



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
AGRICULTURAL AND LIVESTOCK TRANSFORMATION PROJECT
APPROVED ON JUNE 20, 2019
TO
REPUBLIC OF NIGER

AGRICULTURE AND FOOD GLOBAL PRACTICE

WESTERN AND CENTRAL AFRICA REGION

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ABBREVIATIONS AND ACRONYMS

ALDP	Niger _ Agriculture and Livestock Development Project
CD:	Country Director
CERC:	Contingency Emergency Response Component
EA	Environmental Assessment
FM:	Financial management
IDA:	International Development Association
MTR	Mid Term Review
PBA	Performance Based Allocation
PIU :	Project Implementation Unit
PDO :	Project Development Objective
PGRC-DU	<i>Projet de Gestion des Risques de Catastrophes et de Développement Urbain – Niger</i> Disaster Risk Management and Urban Development Project
PIDUREM	<i>Projet Intégré de Développement Urbain et de Résilience Multisectorielle - Niger</i> Integrated Urban Development and Multi-sectoral Resilience Project
PIMELAN	<i>Projet Intégré de Modernisation de l'Élevage et de l'Agriculture au Niger - Niger</i> Agriculture and Livestock Project



BASIC DATA

Product Information

Project ID P164509	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 20-Jun-2019	Current Closing Date 22-Dec-2025

Organizations

Borrower Republic of Niger	Responsible Agency
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Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is “to increase agriculture productivity and access to markets for small and medium farmers and agri-food small and medium enterprises in the Participating Project Regions.”

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-69580	28-Jun-2021	28-Oct-2021	16-Feb-2022	22-Dec-2025	39.54	0	33.74
IDA-64580	20-Jun-2019	30-Jan-2020	29-Jul-2020	22-Dec-2025	100.00	58.30	39.30

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The Niger Agriculture and Livestock Project (PIMELAN) was approved in June 2019, for US\$ 100 million (IDA). An additional financing was approved in June 2021 to replenish US \$39.5 million reallocated from the project for an emergency response in 2020. The project closing date is December 22, 2025. This restructuring proposes to change the closing date to May 24, 2023, and to cancel the remaining balance due to underperformance of the project.
2. The project development objective is to increase agriculture productivity and access to markets for small and medium farmers and agri-food small and medium enterprises in the Participating Project Regions. The project is implemented in six regions of Niger, namely Agadez, Diffa, Niamey Tillabéri, Tahoua and Zinder.
3. The project design proposes the provision of capacity building for advisory and support services and financing of investments to help improve productivity and commercialization to small- and medium-scale farmers and entrepreneurs who are ready to engage in the intensification of their production, the development of value-added activities to primary production, and the logistics for agricultural production to reach markets (including processing, storage, and transport).
4. The status of the project's components are as follows:
 - a. **Component 1: Improving the quality of agriculture support services and policies:** Under this component, activities supported by the project were mostly focused on recurrent costs for the ministry such as support to the yearly vaccination campaign, including equipment and vaccines; provision of uniforms to the staff of selected phytosanitary control posts. Key activities such as support to the extension services, the support to the policy reforms, and the construction of a quarantine station have not started, and the project didn't seem to have a concrete direction for their implementation.
 - b. **Component 2: Increasing investments in agricultural production, processing, and market access:** Activities under this component was very late to start due to the delay in finalizing the Risk Sharing Facility Manual and the completion of the Local Risk Sharing Facility (LRSF) Agreement. There was little progress on advancing the risk sharing facility beyond the initial study and the first round of applications under the cost-sharing financing program, which was done without compliance of the dated covenant related to the recruitment of the LRSF manager. Key activities such as the capacity strengthening for producers in the targeted value chains and the launch of the LRSF mechanism, were not started.
 - c. **Component 3: Project coordination:** The project coordination showed critical weaknesses, with regards to staffing (with some key positions vacant for prolonged time), inadequate prioritization of project activities, weakness in the project's M&E and procurement systems which had an impact on the project overall implementation.
 - d. **Component 4: Contingent Emergency Response Component (CERC):** As a response to severe flooding in August and September 2020, the Government of Niger requested an activation of the CERC (October 13, 2020) which would provide US\$39.54 million to support flood recovery. Activities were executed in close coordination with the PIU of the World Bank financed project PGRCDU (P145268) and included the distribution of household and kits and hygiene packages, resettlement of affected people to land identified by the Government, and provision of seeds and animals to farmers. Full delivery of activities was impacted by a lengthy beneficiary identification process, delays with site screening activities, restrictions on movement due to COVID-19, and local and national elections but the team was able to turn around the implementation of the CERC activities which were completed at 62 %by October 31, 2022, when the PGRCDU project closed. Uncompleted activities, mostly related to the construction and



rehabilitation of urban infrastructures in Niamey and Maradi have been taken up by the Niger Integrated Urban Development and Multi-Sectoral Resilience Project” (PIDUREM-P175857).

5. In May 2022 the project was downgraded to moderately unsatisfactory due to slow implementation progress and the resulting unlikelihood of achieving the projects objectives. At the Mid Term Review (MTR) in October 2022, none of the six PDO indicators had reported results and implementation of activities was at such a slow pace that most intermediate targets could not be reported on. The overall performance of the procurement process was also noted Moderately Unsatisfactory due to shortcomings identified in the procurement processes such as discrepancies in documents, unjustified delays in procurements and prolonged absence of procurement staff. While there were a few shortcomings in the financial management of the project, quarterly financial reporting and annual audit requirements were met within the agreed time frame, and the quality of the reports submitted were acceptable to the World Bank. There are no overdue audit reports pending at this time. The project also met its obligations related to environmental and social safeguards and there are no outstanding concerns. As of March 31, 2023, the total amount disbursed is \$65.09 million¹, representing an overall disbursement rate of 41.78 per cent. This disbursement rate is mainly attributable to the implementation of the CERC activities, but the disbursement related to other technical components has been lagging.

Rationale for restructuring

6. Based on the MTR findings, the project will not be able to achieve the expected results due to weaknesses in the project design but mostly to the with delays in the early years of project implementation, lengthy processes of preparation of manuals and other planning activities. In a letter dated December 23,2023, the Government of Niger requested that World Bank to close the project and recommit the uncommitted funds to the Niger Livestock and Agriculture Modernization Project (LAMP-P179276) which is currently under preparation. The new project will incorporate value chain development, access to market and access to agriculture finance activities previously targeted under PIMELAN. The Government of Niger, in a letter dated May 23,2023 confirmed the cancellation of 67,197,610.02 as of May 24, 2023.

II. DESCRIPTION OF PROPOSED CHANGES

7. The restructuring will cancel uncommitted funds of the IDA credit 69580 in the amount of 32,500,000 euros equivalent to US \$ 35,028,500² to and partial cancellation of the IDA credit 64580 in amount 36,063,642.17 euros equivalent to US \$ 38,869,393.46². This would allow Niger to retain these resources and recommit them to the new ALDP project under preparation. The proposed cancellation and recommitment are commensurate with IDA19 cancellation and recommitment rules for PBA resources.
8. The proposed restructuring will advance the project closing date from December 22, 2025, to May 24, 2023, and cancel the uncommitted funds of US \$74.45 million which will be reallocated to the new LAMP expected to be approved by the Board on September 8, 2023. The proposed restructuring will reduce the total historic credits amounts from \$139.5 million to \$ 65.09 million.

¹ Client connection, May 24, 2023.

² Exchange rate used from Client Connection Currency Converter tool, May24th, 2023.



III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-64580	Effective	22-Dec-2025		24-May-2023	24-Sep-2023
IDA-69580	Effective	22-Dec-2025		24-May-2023	24-Sep-2023

CANCELLATIONS

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-64580-001	Disbursing	EUR	89,200,000.00	36,063,642.17	24-May-2023	53,136,357.83	BORROWER'S REQUEST FOR COUNTRY REASONS
IDA-69580-001	Effective	EUR	32,500,000.00	32,500,000.00	24-May-2023	0.00	BORROWER'S REQUEST FOR COUNTRY REASONS

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-64580-001 Currency: EUR				
iLap Category Sequence No: 1	Current Expenditure Category: G,W,N/CS,OC,TNexc p2.2b,c,2.3b,ci,4			
26,372,000.00	13,145,302.16	14,479,560.37	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: GRNTS 4 WORK CAP. & INVEST pt 2.2b			
5,352,000.00	836,732.15	4,619,679.42	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: GRNTS BACKED BY PFI LOANS pt 2.2c			



	19,624,000.00	1,210,181.48	1,210,181.48	100.00	100.00
iLap Category Sequence No: 4		Current Expenditure Category: FUNDING FOR FIRST LOSS ACC. pt 2.3b			
	2,676,000.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 5		Current Expenditure Category: FUND FOR LOC. RSK-SHRING pt 2.3ci			
	2,676,000.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 6		Current Expenditure Category: EMERGENCY EXP. under CERC			
	32,500,000.00	32,826,936.56	32,826,936.56	0.00	100
Total	89,200,000.00	48,019,152.35	53,136,357.83		

IDA-69580-001 | Currency: EUR

iLap Category Sequence No: 1		Current Expenditure Category: G,W,N/CS,OC,TNexc p2.2b,c,2.3b,ci,4			
	32,500,000.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 2		Current Expenditure Category: GRNTS 4 WORK CAP. & INVEST pt 2.2b			
	0.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 3		Current Expenditure Category: GRNTS BACKED BY PFI LOANS pt 2.2c			
	0.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 4		Current Expenditure Category: FUNDING FOR FIRST LOSS ACC. pt 2.3b			
	0.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 5		Current Expenditure Category: FUND FOR LOC. RSK-SHRING pt 2.3ci			
	0.00	0.00	0.00	100.00	100.00



iLap Category Sequence No: 6		Current Expenditure Category: EMERGENCY EXP. under CERP			
	0.00	0.00	0.00	100.00	100.00
Total	32,500,000.00	0.00	0.00		