1. Project Data:

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<td>Project Name</td>
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<tr>
<td>Prepared by:</td>
<td>Hassan Wally</td>
<td>Reviewed by:</td>
<td>George T. K. Pitman</td>
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2. Project Objectives and Components:

a. Objectives:

The project was the second phase of a four-phase 12-year Adaptable Program Loan: the Community Action Program (CAP, 2003-2015). The program aimed at sustained poverty reduction and improved local governance through empowering communities and local governments to improve natural resource and ecosystem management, and to raise levels of health, education, and food security, thereby stimulating economic growth (page 3, of the first-phase PAD). The second phase aimed to consolidate and scale up first-phase achievements, by extending the project’s interventions from 54 to 108 rural communes (or 40% of Niger’s communes).

According to the Project Document (p. 7), the IDA Financing Agreement (p.6), and the GEF Financing Agreement (P107841, p.6), the Project Development Objective of the second phase was to:

"improve rural communes’ capacity to design and implement in a participatory manner Communal Development Plans (CDP) and Annual Investment Plans (AIP) in order to enhance rural livelihoods."

The Global Environment Objective according to the Project Document (p. ix) was:

"to reduce land degradation and promote sustainable land management (SLM) in Niger, leading to improved human well-being and increased provision and productivity of local and global ecosystem services such as agricultural production, increased vegetative cover on cropland and rangeland, and carbon sequestration."

This is an IDA-GEF blended project. In such projects, IEG only assesses achievement of the Bank’s
b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components:

(A) Capacity Building (Appraisal cost: US$7.63 million, actual cost: US$6.44 million). This component would focus on strengthening: (i) the capacities of communes and communities; and (ii) the institutional and legal framework for local and community development.

A1. Capacity Building for Communes and Communities: The project would finance strategic activities that would strengthen the administrative, technical and fiscal capacity of selected communes to handle their institutional mandates as stipulated in the Decentralization Law, to use decentralized and participatory procedures in planning, designing, implementing, and managing their own development, through efficient partnerships with grassroots communities. The project activities would be beneficiary-specific and would support capacity building for both communes and local communities. Specifically, the sub-component would finance inter alia: (i) a communication strategy to help beneficiaries understand project objectives and intervention mechanisms and share good practices and a communication strategy and tools adapted to grassroots communities’ training on their roles and responsibilities, including local governance control, (ii) sensitization of elected officials and local stakeholders on existing Decentralization Laws; (iii) capacity needs assessment at the communes and communities levels, and the development of a capacity assessment plan for local development management including on decentralization, financial resource management, participatory diagnostic and planning, micro project design and execution; (iv) training activities on participatory planning, fiduciary management and participatory monitoring and evaluation, and (v) study tours and other learning and knowledge sharing activities. The project would also support specific activities aimed at addressing sustainable land and natural resources management issues at the local level, including: (i) sensitization workshops, training and support to communal and community stakeholders in mainstreaming sustainable land management in the local development process; (ii) training on the sustainable land management methodological guidelines and on the BioCF transaction operational procedures; and (iii) setting up and operationalizing communal land tenure committees. Finally, the project would organize workshops for local service providers on community based procurement requirements, participatory processes and technical requirements of key sectors.

A2. Capacity -Building for Institutional and Legal Framework on Community Development. The project would finance studies, training, study tours and workshops for key national institutions with the mandates on decentralization, local and community development and environmental monitoring. Specifically, the project would help (i) Ministry of Interior, Security and Decentralization, and High Commission for State Modernization to clarify, update, and finalize legal texts on local governance, intergovernmental transfers, and fiscal decentralization; (ii) Ministry of Planning and Community Development to update the communal planning guide and establishment of communal database; (iii) Ministry of Agriculture Development to set up and operationalize an effective M&E system for integrated management of the various programs of the Rural Development Strategy; and set up the various steering committees of the Rural Development Strategy at the national and regional levels; and (iv) Ministry of Environment and the Fight against Desertification to supervise the implementation of sustainable land management activities, the development of a sustainable land management Knowledge Information System and a monitoring and information System and the implementation of the Niger’s Country Strategic Investment Framework, and to identify necessary actions to address sustainable land management and climate change concerns in Rural Development Strategy programs.

(B) The Local Investment Fund (Appraisal cost: US$31.80 million, actual cost: US$23.92 million). The project would finance the Local Investment Fund, which has demonstrated its efficiency during phase 1, to channel grants to communes and grassroots communities to enable them to finance socio-economic micro-projects, income generating and land and natural resource management activities. Given that the Government is in the process of setting up a decentralized basket funding mechanism for local and community development, it is expected that once reforms in form and substance satisfactory to the International Development Association (IDA) to ensure the effective and efficient local funding mechanisms are in place, the funds in Local Investment Fund would be transferred directly into the commune’s budgets through the new system and managed using public accounting principles. The midterm review would assess progress and readiness of the basket funding mechanism, and a decision would be made at that point with respect to the channeling of the relevant funds of the IDA Financing through this mechanism.

(C) Project Coordination, Management, Monitoring and Evaluation (Appraisal cost: US$4.87 million, actual cost: ...
This component would support: (i) the administrative and financial management; and (ii) result based monitoring and evaluation system of the performance and impact of the project.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

Project cost.

According to the Project Document (Annex 5) the total project cost at appraisal was estimated to be US$44.97 million. The actual project cost was US$39.42 million. The ICR (Annex 1) notes that the overall utilization of funds (88%) reflects the changes between the United States Dollar and SDR and the differences between the funds disbursed by the financiers. The actual cost of project coordination and management exceeded the original budget by more than 174%. This cost overrun was covered mainly by reducing the funds available for Component B (Local Investment Fund) (ICR, p. 35).

Financing.

This is an IDA-GEF blended project. The IDA Grant of US$30.00 million decreased to US$29.96 million due to US$/SDR exchange rate variation and by closing US$28.85 million had been disbursed and US$39,686 was cancelled. The Global Environment Facility provided a Grant of US$4.67 million under project P107841 of this amount US$4.66 million was disbursed and US$8,197 was cancelled at closing.

Borrower contribution.

At appraisal the Government was estimated to contribute US$6.60 million of counterpart funding compared to an actual contribution of US$3.34 million (51% of appraisal estimate). Local communities were estimated to contribute US$4.26 of cash and in-kind contributions compared to an actual contribution of US$3.23 million (76% of appraisal estimate).

Dates. The project closed as scheduled at appraisal.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

High.

- Niger is characterized by a widely dispersed rural population in a fragile natural environment. Almost 80% of the population is rural, two-thirds of which live in absolute poverty. At completion objectives remain highly relevant and consistent with the Government's Economic and Social Development Plan 2012-2015. The plan calls for focusing internal and external effort on: (i) food security; (ii) governance and security; (iii) human capital development; and (iv) infrastructure development.
- Project objectives were and remain relevant to the Bank’s country strategies. The FY08-11 CAS objectives were organized under two pillars: (i) accelerating sustainable growth that is equitably shared by maintaining macroeconomic stability and strengthening competitiveness, sustainable management of natural resources, the investment climate, and economic infrastructure; and (ii) developing human capital through equal access to quality social services and improving preparedness to deal with natural disasters. Population growth and Governance were cross-cutting issues affecting both pillars. Project objectives are also aligned with the objectives of the Bank’s Strategy for Africa that emphasizes enhancing competitiveness and resilience through improved natural resource and environment management.
- Objectives are also in agreement with the World Bank's most current strategic document on Niger (La Banque mondiale au Niger; Consultations pour l’élaboration de la Stratégie de partenariat Niger - Banque mondial, October 2012) which underscores the need to develop Niger’s human resources, and details the population’s vulnerability to climatic variability.

b. Relevance of Design:

Substantial.

- Overall, the project design provides a clear and logical link between inputs, outputs and the expected outcomes. Support for capacity building was relevant to better manage local governments and strengthen decentralization efforts; strengthening the capacity of communes and communities to design and implement local development plans; and developing and building institutional and legal framework for local and community development. Given the high level of poverty, matching grants to communes and grassroots communities to enable them to finance socio-economic micro-projects, income generating and land and natural resource management activities were relevant. The third component details project management and M&E activities.
- Design could have benefited from providing guidance to local communities to better prioritize their development.
plans and to implement and monitor the sustainability of their activities.

- Design also underestimated the readiness of regional, departmental, and local administrators to handle tasks related to the implementation of the project. It is also not clear why the supervision of the project was under the Ministry of Agriculture while the project was mainly geared towards decentralization and communal development.

### 4. Achievement of Objectives (Efficacy):

**To enhance rural livelihoods through improving the capacity of the Communes to design and implement in a participatory manner Communal Development Plans and Annual Investment Plans:**

**Modest**

#### Outcome:

- By project completion 75% of the project beneficiaries of income-generating activities had their income increase by 30%. This exceeds the target of 60% from a baseline of zero. Apart from reporting the share of beneficiaries with increased incomes the ICR provides no other evidence on the source of increase in incomes so attribution is difficult. There is no counterfactual; while the second-phase project extended the APL phase-I interventions from 54 to 108 rural communes, or 40 percent of Niger’s communes, there is no information on how incomes have changed outside the project areas. There is, however, good evidence that the majority of income-generating activities are profitable (as discussed in section 5) so there is a chance the project's activities could be the source - but we do not really know.

- The ICR (p. 42) asserts that the 627 income-generating microprojects (of which half of the beneficiaries were women) are credited with creating rural employment and revenue. While these outcomes are plausible, there is no quantifiable evidence of the impact of income-generating microprojects on rural livelihoods such as actual number of individual benefitting from the different types of project or household income improvements with and without the project.

- The 427 environmental microprojects provided cash-for-work payments that were very important during the recent famine years. Overall, the ICR states that the project distributed CFAF 1.4 billion in cash-for-work payments to assist some 61,000 families. Subsequently, using a report prepared at the end of the project (Rapport-Bilan, prepared by the project implementation unit), the Task Team stated that the beneficiaries of cash-for-work were 515,065 individuals - 297,126 men and 217,939 women.

- The project-financed microprojects also aimed to improve the rural poor’s access to social services by 2% in 50% of all project communes and this included schools and health centers and water supplies. By project completion increased coverage of 2% had been achieved by 65% of project communes for education; 55% percent for health facilities; and 83% for drinking water. However, there is no information on how improved social services enhanced rural livelihoods and the surveys reported in the ICR.

#### Outputs:

- There were 627 revenue generating microprojects such as land improvement, construction and stocking of agricultural and livestock input shops, provision of agricultural equipment, veterinary services, purchase of irrigation wells and pumps, construction and stocking of cereal banks, purchase of different types of cattle and small livestock, building of grain mills, agricultural production programs.

- There were 472 natural resource management microprojects that enhanced rural employment and sustainability of income-generating land. These covered land preparation for bio-carbon sequestration, reforestation, ravine reconstruction, pasture rehabilitation, animal transit routes, and marshland improvement.

- 62 communes out of a target of 164 over a baseline of 59 have functioning land registration committees, some of which already started processing land transactions.

- A total of 1,502 microprojects were implemented, 1,464 were completed by September 30, 2012, and 38 were still being implemented compared to a target of 1,518. Ownership of these microprojects by beneficiaries was demonstrated by their contribution to financing which was 5% (in-kind) for natural resource management microprojects, 10% (in-kind) for socioeconomic microprojects, and 20% (in cash) for revenue-generating microprojects.

- Much of second-phase investments went into natural resources management (23.8%) and capacity building and institutional strengthening (19.6%), while about equal amounts of investments supported income generation activities (17.6%) to improve rural incomes and also to prop up basic social infrastructure in the communes (17.5%). Income generation activities accounted for more than half of the subprojects.

- 403 socioeconomic microprojects contributed to enhancing livelihoods through access to health and education and better market access. Microprojects included new and rehabilitated classrooms and equipment, literacy centers, maternity centers, HIV/AIDS training, different types of wells, hygienic latrines, community centers, market shelters, animal markets and abattoirs, and feeder roads.

- 2,288 local elected officials and communal administrative staff were trained in management of communal (civil) works, 39 persons received training outside Niger in auditing microprojects, local development, decentralization, and results-oriented management, and 892 staff received training in sustainable land management.
environmental and social safeguards, and rural area management.

- The project met its quantitative capacity building targets for rural communities. Local communities acquired capacity to plan, implement, and monitor projects derived from their local development and investment plans. By project completion, 92% percent of the population in target communities was satisfied with the way the Communal Development Plans had been implemented using the Annual Investment Plans compared to a target of 63% and baseline of 13%. However, rural communities could have benefited from guidance on how to better prioritize their development plans.

A total of 164 Commune Development Plans were prepared and verified (one for every participating commune)
- 2,213 micro project dossiers were analyzed in 141 departmental and regional committee meetings; and 1,946 were approved.
- A total of 1,449 financing agreements between the project and communities were signed (for cereal banks, the agreement sometimes covered the entire commune, which explains why the number of signed agreement is sometimes smaller than the number of implemented projects).
- 163 communes of the 164 covered under the project have been assisted to implement at least one micro-project and 70 communes have implemented at least 10 micro-projects each.
- 821 management committees have been established and trained and are functioning.
- 132 systems of M&E for communes have been established and are functioning.

**GEO: to reduce land degradation and promote sustainable land management (SLM) in Niger.**

**Outcome:**

The project started a process to reduce land degradation and promote sustainable land management in Niger. By project completion, 118 out of 164 of the targeted communes (72% compared to a target of 60%) had more than 200 additional hectares of land that were protected and reclaimed.

**Outputs:**

- The project financed 472 natural resource management microprojects which covered land preparation for bio-carbon sequestration, reforestation, ravine reconstruction, pasture rehabilitation, animal transit routes, and marshland improvement.
- By project completion a total of 32,202 ha were reclaimed and protected compared to a target of 15,472 ha and a baseline of 5,591 ha. The ICR (p. 12) notes that the area of improved land which was to be planted with Acacia trees—was modified from 24,000 hectares to 8,000 hectares at midterm to correspond to the funds available.

**Progress towards the third phase of the APL**

- Triggers for the third-phase project were: (i) the legal texts on the implementation of the *Code Général des Collectivités Locales* are adopted and disseminated; and (ii) the equity fund for local governments is set up and operational.
- The phase two project met the triggers for a third-phase project and the third phase has been Board approved on May 24, 2013.

**5. Efficiency:**

**Economic and Financial Efficiency:**

The PAD did not include an economic analysis or a financial rate of return for the project as a whole. This is mainly due to the nature of project activities, such as capacity building, which cannot be quantified in monetary terms. The project also financed demand driven microprojects that could not be analyzed in advance. In addition, many non-monetary benefits associated with the type of investments financed by the project (such as sustainable land and natural resource management, education, health, etc.) are difficult to quantify.

The PAD cites the profitability of agricultural and pastoral activities reported under the rural Development Strategy action plan as a benchmark for similar activities financed by the project. The cash flow analysis indicates an overall profitability of the program, ranging from 24% for agricultural activities to 25% for agro-pastoral activities at the end of the tenth year. By way of comparison, a recent study on the development and management of investments made under the Special Program, which is financed by the Government, shows that the internal rate of return (IRR) is between 22% and 46% for irrigated microprojects.

For the same reasons mentioned above, the ICR did not include economic or financial analyses for the project as a whole. Instead a separate review of the financial results and an economic analysis of a sample representing 52 of the revenue-generating microprojects - an 8% sample of these type of projects and a 4% sample of all projects - was based on actual outcomes. The financial analysis of microprojects showed that all types of microprojects (except village grain mills) are sufficiently or even highly profitable investments, with an
internal financial rate of return (FRR) varying from 23% to 61% at a discount rate of 4%. Cereal Banks which accounted for half of the microprojects (285 out of 627) had a 31% FRR. The average FRR was estimated to be around 30%. However, the cost of in-kind contributions was not included in the computations, and it is not clear why the economic analysis used a relatively low discount rate (4%).

There are some concerns that cast doubt on the efficiency of the project. A study by the National Institute of Statistics in Niger found that there are wide variations in costs of microprojects in terms of average cost per family, the ICR (p. 35) reports that such variations would be investigated under the third phase. The Task team subsequently reported that the economic and financial analysis conducted for the third-phase project indicates that the average cost of micro-projects per family varied from: U$3.50 per household for IGRs, US$3.40 per household for sustainable land and water management activities and US$ 2.80 per household for socio-economic structures.

**Institutional and Administrative Efficiency**

The actual administrative cost of project coordination and management exceeded appraisal by 174%. The ICR (p. 35) notes that such increment was due to the incorporation of other activities under the project and to be able to increase the staff available for M&E and field operations. The Task Team subsequently stated that “the project coordination and management costs exceeded appraisal amounts in large part due to additional costs associated with (i) reaching a greater number of communes (164) than originally targeted (108) - a third of which were in remote areas - and (ii) changes in locally elected officials as a result of the 2010 coup d’état. The changes in locally elected officials required the hiring of additional field agents to ensure capacity reinforcement for commune-level M&E.” Accordingly, the cost overrun was not due to administrative inefficiency, but rather reflecting the project being the victim of its own success. This cost overrun was covered mainly by reducing the funds available for Component B (Local Investment Fund) which was mainly geared to activities that would contribute to increasing rural livelihoods.

Political interference delayed the appointment of the Central and regional coordination Units staff and caused a delay of six months. Additionally, partial and irregular counterpart funding seriously affected implementation of some activities.

Overall efficiency is rated **Substantial**

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

**6. Outcome:**

The relevance of objectives is rated **high** and relevance of design was rated **substantial**. The project objectives were highly relevant to the Government’s priorities and design featured relevant activities to achieve the stated objectives. Efficacy is rated **modest** due to lack of quantifiable evidence on the level of enhancement of rural livelihoods. Efficiency is rated **Substantial**

**a. Outcome Rating**: Moderately Satisfactory

**7. Rationale for Risk to Development Outcome Rating:**

- The decentralization process is expected to continue given the government commitment and achievement of all phase 3 triggers.
- However, there are concerns regarding the ability of local communes to raise the necessary funds to sustain activities supported by the first and second phases of the program. The ICR (p. 17) highlights that communes have already improved their fund raising capability, but amounts are moderate. Also, there are concerns regarding the operation and maintenance of some microprojects given the weak capacity of the management committees.
● The country is always under climatic threat of draught and outbreak of locust infestations. This could undermine the sustainability of investments in agricultural production and environment.
● Finally, the sustainability of the GEO need continuous efforts to build awareness among the population and provide training; and equally important is to offer concrete incentives such as environmental payments.

**a. Risk to Development Outcome Rating**: Significant

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**8. Assessment of Bank Performance:**

**a. Quality at entry:**

The project is the second phase of a 12 year program in the form of an Adaptable Program Loan. The project objective was consistent with the Government’s priorities for decentralization and management of environmental quality. The project design benefited from lessons learned from the first phase most notable were recommendations on equality issues and the need to develop solutions to the maintenance and sustainability of micro project investments. Design included an overly optimistic target for recovering land which eventually was scaled back. The risk associated with decentralizing government services and empowering local authorities to implement and monitor the project, was underestimated at appraisal particularly with the limited availability of professional staff. This was only corrected after the midterm review reported an under-staffed project coordination unit. Design also included a complex M&E system. The Bank did not carry out a quality-at-entry review of the project.

**Quality-at-Entry Rating**: Moderately Satisfactory

**b. Quality of supervision:**

Supervision benefitted from presence of the Task Team Leader at the resident mission office after the first year of the project. The Bank conducted seven supervision missions in addition to the midterm review. All missions contained a suitable mix of specialized skills. Supervision aide memoires contained detailed surveys that helped direct the National Coordination Unit to activities or processes requiring corrective action. Overall, the Bank was diligent and offered appropriate guidance to successfully implement the project.

Supervision should have identified the limited availability of professional staff at an earlier stage of the project rather than at the midterm review. Also, weakness on safeguard compliance should have been rectified earlier in the project implementation.

**Quality of Supervision Rating**: Satisfactory

**Overall Bank Performance Rating**: Moderately Satisfactory

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**9. Assessment of Borrower Performance:**

**a. Government Performance:**

The Government was committed to the program and viewed it as an important vehicle to achieve its poverty reduction strategy goals. The Government was involved in project preparation and design through a multi-disciplinary team. The Government acted promptly to make the project effective and promoted decentralization policies and Legislation that would support project implementation. A steering committee composed of eight ministers oversaw the project and met on regular basis. The Government was swift to adopt corrective measures suggested by supervision missions, for example, to increase project staffing and modify disbursement categories, provide consultants for activities with weak performance and appoint an environmental and social sector specialist to ensure that safeguard issues were addressed adequately. Also, support was provided to the project through mobilizing human resources from different ministries to support the project’s operations.
However, the project suffered from political interference which delayed the appointment of the Central and regional coordination Units staff. This contributed to a delay of six months. The Government was also late in paying annual counterpart funds and provided about 51% of the total expected amount of counterpart funds. This made it difficult to implement the disbursement categories that the Government was cofinancing. Finally, the Government was slow in staffing the National Agency for Local Government Financing which was created in 2008.

**Government Performance Rating**

Moderately Satisfactory

**b. Implementing Agency Performance:**

The Ministry of Agriculture was the main supervising ministry and its Secretary General was the chairman of the Steering Committee throughout the project period. The project was implemented mainly through the Central Coordination Unit and Regional Coordination Units. The implementing agency gradually corrected operational problems such as the complex monitoring system, erroneous procurement decisions, and poor filing of documents in the field, as well as inadequate safeguard plans by some microprojects. The project was implemented in three years with most targets achieved or even exceeded in some cases. M&E activities were successfully conducted and annual reports and financial statements were prepared on time, and the annual audits were unqualified. Finally, there was weakness on safeguard compliance during first two years of implementation where some microprojects did not prepare acceptable environmental and social studies.

**Implementing Agency Performance Rating**: Satisfactory

**Overall Borrower Performance Rating**: Moderately Satisfactory

10. **M&E Design, Implementation, & Utilization:**

**a. M&E Design:**

The Project Paper (p. 36-37) provides a detailed description of the project's M&E system. It includes a set of qualitative and quantitative indicators that would adequately capture the achievement of the project outputs/outcomes. The M&E design of the project built on the effective and functional one that was set up during the implementation of the first phase. The design called for a National M&E team who would lead all aspects of monitoring and evaluation; provide operational tools and instruments for data collection at the regional and local levels. At the regional and local levels, the M&E unit would rely on the M&E specialist within the regional coordination unit while communal staff and local service providers would collect data needed for updating key performance indicators on a regular basis. The design called for two impact evaluations to be carried out during the life of the project, one at mid-term and one at project completion. Overall, M&E design was complex and involved many actors with varying degrees of capacity and commitment. M&E could have benefitted from some measure of incomes to better reflect the impact of project activities.

**b. M&E Implementation:**

The project M&E tracked 17 indicators for project performance and 5 indicators for socioeconomic data across 164 communes in 8 regions. M&E implementation proved challenging and by midterm review additional M&E staff at the intermediate level, covering several communes (and focusing on data collection and processing) were hired and trained, along with new commune development assistants (all not scheduled at appraisal). M&E system improved throughout the second half of the project and by completion essential information was available for the Implementation and Completion Report (ICR) and for preparing a third phase of the program. While surveys of beneficiaries were undertaken, a robust and rigorous impact evaluation considering a counterfactual did not take place.  

**c. M&E Utilization:**

M&E data were successfully utilized by the project management, the Steering Committee, and supervision missions. The M&E system provided empirical data and analyses to improve decision making by the
implementation support missions and project management (ICR, p. 8). After the midterm review the quarterly and annual reports were supported with adequate data and produced on time.

**M&E Quality Rating**: Substantial

### 11. Other Issues

#### a. Safeguards:

- Based on environmental and safeguard assessments, the project was classified as a Category B project under OP/BP 4.01 Environmental Assessment. The project also triggered the safeguard policy OP /BP 4.12 Involuntary Resettlement. An Environmental Assessment identified measures to mitigate negative environmental impacts that could arise from implementing some microprojects. In response to these triggered policies, the project updated the existing Environmental and Social Management Framework and prepared two new safeguard instruments, a Resettlement Policy Framework and a Process Framework, to identify and address any potential environmental, social, or resettlement issues, establish systems for consultation and redressing grievances, identify potential environmental and social challenges and impacts, and specify how to address them. The ICR (page 9) reports that "earlier concerns about land and natural resource management under CAP 1 microprojects appeared to be addressed by CAP 2 activities that were expected to reinforce resource management. Even so, during first two years of implementation, some microprojects did not prepare acceptable environmental and social studies. Following recruitment of an environmental and social safeguard specialist and clarification (recommended by the midterm review) of the division of labor between the project and the monitoring bureau of the Ministry of Environment (Bureau d’Evaluation Environnementale et des Etudes d’Impact, BEEEI), the quality of the studies was adequate. Thanks to extensive training of personnel at all levels, the environmental regulations of CAP 2 have become well known, and no major problems have emerged."

#### b. Fiduciary Compliance:

- **Fiduciary**: The financial management team provided financial monitoring information to management on a quarterly and annual basis. The Government and donors recognized the quality of the financial management system of the project to the extent that they have placed financial management of other projects under the same financial management group (with additional accounting staff). A report-based financial management and disbursement system allowed quarterly disbursement of funds from the Bank, which enabled implementation to continue despite political instability. That course of action would not have been an option under the invoice-based system formerly in place. According to the ICR (p.9) “the project’s more recent annual audit reports were all submitted on the due dates, had unqualified audit opinions, and were acceptable to IDA."

- **Procurement**: Staff working in communes required extensive training in financial management and procurement. Procurement activities were disrupted by frequent changes of local governments which resulted in a midterm rating of "moderately satisfactory." Procurement problems were gradually addressed, and procurement performance was rated “satisfactory” by last implementation support mission.

#### c. Unintended Impacts (positive or negative):

- **Positive**: The project was instrumental for implementing emergency programs to reduce the negative effects of two national disasters (drought and excessive flooding). It helped to alleviate serious food shortages among a substantial part of the population: 64,000 persons under a special government program in 2011 and 432,500 persons under the environmental program financed by GEF and cash-for-work assistance.

#### d. Other:

None.

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<th>Reason for Disagreement /Comments</th>
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<td><strong>Outcome</strong></td>
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was the lack of evidence on achievement of the project's objective to enhance rural livelihoods.

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<td>Concerns on the ability of communities to raise funds necessary for O&amp;M.</td>
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<td>Climatic concerns for the country as whole and danger of locust infestations threatens sustainability of investments in agricultural production and environment.</td>
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<table>
<thead>
<tr>
<th>Bank Performance</th>
<th>Satisfactory</th>
<th>Moderately Satisfactory</th>
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</thead>
<tbody>
<tr>
<td>Moderate shortcomings in Quality at Entry.</td>
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<tr>
<th>Borrower Performance</th>
<th>Satisfactory</th>
<th>Moderately Satisfactory</th>
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<tbody>
<tr>
<td>Moderate shortcomings included delayed counterpart funding and political interference by the Government</td>
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| Quality of ICR | Satisfactory | |
|----------------|-------------| |
| |

NOTES:
- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:
The following lessons are taken from the ICR with some rearrangement by IEG:

- **A program implemented in several phases should avoid gaps and delays in initiating each new phase**. Gaps not only interrupt the program but carry the risk that experienced staff will be lost. A gap occurred between phase 1 and phase 2 of the program because the government was slow to realize that the project was nearing its end, and disputes arose over the selection of new staff. This meant that all staff had to be laid off. The gap between phase 2 and phase 3 resulted from the accelerated implementation of phase 2 and the full disbursement of funds six months before the project officially closed. The government retained senior personnel to look after other investments under the program.

- **To realize the benefits of local participation, some guidance may be necessary**. Given full liberty to set micro project priorities, many communes may identify the same priorities, possibly on the basis of a recent crisis (as occurred under the project, when most microprojects involved seed and grain banks). With limited funds available, the cross-cutting contributions arising from different types of investments may be lost. Although microprojects have been based in individual communes, many investments may be more suited to intercommunal microprojects, such as investments in feeder roads, middle schools, health centers, and even seed banks. Clear, simple procedures should be developed for such cases under the next phase of the program. Adequate supplies to make microprojects effective, such as medicines for health centers and textbooks for schools, should be included in micro project packages.

- **Readiness for mainstreaming should be judged objectively based on a readiness survey**. It is easy to underestimate the public sector human and financial resources needed for an effective, countrywide, and multi ministerial response to multiple objectives (decentralization, socioeconomic development, participation of the population). It is also easy to underestimate the additional strains that such integration may place on overburdened government staff, who often lack the necessary training to carry out expanded responsibilities. In Niger, the regional, departmental, and local administrators were not ready to assume the tasks involved in implementing the project in addition to their normal duties, and additional project-funded staff had to be recruited beyond the number estimated at appraisal.

- **Incentives are needed to sustain environmental improvements**. Poor people struggling with survival frequently rank microprojects with production benefits as a higher priority than natural resource management microprojects. To ensure adequate interest, natural resource microprojects would benefit from their own priority listing and separately allocated funds. To interest people in long-term natural resource management and environmental protection (including the maintenance of trees), it is absolutely necessary to give them concrete incentives, such as food or cash for work, and perhaps to be more "supply-driven." To improve efficiency, the public sector environmental staff may also need incentives, such as transport, training, and
allowances.

14. **Assessment Recommended?**  
   - Yes ☑ No  
   **Why?**  
   To verify the ratings and document lessons learned.

15. **Comments on Quality of ICR:**

   The ICR provides thorough coverage of the project activities. A major shortcoming is the lack of hard evidence on what the project achieved in terms of enhancing rural livelihoods that seems to have been displaced by the high level of attention to activities and outcomes. It included a set of lessons that reflect the project experience. Other weaknesses include a limited discussion on the relevance of objectives at completion, achievement of the GEO, and confusing tables in Annex 2 combined with text redundancy. The ICR could have shed more light on the triggers for phase 3 and to what extent the project fulfilled them.

   Overall, the ICR is rated satisfactory, but with some weaknesses.

   **Quality of ICR Rating:** Satisfactory