Report Number : ICRR0021227

1. Project Data

Project ID	Project Name	
P095210	NE - Agro-Pastoral Export Promotion Proj	
Country	**Practice Area(Lead)**	**Additional Financing**
Niger	Agriculture	P117189,P148681

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-45520,IDA-55320	30-Apr-2014	40,000,000.00
Bank Approval Date	**Closing Date (Actual)**	
26-Mar-2009	31-Oct-2017	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	40,000,000.00	0.00
Revised Commitment	53,651,001.42	0.00
Actual	52,945,369.27	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) was identical in both the Project Appraisal Document (PAD, p. 4) and the Financing Agreement (p. 6) and aimed to:

"increase the value of selected products marketed by project-supported producers."

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?
Yes

Date of Board Approval
11-Jul-2014

c. Will a split evaluation be undertaken?
No

d. Components
The PDO was supported by four components.

1. Improvement of Supply Chain Coordination and Marketing Conditions (appraisal cost: US$10.00 million, additional financing: US$2.0 million, actual cost: US$10.70 million). This component aimed to build public-private partnerships to structure and invigorate coordination among the principal links in the selected supply chains. It included three sub-components:

1.1. Support to supply chain coordination. This sub-component aimed to structure and stimulate coordination among the principal links in the selected supply chains (i.e. livestock products, onion, cowpeas, sesame, souchet, and gum Arabic). The Project was expected to develop coordination mechanisms that would result in regular stakeholder meetings for each commodity. These would articulate lessons from past seasons and market prospects perspectives for the next cropping and marketing season, identify constraints and solutions, and plan for product promotion in targeted markets.

1.2. Support to high potential economic operators. This sub-component aimed to strengthen existing producer organizations, and facilitate the emergence of new ones, so that together they would compete effectively in national and international markets. To do so, the Project would identify the operators, train them in key technical and managerial skills, ensure they adopt sound production or processing practices, write sound business plans and plans for sub-projects, and develop market-oriented and contract-based business practices.

1.3. Support to marketing and competitiveness. The Project would oversee the application of a comprehensive value-chain approach to increase the quality of Niger's produce and its competitiveness in domestic and international markets. In this sub-component, the Project would contract public and private service providers for demonstrations and applied research that would benefit producer groups or the supply chain as a whole. Examples included marketing information systems, bio-security and sanitation issues, modern techniques of tanning of hides and skins, labeling, and promotion of Niger branding.

2. Development of Financing Instruments (appraisal cost: US$17.00 million, additional financing: US$4.60 million, actual cost: US$22.20 million). This component aimed to address funding needs of players active in the selected supply chains for business expansion in the short term, while building blocks for access to sustainable financial services. It included three sub-components:

2.1. Provision of Matching Grants. This financing instrument would target sub-projects on production, primary collection, and marketing. These sub-projects would be financed on demand and as a function of business models that proved to be profitable. The financing would cover costs connected with business plan development, implementation, and monitoring of approved sub-projects. The Beneficiaries would be

responsible for carrying out the works for their own sub-projects, in line with community-driven development (CDD) principles aimed at empowering local groups.
2.2. Facilitating access to credit. This sub-component aimed to provide technical assistance to financial institutions in order for them to develop financial products directed towards agricultural sector development. To achieve this aim, the project activities would cover assistance to selected financial institutions to develop and expand sector specific instruments such as input supply finance, warehouse receipts, micro-credit provision, refinancing facilities, contracts and trade financing, mobilization of stable and long term resources, and leasing for acquisition of farm/processing/storage equipment. It would also cover specific financial instruments for livestock and animal products.
2.3. Ensuring sustainable financing instruments. This sub-component aimed to contribute to facilitating the establishment of the Supply Chains Investment Fund proposed in the Rural Development Strategy, by organizing consultations on the opportunities for, and the feasibility of, this investment fund, and ensuring that they were developed in concert with financial institutions. The Project would work toward the emergence of a viable and sustainable rural financial market which would provide equity for future financing. The Project would also assist the Government in designing mechanisms to mitigate financial risks associated with the exchange rate fluctuation and the timely transfer of proceeds from the sales of agro-pastoral products to Nigerian importers in Naira.
3. Securing Irrigation Potential (appraisal cost: US$9.20 million, additional financing: US$4.30 million, actual cost: US$11.60 million). This component aimed to secure the potential for onion-based irrigation. It included three sub-components:
3.1. Construction, or rehabilitation, and site protection. The Project aimed to support the establishment or the rehabilitation of 2000 irrigated hectares in onion-based production areas. This would be achieved through the construction or rehabilitation of community works related to irrigation, such as boreholes and artesian boreholes, weirs and small catchment dams for renewal of the water table, and protection of irrigated sites threatened by dune encroachment. The scope of work would be based largely on existing planning carried out by the Bank -funded Second Private Irrigation Promotion Project (PIP 2).
3.2. Construction or Rehabilitation of Feeder roads for Connection to markets*.* The Project would support rehabilitation or construction of feeder roads (segments of less than 20 km) that link irrigated areas to markets. The target was modest: 105 km, of which 80 km have already been identified under PIP 2.
3.3. Environmental monitoring. The Project would support costs associated with the monitoring of soils and water resources (fragile ground and surface water) in sensitive project areas. The Project Technical and Fiduciary Unit (TFCU) would implement the sub-component, building upon the partnership established between PIP 2 and the Long Term Environmental Monitoring Network (ROSELT). For this purpose, the TFCU would collaborate with National Center for Ecological and Environmental Monitoring (CNSEE) which was in charge of this activity. This new partnership would involve the beneficiaries in order to ensure a participatory environmental monitoring. The TFCU would develop tool-kits and environmental management procedures and would strengthen the stakeholders' capacity at both local and national levels.

4. Project Coordination, Management, Monitoring, and Evaluation (appraisal cost: US$3.80 million, additional financing: US$2.90 million, actual cost: US$9.30 million). This component included two sub-components:
4.1. Project coordination and management. The Project would support incremental costs associated with TFCU staff, equipment, and operating costs, including cost incurred by the functioning of the regional focal points. This sub-component would also support operating and training costs associated with the Project's financial management system, including external audits, as well the periodic activity planning and

budgeting at regional and national levels.

4.2. Monitoring and evaluation (M&E). The Project would finance the establishment and implementation of a project monitoring and evaluation system. It would also contribute to the functioning of the Steering Committee for the coordination and supervision of the Program 3 of the Rural Development Strategy.

Revised Components. The Additional Financing expanded some activities and incorporated limited adjustments. These included: the addition of strategic diversification-oriented sub-projects, and the graduation of some sub-projects to Type 1 Small and medium enterprises (SMEs-those that needed less than 50 million CFAF) and Type 2 SMEs (those that needed more than50 million CFAF). The Additional Financing (AF) financing arrangement provided a 20% grant for Type 1 SMEs, and no project grant for Type 2 SMEs which were to be linked up with formal financial institutions to secure commercial loans. This was in contrast with the 80% project grant offered to original and standard matching grant sub-projects.

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

Project Cost. The total project cost at appraisal was estimated at US$40.00 million (PAD, Annex 5). Actual project cost according to the ICR (Annex 3) was US$53.8 million. The main reason for the increase was the US$13.80 million that the project received in 2014 as additional financing. Actual total cost reported by the ICR (p. 6) was US$52.95 million.

Financing. The project was initially financed through an IDA Credit worth $40.00 million. In July 2014 the project was restructured and an Additional Financing (AF) worth US$13.80 million was approved. The actual amounts disbursed according to the ICR (p. 2) were US$40.45 million and US$12.50 million for the original loan and the AF, respectively. The total amount disbursed was US$52.95 million. There were no co-financiers to this project.

Borrower Contribution. The project beneficiaries were expected to contribute US$8.00 million. Actual amount at completion was US$4.80 million or 60% of the appraisal estimate. This amount included both the personal financial contribution of promoters of US$3.0 million for their sub-projects and US$ 1.83 million of funding mobilized by the project-sponsored SMEs with the Partner Financial Institutions (PFIs).

Dates. The project was approved on March 26, 2009 and became effective about nine months later on December 17, 2009. It was expected to close on April 30, 2014, but with the Additional Financing the project closing date was extended twice to October 31, 2017,i.e. 3 years and 6 months' (42 months) extension. According to the ICR (p. 5, para 9) this extension was necessary because "the completion of the six on-going livestock markets contracts and initiation of work on contracts that had yet to be signed at that stage – roads, seed house, two commercialization centers, and three livestock markets. The project was restructured twice, the first was a Level 2 restructuring on March 30, 2014, when the amount disbursed was US$32.45 million, in order to extend the project closing date from April 30, 2014 to April 30, 2015 and allow for the reallocation of the proceeds of the Credit. The extension of the closing date was justified by the completion of the construction of new commercial infrastructure: six livestock markets started in October 2013, contracts for three livestock markets, two commercialization centers and one seeds house, and 49.9 km of feeder roads that were signed and expected to start. The second was a

Level 1 restructuring on July 11, 2014, when the amount disbursed was US$37.22 million, in order to approve the Additional Financing and the scale-up of the project. The associated restructuring included a reallocation of funds to the Matching Grants category. Also, the project outcome level indicators were revised to accommodate the scale up of activities; and the project closing date was extended to October 31, 2017. The Midterm review was conducted on May 18, 2012 compared to an expected date specified by the PAD (p. 23) to be "two years after effectiveness."

3. Relevance of Objectives

Rationale

Niger's arable land depends on limited and fragile water resources for irrigation; and only 10% (120,000 square Km) depends on rain. Land productivity have suffered due to declining rainfall and draughts combined with unsustainable land management practices and over exploitation of natural resources. This has led to soil depletion, loss of fertility, lower yields, and environmental degradation, which has progressively contributed to increased food insecurity and poverty.
At appraisal, objectives were in line with the Bank's Strategy for Accelerated Development and Poverty Reduction II (PRSP II for the period 2008-2012) which identified Niger's agro-sylvo-pastoral sector as the country's source for sustainable source of growth. The first pillar of the PRSP II aimed at pursuing strong, diversified, sustainable, and equitable growth that creates jobs, through increasing investments in the mining sector and tapping the huge potential for export-oriented agro-pastoral supply chains. The PRSP was strongly linked with the Government's Rural Development Strategy (RDS) which included an Action Plan that defined a comprehensive framework for agriculture and rural development over the next ten years. Specifically, Program 3 of the RDS Action Plan aimed to strengthen and to support key agro-sylvo-pastoral supply chains through focusing on: inter-professional coordination, reinforcement of producers' organizations, marketing of agro-sylvo-pastoral products, and capacity-building of economic agents.

At project completion, objectives were in line with the 3N Government Initiative ('Nigeriens feed Nigeriens') which constituted the development blueprint for Niger since 2012. It focused on promoting sustainable growth and welfare enhancement. Objectives were also in line with Bank's Country Partnership Strategy (CPS, 2017-2021). The CPS featured accelerating the growth of market-oriented agriculture amongst small- and medium-scale producers in Niger as a main theme for economic development in Niger.

The statement of objectives was clear and focused, but lacked a connection to higher level objectives, namely accelerated development and poverty reduction as expressed in Niger's PRSP 1 and the Bank's CAS at appraisal.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

PDO: increase the value of selected products marketed by project-supported producers.

Rationale

Outputs

- The project beneficiaries reached 316,570 compared to a target of 146,000.
- Three value chains (revised target: 3) were supported and all had operational annual plans that were implemented on regular basis.
- The project financed 4,421 sub-projects (revise target: 3,962, original target: 2,300) of which 3189 were functional sub-projects, 265 were converted into micro-enterprises and SMEs, 13 onion collection and marketing platforms and 5 onion marketing hubs.
- 93% of the funded sub-projects were successfully implemented compared to a target of 80%.
- During the initial phase of the project, 5,646 ha of irrigated areas received protection by weirs and catchment construction exceeding the target of 2,000 ha; and during the AF phase 7,269 ha were protected compared to a target 7,550 ha. Also, 35 management committees were created benefitting an estimated 97,640 beneficiaries.
- 18 SME-type sub-projects were developed compared to a target of 40 SMEs. The ICR (p. 9, para 26) reported that the main reason was that the Partner Financial Institutions (PFIs) were not equipped to prepare SME business plans and were yet to develop adequate financing instruments; and the mobilization of beneficiary contributions reached only 10% compared to a target of 20%.
- 71.50 km of rural roads were rehabilitated compared to an original target of 105 km and a revised target of 64.40 km.

Outcomes

The project supported three Value Chains (VCs): onions, cowpeas and on-hoof animals. It was the only externally-funded project with national coverage intervening comprehensively in the selected VCs during its implementation period (ICR, p. 9, para 25). By project completion, the actual percentage increase in the value of production across all targeted value chains averaged 81% which was 27% higher than the revised target of 64%. The ICR (p. 8, para 20) attributed this increase to increments in both production volumes as well as prices of the production. The actual percentage increase in production volumes across all targeted value chains averaged 39% which was 56% above the revised target of 25%.

According to the ICR (p. 9, para 26), the project contributed to increased value and volume of production through better organization of inter-professions, capacity-building of operators, development of market knowledge and operational plans of Value Chains (VCs), combined with training of investors and participants in VCs activities all along the chain. Also, the project co-financed sub-project activities based on technical references and Good Agricultural Practices (GAPs), better knowledge of markets, development of norms and testing of products, and through the development of production and marketing infrastructure. However, the ICR lacked details on how these activities positively impacted production volumes and sales for the targeted value chains. Also, price increments might have been impacted by the draught and food shortages experienced during the project implementation. The ICR did not clarify how the percentage increase in production and value were estimated. There were no baseline data reported for the production level of each value chain prior to the project intervention. Further, the impact of securing irrigation was not clearly documented in the ICR. These shortcomings make it difficult to assess the actual project achievements. It is worth noting that the PAD (p. 12) emphasized the importance of "extensive monitoring and documentation of results from activities financed under the Matching Grant Mechanism" to ensure that the project achieved the intended results. However, such extensive monitoring does not seem to have taken place. The ICR (p. 15, para 47) stated that "the project failed to conduct comprehensive impact studies for the entire project duration,which would have helped inform in-depth the results framework, notably regarding the causal relationships between project outputs and activities and the achievement of project objectives and outcomes."

In a further communication after the preparation of this Review, the project team shared with IEG the final impact assessment of the project. The final impact assessment covered the last two years of project implementation. It provides an illustration of the project's performance and its positive impact on increased value of selected products, and also included evidence of a counterfactual. The report also acknowledged difficulties faced by the project and M&E challenges. In agreement with IEG's concerns, the report also highlighted the following points with regards to the financial and commercial performance of the beneficiaries (pp. 68-69):

"First, the high cost of the high-performance technologies disseminated by the project as well as the capacity building they require will constitute a financial barrier to access to these technologies. The end of the project and therefore of the cost-shared subsidy will probably be accompanied by the slowdown or even the stopping of the adoption of these technologies. Second, the irrigation technologies disseminated by the project and adopted by the beneficiaries and non-beneficiaries of the project have been accompanied by overconsumption of water resources. It is due to an increase in the number of water users (agricultural producers and breeders), the area exploited and the number of animals coming to drink from it. In a context of irregularity and falling rainfall, the uncontrolled diffusion and use of these technologies, the virtual absence of monitoring of abstractions and shared water management rules lead, among other things, to a drying up of surface water. and a drop in the groundwater level. These phenomena result in a return to an annual production campaign and a decrease in agricultural yield as well as an exacerbation of tensions between water users. Third, the AGEXs, GSCs and local extension agents as well as the technical services of the State depend on the project for their operation. The end of the project raises the fear of the rupture or the irregularity of the accompaniment of the beneficiaries by these structures. Their cost can not be assured by the beneficiaries. Fourthly, technical and management monitoring was insufficiently ensured after the grant was put in place. This situation does not make it possible to make available the technical-economic data of the sub-projects with a view to improving their management. Fifth, in the sub-project monitoring reports, the latter are more similar to grant application files than to the farms or companies receiving project support. This situation makes it difficult to estimate the actual subsidy obtained by certain beneficiaries and thus the benefits attributable to the project. As a result, there are fewer sub-projects corresponding to businesses than the number of PSs linked to grant application files. This situation draws down the financial and economic performance of the project."

Therefore, given these shortcomings, outcome is rated substantial, albeit, marginally so.

Rating

Substantial

Rationale
There is only one objective, so the overall efficacy rating is Substantial.

Overall Efficacy Rating
Substantial

5. Efficiency

Economic and Financial Efficiency

ex ante

- The economic analysis estimated the Economic Rate of Return at 26.50% and the Financial Rate of Return at 20.6% under a discount rate of 8.3%. The economic life of the Project was estimated at 15 years, from 2009 to 2024.
- A cost-benefit analysis considered specific business models identified as highly profitable for the primary target groups (producers and herders) such as small scale irrigation perimeters (less than two hectares) with mechanized or manual technologies, community input supply warehouses, fattening farms, and commodity storage and marketing facilities.
- The analysis relied upon results achieved under the Second Private Irrigation Promotion Project (PIP 2), to estimate the potential increase in irrigated land resulting from the Project and its distributional impact across farm size and commodity. It was assumed that horticultural production would account for 65% of the increase in irrigated land, with onion production covering 27%, while peppers and tomatoes would cover 18% and 20% of irrigated land, respectively. It was also assumed that crop yields would increase by 15% in other irrigated areas (5000 ha) that would benefit from collective investments.

ex post

- The ex-post project's Economic Rate of Return (ERR) was estimated at 24.7% under an 8.3% discount rate that corresponded to the long-term capital cost for the country. The analysis period was 15 years (same length as the financial and economic analysis of the initial project).
- The costs and benefits in the ex-post project situation were estimated and compared with those in the ex-ante situation without the project in order to determine the additional costs and benefits due to the project.

This was done based on six typical models: (i) 0.5 ha irrigated onion crop; (ii) 3 ha of cowpea seed production; (iii) storage/ conservation of onions; (iv) cattle fattening (50 animals); and (v) processed/ dried meat (kilichi) production. The Internal Rate of Return (IRR) and Net Present Value (NPV) computations were based on these models.

- For the six models tested, the Internal Rate of Return (IRR) ranged from 33% to 58% with the project support compared to 19% to 28% without the project support. The impact of the Matching Grants (MG) was also tested and the IRR with MGs ranged from 70% to 132% compared to 33% to 58% without MGs.
- The project rehabilitated 71km using all of the original budget earmarked for 104km (i.e., the unit costs per km was higher than planned). The average unit cost per km achieved (CFAF 28.3 million) is slightly higher than the average cost per km (about CFAF 22.0 million) of similar projects (ICR, p. 10, para 30).
- Sensitivity Analysis. The sensitivity analysis based on decreases of 10%, 30% and 50% in additional gross margins of the project showed ERRs of 22.6% percent, 17.8% and 11.8%, respectively; the corresponding NPVs were US$54.2 million, US$32.3 million and US$10.4 million. The sensitivity analysis based on the 10% and 50% increments in project costs yielded ERRs of 22.8%, 19.6% and 16.9%, respectively; the corresponding NPVs were US$60.7million, US$51.8million and US$41.9 million. A one-year and two-year lag in the generation of benefits showed ERRs of 20.0% and 16.1%, respectively; the corresponding NPVs were US$47.1 million and US$31.0 million.

Administrative and Institutional Efficiency

The project closed 3 years and 6 months' (42 months) later than expected. This delay was necessary to accommodate the scale-up of project activities. The Bank suspended its activities for almost a year at the beginning of the project following the military coup of 2010. This suspension resulted in delays in the recruitment of the regional project executing agencies. Furthermore, animal epidemics (e.g., avian flu in particular in 2016) caused disruption in animal production. Also, the country experienced droughts that resulted in food shortage in 2009 and 2011. Consequently, poor food production and shortage of food in the country prompted the Government to resort to large food imports at a high cost. Despite food aid; government finances were severely constrained and priorities regarding food production were re-emphasized. Finally, the project regional set-up was weak with limited capacity to handle the work load. This led to difficulties regarding support to sub-project implementation, data collection and reporting (ICR, p. 15, para 47).

Efficiency Rating. The ex post ERR at 24.70% was lower than the ex-ante at 26.50%; and there are concerns on the quality of data used for the economic analysis due to M&E weaknesses. Therefore, efficiency is rated modest.

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	✓	26.50	0 ☐Not Applicable
ICR Estimate	✓	24.70	0 ☐Not Applicable

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

6. Outcome

Relevance of objectives was rated substantial. Efficacy was rated substantial, but marginally so due to weaknesses in M&E and limited evidence on the actual impact of project activities. Efficiency was rated modest due to a lower ex-post ERR and concerns on the quality of data used in the economic analysis. With a substantial rating for relevance of objectives, a substantial rating for efficacy and a modest rating for efficiency, the overall outcome rating is Moderately Satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

The Risk to Development Outcome is positively impacted by the following factors:

- About 80% of the project supported sub-projects were functional at completion; and a small fraction have evolved into self-sustaining mini-enterprises, including those that received additional support under the AF phase; some of them are expected to scale up activities to become SMEs.
- The sustainability of sub-projects was expected to improve due to improved access to funding. This was facilitated by the project through increased dialogue and relationships between sub-project operators and Partner Financial Institutions (PFIs).
- The project helped create a business friendly environment that was expected to have positive long term impact.
- The physical infrastructures (weirs and watershed protection, access roads, marketing platforms, livestock markets) set up by the project were expected to improve water availability and access to markets.

However, the following factors could negatively impact the sustainability of project outcomes:

- Failure to maintain the project financed physical infrastructure could result in the deterioration of these investments and limited benefits to farmers/beneficiaries.

- Climate variations and limited rainfall. A reduction in rainfall could result in the depletion of ground water resources and consequently crop yields will suffer.
- Unsustainable ground water withdrawal by project beneficiaries or surrounding communities. This would result in an imbalance between the recharge of wells and the withdraw of water leading to a drop in the aquafer and in extreme cases total dry up of wells. This will negatively impact farming operations and could result in total cessation of farming in impacted areas.
- Political instability and security issues continue to be a concern and could undermine the sustainability of the development outcome in project areas.

8. Assessment of Bank Performance

a. Quality-at-Entry

- The project aimed to support commercialization of smallholder production and stronger supply chains. It was complemented by other Bank-financed projects in the agriculture sector in Niger, namely the Emergency Food Security Support Project under the Global Food Price Crisis Trust Fund, and the Community Action Program, which support the first intervention by financing food security related projects and non-farm income-generating activities, and the Second Private Irrigation Promotion Project (PIP 2), which contributed to the expansion of small scale irrigation systems and technologies across the country.
- Design was simple and included clearly structured components with an appropriate sequencing of tasks. It benefitted from the experience and lessons of several previous projects, notably the Promotion of Agro-Pastoral Exports Project (PPEAP, 2001-2005) and the Second Private Irrigation Promotion Project (PIP 2). Most notable was that the Technical and Fiduciary Coordination Unit (TFCU) of the project would be built upon the PIP 2's implementation Unit, as the latter closed on December 31, 2008. Design also attempted to avoid the weaknesses identified under the PPEAP including: a broad PDO, inefficient institutional design, and weak M&E system.
- However, design suffered from a notable shortcoming with regards to the institutional set-up at regional level. Design failed to assess the amount of work needed at regional level to manage project activities. This resulted in an institutional set-up at regional level that lacked sufficient implementation capacity. It was designed under the assumption that the Regional Focal Points (RFPs) would be able to handle multiple varied tasks such as managing the sub-project selection committees, overseeing the implementation of sub-projects and collecting data on all project activities. However, all these tasks were beyond the work load of the RFPs and resulted in implementation delays (ICR, p. 14, para 43).
- Four risks were identified at the appraisal stage. Three were rated moderate and one rated low. While the ICR (P. 14, para 41) reported that "there was an adequate assessment of risk and design of mitigation measures," weak institutional capacity proved to be a significant risk that was only partially corrected after the Midterm Review.
- M&E suffered from design and implementation weaknesses (see section 9 a, b for more details).

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision
The project was implemented under challenging political, economic and environmental conditions. 15 Bank supervision missions were conducted during the eight-year implementation period. These included regular upcountry field visits despite the country's security situation. Supervision missions included fiduciary and safeguards specialists, among others. This enabled supervision missions to cover the corresponding implementation aspects and address implementation issues including: project staff performance and implementation arrangements. The project implementation benefited from a low TTL turn-over and transition arrangements ensured the preservation of the project's institutional memory. The Midterm Review was conducted in 2012 and identified the weakness in the institutional set-up at the regional level. Overall, the project implementation benefited from the team's efforts to strengthen the dialogue on key technical topics and regulatory matters (such as product quality or transportation hurdles), training and capacity building of investors Partner Financial Institutions or and Implementation Partners, and access to funding and the implementation of critical investments (e.g., the marketing platforms or the rural roads). Gender issues also received considerable attention from the project team.
However, the supervision should have intervened early during the implementation phase to address weaknesses in the M&E system. Also, more attention should have been given to producing a comprehensive impact assessment study that covered the whole project period.

Quality of Supervision Rating
Moderately Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

- The PAD (p. 24) included a Results Chain. Nonetheless, the ICR (pages 2 & 3) included a clear theory of change that provided clear links between the project inputs, outputs and intended outcomes.
- M&E activities would be managed under the project's Technical and Fiduciary Coordination Unit (TFCU) through an M&E specialist. The TFCU would rely on one Regional Operational Monitoring Officer (RSO) in each region located in Regional Directorates of concerned Ministries, for ensuring

quality supervision of contracted executing agencies in each region, and for reporting on the selection and implementation of sub-projects funded under the Matching Grant Mechanisms.

- The PDO was expected to be assessed through a single outcome indicator that would measure the percentage increase of the value of marketed products in selected supply chains by project-supported producers. The Results Framework included eight intermediate outcome indicators. These were all measurable with reasonable targets and linked to the PDO, except indicators 7 and 8 which were more related to project management.
- However, the Results Framework (RF) suffered from two shortcomings. First, neither the PDO indicator, nor the corresponding intermediate outcome indicator concerning incremental production, were disaggregated to allow for accurate data gathering and close monitoring of the targeted supply chains. This disaggregation across the Value Chains (VCs) was only done during the preparation of the additional financing phase. Second, the targets were set in the RF as percentages were somewhat arbitrarily; and only during implementation that actual baselines were estimated using the Ministry of Agriculture and Livestock statistics to gauge the value and volume of project incremental marketed production.

b. M&E Implementation

According to the ICR (p. 16, para 51) "M&E data were collected and analyzed in a methodologically sound manner by the M&E section at the TFCU through the Regional Focal Points." However, Regional Focal Points (RFPs) offices suffered from limited capacity that hindered data collection. This was partially addressed at MTR by assigning M&E assistants to the RFPs. Also, M&E activities at the central level suffered due to insufficient capacity for data collection and analysis; where only one specialized staff handled all of the project's data. The project's M&E unit failed to interact with other data collection units such as the Ministry of Agriculture Statics Unit which could have provided secondary information on production/ marketing/export flows to be crossed-checked with the project-generated own information. Finally, the impact studies failed to comprehensively cover the whole implementation period. Hence, it was not possible to accurately determine the project's impacts over the entire project duration.
The AF resulted in scaling-up the project. Therefore, some indicators were revised/added to reflect the scale-up of project activities. These included: the PDO indicator regarding the value of production which was disaggregated to show targets for the three main VCs (onions, cowpeas, one-hood animals); the number of beneficiaries and the percentage of women to be reached (35 percent) were formally added; the indicator for Intermediate Outcome 1 regarding production volumes was disaggregated per VCs like the PDO indicator; an additional indicator was added for Intermediate Outcome 2 to take into account the support to SMEs (40 regular SMEs and 10 larger SMEs); and two intermediate indicators were formally added to measure Intermediate Outcome 4.

c. M&E Utilization

According to the ICR (p. 16, para 51) "M&E data on performance and results progress, despite its flaws, was generally used effectively to inform project management and decision-making; the progress reports based on these data were systematically prepared and were of good quality." However, as noted earlier in section 4 of this report, the ICR included limited evidence on the impact of project activities. The lack of baseline data and the absence of a comprehensive impact assessment study at completion made it difficult to accurately assess the actual impacts of project activities.

Overall, M&E suffered minor design shortcomings, implementation was weak and utilization was limited.

Therefore, the Quality of M&E is rated modest.

M&E Quality Rating
Modest

10. Other Issues

a. Safeguards
The project was an environmental category B. It triggered the following safeguard policies: Environmental Assessment (OP/BP 4.01); Pest Management (OP 4.09); Involuntary Resettlement (OP/BP 4.12) ; and Project on International Waterways (0P 7.50). Environmental impacts were expected to be local as a result of sub-project activities on the livelihoods of different stakeholder groups at the community level. An Environmental and Social Management Framework (ESMF), a Resettlement Policy Framework (RPF), and a Pest Management Plan (PMP) were prepared and disclosed by the Government of Niger.
A safeguards specialist was recruited to the TFCU in compliance with the covenant in the financing agreement. Safeguards instruments were updated and re-disclosed at the time of the AF. The Government's Bureau d'Evaluation Environnementale et des Etudes d'Impacts (BEEEI) provided regular project monitoring at national level over the entire duration of implementation. Specialized support was also provided by the Bank during supervision missions to ensure compliance with the Bank's safeguards policies. The Project carried out capacity building and sensitization programs in collaboration with BEEEI for project partners and beneficiaries to ensure greater awareness of environmental and social risks associated with the Project, and trained the partners and beneficiaries on measures to take to address these risks. The Centre National de Suivi Ecologique et Environnemental (CNSEE) and the University of Niamey monitored the ground water resources in the zones where the irrigation sub-projects were located. The support included the provision of 160 piezometers. However, in some cases, the monitoring was not systematic which affected the quality of the overall data.
All sub-projects were screened before implementation and categorized according their potential environmental and social impacts taking into consideration both their individual and cumulative potential impacts. Road sub-projects, required the preparation and implementation of brief resettlement action plans.

According to the ICR (p. 17, para 54) "the appropriate mitigation measures recommended were implemented; they were evaluated ex-post after implementation based on data collected during sub-project implementation monitoring." The ICR did not provide an explicit statement of compliance for any of the triggered safeguard policies.

b. Fiduciary Compliance

Financial Management. Financial management benefitted from trained and qualified staff (including a Financial Management Specialist, two accountants, an Internal Comptroller). The TFCU fiduciary staff stayed during the entire implementation period which limited disruptions due to staff turnover. According to the ICR (p. 15, para 46) "adequate mechanisms were put in place in a timely fashion right from project inception; the annual work program and financial program (PTBA) was always adequately prepared and timely; all audit reports were similarly prepared on time; and were all unqualified; the project was audited by the national Court des Auditors."

Procurement. Procurement was handled by a procurement specialist at the TFCU. Cumbersome procurement procedures contributed to implementation delays especially for the road construction/ rehabilitation (ICR, p. 10, para 29). There were no cases of misprocurement reported by the ICR.

c. Unintended impacts (Positive or Negative)

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d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Efficacy was rated marginally substantial due to weaknessess in the evidence provided and Efficiency was rated modest due to M&E shortcomings and limited evidence on the impacts of the project activities.
Bank Performance	Satisfactory	Moderately Satisfactory	Quality at Entry and Supervision shortcomings. Failure to sufficiently address M&E implementation problems.
Quality of M&E	Modest	Modest	---

Quality of ICR	Substantial	---

12. Lessons

The ICR included four lessons. The following are emphasized with some adaptation of language:

- **Productive alliances (PAs) need enough time to ensure the development of sustainable and legally enforceable contractual relations.** PAs develop joint business plans reflecting their interests and common vision to bring products to specific markets; these plans include the specification of the attendant investments to be made. The PA also specifies the marketing arrangements that partners must respect, including the quality and quantity of products to be produced and exchanged by each partner, the price level, the price determination criteria, and the partnership specifies the financial and organizational arrangements according to which it will operate. The development of all these arrangements need enough time to take hold and be respected by all parties.
- **Physical investments need to be complemented by regulatory measures that create a more friendly business environment and facilitate trade flows.** The project experience demonstrated that an integrated approach to Value Chains (VC) management is required and that there is a need to intervene at all critical links where difficulties arise. To this end, it is necessary to identify the key points on which actions are needed (e.g., production of cowpea seeds, assembling, sorting/ sizing and conditioning of onions in marketing platforms, support to the fluidity of transport through the BEC procedure, or rehabilitation of rural tracks). In this context, efforts should be made to support enterprises that can act as 'leaders' to strengthen VCs moving forward. It is also important to define the proper regulatory framework for each VC and strengthen professional organizations so that they can play their expected role.

13. Assessment Recommended?

Yes

Please explain

To verify results on the ground in light of weak project M&E and the limitations of the final impact assessment of the project.

14. Comments on Quality of ICR

The ICR provided a good account of project activities and reported candidly on most shortcomings. Outcomes were discussed logically to the extent possible given the limitations of the M&E system. However, the ICR lacked details on how better organization of inter-professions, capacity-building of operators, development of market knowledge and operational plans of Value Chains (VCs), and training of investors

and participants in VCs activities impacted production volumes and sales.
The ICR could have improved on the following points:

- Details were lacking in some sections, most notable of these was the section covering Quality at Entry.
- Discussion on safeguards was limited and the activities and success of mitigation measures as well as compliance were not all mentioned.
- Not all abbreviations and acronyms used in the ICR text are reflected in the table at the beginning of the document.

a. Quality of ICR Rating
Substantial