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**INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL FINANCE CORPORATION
AND
MULTILATERAL INVESTMENT GUARANTEE AGENCY
PERFORMANCE AND LEARNING REVIEW
OF THE COUNTRY PARTNERSHIP STRATEGY
FOR
THE REPUBLIC OF NIGER
FOR THE PERIOD FY13-FY16**

May 29, 2015

**International Development Association
The International Finance Corporation
The Multilateral Investment Guarantee Agency
Africa Region**

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	IDA	IFC	MIGA
Vice President:	Makhtar Diop	Jean Philippe Prosper	Keiko Honda
Director:	Paul Nomba Um	Saran Kebet-Koulibaly	Ravi Vish
Manager:	Nestor Coffi (Team Lead)	Ronke-Amoni Ogunsulire	Nabil Fawaz

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Currency Unit

CFAF 1000 = US\$1.70

CFAF 587 = US\$1

SDR 1.00 = US\$1.40

ABBREVIATIONS AND ACRONYMS

AAA	Analytical and Advisory Assistance
AfDB	African Development Bank
AQIM	Al Qaida in the Islamic Maghreb
AU	African Union
BOT	Build-Operate-Transfer
CAS	Country Assistance Strategy
CEB	Chief Executives Board
CPS	Country Partnership Strategy
CSO	Civil Society Organisation
CILSS	Comité Permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel (Permanent Interstate Committee for Drought Control in the Sahel)
DPO	Development Policy Operation
ECOWAS	Economic Community of West African States
EITI	Extractive Industries Transparency Initiative
EU	European Union
FSDS	Financial Sector Development Strategy
GAC	Governance and Anti-Corruption
GDP	Gross Domestic Product
HIV-AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IDA	International Development Association
INS	Institut National de la Statistique (National Institute of Statistics)
IP	Implementation Progress
IRM	Immediate Response Mechanism
MDGs	Millennium Development Goals
MIGA	Multilateral Investment Guarantee Agency
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OHADA	Organisation pour l'Harmonisation en Afrique du Droit des Affaires (Organization for the Harmonization of African Business Law)

PEFA	Public Expenditure and Financial Accountability
PEMFAR	Public Expenditure Management and Financial Accountability
PDES	Plan for Economic and Social Development
PLR	Performance and Learning Review
PPA	Project Preparation Advance
PRODEX	Projet de Développement des Exportations et des Marchés Agro-Sylvo-Pastoraux (Agro-Sylvo Pastoral Exports and Markets Development Project)
SLM	Sustainable Land Management
SDI	Service Delivery Indicators
STI	Sexually Transmitted Infection
SMEs	Small and Medium Entreprises
TVET	Technical and Vocational Education and Training
TFP	Technical and Financial Partner
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
WAEMU	West African Economic and Monetary Union
WBG	World Bank Group

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Performance and Learning Review of the Country Partnership Strategy For The Republic of Niger

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PERFORMANCE AND LEARNING REVIEW OF COUNTRY PARTNERSHIP STRATEGY FOR THE REPUBLIC OF NIGER

I. Introduction

1. **This Performance and Learning Review (PLR) aims to assess the implementation of the World Bank Group's (WBG) Country Partnership Strategy (CPS) for Niger covering FY13 to FY16 and adjust it to changes in the country context.** The joint IDA/IFC/MIGA CPS was discussed by the Board of Executive Directors on April 30, 2013. It recognizes that increasing per-capita incomes is the central challenge for Niger to reduce poverty. In line with Niger's 2012 Plan for Social and Economic Development (PDES) and the WBG's twin goals, the CPS focuses the WBG support on key programs aiming at accelerating economic growth and reducing volatility, in combination with reforms that will ensure inclusive growth. The strategic pillars of the CPS are assisting Niger (i) achieve resilient growth, (ii) reduce vulnerability and (iii) mainstreaming gender and strengthening governance and capacity for public service delivery.
2. **Niger has recently been affected by two negative developments: (i) slower than anticipated growth rate coupled with increased fiscal deficit and (ii) growing security attacks associated with terrorist groups in the Sahel region.** These developments should lead to some adjustments of the WBG activities in the country. Still, in this challenging context, the Government's programs supported by the WBG have relatively positive outcomes so far, except in the areas of investment climate and transparency of sector budget allocation. The performance of the WBG portfolio is sound. In order to achieve greater impact, the focus is now on building capacity and improving procedures to unlock implementation issues.

II. Main Changes in Country Context

A. Change in Poverty and Shared Prosperity

3. **Poverty levels remain relatively high in Niger. Some analytical work¹ was conducted on the three household consumption surveys of 2005, 2008 and 2011 to address methodological issues of comparability, and led to significant revisions in the estimate of recent poverty trends.** The poverty rate declined from 54% of the population in 2005 to 48% in 2011, which is a more modest drop compared to initial surveys indicating a decline from 65% to 48% over the same period. Accordingly, the number of poor between 2005 and 2011 increased from 6.7 million to 8.0 million, larger than initially estimated. Such a revision could require adjusting poverty reduction forecasts over the remaining part of the CPS period, should such a trend be confirmed by the next survey data. It is worth noting that no comprehensive household consumption survey was carried out since the adoption of the CPS in 2013.
4. **GDP growth over the period 2005-11 can be considered pro-poor according to international standards, which is positive in light of relatively high poverty levels.** This achievement, mainly driven by the high contributions of agricultural and informal sectors in total GDP growth, could nonetheless be lessened in the future with the emergence of a larger extractive

¹ World Bank (2004): Republic of Niger: Trends in Poverty, Inequality and Growth, 2005-11, Report# 89837-NE, Africa Region, Washington, DC

industry sector. Increased dependence on extractive revenues could make the budget and public investment in particular more vulnerable to price and production changes; and larger demand for non-tradable good and services fuelled by growing revenues could affect external price competitiveness. In the face of such risks, the introduction of stabilization mechanisms and improved investment management considered under the new DPO series would constitute powerful responses.

B. Key macroeconomic and Debt Situation

5. **2013 GDP growth estimated at 4.1 % is lower than 6.2 % initially projected in the CPS.** Low average rainfall and insecurity affecting the production of uranium offset the increase of revenues generated from the production of oil, estimated at 12,000 barrels/day. In 2014, economic growth accelerated to 6.5%, with the rebound in agriculture and the large public investment projects. As highlighted in the CPS, economic growth will continue to be highly dependent on climatic conditions and large-scale investment projects in extractive industries, as well as on security conditions.

6. **The outcomes of the ongoing military intervention against Boko Haram at the South-Eastern border with Nigeria are yet to be known, as are their social and economic impacts.** However, preliminary estimates suggest that the fiscal impact in terms of additional security expenditure and the need to host refugees could cost 1 % of GDP on an annual basis, crowding out equivalent resources to finance public investments. A swift and successful military intervention will undoubtedly positively affect the country in the medium to long run.

7. **From a macroeconomic perspective, risks of disruption through growing external or fiscal imbalances continue to be moderate, given the protection and related fiscal policy obligations provided by the West African Economic and Monetary Union (WAEMU).** Yet, debt sustainability risks, still considered moderate by end-2014,² will continue to require close attention, given the rapid increase in external public debt (from 23% of GDP in 2013 to 33% in 2014) to finance projects in extractive industries, in a context of declining uranium and oil prices. Such a rate is projected to peak at 37% in 2018 before declining as projects are completed. Given such exposure, the quality of debt and public investment management will continue to have an important bearing on debt and fiscal sustainability.

C. Emerging Country/Development Issues

8. **Insecurity remains persistent in the Sahel and poses huge development challenges to Niger.** Boko Haram's attacks and Al-Qaeda in the Islamic Maghreb (AQIM) threats from Mali and Southern Libya have intensified despite the deployment of the Barkhane Operations led by France in a coalition with G5 Sahel countries, including Niger. After years of operating almost without opposition, Boko Haram now faces a direct attack since its February 2015 attempts to take over Diffa and Bosso in Niger where over 100,000 Internally Displaced Peoples have been reported. As part of the AU-backed coalition to defeat Boko Haram, Niger sent 750 troops in mid-February 2015 to join forces with Chadian troops to wage a pre-emptive war on the Nigeria borders by trying to

² World Bank and International Monetary Fund (2014), Republic of Niger: Debt Sustainability Analysis, December, Washington D.C.

block escape routes. Boko Haram responded with a string of suicide-bombings and attacks which have claimed the lives of hundreds and disrupted the fragile economy of the Eastern region of Niger.

9. **G5 Sahel countries³ including Niger, have adopted a Priority Investment Program of about US\$14 billion to promote security, governance, infrastructure and resilience in the Sahel.** The Bank Group is committed to support regional security-development challenges through the Sahel Initiative launched in November 2013 during the joint visit of President Kim with UN Secretary General and other heads of regional institutions.

10. **Though Niger has entered a period of relative stability following the presidential elections of 2011, the political climate has changed since President Issoufou's attempts to form a Government of National Unity in August 2013.** The then Speaker of the Parliament left the ruling coalition to join the opposition in September 2013 which caused a series of polarized parliamentary debates during 2014. The election of a new Speaker who is a dissident member of the opposition also heightened the rift and contributed to increased confusion in the political sphere.

11. **The social context is increasingly marked by the political divide, repeated strikes, and social unrest⁴.** In view of the general elections planned in 2016, major political parties are regrouping their support base across the country and adjusting their executive committees taking into account the evolution of the political landscape.

12. **However, the ability of the Government of Niger to actually deliver on its initial ambitious development program (PDES) has to be recognized.** In spite of all the major risks anticipated in the CPS, notably insecurity, the country has had the capacity to implement and most notably invest a significant part of its resources in an effective way. In comparison with its neighbors, Niger has been able to maintain a solid track record by achieving one of the highest investment to GDP ratios in the WAEMU which demonstrates its strong fiscal efforts to stay on course on longer and sustained development in spite of immediate urgent needs caused by recurrent crisis.

III. Summary of Program Implementation

A. Portfolio performance issues

13. **The size of portfolio has significantly increased over the FY13-14 period and performance is satisfactory although some key systemic challenges remain.** The portfolio, which comprises 13 national and 3 regional projects, has substantially increased from an overall commitment⁵ of US\$770 million in FY12 to US\$1.1 billion in FY14 reaching an unprecedented commitment in the 50-year partnership between the Bank Group and Niger. Total annual disbursements also increased from US\$120 million in FY12 to US\$300 million in March 2015. The IDA 16 allocation for Niger stood at SDR 326.1 million while the IDA 17 allocation now stands at SDR 421.1 million.

³ Burkina Faso, Chad, Mali, Mauritania and Niger.

⁴ On the heels of Charlie Hebdo's representation of Prophet Mahomet in France, extremist muslims expressed their anger against what has been perceived as a blasphemy by provoking violent anti-christian protests. These riots broke out in the cities of Zinder and Niamey on January 16th and 17th, 2014 and resulted in the burning of 70 churches and at least 10 casualties.

⁵ Including regional IDA

14. **The portfolio's distribution reflects the country's priorities highlighted in the PDES.** It includes agriculture and environment (27 %), infrastructure (transport and energy – 18 %), water, sanitation and flood protection (20 %), social protection, health, and education (20 %) and finally budget support, governance and public financial management (15 %).

15. **Portfolio performance is strong overall.** The implementation progress for two-thirds of the portfolio is rated satisfactory. The progress towards achieving the Development Objectives (DO) is rated as moderately satisfactory (MS) for five projects, among which the Capacity for Service Delivery project – which has recently met its effectiveness conditions and the Disaster and Risk Management project for which implementation was launched in September 2014. Considered as part of the regional component of the portfolio, the Kandadji Growth Pole is the only project which has recorded a Moderately Unsatisfactory (MU) rating, specifically on the Implementation Progress (IP). The DPO approved in March 2014 was disbursed in July 2014. No exits were recorded in FY14.

16. **While the DO ratings are on track, the portfolio faces a higher number of IP issues which mostly derive from a poor use of Project Preparation Advances (PPA) affecting the readiness of the project presented to the Board.** Projects only use PPA at a late stage in preparation. In addition, the ratification process of financing agreements is lengthy - 31 steps in total- and punctuated by a number of steps that are out of the control of the Bank Group and involve coordination between several departments of the Government and the parliament. The Bank is actively working in collaboration with the authorities under the new DPO series to substantially streamline the ratification process by reducing the number of procedures and steps including the issuance of Legal Opinions in line with the Constitution.

17. **As stated in the CPS, one of the issues is the capacity constraint at all levels of the public sector.** Weak capacity and lack of coordination within the Cabinet constrain the pace of implementation of donor-supported programs. Pervasive capacity deficits at all levels of the public administration lie at the heart of Niger's absorptive capacity challenge, impacting negatively the disbursement ratio of the portfolio. Still the overall disbursement ratio of the portfolio has increased from 14.2% in FY13 to 17.6% in FY14. The FY15 disbursement ratio is projected to reach 20 % by June 2015, close to the regional average. Such a performance is still remarkable particularly as the portfolio is only about 2.2 years old.

18. **Monthly disbursement meetings are held with project coordination teams and the Ministry of Planning in addition to an internal weekly portfolio monitoring.** The Bank team is also encouraging early restructurings and funds reallocation to reflect changes in government priorities. The adoption of the Immediate Response Mechanism (IRM) which enables the use of Contingent Emergency Response Components (CERC) throughout the portfolio is an effective tool to tackle emergency situations such as food and livestock crises, refugees and floods, which adversely affect Niger's budget execution. With the support of the US\$40 million Capacity for Service Delivery Project (CSDP), the government should be able to tackle the weak horizontal capacities which hamper the achievement of results in key economic and social sectors in Niger. At the sectoral level, CSDP will help improve the capacity in the core areas of planning, budget management, procurement and monitoring and evaluation (including through new innovative

education and health Service Delivery Indicators – SDI- surveys). This should support the efficient implementation of national development programs and have a positive impact on service delivery and development outcomes.

19. **MIGA has an ongoing exposure of \$4.7 million in the country, supporting the import verification and scanning project of the company Cotecna Inspection S.A. in the services sector.** MIGA has actively engaged with the government and the investor to assist the parties in resolving points of contention that might potentially give rise to a claim. MIGA expects the issues to be amicably resolved. The fact that MIGA has engaged with the government or investors does not necessarily indicate that a claim is imminent. Outside of this project, MIGA is still active in the country and is looking to support additional investments under its traditional covers of Transfer Restriction, Expropriation, Breach of Contract and War and Civil Disturbance.

20. **While IFC’s direct investment portfolio in Niger is relatively small (~US\$1.6 million), a number of IFC Advisory programs are well underway across industries.** IFC is advising GoN in the implementation of the Dry Port project, IFC has launched the Pilot Program for Climate Change (PPCR), which seeks to increase private sector investments in Niger to manage climate risks. IFC is exploring improved irrigation systems and climate resilient seeds with a potential sponsor, Netafim. Finally, IFC is also supporting access to financial services for the SMEs and low income populations, and has also launched the Africa Leasing Facility II program in Niger which aims to support Government institutions and SMEs in all matters related to leasing law, tax and regulatory frameworks.

Knowledge Services

21. **The knowledge services have increased to help inform the reforms under the PDES.** All analytical works planned under the CPS have been delivered or are well under way for the period under review as detailed in Annex 2. Among others, the Agricultural Sector Risk Assessment will inform the formulation of a new Agriculture Climate Smart Support Project of about US\$111 million under consideration. The Use of Country Systems Analysis, the Extended GAC Review and the Governance Action Plan have helped provide key information on the cross-cutting foundation strengthening governance by identifying the GAC risks at entry and their internal management, but also provided solutions on issues related to the fiduciary, implementation and institutional arrangements and social accountability. A Social Protection Policy Paper has been instrumental in supporting stronger donor and government coordination around a Niger social protection system. Finally, a first-ever Fiduciary and Public Expenditures Review on the Security Sector and a Gender Perception Review were delivered to the government in 2014 and were well received.

B. Evolution of Partnerships and Leveraging

22. **The WBG is committed to keep up its coordination leading role within the Donors Group together with UNDP and France under a new coordination framework adopted in early 2014.** The WBG played a pivotal role in the joint reviews of the PDES implementation. Over the period, the Bank Group also extended its leadership by actively participating in various Donors meetings such as the G5 Sahel Conference WAEMU/ECOWAS/CILSS conference on the Sahel,

Investors Forum, and sector fora e.g Kandadji Donors Round-table, Social Protection and Population conferences.

23. **Coordinated interventions are developed to bring greater synergy in supporting Government efforts.** Major examples include: the Kandadji Growth Pole Program where the Bank's financing leverages three times the contributions of 11 donors totaling US\$1 billion; Global Partnership for Education Trust Funds supervised by the Bank Group leverages US\$16 million from AFD/France through the Pooled Fund mechanism totaling US\$100 million to which more partners are expected to contribute; annual Development Policy Operations built on a joint reform framework agreed upon and monitored together with AfDB, EU and France; Private Sector Development project leverages US\$25 million from Denmark through a DANIDA Trust Fund administered by the Bank; the risk-based policy program promoted by the WBG and supported by many donors is being considered as the foundation to drive multi-donors support to 3N Initiative⁶; and the development of a national Capacity Building Program supported by the WBG and many donors.

24. **Going forward, the WBG will strive to step up its technical leadership and leverage further financial support to the government efforts to deliver public services in agriculture, education, health and population while strengthening capacity and governance.** Partnership and leveraging also gained higher visibility with the visit of President Kim in November 2013 where collaboration with UN, AfDB and EU was magnified at the highest level both within the Bank Group and with the authorities of Niger. The Bank Group teams continue to collaborate with UN colleagues in Niamey and Washington D.C under the Chief Executives Board (CEB) monitoring framework to step up ongoing support to accelerate the implementation of programs to help Niger reach MDG1.

C. Overview Of Progress Toward Achieving CPS Objectives By Main Focus Areas

25. **Current progress toward achieving CPS objectives is on track in all but two areas, investment climate and transparency of sector budget allocations.** Annex 3 records evidence of progress against each objective and indicator set in 2013. Nine out of eleven outcomes are on track for achievement by the end of the CPS period while two are off-track and would need substantial efforts to reverse the trend. Some indicators have been revisited to better measure progress towards corresponding objectives as highlighted in Annex 2.

Pillar One: Promoting Resilient Growth

26. **Overall progress in promoting resilient growth is positive. Progress for three out of the four objectives set under this pillar is on track.** The results of the preliminary assessment conducted by the team suggest that a consolidated fiscal performance is on track. The latter is demonstrated by the improvement of the tax and customs collections ratio (as a percentage of GDP) and the treasury and debt management ratio. Agricultural productivity is steadily increasing for rice (18 %), millet (38 %) and sorghum (126 %) in selected areas. Economic infrastructure to facilitate trade is also improving with the establishment of the Dry Port Authority, the rehabilitation

⁶ Nigeriens Nourish Nigeriens Initiative aims to boost by 45 % the agriculture and livestock productivity to reduce the occurrence of food insecurity and famine

of Maradi central market and the ongoing rehabilitation of 300 km of roads to connect rural production centers to urban markets.

27. **Investment climate and access to finance are slower than anticipated.** Despite substantial efforts, Niger slipped on the Doing Business (DB) 2015 Report for falling short in fully implementing the bold action plan adopted in 2014 for improving the business environment. GoN has started implementing some reforms - mainly in the area of business start-up and trading across borders - but started doing so late and therefore not all the work was captured in the DB report. It is likely that this will impact Niger's DB performance this year (2015). On the other hand the average number of new companies registered slightly rose from 2,094 in 2012 to 2,154 in 2014. Even though no notable increase of SMEs loan portfolio has been recorded as the matching grant program is yet to start, a Financial Sector Development Strategy (FSDS) was adopted in late December 2014 and based on its recommendation a National Financial Inclusion Strategy was produced.

Pillar Two: Reducing Vulnerability

28. **Progress in reducing vulnerability is also on track for three objectives.** Access of poor and food insecure people to safety net programs increased by 45 %. Climate resilience policies and actions are also increasingly adopted to create the conditions for sustainable development: 5619 ha of additional agricultural areas, 1,154 ha of additional sylvo-pastoral areas are now managed under improved Sustainable Land Management (SLM) while 12 local development plans are climate resilient proved. Access to water, sanitation, and health and population services is well on track. 444,000 additional people have access to clean water; 20,910 students have access to sanitation facilities; 4,598 sex workers have been screened at health facilities and 2,226 treated for Sexual Transmitted Infections (STI).

29. **Improvement of the education and employment skills for youth is mixed, with more expected to be delivered in 2015.** The primary completion rate has already increased to 56.4 % above the 55 % target although the support from Global Partnership for Education is just starting and will undoubtedly help improve the completion rate further in the remaining CPS period. No results in terms of the completion rate are yet recorded on dual apprenticeship over the period as the enrollments of students under the employment skills program started recently, but the first cohort of students is expected to complete their apprenticeship by end of 2015.

Cross-cutting Foundation: Mainstreaming Gender and Strengthening Governance and Capacity for Public Service Delivery

30. **Progress toward mainstreaming gender and strengthening governance and capacity for public service delivery is positive, and yet too timid to make a notable difference.** Budget execution and efficiency is improving with the budget execution ratio increased to 77 % while competitive bidding ratio is slightly above 75 %. Transparency in the mining and oil sectors is maintained with the regular publication of the EITI Reports every 2 years; the 2012 report was published in December 2014. Yet transparency of sector budget allocations is off-track with still only one budgetary document published based on the open budget initiative classification.

31. **The findings of the recent PLR Client Survey⁷ concur with the team’s assessment of the progress towards achieving the CPS objectives.** Respondents shared the view that the strategic development priorities remain valid with an increased interest in public sector governance, education, agriculture, rural development and food security. Stakeholders value the WBG for its financial resources; and investment lending is seen as the most effective instrument in the WBG’s work. Capacity development is considered very important across all stakeholder groups. Overall *effectiveness* ratings is moderately satisfactory. While the WBG’s support under the *Reducing Vulnerability* pillar received relatively higher ratings, the WBG’s effectiveness in *Governance* was rated around the mid-point of the 10-point scale. The lowest ratings in the survey were related to the WBG’s work on *Gender*.

IV. Emerging Lessons

A. Main Lessons from Portfolio and Program Implementation and Performance

32. **Out of the Country Portfolio Performance Reviews, the Joint Reviews of the PDES implementation, the ISRs, and the findings of the consultations and PLR survey, the following five main lessons can be drawn by mid-term implementation of the CPS.**

33. **Security problems have impacted the full-scale deployment of World Bank supervision missions** and will determine the way the Bank conducts its business, particularly in areas where social and economic investments are critically needed. Security issues hamper implementation of projects, disrupt economic activities and disrupt service delivery. Hence, in order to reach security affected areas, the WBG will tap third parties, CSO, NGO as Monitoring Agents to help monitor the effective implementation of projects.

34. **Insufficient readiness of new lending operations before Board approval** results in protracted effectiveness and implementation delays. On average, 5.5 months elapse between Board approval and effectiveness due to delay in meeting the technical, institutional and legal conditions. As for technical conditions a better use of PPA would help appoint key staff and fix any technical conditions before Board presentation.

35. **With a significant increase of regional projects in the country program, several key opportunities arise**, notably the: (i) ability to leverage larger concessional financing, (ii) ability to tackle root causes of insecurity, by promoting opportunities to dis-enclave border lands which are typically poorer, more insecure, and receive large influx of refugees (iii) increasing overall opportunities for landlocked countries/the region as a whole, by increasing visibility to address systemic issues, and potential to collectively reduce risks and maximize benefits through complementary and coordinated investments.

36. **Weak coordination within the Government causes DPO-led reforms and large multi-sector programs to have mixed impact.** Although specific budget provisions are generally available to help carry out sector reforms, poor intra-government collaboration continues to pose systemic challenges to implementing the DPO supported reforms by the line ministries. In addition ring-fenced PIUs have been able to deliver single sector type investments but prove inefficient in

⁷ World Bank (2015): Niger PLR Survey FY2015, Report of Findings, March 2015, Washington.

implementing multi-sector programs which now form the bulk of the portfolio. To foster effective delivery, WBG will continue to encourage greater coordination at the central level to reduce the increasing fragmentation and transaction costs while using country systems. The latter will be spurred in part by the new Capacity for Service Delivery project as well as the reforms carried under the DPO platform to help mitigate the challenges encountered. In addition, by combining these two vehicles with a continued high level dialogue with the authorities on this sensitive issue, expectations are that the silos that persist between political lines within the current coalition Cabinet will be substantially reduced.

37. **Despite the ongoing efforts to consolidate the WBG Program, there continues to be – in part because of the program’s current fragmentation - a perception gap on governance and gender as indicated by the findings of the PLR client survey.** Greater efforts to reach out to the audience outside the government and to increase the visibility of the WBG interventions are needed in the dissemination of WBG contributions on governance, gender and capacity building.

B. Lessons from experience in other countries/Regions applicable to this country

38. **There are relevant lessons to be drawn from WBG engagement in other countries and regions facing similar challenges of security, aid dependency and absorptive capacity and regions for the benefit of Niger.**

39. **South Sudan offers relevant lessons with regard to the need to incorporate vulnerability to security issues by putting risk management at the core of Bank interventions.** For Niger this can be extended to disaster risk management and monitoring of shocks linked to climate change. Continuously monitoring the impact of different stresses, and incorporating risk management mechanisms in the design of all individual operations will continue to be further reflected in the design of new operations and in the coordination mechanisms with other partners.

40. **Pakistan offers a relevant example of the need to adapt to a rapidly changing political and security environment and highlights the need for flexibility in designing country programs and in adapting implementation mechanisms as circumstances evolve.** Similar lessons can be drawn also from such diverse programs as Afghanistan and South Sudan with respect to the need to carefully assess government’s capacity in the context of a rapid increase in donor resources, as has been the case in both countries thanks to large Multi-Donor Trust Funds, IDA and other partners’ resources. Upfront institution and capacity building, including strengthening internal coordination within government, is necessary to foster absorptive and execution capacity.

41. **The experience of Mozambique shows how stimulating agricultural productivity is a long term proposition that requires strong government coordination, commitment, and a clear vision of how productivity is to be achieved.** A broad set of policy and institutional reforms, including politically sensitive reforms involving land policy and administration, as well as significant institution building in key agencies is necessary to improve agricultural productivity in a way that can contribute to growth.

V. Adjustments to Country Partnership Strategy

42. **The overall strategic framework built on two main pillars - promoting resilient growth and reducing vulnerabilities- and its overreaching cross-cutting foundation to mainstreaming gender and strengthening governance and capacity for public service delivery remains valid and relevant.** The PLR client survey and consultations held with the government and the DPs confirmed as well the WBG team's conclusions with respect to moderate adjustments to the CPS. No drastic adjustment is envisaged, but the strategy would still be adjusted for the WBG to respond readily and effectively to more recent government demands. A Systemic Country Diagnostics (SCD) will be conducted in FY16 to inform the formulation of the next Country Partnership Framework (CPF). Specific outcomes under each pillar remain relevant, subject to changes detailed below.

Pillar One: Promoting Resilient Growth

43. **The WBG will shift away from the telecom sector and the initially planned West Africa Regional Communications Infrastructure Project (WARCIP) following little interest from the Government of Niger which opted to tap other sources of funding.** A sector assessment by the Bank concluded that Niger could be a candidate to participate in the regional WARCIP program but later the government fell short in meeting universal access condition. The PPA approved to advance the preparation of the lending was thus cancelled as well as the projected lending.

44. **In contrast, the Bank Group's support to develop new economic infrastructure has reached a key milestone.** The signing of a 20 years Build-Operate-Transfer (BOT) concession between the Government of Niger and a strategic operator selected with the advisory support of IFC offers a unique opportunity to develop the Dry Port of Dosso in view of better integrating Niger economy with the Benin corridor. The WBG will further pursue this effort by exploring opportunities in infrastructure by expanding the technical assistance to the ongoing regional railways program if circumstances allow. The indicators and milestones related to this outcome have been changed to reflect these developments.

45. **On the financial access front, the WBG will provide technical assistance for the implementation of the Financial Sector Development Program (FSDP),** which is based on the outcome of the Financial Sector Development Strategy and the National Financial Inclusion Strategy. Specifically, the three pillars of the FSDP technical assistance will aim to (i) Increase financial inclusion of the population; (ii) Develop access to affordable housing finance and (iii) Develop access to agricultural finance (as part of Climate Smart Agriculture Project).

46. **The government has requested the WBG's support in the energy sector⁸ to follow up the positive sector review completed in 2012.** In response the Bank Group is considering a mix of two interventions: (i) the new series of DPO will support critical energy sector reforms, including the development and adoption of an energy sector strategy and master plan, setting up a regulatory agency and preparing a new electricity code to create appropriate conditions for sector

⁸ The Niger CPS FY13-16 suggested to consider such an option at the Mid-term review as recommended by the Completion Report of the previous CAS 2008-11.

development; (ii) an investment lending will help improve access to power in poor and selected rural areas. Technical assistance by the World Bank Group is supporting the capacity development of the Ministry of Energy and relevant stakeholders to review the current electricity tariff to ensure the overall financial viability and affordability of the energy sector. The rationale for the Bank's intervention is twofold: firstly, the need to develop additional sources of generation to meet the increasing demand and thereby help remove what otherwise would become a roadblock to economic growth. Secondly, the need to increase access to electricity for the people in Niger which is currently below 10 %.

Pillar Two: Reducing Vulnerability

47. **In the context of increasing insecurity in the Sahel exacerbated by demographic and unemployment challenges, the WBG is stepping up its support to security-development programs promoted by the G5 Sahel Group.** A wide range of regional programs complementing national-IDA funded programs are launched under the Bank Group Sahel Initiative which include Niger as a participating country to promote pastoralism, address socially deep-rooted demographic challenges and provide opportunities to empower women and girls, fight malaria and tropical neglected diseases and strengthen preparedness and build resilience against disasters and climatic shocks. Scaling up of the Girls' Initiatives program piloted by UNFPA and promotion of income-generating activities for women coupled with family planning control and demographic services will be key to curb the gender gap while reducing vulnerability.

48. **In the same vein, consolidation of the achievements of the ongoing Safety Net Program and Agriculture Export Program – PRODEX - are under consideration to expand the scope of direct beneficiaries while building the country's own social protection systems and resilience to food insecurity.** The indicators and milestones related to this outcome will be changed to reflect these developments. The active Safety Net project, which started with a limited number of beneficiaries to lay out the foundation of a social protection system, is now scaling up based on the satisfactory performance achieved at the Mid-Term Review. More work is also needed to strengthen a comprehensive social protection strategy and institutionalize it to help coordinate safety net programs with other interventions to improve resilience to economic and natural shocks and support higher levels of human capital (including girls' education). Niger will also participate in the regional adaptive safety net program to strengthen resilience in the Sahel.

Cross-cutting foundation: Mainstreaming gender and strengthening governance and capacity for public service delivery.

49. **A new approach to develop and implement the investment program is under consideration by the Government to reflect the recommendations of a regional study on the bottlenecks to execute investment and capital budget in WAEMU countries.** The Government is committed to revisiting the procedures and institutional framework to develop and execute all investment programs irrespective of the source of funding. A new series of reforms to revamp public investment management including PPPs programs will be developed with the support of the WBG's new DPO series in coordination with other DPs to ultimately improve governance.

50. **Regarding WBG funded-programs, steady efforts are under way to improve the absorption capacity and improve gender, governance and the disbursement ratio.** These include the consolidation of e-disbursement facility to fast track submission of withdrawal applications, better coordination with project teams and close monitoring of procurement plans and execution of large contracts. The newly active Capacity Building project for service delivery will also provide cross cutting support to PIUs and ministries while streamlining the oversight of donor-funded investment projects to accelerate service delivery and improve governance. A new communication approach will be explored to better reach the audience outside of the government to improve the perception gap and ensure adequate visibility of the WBG contributions in addressing the main cross-cutting development challenges experienced in Niger notably on governance, gender and capacity development.

51. **Application of the new World Bank procurement policy⁹ to Niger is expected to result in notable implementation progress.** The new risk-based procurement prior review thresholds adopted in December 2014 applicable to Niger will reduce the number of prior review contracts thus accelerating the implementation and execution while ensuring high fiduciary standards.

⁹ New procurement policy intends to i) focus on value for money for sustainable development; ii) granting increased responsibility to the client; iii) use WBG human resources to better assist the client focusing on high value contracts, contracts at risks and post reviews for all other contracts.

52. On the basis of the above, some limited change of the indicators related outcomes is also proposed (Annex 1 and 2).

Table 1: Proposed Pipeline

	<i>Pillar(s)</i>	<i>FY 15</i>	<i>FY 16</i>
		<i>Original CPS</i>	
<i>DPO</i>	1 and 3	50	50
<i>Population and Health Support</i>	2	116	
<i>Support Agriculture and Food Security Program</i>	1 and 2		116
		<i>New PLR Program</i>	
<i>Prodex – Additional Financing</i>	1	13.8	
<i>Public Investment Reform Support Credit¹⁰</i>	1 and 3	0	80
<i>Population and Health Support</i>	2 and 3	103	
<i>Climate Smart Agriculture Program</i>	1 and 2		111
<i>Electricity Access and Expansion Project</i>	1 and 2		65
		<i>Regional¹¹ (New PLR Program)</i>	
<i>Sahel Women Empowerment and Demographic Dividend</i>	2	53,6	
<i>Sahel Pastoralism Support Project</i>	1 and 2	45	
<i>Sahel Malaria and Neglected Tropical Diseases</i>	2	37	
<i>Sahel Social Adaptive Protection Program</i>	2		TBD
<i>Sahel Irrigation Development Program</i>	1 and 2		TBD
	<i>Overall Total for new PLR Program</i>	252.4	256

¹⁰ Public Investment Reform Support Credit initially planned under FY15 will slip into FY16 as the discussions with the authorities are not yet completed.

¹¹ For regional project not yet approved, co-financing from regional IDA depends on project design and resource availability.

VI. Risks to CPS Program

A. Revised Systematic Operations Risk-Rating Tool

Risk Categories	Rating (H, S, M or L)
1. Political and governance	H
2. Macroeconomic	M
3. Sector strategies and policies	M
4. Technical design of project or program	M
5. Institutional capacity for implementation and sustainability	S
6. Fiduciary	S
7. Environment and social	S
8. Stakeholders	M
9. Other (security)	H
Overall	S

53. **Overall the risks to the program identified in the original CPS are still valid. Niger is Ebola low risk as long as the contingency plan put in place by the government is properly implemented.** Weak implementation capacity in the central administration continues to be a key risk. Even though the Bank is supporting the government's strategic approach to capacity strengthening and civil service reform, there is an inadequate amount of quality staff to allow for an efficient service delivery. Poor capacity of the private sector continues to delay execution of large infrastructure contracts that affect service delivery and disbursement performance.

54. **Security challenges reduce the impact of the Bank's full-fledged operations in parts of the country where access is limited notably in Northern and Eastern regions of Agadez, Zinder and Diffa where a military intervention is ongoing against Boko Haram.** Implementation of WBG-funded projects in such insecure regions will remain challenging and unlikely to be effective. In order to reach security affected areas, the WBG will tap third parties, CSO, NGO as Monitoring Agents to help monitor the effective implementation of projects.

55. **The commitment of the government to shift to merit-based selection of cadres for high ranking positions in the administration has waned since the ruling coalition split in August 2013.** Instead political patronage systems continue to be perpetuated in the civil service and are unlikely to be reverted as 2016 general elections approach. Moreover the attention of the government may, to an increasing extent, shift away from development programs to political campaigning. Political capture of Bank-financed projects to support a politically-driven agenda could also increase. In response, the recommendations and solutions outlined in the extended GAC Review on the fiduciary and institutional arrangements will be implemented to help mitigate the impact of such risks. Last but not least, entrenched political divide between the ruling coalition and the opposition may disrupt the fragile stability and erode the support base needed to promote policy reforms on key challenges such as demography, gender and governance. Close monitoring of the political economy will be key to take well-informed decisions in mitigating such risks.

56. **Safeguard risks are substantial with regard to the regional program of the Kandadji Growth Pole** for which over than 40,000 affected people might be resettled. Appointment of a field-based safeguards expert to monitor the resettlement will be essential to mitigate the risk.

ANNEX 1: Updated CPS Results Matrix

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
Pillar I. Promoting Resilient Growth				
<p><u>Reduce vulnerability to external shocks through a stable and resilient macroeconomic environment (debt management, revenues collection etc...)</u></p> <p><u>Increase access to finance</u></p> <p><u>Increase access to finance for SME and boost private investments</u></p>	<p>Weaknesses in revenue administration result in an uneven playing field for economic actors</p> <p>Weaknesses in fiscal and debt management create additional macro-economic risks</p> <p>Access to finance is extremely limited due to several structural constraints</p> <p>The 2012 Doing Business report ranks Niger 173th out of 183 countries</p> <p>The cost and time for starting a business in Niger remain high, compared to similar countries</p> <p>Private enterprises, particularly Small and Medium Enterprises (SME) in Niger have limited access to financial services</p>	<p>1.1 Fiscal Performance consolidated</p> <ul style="list-style-type: none"> - <i>Efficiency of tax and customs collections has improved – increase in PEFA rating of performance indicator 15 from D+ in 2012 to C in 2015</i> - <i>Treasury and debt management has improved- increase in PEFA rating of performance indicator 17 from C in 2012 to B in 2015</i> <p>1.2 Improved Investment Climate and Access to Finance for SMEs</p> <ul style="list-style-type: none"> - <i>Average number of new enterprises registered per year increased from 2094 in 2012 to 3000 by 2015 (of which 20 % led by women)</i> - <i>SMEs Loan Portfolio increased from US\$19 million in 2012 to US\$23 million by 2016 (of which 20% are received by female-owned SMEs)</i> 	<p>Strategic plans for customs and tax department implemented</p> <p>Action plan for the reform of debt management developed and implemented</p> <p>Line of credits (including trade finance facilities) extended to at least one additional local bank.</p> <p>Reforms that will increase access to financial services for SME developed</p> <p>At least 3 PPPs established by 2015</p> <p>Action plan for the improvement of the</p>	<p>On-going Financing</p> <ul style="list-style-type: none"> . Competitiveness & Growth Support Project (P127204) . Third Shared Growth Credit FY14 . Budget support 2014-18 first operation (P151487) <p>Indicative AAA</p> <ul style="list-style-type: none"> . Policy Notes Series on growth & poverty . Financial sector development strategy . Public Expenditure Review -Annual updates . Policy Notes Series on Growth, Gender, Governance and Trade . Debt Management Reform Plan TA <p>Planned Financing</p> <ul style="list-style-type: none"> . Financial Sector Development Program . Technical assistance to be funded by trust funds . Agricultural finance component under the Climate Smart Agriculture Project

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
			<p>business environment adopted and implemented</p> <p>Investment Climate reforms to modernize the OHADA laws (company law and insolvency law) adopted</p>	
<p><u>Ensure food security and sustainable agriculture development</u></p>	<p>Yields of main agriculture products are low for all three main crops (millet, sorghum, and groundnuts)</p> <p>Low access to improved technologies and agricultural services (research, extension, training and advisory services)</p> <p>Limited development of water for agriculture (water harvesting and irrigation)</p>	<p>1.3 Increased Agricultural Productivity of Selected Crops in Selected Areas</p> <ul style="list-style-type: none"> - <i>Average yield of cereal crops (millet, sorghum & rice) in targeted rain fed areas increased by 25% by 2015 (Baseline: average yield in kg/ha in 2008-2012 period:</i> <ul style="list-style-type: none"> - <i>Millet: 506;</i> - <i>Sorghum: 354, and</i> - <i>Rice: 5500).</i> 	<p>At least 90,000 producers have adopted improved agriculture technologies by 2015 (including drought resistant varieties demonstrated in selected area)</p> <p>At least 1,500 hectares of additional area provided with irrigation and drainage services and 1,000 hectares of irrigated area rehabilitated by 2015 600 hectares rehabilitated versus 1000 ha</p>	<p>On-going Financing</p> <ul style="list-style-type: none"> - WAAPP-1C Niger Phase 1 (P122065) - Niger Basin Water Resources Program APL1 & APL2A (P1093806) - Agro-Pastoral Export Promotion project (P095210) + FA - Second Emergency Food Security Project (P123567) - Third Shared Growth Credit (P145251) - Transport Sector Program SIM (P101434) + FA - Community Action Program CAP 3 (P143079) <p>Planned Financing</p> <ul style="list-style-type: none"> - Climate Smart Agriculture project scheduled for FY16 - Budget support 2014-18 first operation (P151487) <p>Indicative AAA</p> <ul style="list-style-type: none"> - Agriculture Risk Management and Inclusive Green Growth TA
<p><u>Increase access to modern infrastructures (energy, IT, transport, etc...)</u></p>	<p>Limited geographical reach of broadband networks and high costs of broadband services</p> <p>Low density of the transport networks</p>	<p>1.4 Improved Selected Trade Infrastructures</p> <ul style="list-style-type: none"> - <i>“Setting up of Dry Port Authority”</i> 		<p>On-going Financing</p> <ul style="list-style-type: none"> • Niger Basin Water Resources Program APL1 & 2A (P1093806) • Transport Sector Program SIM (P101434) <p>Planned Financing</p> <p>Energy Access Expansion - FY16</p>

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
	<p>constitutes a major obstacle to the development of trade</p> <p>Lack of rail connectivity as an obstacle to mine development and livestock trade</p>	<p>- <i>300 Kilometers of inter-urban roads rehabilitated in targeted areas by 2015</i></p> <p>- <i>Rehabilitation of Maradi Central Market</i></p>		<p>Indicative AAA</p> <ul style="list-style-type: none"> • Energy Sector TA
Pillar II. Reducing Vulnerability				
<u>Ensure food security</u>	<p>Cyclical natural disasters, particularly floods and droughts, which affect food security of vulnerable communities. Severe external shocks have resulted in unanticipated financing needs, including the Libyan and Malian crises</p>	<p>2.1 Increased Access of Poor and Food Insecure People to Safety Net Programs</p> <p>- <i>At least 100,000 additional households with access to the safety net programs(the cash transfer and cash for work programs) by 2015</i></p>	<p>A management information System for the identification and registration of beneficiary households established</p>	<p>On-going Financing</p> <ul style="list-style-type: none"> • Niger Safety Net Project (P123399) • Second Emergency Food Security Project • Community Actions Program for Climatic Resilience • Niger DRM and Urban Development Project (P145268) • Community Action Program CAP 3 (P143079) <p>Planned Financing</p> <ul style="list-style-type: none"> • Climate Smart Agriculture project (FY16) <p>Indicative AAA</p> <ul style="list-style-type: none"> • Security Sector PER • TA on Social Protection for Resilience
<u>Create the conditions for sustainable development</u>	<p>Sustainable land and water management practices are insufficiently integrated</p> <p>High dependency on rain-fed agriculture and livestock</p>	<p>2.2 Increased Adoption of Climate Resilience Policies and Actions in Targeted Communes</p> <p>- <i>At least 2000 ha of additional agricultural areas with improved SLM</i></p> <p>- <i>At least 5000 ha of additional sylvo-pastoral areas with improved SLM</i></p>	<p>Climate information platform for agricultural producers created to improve climate change resilience</p>	<p>On-going Financing</p> <ul style="list-style-type: none"> . Community Actions Program for Climatic Resilience CAPCR (P125669) . Agro-Pastoral Export Program (P095210) + FA . Niger DRM and Urban Development Project (P145268) .CAP 3 (P143079)

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
	<p>Limited infrastructure to manage water resources Disaster risk management and climatic adaptation are still poorly mainstreamed in development plans</p>	<ul style="list-style-type: none"> - <i>Number of Local Development Plans (LDPs) incorporating climatic resilience increased from zero in 2012 to 25 by 2015.</i> 		<p>Planned Financing . Climate Smart Agriculture project (FY16)</p>
<p><u>Increase access to quality education as well as vocational and technical training</u></p>	<p>Too few children complete basic education, learning outcomes are low, females have lower access</p> <p>Post-basic education does not respond to the needs of the labor market and youth does not have the skills for employability</p> <p>Lack of skills is also constraining job creation</p>	<p>2.3 Improved Education and Employment Skills for Youth</p> <ul style="list-style-type: none"> - <i>Primary completion rate increased from 52% in 2012 to 60% in 2015 (including girls: 53%);</i> - <i>Youth who completed dual apprenticeship programs increased from 0 in 2012 to 800 in 2015” (with at least 20% of women)</i> 	<p>Education Sector Plan completed</p> <p>Upgrade of TVET institutions in 4 priority sectors launched</p> <p>On-demand technical training program and dual-apprenticeship program set-up</p>	<p>On-going Financing . GPE - Support to Quality Education Project FY15 . Education Enhancement and Skills Development FY13 (P126049)</p> <p>Indicative AAA . Youth Employment and Jobs Study . Service Delivery Indicators TA</p>
<p><u>Promoting social development</u></p> <p><u>Extend access to drinking water and sanitation services</u></p> <p><u>Improve the supply and quality of health care services for the population</u></p>	<p>One third of population does not have access to improved water resources and more than 80% without access to improved sanitation services</p>	<p>2.4 Increased Access to Water, Sanitation, Health and Population Services</p> <ul style="list-style-type: none"> - <i>Number of additional people in selected urban areas provided with access to improved water sources: 509,000 by 2015</i> 	<p>450 Additional improved community water points constructed or rehabilitated by 2015</p> <p>73,000 new piped household water connections</p>	<p>On-going Financing . Urban Water and Sanitation Project (P117365) . Community Action Program CAP 3 (P102354 & P107841) . HIV/AIDS Support Project (P116167) . Niger DRM and Urban Development Project (P145268)</p>

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
	<p>HIV/AIDS is concentrated in high-risk groups (sex workers and partners)</p> <p>Because of the low level of use of modern contraceptives, Niger has one of the highest fertility rate in the World (7.1 children per woman)</p>	<ul style="list-style-type: none"> - <i>Number of additional students provided with access to sanitation services in their schools: 60,000 by 2015</i> - <i>Number of sex workers seen at health facilities after referral by NGO increased from 0 to 5,000 by 2015</i> - <i>Number of sex workers treated for Sexual Transmitted Infection (STI) increased from 0 to 500 by 2015.</i> 	<p>At least 2,000 people form the HIV/AIDS risk groups receiving peer education by 2015</p> <p>At least 800 Health personnel receiving training on Family planning and Reproductive health issues by 2015</p>	<p>Ongoing TA Water and Sanitation Program TAs (FY12 – FY15)</p> <p>Planned Financing . Population and Health Sector Support project – FY15</p> <p>Indicative AAA . Health Country Status Report . Sahel Demographic study</p>
Cross-cutting. Mainstreaming Gender and Strengthening Governance and Capacity for Public Service Delivery				
<p><u>Strengthen credibility and efficiency of public institutions</u></p>	<p>Weak capacity to implement a transparent, efficient, and effective framework for public resource management</p> <p>Weak link between strategic policies and priorities, and the budget</p> <p>Careful management of revenue from mining and oil sectors essential to ensure adequate contribution to Niger's development</p>	<p>3.1 Improved Budget Execution and Efficiency - <i>Budget execution ratio of own funded expenditures (actual/budget) increased from 75 % in 2011 to 80 % in 2015</i></p> <p>- <i>Share of public procurement contracts awarded through competitive bidding maintained above 75 %</i></p> <p>3.2 Improved Transparency of Sector Budget Allocations - <i>Number of budgetary documents published based on the 'Open budget initiative classification' increased from 1 in 2012 to 2 in 2015</i></p> <p>3.3 Improved Transparency in the Mining and Oil Sector <i>EITI Reports published annually</i></p>	<p>National Capacity strengthening Plan adopted by 2014</p> <p>PFM information system improvement plan adopted</p> <p>Operational results-based M&E framework established at national and key sectors</p> <p>Performance-based budgeting framework adopted</p> <p>Number of high level officials recruited through competitive selection</p>	<p>On-going Financing . Reform Management TA (P108253) . Competitiveness & Growth Support Project (P127204) . Support to Cour des Comptes (IDF) . Support to Procurement Office - ARMP (IDF) . Capacity for Service Delivery Project (P145261)</p> <p>Indicative AAA . Public Expenditure Review -Annual updates . Gender Assessment . Education and Health Service Delivery TA</p>

ANNEX 2: Matrix of change to original CPS Results Matrix
 (Note: Proposed changes are **highlighted** in relation to the original matrix)

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program Instruments
Pillar I. Promoting Resilient Growth				
<p><u>Reduce vulnerability to external shocks through a stable and resilient macroeconomic environment (dept management, revenues collection etc...)</u></p> <p><u>Increase access to finance for SME and boost private investments</u></p>	<p>Weaknesses in revenue administration result in an uneven playing field for economic actors</p> <p>Weaknesses in fiscal and debt management create additional macro-economic risks</p> <p>The 2012 Doing Business report ranks Niger 173th out of 183 countries</p> <p>The cost and time for starting a business in Niger remain high, compared to similar countries</p> <p>Private enterprises, particularly Small and Medium Enterprises (SME) in Niger have limited access to financial services</p>	<p>Improved Investment Climate and Access to Finance for SMEs</p> <ul style="list-style-type: none"> - Average number of new enterprises registered per year increased from 2094 in 2012 to 3000 by 2015 (of which 20 % led by women) (baseline revised to 2094 instead of 2500 initially estimated because of implementation delay of Maison de l'Entreprise) - SMEs Loan Portfolio increased from US\$19 million in 2012 to US\$23 million by 2016(of which 20% are received by female-owned SMEs) (Target and end-date revised, respectively from US\$33 million to US\$23 million, and from 2015 to 2016 because of IFC's new projections.) 		<p>Planned Financing</p> <ul style="list-style-type: none"> - Addition of a Financial Sector Development Program Technical assistance to be funded by trust funds) - Addition of an agricultural finance component under the Climate Smart Agriculture (CSA) scheduled for FY16

		<p>Increased Agricultural Productivity of Selected Crops in Selected Areas</p> <p><i>Baseline for Millet is 506 instead of 5061 because of a typo error</i></p>		<p>On-going Financing</p> <ul style="list-style-type: none"> - Shared Growth Credit I (P125272) (closed) - Community Action Program CAP 2 (P102354) (closed) <p>Planned Financing</p> <ul style="list-style-type: none"> - Support to Food Security Programs – 3N & Dispositif Nat. – (FY15) (Replaced by the Climate Smart Agriculture (CSA) scheduled for FY16) - WAAPP2 (FY14) (dropped) - CAP 3 (ongoing) <p>Indicative AAA</p> <ul style="list-style-type: none"> - Regional Railways Program TA (dropped)
<p><u>Ensure food security and sustainable agriculture development</u></p>	<p>Yields of main agriculture products are low for all three main crops (millet, sorghum, and groundnuts)</p> <p>Low access to improved technologies and agricultural services (research, extension, training and advisory services)</p> <p>Limited development of water for agriculture (water harvesting and irrigation)</p>	<p>Improved Selected Trade Infrastructures</p> <p><i>(outcome turned more specific trade-oriented infrastructure)</i></p> <ul style="list-style-type: none"> - Connection of the country to regional fiber backbones established (Indicator has been dropped because the government fell short in meeting universal access condition. Indicator replaced by “Setting up of Dry Port Authority”) 	<p>PPP framework for regional for railway expansion adopted. (dropped)</p>	<p>Planned Financing</p> <ul style="list-style-type: none"> • West Africa Regional Communications Infrastructure Program (WARCIP) (dropped) <i>Addition of Energy Access Expansion project (P151362) - FY16</i> <p>Indicative AAA</p> <ul style="list-style-type: none"> • Regional Railways Program TA (dropped)

<p><u>Increase access to modern infrastructures (energy, IT, transport, etc...)</u></p>	<p>Limited geographical reach of broadband networks and high costs of broadband services</p> <p>Low density of the transport networks constitutes a major obstacle to the development of trade Lack of rail connectivity as an obstacle to mine development and livestock trade</p>	<p><i>Additional indicator has been added to reflect the new trade-oriented infrastructure outcome: "Rehabilitation of Maradi Central Market"</i></p>		
Pillar II. Reducing Vulnerability				
<p><u>Ensure food security</u></p>	<p>Cyclical natural disasters, particularly floods and droughts, which affect food security of vulnerable communities. Severe external shocks have resulted in unanticipated financing needs, including the Libyan and Malian crises</p>	<p>Increased Access of Poor and Food Insecure People to Safety Net Programs</p>		<p>On-going Financing</p> <ul style="list-style-type: none"> • PUSA2/GFRP (removed) • Community Action Program CAP 2 (closed) <p>Planned Financing</p> <ul style="list-style-type: none"> • Niger DRM and Urban Development Project – FY14 (already effective) • CAP 3 (cash for work) (already effective) • Support to Agric. Food Security Programs – 3N & Dispositif Nat.- FY15 (Climate Smart Agriculture project instead, scheduled for FY16)

<p><u>Create the conditions for sustainable development</u></p>	<p>Sustainable land and water management practices are insufficiently integrated High dependency on rain-fed agriculture and livestock Limited infrastructure to manage water resources Disaster risk management and climatic adaptation are still poorly mainstreamed in development plans</p>	<p>Increased Adoption of Climate Resilience Policies and Actions in Targeted Communes</p>		<p>On-going Financing . Community-Based Disaster Risk Reduction Project (included in Niger DRM and Urban Development Project (P145268)) Planned Financing . CAP 3 (P143079) (already effective) . Niger DRM and Urban Development Project – FY14 (already effective) . Support to Agric. Food Security Programs – 3N & Dispositif Nat.- FY15 (Climate Smart Agriculture project instead, scheduled for FY16)</p>
<p><u>Increase access to quality education as well as vocational and technical training</u></p>	<p>Too few children complete basic education, learning outcomes are low, females have lower access Post-basic education does not respond to the needs of the labor market and youth does not have the skills for employability Lack of skills is also constraining job creation</p>	<p>Improved Education and Employment Skills for Youth</p> <ul style="list-style-type: none"> - Primary completion rate increased from 52% in 2012 to 55% in 2015 - Target updated to reflect the latest development in the sector by increasing the end target from 55% to 60% including girls at 53%; - Youth who completed dual apprenticeship programs increased from 0 in 2012 by 30% in 2015 (with at least 20% of women) Indicator replaced because of an initial formulation issue by “Youth who completed dual apprenticeship programs increased from 0 in 2012 to 800 in 2015” (with at least 20% of women) 		<p>Planned Financing . Basic Education Support Project FY13 (P132405) (GPE - Support to Quality Education Project already effective) . Education Enhancement and Skills Development FY13 (P126049) (ongoing)</p>

<p><u>Promoting social development</u></p> <p>– <u>Extend access to drinking water and sanitation services</u></p> <p><u>Improve the supply and quality of health care services for the population</u></p>	<p>One third of population does not have access to improved water resources and more than 80% without access to improved sanitation services</p> <p>HIV/AIDS is concentrated in high-risk groups (sex workers and partners</p> <p>Because of the low level of use of modern contraceptives, Niger has one of the highest fertility rate in the World (7.1 children per woman)</p>	<p>Increased Access to Water, Sanitation, Health and Population services</p> <ul style="list-style-type: none"> - <i>Number of additional people in selected urban areas provided with access to improved water sources: 480,000 by 2015 (target of 480,000 has been replaced by 509,000 following the Urban Water and Sanitation project's restructuring new indicators)</i> - <i>Number of additional people provided with access to improved Sanitation in selected urban areas: 235,000 by 2015</i> <p><i>Following the Urban Water and Sanitation project's restructuring, Indicator replaced by "Number of additional students provided with access to sanitation services in their schools: 60,000 by 2015"</i></p> <ul style="list-style-type: none"> - <i>Number of sex workers screened for sexually transmitted diseases increased from 0 in 2012 to 5,000 in 2015</i> <p><i>Following the 2nd phase HIV/AIDS Support project's restructuring, Indicator replaced by "Number of sex workers seen at health facilities after referral by NGOs increased from 0 to 5,000 by 2015"</i></p> <ul style="list-style-type: none"> - <i>percentage of modern contraceptive use among women increased from 16% in 2012 to 20 % by 2015</i> 	<p>73,000 new piped household water connections and 30,000 additional latrines constructed by 2015 ("30,000 additional latrines" removed)</p>	<p>On-going Financing</p> <ul style="list-style-type: none"> . Community Action Program CAP 2 (P102354 &P107841) (closed) . Multi-sector Demographic Development Project (closed) <p>Planned Financing</p> <ul style="list-style-type: none"> . Community Action Program CAP 3 (already effective) . Niger DRM and Urban Development Project – FY14 (already effective)
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		<p>Following the 2nd phase HIV/AIDS Support project's restructuring, Indicator replaced by Number of sex workers treated for Sexual Transmitted Infection (STI) increased from 0 to 500 by 2015</p>		
Cross-cutting. Mainstreaming Gender and Strengthening Governance and Capacity for Public Service Delivery				
<p><u>Strengthen credibility and efficiency of public institutions</u></p>	<p>Weak capacity to implement a transparent, efficient, and effective framework for public resource management Weak link between strategic policies and priorities, and the budget Careful management of revenue from mining and oil sectors essential to ensure adequate contribution to Niger's development</p>	<p>Improved Budget Execution and Efficiency - Budget execution ratio of own funded expenditures (actual/budget) increased from 75 % in 2011 to 85 % in 2015 Following team's new evaluation Indicator replaced by Target ratio of own-funded expenditure increased from 75% to 80%</p> <p>Improved Transparency of Sector Budget Allocations Number of budgetary documents published based on the 'Open budget initiative classification' increased from 1 in 2012 to 6 in 2015 Following team's assessment, Indicator replaced by Number of published documents increased from 1 to 2</p>		<p>Planned Financing</p> <ul style="list-style-type: none"> . Support Governance & Capacity Building for Service Delivery Project – FY14 (already effective) . Support to PDES Monitoring and Evaluation System –IDF grant (dropped)

ANNEX 3: Matrix summarizing progress toward CPS Pillars

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
Pillar I. Promoting Resilient Growth				
<p><u>Reduce vulnerability to external shocks through a stable and resilient macroeconomic environment (debt management, revenues collection etc...)</u></p> <p><u>Increase access to finance for SME and boost private investments</u></p>	<p>Weaknesses in revenue administration result in an uneven playing field for economic actors</p> <p>Weaknesses in fiscal and debt management create additional macro-economic risks</p> <p>The 2012 Doing Business report ranks Niger 173th out of 183 countries</p> <p>The cost and time for starting a business in Niger remain high, compared to similar countries</p> <p>Private enterprises, particularly Small and Medium Enterprises (SME) in Niger have limited access to financial services</p>	<p>1.1 Fiscal Performance consolidated</p> <ul style="list-style-type: none"> - <i>Efficiency of tax and customs collections has improved – increase in PEFA rating of performance indicator 15 from D+ in 2012 to C in 2015 On track</i> - <i>Treasury and debt management has improved- increase in PEFA rating of performance indicator 17 from C in 2012 to B in 2015 On track</i> <p>1.2 Improved Investment Climate and Access to Finance for SMEs</p> <ul style="list-style-type: none"> - <i>Average number of new enterprises registered per year increased from 2094 in 2012 to 3000 by 2015 (of which 20 % led by women) 2154 new companies created per year in average between 2013 and 2014</i> 	<p>Strategic plans for customs and tax department implemented</p> <p>Action plan for the reform of debt management developed and implemented</p> <p>Line of credits extended to at least one additional local bank.</p> <p>Reforms that will increase access to financial services for SME developed</p> <p><i>The GoN has adopted a strategy on the development of the financial sector in December 2014 and the Bank is currently supporting the implementation of its action plan. In parallel, a strategy on inclusive finance is set to be adopted.</i></p> <p>At least 3 PPPs established by 2015</p> <p><i>According to the PPP Unit, a dozen of PPP agreements are signed to date</i></p>	<p>On-going Financing</p> <ul style="list-style-type: none"> . Competitiveness & Growth Support Project (P127204) . Third Shared Growth Credit FY14 . Budget support 2014-18 first operation (P151487) <p>Indicative AAA</p> <ul style="list-style-type: none"> . Policy Notes Series on growth & poverty . Financial sector development strategy . Public Expenditure Review -Annual updates . Policy Notes Series on Growth, Gender, Governance and Trade . Debt Management Reform Plan TA <p>Planned Financing</p> <ul style="list-style-type: none"> . Financial Sector Development Program Technical assistance to be funded by trust funds . Agricultural finance component under the Climate Smart Agriculture Project

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
		<ul style="list-style-type: none"> - <i>SMEs Loan Portfolio increased from US\$19 million in 2012 to US\$33 million by 2015(of which 20% are received by female-owned SMEs) No notable progress; matching grant is yet to start</i> 	<p>Action plan for the improvement of the business environment adopted and implemented <i>An Action Plan has been adopted by the GoN and is being currently supported by the Bank</i></p> <p>Investment Climate reforms to modernize the OHADA laws (company law and insolvency law) adopted <i>The GoN is due to give its comments on the draft text by the end of January 2015</i></p>	
<u>Ensure food security and sustainable agriculture development</u>	<p>Yields of main agriculture products are low for all three main crops (millet, sorghum, and groundnuts)</p> <p>Low access to improved technologies and agricultural services (research, extension, training and advisory services)</p> <p>Limited development of water for agriculture (water harvesting and irrigation)</p>	<p>1.3 Increased Agricultural Productivity of Selected Crops in Selected Areas</p> <ul style="list-style-type: none"> - <i>Average yield of cereal crops (millet, sorghum & rice) in targeted rain fed areas increased by 25% by 2015 (Baseline: average yield in kg/ha in 2008-2012 period:</i> <ul style="list-style-type: none"> - <i>Millet: 506;</i> - <i>Sorghum: 354, and</i> - <i>Rice: 5500).</i> <p><i>Excellent progress reported by PUSA 2 and WAPP as follow:</i></p> <ul style="list-style-type: none"> - <i>Millet: 700</i> - <i>Sorghum: 800</i> - <i>Rice: 6500</i> 	<p>At least 90,000 producers have adopted improved agriculture technologies by 2015 (including drought resistant varieties demonstrated in selected area)</p> <p>At least 1,500 hectares of additional area provided with irrigation and drainage services and 1,000 hectares of irrigated area rehabilitated by 2015</p> <p>600 hectares rehabilitated versus 1000 ha</p>	<p>On-going Financing</p> <ul style="list-style-type: none"> - WAAPP-1C Niger Phase 1 (P122065) - Niger Basin Water Resources Program APL1 & APL2A (P1093806) - Agro-Pastoral Export Promotion project (P095210) + FA - Second Emergency Food Security Project (P123567) - Third Shared Growth Credit (P145251) - Transport Sector Program SIM (P101434) + FA - Community Action Program CAP 3 (P143079) <p>Planned Financing</p> <ul style="list-style-type: none"> - Climate Smart Agriculture project scheduled for FY16

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
				- Budget support 2014-18 first operation (P151487) Indicative AAA - Agriculture Risk Management and Inclusive Green Growth TA
<u>Increase access to modern infrastructures (energy, IT, transport, etc...)</u>	<p>Limited geographical reach of broadband networks and high costs of broadband services</p> <p>Low density of the transport networks constitutes a major obstacle to the development of trade</p> <p>Lack of rail connectivity as an obstacle to mine development and livestock trade</p>	<p>1.4 Improved Selected Trade Infrastructures</p> <p>- “Setting up of Dry Port Authority” <i>This indicator has been reached</i></p> <p>- 300 Kilometers of inter-urban roads rehabilitated in targeted areas by 2015</p> <p><i>Reasonable progress on this indicator; major roads are under rehabilitation but works not yet completed.</i></p> <p>- Rehabilitation of Maradi Central Market</p> <p><i>This indicator has been reached; rehabilitated central market of Maradi was completed in 2013 and inaugurated in 2014.</i></p>		<p>On-going Financing</p> <ul style="list-style-type: none"> Niger Basin Water Resources Program APL1 & 2A (P1093806) Transport Sector Program SIM (P101434) <p>Planned Financing</p> <p>Energy Access Expansion - FY16</p> <p>Indicative AAA</p> <ul style="list-style-type: none"> Energy Sector TA
Pillar II. Reducing Vulnerability				
<u>Ensure food security</u>	<p>Cyclical natural disasters, particularly floods and droughts, which affect food security of vulnerable communities.</p>	<p>2.1 Increased Access of Poor and Food Insecure People to Safety Net Programs</p> <p>- <i>At least 100,000 additional households with access to the</i></p>	<p>A management information System for the identification and registration of beneficiary households established</p>	<p>On-going Financing</p> <ul style="list-style-type: none"> Niger Safety Net Project (P123399) Second Emergency Food Security Project Community Actions Program for Climatic Resilience

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
	Severe external shocks have resulted in unanticipated financing needs, including the Libyan and Malian crises	<p><i>safety net programs(the cash transfer and cash for work programs) by 2015</i></p> <p><i>So far, 44,974 additional households have access Safety Net program as of December 2014</i></p>		<ul style="list-style-type: none"> • Niger DRM and Urban Development Project (P145268) • Community Action Program CAP 3 (P143079) <p>Planned Financing</p> <ul style="list-style-type: none"> • Climate Smart Agriculture project (FY16) <p>Indicative AAA</p> <ul style="list-style-type: none"> • Security Sector PER • TA on Social Protection for Resilience
<u>Create the conditions for sustainable development</u>	Sustainable land and water management practices are insufficiently integrated High dependency on rain-fed agriculture and livestock Limited infrastructure to manage water resources Disaster risk management and climatic adaptation are still poorly mainstreamed in development plans	<p>2.2 Increased Adoption of Climate Resilience Policies and Actions in Targeted Communes</p> <ul style="list-style-type: none"> - <i>At least 2000 ha of additional agricultural areas with improved SLM This indicator now exceeds target;, current figure stands at 5,619 ha</i> - <i>At least 5000 ha of additional sylvo-pastoral areas with improved SLM This indicator is currently standing at 1,154 ha</i> - <i>Number of Local Development Plans (LDPs) incorporating climatic resilience increased from zero in 2012 to 25 by 2015. Currently there are 12 LDPs</i> 	Climate information platform for agricultural producers created to improve climate change resilience	<p>On-going Financing</p> <ul style="list-style-type: none"> . Community Actions Program for Climatic Resilience CAPCR (P125669) . Agro-Pastoral Export Program (P095210) + FA . Niger DRM and Urban Development Project (P145268) .CAP 3 (P143079) <p>Planned Financing</p> <ul style="list-style-type: none"> . Climate Smart Agriculture project (FY16)
<u>Increase access to quality education as well as vocational and technical training</u>	Too few children complete basic education, learning outcomes are low,	<p>2.3 Improved Education and Employment Skills for Youth</p> <ul style="list-style-type: none"> - <i>Primary completion rate increased from 52% in 2012 to</i> 	Education Sector Plan completed	<p>On-going Financing</p> <ul style="list-style-type: none"> . GPE - Support to Quality Education Project FY15 . Education Enhancement and Skills Development FY13 (P126049)

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
	<p>females have lower access</p> <p>Post-basic education does not respond to the needs of the labor market and youth does not have the skills for employability</p> <p>Lack of skills is also constraining job creation</p>	<p>55% in 2015; <i>The current figure stands at 56.4 but this outcome cannot be attributed to the GPE project which is effective since December 2014 only;</i></p> <ul style="list-style-type: none"> - <i>Youth who completed dual apprenticeship programs increased from 0 in 2012 to 800 in 2015” (with at least 20% of women) over 600 students have enrolled in dual apprenticeship but none of them have completed the program so far.</i> 	<p>Upgrade of TVET institutions in 4 priority sectors launched</p> <p>On-demand technical training program and dual-apprenticeship program set-up</p>	<p>Indicative AAA</p> <ul style="list-style-type: none"> . Youth Employment and Jobs Study . Service Delivery Indicators TA
<p><u>Promoting social development</u></p> <p>– <u>Extend access to drinking water and sanitation services</u></p> <p><u>Improve the supply and quality of health care services for the population</u></p>	<p>One third of population does not have access to improved water resources and more than 80% without access to improved sanitation services</p> <p>HIV/AIDS is concentrated in high-risk groups (sex workers and partners</p> <p>Because of the low level of use of modern contraceptives, Niger has one of the highest fertility rate in the World (7.1 children per woman)</p>	<p>2.4 Increased Access to Water, Sanitation, Health and Population Services</p> <ul style="list-style-type: none"> - <i>Number of additional people in selected urban areas provided with access to improved water sources: 509,000 by 2015</i> <i>Current figure stands at 444,000</i> - <i>Number of additional students provided with access to sanitation services in their schools: 60,000 by 2015</i> <i>Limited progress: current figure stands at 24,570</i> - <i>Number of sex workers seen at health facilities after referral by NGOs: 3,000 by 2015</i> <i>Current figure stands at 4,325, way over the mark</i> 	<p>450 Additional improved community water points constructed or rehabilitated by 2015</p> <p>73,000 new piped household water connections</p> <p>At least 2,000 people form the HIV/AIDS risk groups receiving peer education by 2015</p> <p>At least 800 Health personnel receiving training on Family planning and Reproductive health issues by 2015</p>	<p>On-going Financing</p> <ul style="list-style-type: none"> . Urban Water and Sanitation Project (P117365) . Community Action Program CAP 3 (P102354 & P107841) . HIV/AIDS Support Project (P116167) . Niger DRM and Urban Development Project (P145268) <p>Ongoing TA</p> <p>Water and Sanitation Program TAs (FY12 – FY15)</p> <p>Planned Financing</p> <ul style="list-style-type: none"> . Population and Health Sector Support project – FY15 <p>Indicative AAA</p> <ul style="list-style-type: none"> . Health Country Status Report . Sahel Demographic study

Country Strategic Objectives (PDES 2012)	Challenges	CPS Outcomes	Milestones	Program instruments
		<p>- Number of sex workers treated for Sexual Transmitted Infection (STI) increased from 0 to 500 by 2015. <i>Current figure stands at 379</i></p>		
Cross-cutting. Mainstreaming Gender and Strengthening Governance and Capacity for Public Service Delivery				
<p><u>Strengthen credibility and efficiency of public institutions</u></p>	<p>Weak capacity to implement a transparent, efficient, and effective framework for public resource management Weak link between strategic policies and priorities, and the budget Careful management of revenue from mining and oil sectors essential to ensure adequate contribution to Niger's development</p>	<p>3.1 Improved Budget Execution and Efficiency - Budget execution ratio of own funded expenditures (actual/budget) increased from 75 % in 2011 to 90 % in 2015 <i>actual ratio for 2014 is 77%</i> - Share of public procurement contracts awarded through competitive bidding maintained above 75 % <i>Currently above 75%</i></p> <p>3.2 Improved Transparency of Sector Budget Allocations</p> <ul style="list-style-type: none"> Number of budgetary documents published based on the 'Open budget initiative classification' increased from 1 in 2012 to 6 in 2015 <i>Only one document published so far</i> <p>3.3 Improved Transparency in the Mining and Oil Sector <i>EITI Reports published annually Reports are published regularly every 2 years since Niger became eligible; 2012 report was published in December 2014</i></p>	<p>National Capacity strengthening Plan adopted by 2014</p> <p>PFM information system improvement plan adopted Operational results-based M&E framework established at national and key sectors Performance-based budgeting framework adopted Number of high level officials recruited through competitive selection</p>	<p>On-going Financing</p> <ul style="list-style-type: none"> Reform Management TA (P108253) Competitiveness & Growth Support Project (P127204) Support to Cour des Comptes (IDF) Support to Procurement Office - ARMP (IDF) Capacity for Service Delivery Project (P145261) <p>Indicative AAA</p> <ul style="list-style-type: none"> Public Expenditure Review -Annual updates Gender Assessment Education and Health Service Delivery TA

ANNEX 4: Update on Program Deliverables (in yellow new items – in red dropped items)

Operations according to Fiscal Year (FY)	Source of Financing (US\$ million)			CPS Pillars and Foundation			Status	Key Knowledge Products ¹²
	IDA	TF	IFC	Pillar I: Promotion of Resilient Growth	Pillar II: Reducing Vulnerability	Foundation: Mainstreaming Gender and Strengthening Governance and Capacity for Public Service Delivery		
FY13								
Shared Growth Credit II	50			X			Approved and disbursed	<ul style="list-style-type: none"> Local Development (Kandadji) TA (ongoing) GAC Strategy & Inst. Develop. TA (delivered) Policy Notes Series¹³ (delivered) PEMFAR Update (delivered) Advisory on Rural Finances (delivered) Social Protection Bldg Resilience TA Gender Assessment I (delivered) Debt Management Reform Plan TA (ongoing) EITI – Post Compliance TA (delivered) IFC – PPP/Niger Dry port TA (delivered) IFC – Access to Finances – AMSME (in progress) IFC- Pilot Program for Climate Resilience (in progress)
Community Action Program 3	40	4.5			X	X	Approved on May 24th 2013 and effective in June 7th 2013	
Support to Transport Sector - AF	19.5				X		Approved and effective since Jan. 14 2014	
Education Enhancement & Skills Development	30				X		Approved and effective since October 28th 2014	
Manufacturing, Agribusiness & Services			0.5	X			SFI in identification process of potential investment opportunities	
Asset Management Company – Loan			1.6	X			US\$2.4mn committed by IFC and AMC	
Global Trade Finance Program			4.0	X			US\$4mn credit line approved since FY14	
Sub-Total FY13	139.5	4.5	6.1					
First Pt of the Second Phase of the Niger Basin Water Res. Development and Sustainable Ecosystems Mgt Program	200 (regional)			X	X		Approved in October 2012 and effective in March 13th, 2013	
Grand Total FY13	350.1 (150.1)							

¹² Planned knowledge products are sequenced in a way to help the preparation of related lending in the following FY

¹³ Policy Notes Series will be demand driven intended to provide real time advice in the CPS focus areas and expand the space of policy options considered in the policy dialogue including Growth, Gender, Governance, Trade

Operations according to Fiscal Year (FY)	Source of Financing (US\$ million)			CPS Pillars and Foundation			Status	Key Knowledge Products ¹²
	IDA	TF	IFC	Pillar I: Promotion of Resilient Growth	Pillar II: Reducing Vulnerability	Foundation: Mainstreaming Gender and Strengthening Governance and Capacity for Public Service Delivery		
FY14								
Shared Growth Credit III	70 (50)			X			Approved on March 21st, 2014 and disbursed in July 2014	<ul style="list-style-type: none"> Policy Notes Series (delivered) Debt Management Reform Plan TA (delivered) Regional Railways Program TA (partially delivered through PRACC) Security Sector PER and Fiduciary Review (delivered) Country Status Report for Health (delivered) Education and health service delivery TA (started in FY15, ongoing) Gender Assessment II (delivered) Agriculture Risk Management and Inclusive Green Growth TA (delivered) Programmatic Study on PFM/Procurement Bottlenecks to Service Delivery (delivered)
Global Partnership for Education		84.2 (82.7)			X		Approved on July 7 th , 2014 and approved in December 2014	
Sup to Governance & Capacity for Service Delivery	40 (20)					X	Approved on March 31 st , 2014 and effective since Sept. 29 th , 2014	
WARCIP - Regional WA Com. Infrastructure	10						Dropped and money reallocated to the Governance and Capacity for Service Delivery Project	
Niger DRM and Urban Development Project	100	6.6			X		Approved on Dec. 11 th , 2013 and effective since August 15 th , 2014	
Sub-Total FY14	210 (180)	90.8 (89.3)						
Additional financing Kandadji Growth Pole APL 2A	55 (regional)			X	X		Approved on May 29, 2014 and effective in December 2014	
Grand Total FY14	356 (269.3)							
FY15								
Additional financing PRODEX (\$10m recouped from WARCIP)	13.8 (10)			X			Approved on July 7 th , 2014 and effective in November 2014	
Public Investment Reform Support Credit I	0 (50)						PIRSC 1 slipped in FY16	<ul style="list-style-type: none"> Policy Notes Series (ongoing) PER Update (ongoing) Sahel Drylands Flagship Report (ongoing) Sahel Demographic Study (ongoing) Youth Employment and Jobs Study (ongoing)
Population and Health Support	103 (116)						Approval scheduled on May 2015	

Operations according to Fiscal Year (FY)	Source of Financing (US\$ million)			CPS Pillars and Foundation			Status	Key Knowledge Products ¹²
	IDA	TF	IFC	Pillar I: Promotion of Resilient Growth	Pillar II: Reducing Vulnerability	Foundation: Mainstreaming Gender and Strengthening Governance and Capacity for Public Service Delivery		
Sub-Total FY15	116.8 (166)							
Sahel Women Empowerment and Demographic Dividend Project	53.6 (regional)				X		Approved on December 18, 2014	
Regional Sahel Pastoralism Support Project	45 (regional)			X			Board scheduled for May, 2015	
Sahel Malaria and Neglected Tropical Diseases	37 (regional)				X		Board scheduled on June 9, 2015	
Grand Total FY15	252.4 (166)							
FY16								
Public Investment Reform Support Credit II	80						Board scheduled for FY16	<ul style="list-style-type: none"> • Policy Notes Series • PEMFAR Update and Monitoring • Systemic Country Diagnostic
Climate Smart Agriculture Program	111 (116)						Board scheduled for FY16	
Regional DPO to spur transport reforms	TBD						Not scheduled - removed	
Electricity Access Expansion Project	65						Board scheduled for FY16	
Sahel Social and Adaptative Protection Program	TBD							
Sahel Irrigation Development Program	TBD							
Sub-Total FY16	256 (166)							
Overall Total	1,214.5 (751)	90.8 (89.3)	6.1					

ANNEX 5: Outcomes of the PLR Consultations and Survey

Two major series of consultations were held as part of the mid-term review of the strategic partnership framework (CPS) between Niger and the World Bank. The first involved members of Cabinet and took place on January 28th at Hotel Gaweye while the second, involving technical and financial partners (TFPs), took place on the premises of the Resident Mission.

The meeting with members of government brought together almost 70 participants and provided an opportunity to put across a number of very strong points:

- **Water supply:** a call was made for more sustained investment in rural water supply and sanitation. The area of rural water supply had been somewhat neglected for a number of years, but a strategy document has now been drafted. The impact in this area is more perceptible than in urban water supply because in economic terms, the terms of trade between farmers and livestock farmers are in favour of livestock farming. More and more people, including women, are getting involved in this promising sector. Where sanitation is concerned, spending on health could be reduced significantly if investments in this sector are increased.

- **Mines/Industrial development/Trade/Private sector:** enhancing intra-governmental Coordination was identified as a necessary step towards effective ownership of the PDES and its implementation.

- **Population/Demography:** because gender is a cross-cutting issue but at the same time one that is often swamped by other concerns in the various sectors, it is difficult to effectively mainstream this issue in project implementation. Under the Population and Health project, the emphasis must be on basic community services and grassroots services and on promoting the use of implants rather than conventional contraceptives. Furthermore, in working with adolescent girls, it is important to adopt an approach that takes account of the fact that a vast majority of them are already married.

- **Education:** including the contingencies component in drafting projects is an excellent way of dealing with repeated risks.

- **Agriculture/3N Initiative:** the strategic priorities remain the same, namely food security, Improving the resilience of production systems and ensuring agricultural growth. Promoting job creation in the agricultural sector can contribute to reducing insecurity generally, in particular for young people. In this regard, the establishment of the *Maison du Paysan* (Farmers' centre) has been valuable because it provides an integrated response to all the needs of farmers (inputs, equipment, cereals bank, etc.)

- **Social safety nets programme:** the current approach needs to be strengthened to improve the resilience of the household and communities covered by the Government program.

- **Ministry of Equipment:** It is essential to invest in the road sector, especially focusing on building rural roads, in particular in the so-called sensitive areas, in order to overcome the challenges of insecurity.

- **Governance:** in order to ensure more effective implementation of the PDES to meet its

Objectives both leaders and citizen must change their mentalities. Bringing about behaviour change is a vast, but essential undertaking, as has been demonstrated by the unfortunate events in Zinder and Niamey on January 16th and 17th that must draw the attention of all.

- **Planning/Community development:** If real results are to be achieved, the strategy used must be inclusive and not limited to a sector. It is essential to invest in capacity building and programming to enhance project design capacity within ministries. The technical assistance and advisory unit that is expected to be established through the Bank-supported capacity building project is a key means of contributing to this effort.

- **Kandadji Project:** the members of the Cabinet recognize that all of obstacles are internal and not external.

- **Concluding remarks:**

- The increasing need for additional resources can only be justified if it translates into tangible results on the ground. Unfortunately the relatively low absorption rate means that we cannot expect the already substantial commitments to be raised significantly.
- Projects are now quite sizeable, involving substantial amounts
- The issue with project preparation needs to be fixed
- Projects need to be consolidated in order to achieve tangible results and reach a greater number of beneficiaries
- Implementation of the Kandadji programme needs to be accelerated

For its part, the meeting with the TFPs focused on the following key points:

- The World Bank should continue to act as a catalyst with government, in particular in the area of methods of intervention, in order to ensure that finances are harmonised;
- The strategic importance of security in the Sahel and the need for TFPs to carry out an analysis to take account of the potential economic and social implications for Niger;
- Deteriorations in the socio-political landscape since August 2013;
- The problem of resource absorption, rather than the volume of such resources;
- Lack of a public policy in a number of sectors such as population, energy, etc.
- It is important for major donors such as the World Bank and the European Union to be more structured and to keep other TFPs informed about the design and preparation of projects.
- The inadequate resources allocated to the education sector, which is one of the obstacles hampering national development.
- The importance of taking account of the informal education sector. 73% of girls aged between 15 and 19 years are illiterate; it is essential to reach these girls who are not in the formal sector.
- The absence of civil society organisations in many projects; their involvement needs to be increased.

- The World Bank is requested to play a leadership role in ensuring that the formal framework for consultation on the 3N Initiative is effectively put in place.
- The demographic issue, which remains a major challenge in spite of the growing awareness within the region, with the involvement of parliamentarians and traditional chiefs.
- The need to speed up the process of overall capacity enhancement through the government's capacity enhancement programme, PAPMO.

Key findings of PLR survey FY2015

The FY'15 Niger PLR Survey findings are worthwhile as a snapshot into the views of a small, targeted group of WBG key counterparts selected by the country team to provide their views on performance of the current WBG program in Niger and its future strategic directions. These findings are useful in combination with the ongoing consultations that the country team has with stakeholders in the government and those outside of government.

The PLR Survey is a mid-stream review that allows the country team to identify red flags during the program implementation and respond to them in a timely manner rather than waiting for the full three year cycle of the Country Opinion Survey (COS) Program. When possible, the FY'15 PLR Survey findings are compared to the FY'13 Niger COS findings in the report.

As indicated in the Methodology section (see page 3 for details), two levels of stakeholders participated in the PLR Survey: 1) WBG's key counterparts invited by the country team via email ('email' respondents); and 2) broader audience invited to the survey via the WBG website ('website' respondents). The body of this report focuses primarily on the 'email' respondents. The detailed data across different stakeholder groups can be found in the Appendix.

Key findings include:

Development priorities: Public sector governance and education are seen as top development priorities for Niger by the 'email' respondents. In contrast to the FY'13 COS, food security is also indicated as a top priority, especially by the 'website' respondents. This is emphasized by the findings as well that respondents would like to see the WBG's focus on agriculture and rural development to a greater degree than they did in FY'13. This is potentially a worthwhile area and finding for follow up as it may suggest underlying concern. This year governance and education were also identified as top priorities but education to a much greater degree across all stakeholders.

Current program performance: Overall, *effectiveness* ratings that 'email' respondents gave to the WBG program's strategic directions are not high, including top development priority areas (see pp. 14-16 for details). While the WBG's support under the *Reducing Vulnerability* pillar (with sectoral focus on water, health, education, safety nets) received relatively higher ratings, the WBG's effectiveness in *Governance* was rated around the mid-point of the 10-point scale, and the lowest ratings in the survey were related to the WBG's work on *Gender*.

WBG instruments: Stakeholders value the WBG for its financial resources, and investment lending is seen as the most effective instrument in the WBG's work. Capacity development is considered very important instrument across all stakeholder groups, and a third of 'email' respondents believe that the WBG should increase the level of capacity development in Niger to

make itself of greater value in the future. It is worth noting that nearly 40% of WBG's key counterparts and 50% of respondents from broader audience reported that the WBG does not act sufficiently to help the poorest in Niger.

