) capacity building for industry associations to enable them to better represent, and provide needed services to their members. This sub-component was to provide support to Niamey and Maradi abattoirs for attaining certificates for quality and hygiene standards. Technical assistance to the Ministry of Livestock was to be provided as well.

3: Policy Reforms, Infrastructure and Services to harness trade between Niger and Nigeria through the Kano, Katsina, Maradi (K2M) Corridor: (Estimated Cost at Appraisal: US$ 10.10 million, Actual Cost at Closing: US$ 9.10 million)

This component was to help increase trade and regional integration with Nigeria and attract private investment in K2M corridor. It was also to finance technical assistance activities to local communities, development of master plans and engineering designs for trade corridors, engineering services for rehabilitation of roads and provision of equipment for up-grading border markets in the corridor.

4: Project Management: (Estimated Cost at Appraisal: US$ 4.48 million Actual Cost at Closing: US$ 3.30 million)

This component was to provide TA and equipment, such as computers and software, for project management to the Project Implementation Unit (PIU) established within the Ministry of Planning.

Revised Components: To avoid overlap, certain activities that were already covered under Investment Climate and Competitiveness Support Project (P148839) were dropped under Component 1 and the corresponding budget was reallocated to Component 2 to finance increased costs for rehabilitation of slaughterhouses (First Restructuring). Following activities were cancelled: (i) Elaboration of a policy and institutional framework for artisanal and small-scale mining; and (ii) an institutional capacity assessment for efficient management of the hydrocarbon sector. At the same restructuring following new activities were added to Component 1: (i) workshops related to the new mining code; (ii) implementation of the Initiative for Transparency in Extractive Industries; and (iii) assessment of oil and gas reserves. Additional activities related to artisanal/small scale mining, reflecting the potential for growth in this sector, were included under Sub-complement 2.2 (Second Restructuring).

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: The project cost estimated at appraisal was US$ 65.24 million. The actual cost at closing was US$ 49.95 million. According to the ICR (p.19). The difference occurred due to cancellation of some of the activities that were covered under the Niger Investment Support Program-P148839 and changes in the exchange rate.

Financing: At appraisal, the International Development Association (IDA) grant was estimated at US$50 million. The project disbursed US$45.32 million.

Borrower's Contribution: At appraisal, borrower's contribution was estimated to be US$ 6.03 million and actual contribution was US$ 3.53 million. Local beneficiaries were estimated to contribute US$ 9.21million to the project. Their contribution was US$ 1.10 million at closing. Beneficiary share foreseen under the Matching Grants Program was high. This resulted in lower-than-expected participation in the program (see Sections Efficacy and Quality at Entry).

Restructurings: There were three level 2 restructurings during project implementation.

First Restructuring - April 20, 2017

Selected activities under Sub-component 1.2 were cancelled as they were within the scope of Danish Development Agency-funded Niger Investment Climate and Competitiveness Support Project. Accordingly, funds for cancelled activities under this sub-component were reallocated to Component 2. The size of the matching grants program under sub-component 1.3 was reduced by 50 percent, and remaining funds were reallocated to Component 2. Reduction was due to the decision to postpone the implementation of the IMOURAREN project and a smaller than initially envisioned demand for consultancy services by the butchers and other operators active in the red meat sector. Under Component 2, the allocation was increased since the costs of rehabilitation of the slaughterhouses had been underestimated earlier. Under Subcomponent 2.1 (Extractive Industries Value Chain), the following activities were dropped in accordance with the changing priorities of the GoN: (i) Elaboration of a policy and institutional framework for artisanal and small-scale mining; and (ii) an institutional capacity assessment for efficient management of the hydrocarbon sector). The following new activities added to the scope this component: (i) Workshops related to the new mining code; (ii) implementation of the Initiative for Transparency in Extractive Industries; and (iii) assessment of oil and gas reserves (ICR, p13).

Second Restructuring – March 8, 2019

The second restructuring extended the project closing date by twenty-three months from March 31, 2019 to February 28, 2021 and revised the results framework. The project closing date was extended because of implementation delays in the construction of the Maradi slaughterhouse and delivery of technical equipment and construction materials for the mineral laboratory and mining cadaster. Following revisions were made in the results framework in line with the change in GoN's priorities:

- At appraisal, Niger was estimated to become the second largest uranium producer in the world. Five years later, the production of uranium almost stopped due to the downturn in prices in the world market and the opening of more accessible and extractable sites in other countries. Production of uranium was no longer a priority for the GoN. Accordingly, the indicator on the recycling of wastewater has been removed as this was specifically identified for the uranium sector.

- Starting from 2011, Niger became an oil and gas producer country. A growing number of additional exploration activities commenced indicating significant potential for growth, employment and trade. For this reason, additional indicators on several project activities and deliverables creating the conditions for improving the investment climate and attracting investors in the EI were introduced, such as the development of new laws in line with international good practices, the establishment of a Mineral laboratory that will allow to test mineral samples within Niger, and Niger's candidacy of the Extractive Industries Transparency Initiative (EITI). In relation to new activities, additional indicators were also introduced in the results framework and adjustments were made to better reflect project results.

Third Restructuring- February 26, 2021

The third restructuring extended the project closing date for another four months from February 28, 2021 to June 30 2021 with an aim to ensure the completion of the construction of Maradi slaughterhouse and submission of the mining code to the parliament. Accordingly, the target for the mining code indicator was revised to read as "submitted" rather than "approved" because the code could not be approved within the implementation period of the project.

Dates: The project was approved on June 26, 2012 and became effective on November 29, 2012. The closing date was extended twice (at the second and the third restructurings) first from March 31, 2019 to February 28, 2021 and then to June 30, 2021. With these extensions, total duration of the project reached close to nine years.

3. Relevance of Objectives

Rationale

Bank Strategy: At appraisal, the PDOs were highly relevant to the first pillar of Niger's Country Assistance Strategy FY2009-2011 (CAS) indicating "acceleration of sustained growth that is equitably shared". The project was to achieve this objective through improving business environment and selecting specific sectors with growth and trade potential to support. This was also in line with the Poverty Reduction Strategy Paper's (PRSP) first pillar—achieving strong, diversified, and sustainable growth that creates jobs. The project was also aligned with the first pillar of the Africa Region Strategy, i.e., competitiveness and employment, as well as the strategy's foundation issues of governance and public sector capacity. The project remains consistent with the current priorities of the World Bank's Country Partnership Framework FY 2018-2022 (CPF). Project's first objective aligns with the CPF's Focus Area 3 of "better governance for jobs, service delivery and growth" while the second objective is highly relevant with the Focus Area 1 of "increased rural production with diversified output in the agricultural and livestock sectors". The CPF also includes Bank's intention to support the enhancement of mining sector's contribution to sustainable development at country and regional levels and further formalization of the artisanal and small-scale mining sector to increase productivity.

Country Context: The PDOs were well aligned with GoN's priorities at appraisal and at closing. The first component supported the implementation of GoN's action plan for reforms for enhanced trade integration based on the World Bank's Diagnostic Trade Integration Study (DTIS) and the preparation of a new Investment Code and a new Charter for SMEs. The improvement of the business environment is among the GoN's Vision 2035. In addition, the GoN's Economic and Social Development Plan for 2017-2021 had acceleration of economic growth; improvement of governance, peace and security; modernization of public administration; and revitalization of the private sector among its priorities, which match with Project's PDOs. The project was also relevant to 3N Initiative (Nigeriens Nourishing Nigeriens), a large-scale cross-sectoral initiative aimed at increasing livestock, agricultural and forest productivity, among others.

Previous Sector Experience: The project aimed to generate synergies with ongoing operations on infrastructure, agriculture, demographic development and public financial management. It was also linked to the Development Policy Operation (DPO) series that supported key policy reforms critical for the success of investment operations for economic growth. The Niger Shared Growth DPO also targeted the business environment (PAD, p. 12). Project preparation benefited from these on-going synergies, which contributed to the GoN's commitment to carrying out reforms envisaged in its National Programs.: Overall, the project objective was adequately challenging as it targeted specific sectors and building on Bank's experience in Niger on private sector development and value chains.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Objective 1: To improve selected aspects of Niger's business environment

Rationale

Theory of Change: The results chain for this objective was based on the assumption that improvement in legal framework, increase in capacities of relevant institutions as well as SMEs would lead to improved business environment which would then support private sector development and private sector-led growth. Overall, the causal pathways from inputs (financing, TA, and capacity building provided to GoN, CNIP, APEIN, ANIPEX for improving legislative framework for investment and export promotion, tax and customs regime and to SMEs through Matching Grants Program under Component 1, and TA to local communities and development of master plan and engineering designs for trade corridors under Component 3) to expected results (increased number of businesses, volume of investments and reduced time to trade across borders) were valid and direct. The results achieved could be attributable to the project's interventions. However, the requirement of beneficiary contribution of 60 percent of subproject financing was a barrier for potential participants. Therefore, the matching grants program could partially be utilized.

Outputs

Four indicators measured the achievement of the outputs,

- **Number of enterprises registered per year, of which at least 20 percent by women:** Target was 4,400 and the project achieved 3,802.
- **Number of firms in the meat and oil and gas and mining value chains supported through the Matching Grants Program, of which at least 20 percent by women:** Target was 600 businesses and the project supported 472 companies were supported under the program, about 220 were led by women.
- **Number of kilometers of access roads constructed for linking production areas to markets in the K2M corridor:** The target was 80 kms and the project achieved 93 kms.
- **Number of new investments in the K2M corridor:** The number of new investments number reached at 38 The target was 25 new investments.

Outcomes

Six indicators measured the achievement of the outcomes.

- **Reduction of time to create a business:** Target for this indicator was 4 days and the project achieved the target Baseline was 14 days.
- **Reduced time to trade across borders (time for completion of foreign trade formalities):** Target for this indicator was 38 days and it was reduced to 12.75 days. Baseline was 64 days.
- **Reduced time to clear imported goods:** Target was 38 days and the project achieved 9.75 days. Baseline was 64 days.
- **Reduced time to clear exported goods:** Target for this indicator was 35 days. The project achieved 4.25 days.
- **Improvement of turnover of SMEs supported by the Matching Grants scheme (of which at least 20% are led by women):** Target was 12% and the project achieved 42.50% improvement
- **Investments in newly established firms:** Target was US$ 40 million and the achievement was US$ 85.55 million

The project facilitated the improvement of some aspects of business climate. These include reduced time for starting a business and trade operations as well as improved physical conditions linking production areas to markets. On the other hand, the project's contribution fell short of sufficiently addressing access to finance. The Matching Grants Program was not fully utilized due to the requirement of high beneficiary contribution (ICR, p.20). Additionally, the accuracy of data related to the achievement of two indicators, i.e., volume of investments generated; and (ii) increase in turnover of the SMEs supported under the project, could not be sufficiently validated (ICR, p.23).

Overall, the project's efficacy in achieving the first objective is rated Substantial with moderate shortcomings

Rating
Substantial

OBJECTIVE 2

Objective

Objective 2: To support development of the meat processing industry

Rationale

Theory of Change: Based on analytical studies available, the meat and butchery value chain was identified as one of the two value chains with high potential for generating jobs and creating growth (PAD, p.2). The theory of change for this objective suggests that if the Niamey and Maradi slaughterhouses were rehabilitated/constructed, volume of meat processed and sold in slaughterhouses would increase, which would result in increased jobs and economic growth. The inputs were consulting services and supporting equipment, and investment financing for rehabilitation of the slaughterhouses and the technical assistance provided to associations of meat/butchery businesses. Although there is a casual link between inputs and outputs, increased meat production could only be partially attributable to improved conditions in the slaughterhouses. The project did not address other constraints mentioned in the PAD (p. 8) such as poor management of existing slaughterhouses, low capacity of private sector involved in the meat industry, and bottlenecks to export specific to the sector. In this context, the casual links are valid and direct, and the project activities and outputs would be expected to support the achievement of this objective, but the achievement could not be fully attributed to the project's intervention.

Outputs

- **Niamey Slaughterhouse** It was determined that it would not be economically justifiable to spend the originally envisaged amount; therefore, investments were kept to the minimum possible to keep the slaughterhouse functioning. This was mainly because the preliminary economic analysis for Niamey was not accurate.
- **Maradi Slaughterhouse:** About 90 percent of the construction works for Maradi slaughterhouse, was completed at project closing. The slaughterhouse could not be fully completed because of external factors such as frequent floods, delay in design and construction of infrastructure in Europe due to COVID-19, and security risks. Internal factors also contributed to the incompletion of the slaughterhouse, such as low quality of preliminary studies and delayed approval of the site change by GoN. The GoN has confirmed its intention to complete the remaining rehabilitation works and operationalize the slaughterhouse. The Bank together with the IFC are exploring possibilities of facilitating the completion of the remaining works including private-public participation arrangements (ICR, p.19).
- Technical assistance was provided to associations of meat/butchery businesses.

Outcomes

Two indicators measured the achievement of the outcomes.

- **Increased volume of meat processed and sold in slaughterhouses:** Target was 84 metric tons. The achievement was 51.21 metric tons. Actual increase was 7.21 million tons over the baseline level of 44 metric tons. On the other hand, as ICR (p.16) points out that it is not clear to what extent the increased volume of meat production can be attributable to the project interventions. As the construction/rehabilitation of the slaughterhouses could not be completed during the project implementation period and only limited rehabilitation was carried out for Niamey since technical studies indicated that the planned investments would not be technically and economically viable.

- **Percentage of meat production from slaughterhouses in Niamey and Maradi that is compliant with regional standards/norms:** Target could not be achieved (target 100%; actual 0%).as the construction/rehabilitation of slaughterhouses was not completed during the project implementation. And only limited rehabilitation was carried out for Niamey since technical studies indicated that the planned investments would not be technically and economically viable.

Overall, the project's efficacy in achieving the second objective is rated Negligible.

Rating
Negligible

OBJECTIVE 3
Objective
Objective 3: To increase local business participation in the extractives industry

Rationale
Theory of Change: Extractives industry (EI) was identified as one of the two value chains with high potential for growth and employment. It offers opportunities for successful reform aimed at bridging the competitiveness gap and addressing market failures—high ratio of capital to labor, little integration with the rest of the economy, revenue volatility (PAD, p.47).

The results chain for this objective was based on the assumption that realization of outputs of improved legislative framework and increased institutional capacities of the key government institutions in the extractives sector as well as development of strategies and action plans targeting local participation would lead to the outcome of increased local participation in the extractives industry. Inputs for achieving the outputs were TA and capacity building activities for key institutions in the government in the areas of monitoring and auditing of EI operations, rehabilitation, development of business plans and supply of equipment for major laboratories, preparation of and adoption of new mining codes and policies, preparation of strategic environmental and social assessments and strategies and action plans for integrating EI projects in the economy with a special focus on women.

Output

Five indicators measured the achievement of the outputs,

- **Operational Mineral Sector Laboratory that is in line with international standards has been established in Niger (yes/no):** Yes, target achieved. To set up and operationalize the laboratory, supply of equipment for carrying out analysis, geophysical equipment, and training for personnel were provided through the project.

- **Niger commits to revenue transparency and re-joins the EITI process (yes/no):** Yes, target achieved. Niger was suspended from the EITI in 2017, due to a "lack of progress" in the implementation of the EITI Standard. In January 2019 the government declared its intention to re-join the initiative. The project supported Niger through capacity building and conducting analytical work. in this process. Niger re-joined EITI in February 2020
- **Number of known artisanal mining sites registered and organized into formal groups (number):** Target was 75 and the project achieved 111 at project closing.
- **-Increase in oil and mining exports other than uranium (metric tons):** Target was 6 metric tons, and the project achieved 15.94 metric tons. Updated legal, tax and regulatory framework for the upstream oil sector, new National Mining Policy and new Mining Code as well as increased institutional capacity for management of the EI sector contributed to this achievement.
- **Number of new laws prepared in the extractive industries in line with international good practices.** A new petroleum law was adopted and a new mining law was prepared with the support of the project. The target of two laws was achieved.

Outcomes

One indicator measured the achievement of the outcomes**.**

- **Proportion of local procurement achieved in Extractive Industries:** Target for this indicator was 10% and the achievement was 24% at project closing. The achievement was as a result of improved policy and regulatory framework, strengthened institutional capacities for management in the extractive industry sector.

Overall, the project's efficacy in achieving the third objective is High.

Rating
High

OVERALL EFFICACY

Rationale
The efficacy of the project in achieving the first objective to improve selected aspects of Niger's business environment is rated as Substantial. Regarding the second objective to support development of the meat processing industry, the project's efficacy is rated as Negligible because of no achievement. The efficacy of the project in achieving the third objective to increase local business participation in the extractives industry is rated as High. Overall, the efficacy of the project is rated as Substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic and financial efficiency: The economic analysis was conducted for sub-components 1.2, 1.3 and 2 at appraisal. The Net Present Value (NPV) and the Economic Internal Rate of Return (ERR) for the investments in these components were calculated at appraisal. The total investments under these components were estimated to result in an NPV of US$ 49.98 million and an ERR of 28 percent. However, as the ICR points out, the assumptions made in the PAD were not clear. The PAD refers to a number of studies and some country experiences but does not explain how relevant these assumptions are to Niger. The explanations in the relevant sections of the PAD did not refer to any specific conditions of Niger. The post-completion quantitative assessment of the project was constrained by the lack of relevant data (ICR, Annex 4). Overall economic efficiency assessment was not possible due to unavailability of data. Instead, a limited assessment was made regarding the financial benefits realized by 18 subprojects (7 subprojects in meat processing sector and 11 subprojects representing various industries.) under the Matching Grants Program. Results of the analysis showed that the 11 projects from various sectors had profitability ratios ranging from 14% to 34% whereas the ratios for meat processing projects ranged from 11% to 35%. Both project categories had payback periods ranging from 2 to 4 years. Since the construction of Maradi slaughterhouse was not completed during project implementation and investment in Niamey facility was kept to minimum, change in production volumes was very limited (4 tones per year compared to the target of 40 tones). The ICR points out that it is not clear if this marginal increase could be attributed to the project's intervention. Even if the incremental production of 4 tons per year were taken into account, the estimated EIRR and ENPV would be negative (ICR, p.42).

Administrative and operational efficiency: The quality of preliminary assessments regarding the rehabilitation/construction of Niamey and Maradi slaughterhouses was inadequate. This resulted in implementation delays and the slaughterhouse in Maradi could not be completed by project closing. Delayed government decision on site change also had a negative impact. The, conditions outside the control of the Bank and the government (frequent floods, security threats, conditions imposed by COVID-19 affecting design and construction of required material in Europe) delayed implementation. As a result, the project's implementation period had to be extended twice in order to complete activities within the scope of the project. The project's duration was 27 months longer than the original duration. In addition, creation and utilization of joint public-private sector committees were instrumental in identifying issues and constraints affecting business development contributed to the better implementation of the project.

Overall, the project's efficiency in achieving the project objectives is rated as Modest because of shortcomings in the economic analysis in capturing project's benefits and costs, and shortcomings in the operation and administrative efficiency of the project stemming from low quality preliminary assessments that led to initial project implementation delays.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable
ICR Estimate		0	0 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The relevance of objectives was High, Efficacy of the project in achieving the first objective was Substantial, the third objectives was High whereas due to no achievement efficacy is rated as Negligible for the second objective. Efficiency is rated as Modest due to shortcomings in economic analysis caused by lack of data at closing to conduct necessary analyses. Overall, outcome is rated Moderately Satisfactory because negligible achievement of the second objective and modest project efficiency.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

Similar to Niger Investment Climate Support Project. (P148839) financial risk stands out as a main risk to the sustainability of development outcomes. In order for the GoN to continue its reform activities and support private sector-led growth, access to finance needs to be ensured. This requires continued support of the international donors. ICR reports security risk to be high as well. Another risk factor which requires special attention is Niger’s vulnerability to conditions related to impact of climate change. Niger was exposed to and will likely continue to be exposed to frequent floods as well as droughts. To cope with these extreme conditions, the country needs to have mitigation and adaptation strategies as well as financial means to implement them.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project was well aligned with the World Bank and Government of Niger’s development priorities. Project design benefitted from the Bank’s previous work in Niger (Niger Shared Growth DPO, Niger Agro-

Pastoral Export and Market Development Project) and was an integral part of the World Bank's Niger portfolio. The priority sectors were determined mutually in consultation with GoN and the decision for selecting the sectors was supported by the World Bank Group's Competitive Industries Practice and analytical studies. Project components were reasonable in achieving the project objectives. On the other hand, some of the preliminary studies regarding the slaughterhouses were in low quality and had to be adjusted during implementation. The selected site for Maradi facility was not convenient and had to be changed. These conditions resulted in delays in implementation particularly under Component 2. At the design stage, beneficiary contribution for Matching Grants Program was determined to be 60%. This rate, according to the Borrower, was optimistic and unrealistic and constituted an obstacle to implementation of the program. The project's risk assessment framework correctly identified several risks that could eventually affect the achievement of outcomes, and mitigation measures were, overall, appropriate. Poverty, gender and social development aspects were adequately included in the project's framework. Although implementation arrangements were in place, M&E system had weaknesses regarding registering and monitoring of procurement activities.

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

Thirty-one supervision missions were carried out. The Bank's implementation assistance was responsive to changing needs of GoN and kept the project's relevance high by making necessary adjustments in types of activities and results framework particularly in the areas relevant to mining sector. Three task team leaders were involved in preparing and supervising the project. Three restructurings were carried out for extension of project closing date, revisions in the project's scope and the results framework. Regarding Component 2, necessary budgetary adjustments were made. For the Maradi slaughterhouse, project team took remedial actions like arranging specialized consultants to compensate for consequences of low-quality preliminary assessments, re-siting the facility, and expediting the construction work. Despite these actions the construction work could not be fully completed (90% completion at the time of closing). However, the ICR (p.22) states that several factors outside the control of the Bank and GoN as frequent floods, security issues, and COVID-19, also negatively affected and delayed the implementation of the project, particularly the construction of Maradi slaughterhouse. Implementation arrangements were adequately identified in PAD. However, at the beginning of implementation PIU did not have the required safeguard and fiduciary specialists. This resulted in delays in procurement and environment related clearances in the early years of project implementation. The project team engaged with IFC for the operationalization of the slaughterhouse (ICR, p.17).

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The PDO formulation was clear. The causal links between project activities, outputs and outcomes were mostly direct except for the second objective. The project outcome indicators were adequate to capture the project outcomes. However, some intermediate results indicators did not have targets, and there were no indicators to monitor the sustainability of the results (i.e., establishment of mineral sector laboratory and Niger committing to revenue transparency and re-joining EITI process). M&E design and arrangements were well-embedded institutionally. The PIU within the Ministry of Planning was responsible for conducting M&E activities. A designated M&E specialist within the PIU was to provide technical support to the participating agencies. Overall, the Chamber of Commerce, ANIPEX and APEIN (for their respective components) were responsible for consolidating and preparing all periodic fiduciary and M&E reporting, including impact and output indicators as well as the annual audit of their financial statements (ICR, P.22). According the ICR, main weakness in M&E design was that adequate arrangements were not specified for satisfactory preservation and validation of underlying information supporting the calculation of some of the indicators.

b. M&E Implementation

In accordance with the restructurings and revised activities, revisions/additions to intermediate results indicators were made during the implementation period. In the early years of implementation, delays in appointing procurement and M&E specialists in the PIU, weaknesses in the M&E system for registering and monitoring of procurement progress, resulted in weak follow up of contract execution.

However, the ICR states that, weaknesses remained regarding the provision of supporting information to assess the validity of some of the key indicators, e.g., volume of investments generated; increase in turnover of the SMEs supported under the project; and increased local procurement in the extractive industries (p.23).

An impact assessment on Matching Grants Program was conducted in Q1-2020 to measure the impact of the program. However, the study only assessed the turnover of the firms supported by the project. (ICR, p.29).

c. M&E Utilization

The ICR (p.23) states that the M&E system was used to monitor progress in achievement of indicators and for complying with the reporting requirements under the project. M&E findings were used to provide evidence of achievement of outcomes despite shortcomings in the validity of some indicators. The ICR does not report about whether the M&E findings were communicated to various stakeholders. Evidence is insufficient to assess the impact of M&E findings on the shifts in the implementation direction of the project

M&E Quality Rating
Modest

10. Other Issues

a. Safeguards
The project is considered to be a Category B project as it primarily financed technical assistance and capacity building activities, and physical infrastructure rehabilitation and upgrading (PAD, p. 34). At appraisal, the project triggered three safeguard policies: OP 4.01 Environmental Assessment, OP 4.09 Pest Management, and OP 4.12 Involuntary Resettlement.

The government prepared an Environment and Social Management Framework (ESMF), and it was cleared by the Bank. Environmental Audits to assess the environmental, social and health impacts of the production in the mining and meat processing industries were prepared. In addition, Environmental and Social Impact Assessments (ESIAs) were prepared for the rehabilitation of the Niamey and Maradi slaughterhouses. The ICR (p. 23) reports issues with the quality of the reports and relative services provided which caused delays in implementation of activities related to Maradi slaughterhouse particularly.

A fatal accident occurred during implementation at the exit of construction site of Maradi facility. The incident was classified as severe because of the fatality, and the Social Incidence Response Toolkit (SIRT) was triggered. The Bank followed the prescribed procedures.

Involuntary Resettlement OP/BP 4.12 was triggered at appraisal as a precaution (PAD, p. 34). The GoN prepared a Resettlement Policy Framework (RPF). During implementation, OP 4.12 was not triggered. Land was acquired through private land sales based on transparent and voluntary negotiation; there was no physical displacement or loss of production; and the number of people affected was less than 10 (ICR, p. 24). An Abbreviated Compensation Plan was implemented for one sub-project involving construction of a mini drinking water supply on an artisanal gold mining site to compensate and mitigate the negative social impacts.

ICR does not provide any information about the implementation of Pest Management (OP/4.09) safeguard policy.

b. Fiduciary Compliance
Financial Management: Financial management of the project was conducted by the PIU established within the Ministry of Planning and APEIN - as foreseen by the PAD. During the project implementation, the audit reports were issued with unqualified opinion. The ICR does not report any issues of corruption or misuse of funds associated with the project. All IDA funds were fully accounted for by the time of project evaluation. any cases of ineligible expenditures.

Procurement The ICR reports some delays in relation to the appointment of procurement and M&E specialists in the PIU, which adversely affected registering and monitoring of procurement processes. At the beginning of implementation, PIU did not have the required fiduciary specialists. Also the Comptroller of Procurement's Office and other departments in the concerned ministries conducted additional reviews of project procurement occasionally (ICR, p.21). These resulted in delays in procurement and environment related clearances. The ICR does not report any cases of mis-procurement.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

The Borrower's ICR estimates that against the target of at least 20% being women beneficiaries in the project, the actual achievement was 47% (ICR, p. 18). An action plan was developed for the advancement of women in EI sector. Training and capacity building were provided to AFSEN (Association of Women in the Extractive Industries in Niger). The prize for the best business plan submitted in the Annual Business Competition was won by a woman. Women participated significantly in the beneficiary focus groups and committees.

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

The ICR contains the following lessons which IEG presents with some modification of wording:

Establishment of joint public-private consultation groups can help stimulation of business activity. The experience under the project demonstrated such bodies contributed significantly to development of strategies and actions plans to stimulate the business environment. These joint groups also supported identification of target reforms and thus increased ownership by the relevant entities.

Having strong champions in the government supporting reform processes can help better identification and rapid implementation of these reforms. In the case of this project, the commitment to reforms by the Head of State himself and Minister of Trade who effectively pushed for cross-cutting and difficult reforms. Overall, the commitment and ownership of GoN remained strong through the implementation. This contributed to achievement of the objectives significantly.

Low quality preliminary analytical studies can decrease project implementation efficiency. In the case of the project, the analytical studies did not adequately identify environmental and social safeguards related issues. The construction site originally chosen for the Maradi refrigerated slaughterhouse, was not appropriate. The site was moved about 8 kilometers away from the current site as it was better suited on grounds of proximity to a watercourse, larger area, distance from residential areas, and lower environmental impact. These delayed the implementation of the rehabilitation of the Maradi slaughterhouse as the new site required additional approvals and processes

When introducing a matching grants program, particularly in an FCV context, determining an appropriate rate of beneficiary contributions can increase success of the program. In the case of Niger, beneficiary contribution of around 30 to 60% proved to be too high and had a negative impact on the implementation of the program. At appraisal US$ 9.1 million of local beneficiary contribution was expected. At project closing the contribution amount was US$ 1.10 million only.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The report is concise and follows the Bank guidelines with regards to performance narrative and ratings. There is reference to the project's theory of change that highlights how activities inform outcomes and their attribution to project's objectives. The narrative is focused on what occurred as a result of the project. The discussion is clear and critical. There is a logical linking and integration of the various parts of the report.

However, the ICR does not present a complete and robust evidence base to support the achievements; some inconsistencies exist between the achievement values of the indicators reported in the main text of the report and its Annexes 1 and 5. In addition, weaknesses in some of the M&E data related to their validity were not adequately taken into consideration in assessing the achievements of the project outcomes and objectives. The sections on M&E Quality and Safeguards could have been benefited from a detailed discussion in accordance with the requirements of the Bank guidance. Lessons are mostly useful and based on evidence outlined in the ICR, but some are in the form of findings rather than lessons.

Overall, the quality of the ICR is rated Substantial because of its evaluative assessment of the project's performance but with some shortcomings.

a. Quality of ICR Rating

Substantial