

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: AB7127

Project Name	Niger - Transport Sector Program Support Project Additional Financing
Region	AFRICA
Country	Niger
Sector	Rural and Inter-Urban Roads and Highways (81%); Central government administration (19%)
Project ID	P131107
Parent Project ID	P101434
Borrower(s)	REPUBLIC OF NIGER
Implementing Agency	Program Coordination Unit (CC/PST) Niamey Niger Tel: (227-20) 735-438 Fax: (227-20) 732-191 pri@intnet.ne
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
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Date of Board Approval	March 21, 2013

1. Country and Sector Background

1. Niger is one of the world's poorest and least developed countries, ranked 186 out of 187 countries on United Nations Development Program (UNDP) Human Development Index of 2011. The average real gross domestic product (GDP) growth rate for the 2009-2011 period was about 3.1 percent due to poor climatic conditions. About 80 percent of the population live in rural areas and derive their livelihoods from agriculture and livestock. The main drivers of economic growth are agriculture, mining, and more recently, the oil sector. Despite periodic setbacks due to droughts, conflict in the sub-region, and political instability, average real per capita GDP growth has been positive since 2000, reversing falling real per capita GDP during the 1990's.

2. Niger is a very large (1,267,000 square km) land locked country with a rapidly increasing population of about 16 million (growing at about 3.3 percent per annum; one of the highest population growth rates in the world) which is very unevenly distributed due to the large desert areas in the north of the country. This means that the travel distances between major cities can reach 1,500 km. Therefore, due to the need to connect the major population centers of the country, the government faces major road rehabilitation and maintenance needs. Transport infrastructure is in a poor condition and the road network needs to be rehabilitated and expanded to support the country's economic development.

3. The country has limited resources for investment in the transport sector. In this context, the country continues to rely on development partner support to rehabilitate its road network. In

2007-2008, the original project was designed to help the country respond to the significant needs required to maintain and rehabilitate the road network (the maintenance needs were quantified at about US\$30 million a year for the core road network and at about US\$52 million a year for the whole road network).

4. The Transport Sector Program Support Project (TSPSP, *Projet d'Appui au Programme Sectoriel des Transports, PAPST*, P101434 IDA Grant H378-NE) was approved on April 29, 2008 and became effective on September 10, 2008. The original financing amount was of SDR (Special Drawing Rights) 18 million, equivalent to US\$30 million in a form of a grant. The original closing date of the project was December 15, 2012.

5. A financing gap has arisen during the implementation of the project due to higher than expected road works bid prices. The proposed Additional Financing (AF) will allow the completion of all the rural roads (about 1,056 km) that were initially planned for financing under the original project and necessary for the full achievement of the Project Development Objectives (PDOs). About 750 km (71 percent) out of 1056 km has been executed by the original project. The gap of road length is estimated at 306 km; an additional financing is then proposed to fill the gap. The content of the proposed AF is compliant with the PDO of the TSPSP and with the country's Poverty Reduction Strategy Paper (PSRP) and IDA's Country Assistance Strategy (CAS) of the period of 2010-2012.

2. Objectives

6. The PDOs are to: (i) improve the physical access of rural population to markets and services on selected unpaved sections of the Recipient's national road network; and (ii) strengthen the Recipient's institutional framework, management and implementation of road maintenance in Niger.

3. Rationale for Bank Involvement

7. The proposed AF is required to finance the unanticipated cost overrun in implementing Component A of the project caused by higher than expected road works costs. While the TSPSP is well on track in terms of physical execution of activities, disbursement, and most of the results indicators, the project could not fund the proposed number of km initially planned for periodic maintenance (about 1,056 km) impacting the achievement of the PDO. The costs overruns were due to: (a) higher than anticipated bid prices for the road maintenance works contracts, compared to the original Project Appraisal Document (PAD) estimates (35 percent more), caused by an increase in the price of petroleum products and road construction costs throughout Sub-Saharan Africa; and (b) additional critical works performed during execution of contracts, caused by the heavy floods of 2009.

8. The activity that will be covered under the proposed AF is the periodic maintenance of the remaining road length belonging to the unpaved national road network. About 750 km of roads have already been successfully maintained under the original project, while the remaining 306 km of roads are expected to be maintained under the proposed AF.

9. The project has taken a prudent allocation and attribution strategy of roads work by phasing it to enable a realistic estimate of work costs during its implementation. The second phase of roads civil works execution has been shortened in terms of advertisement and contract award to address the funds shortage and the challenge of roads deterioration between the bids launch and the actual works execution. Nevertheless, the cost increase has been unavoidable. The Proposed AF will enable the project to fully achieve the objectives of Component A (Periodic maintenance and spot rehabilitation of unpaved roads) of the original project and to fund some additional activities to support institutional strengthening through Component B. The original project closing date was extended to December 15, 2013 to allow completion of roads works. The AF will close on December 15, 2015.

10. With the proposed AF, the project will remain economically viable. For the proposed road section covered by the proposed AF, the evaluation showed that all the five sections have an IRR equal or higher than 12 percent. The one with an Internal Rate of Return of 12 percent (Tessaoua-Gabaouri-Korghom (47 km)) is a short road section with low traffic volume; this section has been selected for reason of opening up access to a large number of people, thus bringing significant socio-economic benefits.

11. With respect to the safeguards, the proposed AF, like the original project, is classified as Category B indicating that the environmental and social impacts are likely to be small-scale, site-specific and thus manageable at an acceptable level. The proposed civil works activities are similar in type and impact to what has already been funded under the original project. The Bank has triggered a new safeguard policy (Physical Cultural Resources (OP/BP 4.11) in addition to the two already triggered for the original project (Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12). The ESMPs for those road segments that affect physical cultural resources will include appropriate mitigation measures.

12. The Environmental Impact Assessment (EIA), including the Environmental and Social Management Plan (ESMP) covering 13 sections of earth roads in five regions (Dosso, Tillaberi, Tahoua, Maradi and Zinder), and the Resettlement Policy Framework (RPF) of the original project, prepared and disclosed in-country and at the World Bank's Infoshop on December 31, 2007 and January 4, 2008, respectively, still apply since the proposed AF covers the same roads that were originally included under the project. An Abbreviated Resettlement Action Plans (RAP) acceptable to the Bank was prepared for the Balleyara-Banibangou road segment in August 2010, where four people were compensated for loss of land and assets. The Social Impact Assessment (SIA) conducted on 2007 updated for the five roads sections of the proposed AF in October 2012, was reviewed, cleared and disclosed by the Bank on January 9, 2013. Following are the roads sections concerned: Balleyara (PK 98+600 RN25)-Tabla-Loga (40 km), Dogonkiria-Bagaroua (66 km), Maradi-Madarounfa-Frontière Nigéria (54 km), Tessaoua-Gabaouri-Korghom (47 km) and Kellé-Gouré (99 km) subdivided into two sections (RN11 PK7-RN34 PK61 (Kellé-Gouré) (61 km) and RN34 PK61-RN34 PK 121 (Kellé-Gouré) (38 km)).

13. The SIA concluded that there would be no need to displace and compensate people within a strip of 10 meters of each side of the road on the respective road sections. Nevertheless, the assessment identified some negative impacts on population during the roads rehabilitation works, and proposed correctives measures (through Social Impact Mitigation Action Plans) to be

taken in order to protect population from the spread of Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS), dust and accidents, and to sensitize the local population employed by contractors for non-qualified works. These measures have been priced and will be included in the bidding documents. An SIA prepared in May 2012 for the Kelle-Gouré road section (Phase 2 of the road works) found that 15 people were compensated for loss of land and assets; a social audit will follow up with the Project Affected People (PAPs) and government to confirm that the compensation process is satisfactory. The EIA including ESMP also updated in October 2012, was reviewed, cleared and disclosed by the Bank on January 9, 2013.

14. The results framework and monitoring system will remain the same as in the original project. This proposed AF will not slow TSPSP project implementation. Nevertheless, it is planned to extend the original closing date to allow full completion of the civil works under execution.

4. Description

15. The proposed AF activities are consistent with the original project and are as follows:

Component A: Periodic maintenance and rehabilitation of unpaved roads (about US\$15.95 million). This component includes: (a) implementation of periodic maintenance and rehabilitation civil works on about 306 km of key roads; (b) supervision consultancy services for the road works; and (c) technical audits;

Component B: Institutional support to the main transport sector players through provision of capacity building and assistance in management and execution of road maintenance activities (about US\$3.55 million). This component supports Component A by improving the management and sustainability of road maintenance. The specific activities will complete those achieved under the original project, and include the following: (a) technical assistance for capacity building in the Ministries of Equipment and Transport and their departments: *DEP* (Directorate of Studies and Programs, *Direction des Etudes et de planification*); *DGER* (General Directorate of Roads Maintenance, *Direction Générale de l'Entretien Routier*); *CAFER* (the Road Fund, *Caisse Autonome de Financement de l'Entretien Routier*); *CNUT* (the Nigerien Council of Transport Users *Conseil Nigerien des Utilisateurs du Transport*); *CPTP* (the Training Institute of the Ministry of Equipment, *Centre de Perfectionnement des Travaux Publics*); *LNTPB* (National Laboratory of Civil Engineering, Public Works and Building, *Laboratoire National des Travaux Publics et du Batiment*); *DSR* (Directorate of Road Safety, *Direction de la Sécurité Routière*); and the *CC/PST* (Program Coordination Unit, *Cellule de Coordination du Programme Sectoriel des Transports*) including the monitoring of TSP (Transport Sector Program, *Programme Sectoriel des Transports, PST*) and project indicators, management of planning and procurement activities, contract management, road safety, and sector reforms implementation; (b) equipment for programming and planning of road maintenance, laboratory, road safety, and collection and monitoring of TSP and project indicators; and (c) multi-level training program to strengthen the capacities of the different transport sector entities, including development of planning tools, project preparation, quality assurance, contract management; and (d) carrying out of sector studies; This component will also provide institutional support to the *CC/PST* for the preparation,

implementation, and monitoring of the TSP and the proposed AF. It will fund (a) the operating costs of the project; (b) the cost of protocol with, the *BEEEI* (Environmental Impact Assessment Bureau, *Bureau de l’Evaluation Environnementale et Etudes d’Impact*) for safeguards monitoring; (c) the cost of monitoring and evaluation of data collection; and (d) the cost for the capacity building of the coordination unit. Finally, the component will also provide institutional support to the Steering committee and the technical committee in charge of project implementation oversight.

16. The team has discussed the scope and the content of the proposed AF with the government during the preparation process. The Government of Niger has accepted to make a provision of funds to the amount of US\$0.14 million to finance part of the operating costs of the focal points (civil servants), the steering committee and the technical committee in charge of the supervision of the project implementation¹

5. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	0.14
IDA Credit	19.50
	Total 19.64

6. Implementation

17. The original project implementation arrangements will be retained for the proposed AF. More specifically, the project activities will be implemented through the ME (*DEP, DGER, LNTPB* and *CPTP*), the MT (*DEP, DSR* and *CNUT*) and coordinated by the existing *CC/PST* who is in charge of the fiduciary aspects of the project. For the proposed AF implementation, the focal point will be identified in the MT to complement those already in place in the ME. Such focal points will work closely with the *CC/PST* and liaise with the Ministries during the project implementation. Since the Mid Term Review (MTR) of the original project, the implementation arrangements has been enhanced by putting in place two additional technical staffs (focal points composed of one engineer and one safeguard specialist) in the ME to ensure close day to day supervision of project activities.

7. Sustainability

18. The project will ensure sustainability through: (a) carrying out priority periodic maintenance and rehabilitation activities based on the Transport Sector Program’s action plan; (b) increasing capacity within the *DGER* for planning and programming of national road expenditure program; and (c) provision of technical assistance and training to improve road maintenance management and financing and road safety.

8. Lessons Learned from Past Operations in the Country/Sector

19. The implementation experience of the original project and similar projects in Niger and in the Sub- Saharan Africa (SSA) region have proven that projects with the same scope and size

¹ They consist of staff of the Administration

as the TSPSP should be kept simple and focused and benefit from a tight supervision and control in order to be successful. As stated in the MTR of the project, close follow up and quick procurement processing can reduce cost overruns and delays in the works execution. Therefore the proposed AF has been designed to build on those lessons and be successfully implemented. Another lesson learned from project implementation experience in the region is that, to the extent possible, any policy conditionality should be excluded from the investment operation and included in a Development Policy Loan (DPL) which is a financing tool more adapted to trigger the key institutional reforms.

9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No	TBD
<u>Environmental Assessment (OP/BP 4.01)</u>	X		
Natural Habitats (<u>OP/BP 4.04</u>)		X	
Pest Management (<u>OP 4.09</u>)		X	
Physical Cultural Resources (<u>OP/BP 4.11</u>)	X		
Involuntary Resettlement (<u>OP/BP 4.12</u>)	X		
Indigenous Peoples (<u>OP/BP 4.10</u>)		X	
Forests (<u>OP/BP 4.36</u>)		X	
Safety of Dams (<u>OP/BP 4.37</u>)		X	
Projects in Disputed Areas (<u>OP/BP 7.60</u>)*		X	
Projects on International Waterways (<u>OP/BP 7.50</u>)		X	

10. List of Factual Technical Documents

Project Concept Memo
 Project Information Document
 Integrated Safeguards Data Sheet
 Feasibility Studies for Phase 1 (600 km) and 2 (449 km) Road Maintenance and Rehabilitation
 Transport Sector Review (World Bank, 2005)
 Environmental Impact Study (December 2007)
 Resettlement Policy Framework (December 2007)
 Updated Environmental Impact Study (October 2012)
 Updated Social Impact Study (October 2012)

11. Contact point

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