I. Project Context

Country Context

Niger is a large, landlocked country in the arid Sahel region. The country’s population, relatively young (with under 15’s representing 48.6 percent of the total) is estimated at 17 million and growing rapidly at about 3.8 percent per year. Two-thirds of the country is inhospitable desert and more than 84 percent of the population is concentrated in rural areas along the Niger River in the southwestern part of the country and along its long southern border with Nigeria. The climate is mostly arid (in 85% of total area, annual rainfall is less than 350 mm)

Niger’s political institutions have been strengthened since the restoration of constitutional order in 2011, and it is rebuilding its democratic governance mechanisms. The Government is pursuing important measures to combat organized crime and terrorism and to promote the safety and property rights of its citizens. Military and law enforcement agencies have created new crisis response units, and border security has been strengthened, in close coordination with regional and international partners. Both unrest in Niger’s tribal areas and the threat posed by the conflict in
neighboring Mali have diminished. Nevertheless, the country continues to face significant risks related to domestic and regional instability, as well as organized crime and transnational terrorism. The rise of Boko Haram in Nigeria and the recent expansion of its operations to neighboring countries including Niger is a cause for particular concern.

Even if poverty incidence is declining, Niger remains among the poorest countries in Africa with an average US$410 per capita GNI (Atlas method) in 2014, well below the average GNI in constant prices of US$1,638 for Sub-Saharan Africa. Niger is ranked last out of 187 countries in the 2014 Human Development Index. The most recent poverty assessment from 2011 estimated the national poverty headcount rate at 48 percent, down approximately 5 percentage points from 2006. Poverty is heavily concentrated in rural areas. The poverty rate in rural stands at 66 percent against 39 percent in urban areas.

Niger is extremely vulnerable to severe climate shocks with drought being the most important risk in terms of frequency and impacts. Economically, there is a strong correlation between changes in the gross domestic product (GDP) and the meteorological situation demonstrating the extreme fragility of the economy and particularly the agricultural sector. The agriculture sector risk assessment report (2013) indicated that the growth rate of Niger’s GDP has dipped into negative territory eight times during 1984 to 2010, and drought was largely responsible for negative GDP growth rate in six years. Between 1980 and 2012, 10 major episodes of drought have been recorded, of which 5 led to severe food crisis. The food crisis resulting from the 2011 drought affected more than 7 million people or half of the country’s total population.

Food insecurity and malnutrition are major concerns for Niger. Overall, growth of major food production was slightly less than the population growth over the period 1980-2011, with a steady increase in the deficit filled by imports. It is estimated that 2.5 million people in Niger are chronically food-insecure and unable to meet their basic food requirements even during years of average agricultural production. During periods of constrained access to food, millions more can quickly fall into acute transitory food insecurity. Over the past years, Niger made progress on nutrition indicators, but the country still lags substantially behind other low-income countries and sub-Saharan African counterparts. Malnutrition accounts for more than one third of child mortality in the country and remains high due to host of health, sanitation and behavioral factors, exacerbated by recurrent food shortages.

Climate change is likely to exacerbate food security situation in Niger. While there uncertainty regarding longer term climate change projections (2050-2100), short to medium term rainfall deficits will most likely continue to plague the agricultural sector in Niger and the frequency and severity of droughts might remain same or increase.

In Niger, Agriculture, forestry and other land uses (AFOLU) sector accounts for 89 percent of total GHG emissions while the energy sector accounts for 9 percent of the total emissions. Since it is a non-Annex 1 party to UNFCC, Niger does not have a quantitative obligation in term of mitigation, however, Niger’s ambition is to limits its emission from 2.8 t (base year 2000) to 2.1 t CO2e per inhabitant in the 2030 horizon. The national priority for the AFOLU sector in Niger’s Intended Nationally Determined Contribution (INDC) relate to improving the resilience of the agriculture, animal husbandry and forestry sub-sectors. For Niger’s, the adaption options considered as top priority are those that will permit the higher co-benefits with respect to climate change mitigation, particularly those good adaptation practices and techniques that will permit carbon sequestration
and reduction of GHG emissions at the same time. Niger’s climate change strategy is based on the vision of climate-smart agriculture and access to modern energy services for everyone in 2030.

### Sectoral and institutional Context

Agriculture is the most important sector of Niger’s economy, accounting for over 40 percent of national GDP and being the principle source of livelihood for over 80 percent of the country’s population. About 96 percent of Niger agriculture is based on production of rainfed staple crops mainly millet, sorghum and cowpeas integrated with livestock production. The imbalance between population growth (3.9 percent) and agricultural growth (2.2 percent) in the country has led to increased land pressure/ and the expansion of crops to marginal land (PRSP, 2010). Despite continued expansion of the area cultivated, per capita land use is declining. Farms are small (average 4.1 ha) and getting smaller because Niger’s high population growth rate exceeds the rate of area expansion. The consequent pressure on agricultural land resources has risen in the last decades and is now very high.

Agriculture remains today, as in the past, a key engine of economic growth and poverty reduction in Niger. The GoN’s Economic and Social Development Plan (PDES 2012-2015) reaffirms the central role of agriculture and the economic growth target of 8 percent per year to reach Millennium Development Goal (MDG) 1 in 2020. The PDES represents a unique operational framework for the GoN’s mid-term development agenda, in line with the MDGs. It covers the following strategic axes: (i) creation of conditions conducive to sustainable, equitable, and inclusive development; (ii) food security and sustainable agricultural development; (iii) promotion of a competitive and diversified economy; and (iv) promotion of social development. To operationalize the PDES in the agriculture sector, the GoN adopted in April 2012 the “Nigeriens Nourish Nigeriens” (3N) Initiative as its national strategy to boost agricultural development and definitively resolve the problem of food and nutrition insecurity.

Mixed crop-livestock systems dominate food production in Niger. While the northern part of Niger is dominated by pastoral systems, mixed crop-livestock systems prevail in the southern belt, below the 400 mm rainfall isohyet. These systems ensure the bulk of the country’s food production, hosting about two-thirds of the ruminant population of Niger, and producing over 80 percent of the millet and sorghum output. Farm production is generally intended to ensure households’ food security but the majority of households sell their agricultural produce after harvest to get access to much-needed cash and many buy food back during the lean period. Crop-livestock integration allows an efficient use of natural resources through the cycling of nutrients and energy within the system, thus reducing dependence on mineral fertilizers, mechanization, and imported feed. Mixed
systems also offer opportunities for income diversification and agricultural risk mitigation.

The Niger fertilizer market is very small, which is around 30,000 MT. The Centrale d’Approvisionnement en Intrants et Matériels Agricoles (CAIMA) is the major program in provision of subsidized fertilizers to farmers in the country. The few professional fertilizer firms existing face numerous issues to expand their business. CAIMA has played a crucial role in improving the awareness of fertilizer use in the country at large and ensure quality of fertilizer. There are few issues associated with CAIMA: weakness of the national markets for inputs and fertilizer distribution network and delays in placing inputs at farm gate. The operational effectiveness of CAIMA could be improved further through effective private sector participation – improved competitive markets and technology transfers.

The seed market in Niger is very small (12,000 MT/ year, less than <10 % farmers using improved or modern varieties), with ‘relief’ seeds or government supplied seeds (for free or heavily subsidized) dominating the market. Purchased seeds are limited to irrigated areas, predominantly for vegetables crop and rice. In the rain fed system, the major distortion towards the rapid development of seed industry is ‘government interventions’ and other donor related initiatives, which are not sustainable. In spite of above, seed market in Niger has grown in the last 7-8 years, and the demand for good quality seeds is increasing. This has resulted in entry of private firms in to seed business, which sees an existing opportunity in the business. The approval of Niger seed law in 2015 in tune with ECOWAS regulations also have created enabling environment in Niger for further development of the sector. Niger has a comparative advantage to its neighbors – in terms of agricultural research capacity (INRAN) with highly skilled scientific human resources and also the presence of international agricultural research environment (ICRISAT), with established infrastructure.

Niger’s INDC highlights sustainable land management (SLM) at the core of its adaptation efforts. The document highlights that the co-benefits in the AFOLU sector consist of the results of implementing and upscaling CSA activities: strengthening good practices of assisted natural regeneration (ANR) and recovery of degraded land; improving the balance sheet of cereals and fodder, along with food and nutritional security; developing local agro-climate information; and creating jobs, reducing the rural exodus, and strengthening social cohesion.

The World Bank’s agriculture sector risk assessment, conducted in Niger in 2013, serves as the analytic underpinning of the proposed project. This risk assessment highlighted Niger’s exposure and vulnerability to frequent risks, primarily drought (Figure 1), and indicated that risk and volatility might be seen as a new normal under the context of changing climate. Following the risk assessment, the GoN developed an Agriculture Risk Management Plan (PAGRA 2014-2023). This 10-year action plan’s overriding goal is to help build the resilience of rural and semi-urban communities to the main agricultural risk factors. The plan prepares a shift from ex-post crisis response to ex-ante risk management and resilience building. It aims to put in place structures and measures that allow farmers to better manage risks and to enhance resilience among agricultural households and the agriculture sector in general.

Niger’s agriculture sector can be characterized by two fundamental problems: low productivity and low resilience. Through an integrated approach, the proposed Climate-Smart Agriculture Support Project (PASEC) will contribute to addressing the following binding constraints that affect the productivity and resilience of Niger’s crop-livestock sector:
• Continuous degradation of cultivated and pasture lands. Soil infertility and land degradation are the main biophysical factors that contribute to declining per capita food production in the country. These are increasingly exacerbated by seasonal droughts associated with climate change and weather variability. In a similar way, pasture and rangeland degradation are a serious constraint to livestock productivity.

• Inadequate and inefficient seed systems. Most Nigerien farmers practice low-input agriculture. Despite the frequency of droughts, the adoption rate of improved and drought-tolerant seeds is very low. For example, improved seeds produced in 2011 cover only 2.88 percent of the area planted in 2012. Yet the majority of farmers still rely on their own saved seeds, which are no longer adapted to the climatic conditions.

• Limited expansion of affordable small-scale irrigation solutions. Niger is well-endowed with shallow renewable groundwater and a strong tradition of and demand for small-scale irrigation exists wherever a high population density, market opportunities, and the resource are present. The country recently adopted a strategy for the sustainable development of small-scale irrigation. Yet financial resources and an adapted approach to anchor water resources mobilization into local development strategies still fall short of the growing demand.

• Low capacity of public or private structures to deliver services to the satisfaction of producers. The limitation of extension services significantly affects the dissemination and adoption of new technologies in the country.

• Low productivity among female peasants. The “Gender Differentials and Agricultural Productivity in Niger” report (World Bank Policy Research Working Paper 7199, February 2015) indicates that “In Niger, as in many other African countries, productivity is even lower among female peasants.” The analysis finds that in Niger plots managed by women produce 19 percent less per hectare on average than plots managed by men. It also finds that the gender gap tends to be widest among Niger’s most productive farmers. The primary factors that contribute to the gender productivity gap in Niger are: (i) farm labor, with women facing significant challenges in accessing, using, and supervising male farm labor; (ii) the quantity and quality of fertilizer use, with men using more inorganic fertilizer per hectare than women; and (iii) land ownership and characteristics, with men owning more land and enjoying higher returns to ownership than women.

The project will coordinate closely with other IDA-financed projects and projects being implemented by other partners to ensure effective synergies on the ground. Close relationships and coordination of activities will be established with other Bank-supported projects in Niger. For example, the project will: (i) contribute to disseminate technologies and scale up the Innovation Platform (IP) under the West Africa Agricultural Productivity Program (WAAPP); (ii) continue value chain development approaches implemented by PRODEX and use the same matching grant mechanism to develop agricultural value chains, promote innovation and technology transfer, and enhance access to extension and support services; (iii) support resilience-building measures at village and household level to complement community-based actions implemented by Community Action Program – Phase 3 (CAP3) and Community Action Project– Climate Resilience (CAP-RC)); and (iv) complement the Regional Sahel Pastoralism Support Project (PRAPS) interventions in pastoralism management. The project will support mixed crops and livestock systems in agropastoral zones while PRAPS will target purely pastoral regions. In addition, the agricultural water management interventions of the project are informed by both past small-scale, irrigation-focused Bank projects and by the directions set as part of the Sahel Regional Irrigation Initiative.

The Millennium Challenge Corporation (MCC) of the United States government is currently developing a broader compact with the GoN. The compact will comprise of two interventions: a)
irrigation development support in selected perimeters to be implemented by Millennium Challenge Authority and b) provision of parallel financing to two World Bank funded operations (PASEC and PRAPS). The compact co-financing to the proposed project (PASEC) will be focusing on commune subprojects and inclusive enterprise development in 16 communes for an amount of $ 51 million. MCC will follow the approach developed by this project; to ensure synergies with IDA financing, MCC activities in 16 communes will be implemented by a common Project Implementation Unit (PIU).

II. Proposed Development Objectives
The proposed development objectives are to enhance adaptation to climate risks and improve agricultural productivity among the targeted communities. The project will also improve the GoN’s capacity to respond promptly and effectively to an eligible crisis or emergency.

III. Project Description

Component Name
Investments for Scaling up Climate Smart Agriculture

Comments (optional)
Under this component, the Project will support in each commune the preparation of an Integrated Climate Smart Agriculture Investment Plan by a specialized NGO, drawing on the existing Communal Development Plan (PDC) which were developed under the decentralization process by the Government of Niger. They will integrate investments by communes, farmers organizations (including youth and women groups) and Micro Small and Medium Enterprises in a range of domains, with the aim to i) increase productivity and agro-forestry-pastoral production, ii) strengthen the resilience of production systems to climate change and other agricultural risks, iii) reduce of greenhouse emissions intensity, and iv) facilitate market access and integration into commercial value chains.

Component Name
Innovative practices and improved service delivery for mainstreaming CSA

Comments (optional)
To help support the financial investments in Component 1 and adopt innovative practices to achieve the triple outcomes of CSA, farmers’ capacity needs to be strengthened and they will need access to a number of services from private and public institutions. This component will focus on improving service delivery by national and local institutions and farmers adoption of innovative practices. It will also focus on public sector institutions to improve the policy and enabling environment and facilitate delivery of relevant services by national and local public sector institutions. In addition, this component will work directly with the private sector and attempt to develop market mechanisms for sustained service delivery during and after the project

Component Name
Contingency Emergency Response

Comments (optional)
This component would finance emergency works in case of another disaster event by including a “zero-dollar” Contingency Emergency Response Component (CERC). This would help reduce damage to infrastructure, ensure business continuity, and enable early rehabilitation. In parallel, following an adverse event that causes a major disaster, the GoN may request the Bank to channel resources from this component into an Immediate Response Mechanism (IRM). The IRM would enable the use of a portion of uncommitted funds from the overall IDA portfolio to respond to
emergencies. To mobilize resource from the component, it will be used the “Immediate Response Mechanism Operational Manual” that has been approved by the Bank on March 17, 2015 and the Government of Niger on June 16, 2015.

Component Name
Project Coordination and Management

Comments (optional)
The Project will be implemented under the 3N institutional arrangements. This component has two subcomponents: (a) Coordination, management, and implementation support; and (b) Monitoring and evaluation (M&E), communication, and knowledge production and sharing.

IV. Financing (in USD Million)

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V. Implementation

A. Institutional and Implementation Arrangements

Overall Implementation Oversight and Management

Project Oversight. The Borrower is represented by the Ministry of Economy and Finance (MEF). Overall responsibility for project implementation will be delegated to the Ministry of Agriculture (MoA). Implementation is envisaged to take place over six years in 62 communes.

Implementation. The project implementation mechanism will comprise: (i) a National Project Steering Committee (PSC); (ii) a National Coordination Unit (NCU) and five Regional Support Unit (RSUs); (iii) a Regional Approval Committee (CRAP) for the approval of subprojects and a Municipal Monitoring Committee (CCS).

☐ Project Steering Committee (PSC): The PSC has been established by the MoA. The PSC will ensure close coordination of the Project with other Bank-supported operations in the area of local development and climate change adaptation (CAP3, CAP-RC, and Safety Nets Project). The PSC will mainly be responsible for: (a) approving the Project’s Annual Work Plan and Budget (AWPB), prepared by the Project Coordination Unit (NCU); (b) overseeing overall performance of the project and providing policy guidance; and (c) suggesting necessary project adjustments based on M&E results. The PSC will comprise representatives of, inter alia (as set forth in the PIM): (i) Ministries in charge of agriculture, finance, livestock, environment, and water; (ii) farmers’ and women’s apex organizations; (iii) the Association of Mayors; (iv) the Association of Financial Institutions; and (v) the National Network of Chambers of Agriculture.

☐ National Coordination Unit (NCU). It will be directly responsible for all activities related to Component 4. The Implementation Manual and the Manual of Procedures of PASEC will be approved and disseminated prior to effectiveness, to take into account new institutional configurations. The NCU will be reporting to the General Secretary of the Ministry of Agriculture.
The respective roles and composition are elaborated in Annex 4.

Regional Support Units (RSUs): Five RSUs will be set up (in Tilaberi, Dosso, Tahaoua, Maradi, and Zinder/Diffa). RSU assistants will support and follow up project delivery at the regional level. Each RSU will include one Field Support Coordinator and three assistants (M&E, Procurement, and Accountant). RSUs will screen initial applications to the matching grant fund and the integrated subprojects before submitting them to CRAPs for further analysis and approval.

Regional Approval Committees (CRAP initially created under CAP3). CRAPs will analyze integrated subprojects selected by commune councils to be financed under the project and matching grant application requests screened by the RSU to ensure their compliance with sectoral policies, contribution to CSA’s triple outcomes, technical standards, economic effectiveness, and social and environmental safeguard policies. CRAP members will receive necessary technical support and capacity-building activities to perform their functions.

PASEC Municipal Monitoring Committees (CCS): A CCS is created by regulatory act of the Commune Mayor and advises on the CSA investment plan and integrated subprojects. It also reviews the implementation reports of communal or community interest operations in the project. It ensures consistency, complementarity, and synergy between the project and other partners in the commune. Each CCS will include representatives of local women’s groups and youth associations.

The PIM details the organizational and technical procedures that govern the project, including FM, procurement, and the Grievance Redress Mechanism (GRM). The GRM will allow the NCU to address issues in a timely manner.

B. Results Monitoring and Evaluation

General characteristics. The results monitoring framework summarized the expected results; indicators and related baseline data of outputs and outcomes; milestones and a timeline for progress. The project Monitoring and evaluation system based on the M&E Guidance prepared is designed to inform the results monitoring framework. The M&E system will provide information to verify progress toward and achievement of results (outputs, outcomes and impacts) as well as supports learning from experience, and promotes accountability for results.

Results measurement for project performance: The baseline study remains the starting point for the CSA project results measurement. It will serve as a benchmark for the routine project monitoring (Half year M&E report, Annual project Report…) during project implementation. The project evaluation will be conducted through a midterm evaluation and an end-of-project evaluation.

Learning from experience: As scaling-up the most promising CSA technologies and interventions is key for the project, learning form experience on evidence basis that will be generated thought the M&E system remains also key for reinforcing the project results. Therefore, the project will strengthen the link between M&E-Knowledge management and Communication. The M&E evaluation system will support knowledge products and services that will be disseminated through a wide communication channel targeting project beneficiaries and focusing on a user-friendly communication tools.

Accountability for results: The CSA M&E system in addition to M&E reporting requirement will involve accountability mechanism and process (Steering committee meeting, stakeholder’s consultation, mi-term review…). Information sharing and stakeholder involvement and participation at all stages of the project cycle will be a core for the project accountability for result. The project
through various channel will ensure that stakeholders/beneficiaries have access to timely, relevant and clear information about the project M&E reporting findings as well as incorporating their views in the project review and decision.

Institutional arrangements. At the national level, the M&E team (NCU) will lead all aspects of monitoring and evaluation and provide operational tools and instruments for data collection at the regional and local levels. It will collect and validate upstream reports and monitor information from the regional M&E specialists (RCUs) and from each of the national institutions involved in project activities, to facilitate decision-making processes.

Harmonization and integration with national and sectoral M&E systems. The PASEC will develop consistent efforts to empower national institutions in the M&E of the project outcomes, ensuring that the system is strongly linked to the national M&E system for the “3 N Initiative”.

Importance of the M&E system. By producing timely and pertinent information, the M&E system will be a key management instrument aimed at helping the decision-making process. Outcomes/results of activities will be measured by qualitative and quantitative indicators.

C. Sustainability

Project sustainability relies on a number of key considerations. First, the firm commitment of the Government of Niger on pursuing its key sectoral strategies, including the 3N Initiative and advancing the CSA agenda as the country is one of the founding member of the CSA Global Alliance. Second, the Project will: (i) contribute to increased competitiveness in the agriculture sector by improving productivity and resilience through access to improved agricultural technologies that will be demonstrated in the FFS. (iii) ensuring sustainability support to farmers access to agro-meteorological and best practices for decision making and (iii) support farmers access to rural finance by establishing a matching grant mechanism for financing CSA packages and putting in place a line of credit to selected MFI for agricultural loans. Third, the Project will provide investments, through the integrated commune sub-projects, to develop basic public infrastructure that will lead to the achievement of the CSA triple outcomes and address specific challenges as improving connectivity between production basins and markets, protecting watershed against erosion, reducing harvest losses. Fourth, Empowering all local-level stakeholders, through trainings and capacity building activities well-tailored to their specific needs; Fifth, Defining and implementing an efficient knowledge management and sharing system to efficiently capitalize lessons learned and mainstream them into national policies. Last, the support to the FISAN’s operationalization will ensure sustainable funding for communes and the matching grant mechanism.

VI. Safeguard Policies (including public consultation)

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