

PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Report No.: AB6079

Project Name	Safety Net Project
Region	AFRICA
Sector	Other social services (50%); Public administration- Other social services (30%); General agriculture, fishing and forestry sector (20%)
Project ID	P123399
Borrower(s)	GOVERNMENT OF NIGER
Implementing Agency	Safety Nets Unit (<i>Cellule Filets Sociaux</i>)
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	November 12, 2010
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1. Key development issues and rationale for Bank involvement

Poverty is widespread in Niger, where an estimated 65 percent of the 15 million inhabitants live on less than US\$1 per day. Food insecurity in the country is chronic due to a combination of factors including low agricultural productivity, very high population growth (3.5 percent)¹, a hostile climatic environment, and recurrent droughts. Approximately 20 percent of the population suffers from extreme chronic food insecurity even during normal years. In addition, some areas may also be affected by temporary shortfall in production. Poor households are more exposed to shocks and seasonal variations in production, in response to which they often resort to negative coping mechanisms such as the sale of premature livestock and seeds. As a result, their vulnerability to future food insecurity increases.

Reducing vulnerability and ensuring food security is an overarching priority for the Government of Niger (GoN). In the current Poverty Reduction Strategy Paper (PRSP, 2008–2012) social protection measures such as safety nets are mainstreamed in Pillars 1, 2, and 4, which highlight the need to facilitate programs that will reduce households' vulnerability through "the prevention and management of crises and natural disasters; health-nutrition; and increase in incomes of the most vulnerable." The PRSP makes numerous references to the national Rural Development Strategy (RDS) that was developed in 2003 to reduce poverty in rural areas from 66 to 52 percent by 2015. The RDS comprises 23 programs, with Program 9 focusing on reducing households' vulnerability as well as preventing and managing crisis. The National Body for the Prevention and Management of Food Crisis (DNPGCA), a Government/donor entity, has been responsible for managing food crises since 1998.

The chronic nature of food insecurity underscores the need for a comprehensive, permanent, and efficient safety net system. Currently, the resources of the GoN to address food insecurity are very limited. Technical and financial partners such as the European Union, the World Food Program, USAID, and international and national non-governmental organizations (NGOs) provide considerable assistance in various forms including cash-based transfers and food aid. However, most of

¹ 2010 World Population Data Sheet published by the Population Reference Bureau

this assistance is channeled towards short-term emergency projects following acute crises. Recent sector work also suggests that this assistance falls short of addressing the substantial needs on the ground and has limited impact on chronic food insecurity.²

The proposed project is consistent with policy dialogue and is aligned with the Country Assistance Strategy (CAS) for Niger priorities and other Bank interventions. As part of the policy priorities of the CAS 2008–2011, the GoN and the World Bank initiated an intense policy dialogue on food security and social safety net systems, which included the preparation of an analytical report on safety nets (Report No. 44072-NE). Subsequently, the Bank continued to provide technical assistance to the government in various forms and to prepare an action plan for social safety nets in Niger. Based on findings from the above studies and on the recommendations of the action plan for social safety nets, the government requested the World Bank to finance a project supporting the establishment of a permanent safety net system. This project is closely aligned with the CAS, which stresses “the need to provide safety nets to help those who are in a situation of chronic food insecurity.” It also complements the emergency Global Food Price Response (GFRP II) operation, which is under preparation and focuses on increasing food production and availability, while the proposed project focuses on access to food and utilization.

2. Proposed objective

The project development objective is to establish an efficient and well-targeted safety net system and through such system to increase the access of the vulnerable poor to cash transfer and cash-for-work programs so as to contribute to the reduction of their food insecurity..

3. Preliminary description

The proposed project will be implemented in the five poorest regions of the country (Tillabery, Tahoua, Dosso, Maradi, and Zinder), in coordination with the Government and other Technical Financial Partners operating in the project area. It will be financed through a Specific Investment Loan (SIL) for a total amount of US\$70 million over five years.

The project will have the following four components.

Component 1: Setting up of a safety nets system (US\$6 million). Significant technical assistance and capacity building will be necessary for setting up the Niger safety net system. This component will invest in designing and establishing a well-performing safety net system. Activities supported by this component will develop legal instruments, manuals, procedures, IT solutions, and training modules in view of: (i) establishing the institutional framework of the safety net system; (ii) designing a transparent targeting mechanisms to identify and register the poorest households; (iii) setting up a robust and technically well-supported management information system; (iv) designing payment mechanisms to ensure that beneficiaries receive the cash in a transparent, safe, and timely manner while reducing the risks of fraud and corruption; (v) developing a strong mechanism to monitor project implementation and progress of safety net programs; and (vi) designing a sound evaluation system to gauge efficiency, effectiveness and impact of safety net programs. Vehicles, ICT equipment, and other physical assets directly required to establish and manage the project also will be financed by this component.

Component 2: Unconditional cash transfers for food security and nutrition (US\$40 million). This component will provide a monthly transfer of approximately FCFA10,000 to approximately 80,000 poor households for a period of 24 months. This amount is equivalent to US\$20 and is equal to approximately 15 percent of monthly expenditures for the poorest. To ensure tangible longer-term impact of the cash transfer program beneficiaries will attend information and sensitization sessions on good nutritional and

² See: “Niger Food Security and Safety Nets”; WB Report No. 44072-NE, 2009.

health practices and on sustainable small investment strategies. This combination of services (cash transfers and trainings) is expected to provide opportunities to: (i) improve access to food; (ii) improve human capital; and (iii) invest in productive assets. Selection of beneficiaries will be carried out at different levels (regional, departmental, municipal, village, and household levels) and will rely on a number of targeting techniques including community participation. At the household level, individual households will be selected among the poorest, using Proxy Mean Testing methodologies to be validated at the community level. Local financial institutions will be recruited based on their capacity and experience to make payments to beneficiaries based on a centrally managed database.

Component 3: Cash-For-Work for assets building and soil conservation activities (US\$20 million).

This component will provide short-term labor intensive work and direct income support to individuals in areas affected by temporary food insecurity. Each year approximately 250 communities that experience higher than average level of food insecurity will be targeted by the Cash-For-Work program. The micro-projects will provide temporary income support to approximately 50 to 100 people (men and women) for a period of three to four months. The program will promote participation of women and youth and it is expected to reach approximately 15,000 people annually, for a total of about 60,000 during the life of the project. The selection of micro-projects will involve participation from the community and local authorities. Projects selected are expected to contribute to livelihoods improvement for the entire community, and thus to include soil conservation activities as well as the maintenance, rehabilitation, and construction of small infrastructures. Targeting will be based on the National Assessment of Vulnerable Areas and on self-targeting criteria (workers remuneration will be set at US\$2.5, just below the market wage to discourage better-off households from participating).

1. Component 4. Project management (US\$4 million). This component will finance costs related to managing the project, and will ensure that the CFS is operational, and that it successfully and efficiently carries out its primary function which is to implement the project in conformity with the Financing agreement, with project documents and with the operational manual, in pursuing the Project development objective. This component will finance: consulting services directly related to the management of the project, training of personnel, non civil servant staff salaries, and other operating costs (such as office space, utilities and supplies, bank charges, communications, vehicle operation, maintenance and insurance, building and equipment maintenance costs, travel and supervision costs). Salaries and fees for targeting and registration, micro-project selection, data collection and data analysis for project monitoring and evaluation will also be financed by this component.

4. Project Implementation Arrangements

A Safety Net Unit (CFS – Cellule Filets Sociaux) will be established by the GoN to implement the project. The objective of this Unit will be to manage the funds made available to the GoN by the World Bank and potentially by other partners for interventions in the field of social safety nets. In the context of this project, the Unit will support the establishment of a safety net system and manage the other components of the proposed operation. While the World Bank, the Government, and other donors recognized the importance of creating a new permanent agency with a law and a separate budget line to to manage safety net programs, the upcoming institutional and political calendar does not provide for the necessary leverage and time to complete the required legislative process. Thus, after the electoral process is completed and once the institutional conditions are in place and the safety net systems and the CFS unit is operational, the establishment of an agency by law will be further discussed. As part of project design, it is possible to include a condition of disbursement of a sufficiently significant portion

of the funds to establish such agency to which the implementation of safety nets programs and projects would be transferred (if still considerable at the time when the condition should be satisfied).

A Steering Committee, a Technical Management Unit, and Regional offices will form the CFS. The Steering Committee (*CP – Comité de Pilotage*) will be responsible for the direction, coordination, and monitoring of the activities of the Project. The Technical Management Unit (*UGT – Unité de Gestion Technique*) will support the design and implementation of safety net programs, including: administration, coordination, procurement, financial management, monitoring and evaluation, and recruitment of private bodies, NGOs, and/or decentralized government agencies, to be involved in the implementation of project activities. Finally, the CFS regional offices (*AR – Antennes Régionales*) will operate under the supervision of the Coordinator of the UGT to facilitate project implementation in their respective region by coordinating and supervising implementation (including the financial operators to be recruited at the central level to handle payments to the beneficiaries).

5. Safeguard policies that might apply

Environmental assessment (OP/BP 4.01): The project is classified as environmental category B.

The micro-projects to be financed under Component 3 (Cash-for-Work) may have some localized environmental impacts. However, the team anticipates that these impacts will be minimal, as investments will be small (maximum of US\$25,000) and will primarily involve rehabilitation, construction and maintenance activities. An Environmental and Social Management Framework (ESMF) will be prepared prior to appraisal and measures required to prevent, minimize, mitigate, and/or compensate for adverse impacts will be incorporated in the Project Implementation Manual.

Involuntary Resettlement policy (OP/BP 4.12): Component 3 on Cash-For-Work may have some minor land acquisition and/or changes in access to resources, with subsequent impacts on population movements and settlements. A Resettlement Policy Framework (RPF) will be prepared prior to appraisal, and measures required to prevent, minimize, mitigate, and/or compensate for adverse impact will be incorporated in the Project Implementation Manual.

6. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	0
International Development Association (IDA)	70
Total	70

7. Contact point

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