Report Number: ICRR0024172

1. Operation Information

Operation ID P175256	**Operation Name** Niger Building Capital DPO
Country Niger	**Practice Area (Lead)** Macroeconomics, Trade and Investment

Non-Programmatic DPF

L/C/TF Number(s) IDA-70090,IDA-D9400	**Closing Date (Original)** 30-Jun-2023	**Total Financing (USD)** 245,267,830.24
Bank Approval Date 10-Dec-2021	**Closing Date (Actual)** 30-Jun-2023	

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	250,000,000.00	0.00
Revised Commitment	250,000,000.00	0.00
Actual	245,267,830.24	0.00

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2. Program Objectives and Pillars/Policy Areas

a. Objectives

The Niger Building Institutions and Human Capital Development Policy Operation (DPO) was a standalone operation. Its Program Development Objective (PDO) as stated in its Program Document (PD) was to: (i) strengthen economic governance; and (ii) develop human capital and reduce gender gaps.

The PDO was set at a much higher level than the operation's prior actions (PAs), complicating the articulation of a credible results chain linking the set of PAs to the PDO. This ICRR will restate the PDO objectives as de facto objectives that better align with the scope, ambition of the PAs, and move PA3 on sanitation to PDO2.

For this ICRR, the objectives of the operation against which outcomes will be assessed are taken to be:

PDO1: Improve state-owned enterprise (SOE) governance and public investment management (PIM).

PDO2: Support human capital development.

b. Pillars/Policy Areas

The series had two pillars.

Pillar 1 focused on strengthening economic governance through (i) enhancing the oversight and management of SOEs, (ii) improving the efficiency and effectiveness of public investments through the development of a PIM framework, and (iii) establishing a regulatory framework for sustainable management of the water and sanitation sector. Strengthening the regulatory and institutional framework for SOEs would improve their management and enhance fiscal risk oversight. The selection and review of public investment projects would benefit from a clear and rigorous appraisal procedure, including environmental considerations based on international standards. Additionally, specific regulations for the sanitation sector and taxation rules for clean water usage in industrial activities were seen as crucial for expanding access to water and sanitation.

Pillar 2 sought to develop human capital and reduce gender gaps through (i) encouraging teachers to work in remote, rural, and difficult areas by establishing criteria for deployment and transfers, including incentive mechanisms; (ii) improving the quality of technical and vocational education and training (TVET) by setting up rules for the collection and use of financial resources by TVET institutions, as well as determining the amount and conditions under which apprentices receive an allowance during their apprenticeship contract; and (iii) expanding access to comprehensive reproductive health education and information classes for adolescent girls and boys through the creation of reproductive health classes in secondary schools.

c. Comments on Program Cost, Financing and Dates

The operation, approved on December 11, 2021, was financed with an International Development Association (IDA) Grant of US$125 million equivalent on standard IDA Grant terms and an IDA Credit of US$125 million equivalent on standard IDA Credit terms. It became effective on December 22, 2021, and closed on June 30, 2023. The amount disbursed was US$245,267,830. The difference with the approved US$250 million was due to exchange rate fluctuations between approval and disbursement dates.

3. Relevance of Design

a. Relevance of Objectives

Country Context

At appraisal, Niger was experiencing its first democratic political transition. The new government initiated its development agenda amid fragile institutions, escalating regional insecurity, and long-standing structural development challenges. Concurrently, the pandemic slowed gross domestic product (GDP) growth and reduced the government's fiscal space. For the new government, it was urgent to define a reform agenda and develop a strategic action plan to tackle some of the key bottlenecks around fragility and inclusive growth. The new government requested assistance from the International Monetary Fund, the World Bank (WB), and other partners.

Relevance of Objectives

The DPO supported the government's objectives of sustaining achievements in the preceding years, reinforce capacities and institutions and to bridge the financing gap" (ICR p. 8).

Relevance to the Country Partnership Framework (CPF) and country development strategy

To support strong and inclusive growth, it was important to improve economic governance and institutional frameworks, particularly in SOEs and PIM, and to continue strengthening human capital and addressing gender disparities. The reforms were in harmony with the vision of Niger's new government to promote inclusivity and enhance gender equality metrics and aligned with the findings of the Systematic Country Diagnostic (SCD), (ICR p. 8). However, the 2017 SCD does not refer to SOEs. It does refer to the other elements of this DPO including public investment, sanitation, education, and the fertility rate. The operation supported two of the three Focus Areas identified in the FY18-22 CPF: (i) improving human capital and social protection; and (ii) better governance for jobs, service delivery, and growth. Various pieces of analytical work and technical assistance (TA) that support the DPO's reforms, (ICR p. 9). Additionally, the reforms in SOEs, fiscal management, education, and the water sector reinforced and expanded on the progress made in previous DPOs. A standalone operation was chosen given the recent political transition (the new government resumed office in April 2021). This standalone operation was subsequently followed by a new programmatic DPF series of two operations, with the first operation of US$350 million approved in December 2022. The second operation was under preparation in 2023 before the coup d'état in July 2023.

b. Relevance of Prior Actions

Rationale

The DPO had six PAs across two objectives, containing 11 sub-actions.

Table 1: Prior Actions (PAs) of the Niger Building Capital DPO

PDO1: Improve SOE governance and public investment management
PA1: To reduce fiscal risks and to enhance the performance of SOEs, the Recipient's Minister of Finance has issued: (i) a Decree defining Public Enterprises, placing them under the financial supervision of the Ministry of Finance (MoF) by allowing its access to financial and budget information on Public Enterprises' performance, and mandating the disclosure of an annual report on Public Enterprises' financial and non-financial situation on the MoF's official website; and (ii) a Decree specifying arrangements for supervision, governance, and control of Public Establishments and placing them under the financial supervision of the MoF by allowing its access to financial and budget information on Public Establishments' performance, and mandating the preparation of an annual report on Public Establishments.

PA2: To improve the efficiency, effectiveness, and equity of public investments, the Recipient, through its Minister of Planning, has issued a Ministerial Order: (i) creating the Committee for Public Investment Program Analysis and Eligibility responsible for the evaluation, selection, and prioritization of public investments needs; and (ii) establishing a unified procedure for the assessment and selection of public investment programs and projects, with mandatory feasibility studies prior to the selection of any new projects or programs, based on criteria specified in said Ministerial Order, including, inter alia, environmental feasibility study of new projects to ensure compliance with environmental standards and procedures.
PDO2: Support human development
PA3: To expand sanitation coverage and protect water quality, the Recipient, through its Minister of Water and Sanitation, has issued a Decree (the water code): (i) specifying the types of installations, facilities, works and other activities which are subject to either prior authorization or licensing (“concession”), and subject to either environmental impact assessment or environmental impact statement, in order to have the rights to use water; and (ii) establishing the financing mechanisms applicable to said installations, facilities, works and other activities, including the polluter pays and user pays principles applicable to collective use of water and collective management of sewage and waste.
PA4: To improve the recruitment, training and deployment of teachers, the Recipient, through its Minister of National Education, has issued: (i) a Ministerial Order (Arrêté) establishing standards, conditions, and criteria for deployment, assignment, and transfer of said Minister staff; (ii) a Ministerial Order (Arrêté) specifying new criteria for the recruitment and management of the teaching staff of "Ecoles Annexes."
PA5: To strengthen the quality, management, and efficiency of the technical and vocational education training system, the Recipient, through its Minister of Technical and Vocational Education Training and its Minister of Finance, has issued: (i) a joint Ministerial Order (Arrêté) defining the rules for the collection, use, and management of the financial resources of the technical and vocational education training institutions; (ii) a joint Ministerial Order (Arrêté), setting forth the amount and eligibility criteria of the monthly allowance received by any apprentice during an apprenticeship contract.
PA6: To accelerate the decline of the fertility rate and reduce early pregnancy, the Recipient, through its Minister of National Education and Minister of Public Health, Population and Social Affairs, has adopted a joint Ministerial Order (Arrêté) establishing School Health Clubs in charge of providing comprehensive reproductive health education and information in all secondary schools of the Recipient’s territory, to promote access to reproductive health education and services for adolescents.

PDO1 -- Improve SOE governance and PIM

PA1: The two decrees addressed fiscal risks associated with SOEs. Niger has 164 SOEs. Limited insights into their debt, outdated legal frameworks, and subpar financial reporting contributed to significant fiscal risks. Government-backed loans to four SOEs represented about four percent of GDP. While benefiting from tax exemptions and receiving increased budget transfers, SOEs undercut market prices, which distorted markets and strained private sector development. PA1a would define Public Enterprises, place them under the financial supervision of the MoF by allowing its access their financial and budget information, and mandating the disclosure of an annual report on Public Enterprises’ financial and non-financial situation, such as human resources, procurement, investment projects, debt, and fiscal support, constituted a step toward more transparency. PA1b mirrored this for Public Establishments by specifying arrangements for their supervision, governance, and control and placing them under the financial supervision of the MoF by allowing its access to Public Establishments financial and budget information and mandating the preparation of an annual report. Thus, PA1a and PA1b would strengthen oversight, data collection, financial reporting, and risk management of

Public Enterprises and Public Establishments respectively with the aim of bolstering economic efficiency and promote private sector-led growth. The PA could have been further strengthened by requiring an independent administrative authority such as the Audit Office (Cour des Comptes) to authenticate ex-post the accuracy of the information provided by SOEs. Relevance of PA1a: **Satisfactory (S).** Relevance of PA1b: **Satisfactory (S).**

PA2: The ministerial order strengthened the processes for evaluating and selecting public investments. Niger trailed its peers in managing public investments, with gaps in public-private partnerships (PPPs), contracting, and funding. Despite a higher public investment-to-GDP ratio, which held the potential for substantial returns with proper investments and management, Niger's per capita capital stock was the lowest in the region. Significant deviations between planned and actual spending indicated space for investment cycle efficiency improvements. To address this PA2a created the Committee for Public Investment Program Analysis and Eligibility which is responsible for the evaluation, selection, and prioritization of public investments needs. PA2b established the unified procedure for this assessment and selection of public investment programs and projects. PA2b builds well on PA2a and should ensure better project appraisal, prioritization, and execution, as well as greater transparency eventually, improve public investments' impact on access to services, job creation, and climate resilience. The PAs are thus likely to make a major contribution to the achievement of PDO1. Relevance of PA2a: **Satisfactory (S).** Relevance of PA2b: **Satisfactory (S).**

PDO2 -- Support human capital development

PA3: Establishing regulations was essential to managing the treatment of waste and ensuring the financial sustainability of the sanitation sector. Access to water and sanitation lags in Niger compared to regional peers. To address this development constraint, public sanitation infrastructure will need to be prioritized in strategic high-use areas. This requires a strong regulatory environment for managing the treatment of wastewater, fecal sludge, and waste to limit the possible contamination of water resources and safeguard water quality, mainly in urban areas. This reform established regulation of fecal waste and sludge and defined the financial mechanisms to support a sector unable to address the challenges it faces. Ensuring financial sustainability is key to the development of infrastructure and its capacity to contain and treat wastewater and fecal sludge. The reform sought to clarify key responsibilities concerning the financing of the sector (public and private sanitation, participation of the private sector in operation and maintenance) as well as the types of norms and authorizations required for the management of wastewater, allowing for greater participation of the private sector as well as opening the possibility of developing new value chains around those activities. Relevance of PA3: **Satisfactory (S).**

PA4a: It was crucial to improve the recruitment, training, and deployment of teachers to progress on Niger's education outcomes. The education system was challenged by a lack of adequately trained teachers and a dependence on contract-based teaching staff, which impeded consistent recruitment and retention. This was further complicated by the unequal distribution of teachers across regions. To address these issues, it was important for the Ministry of Education to develop comprehensive strategies for teacher training, recruitment, and equitable deployment, and to adopt strategic management tools to improve educational outcomes. The PA aimed to increase transparency and accountability in transfer decisions and achieve the following goals: encourage teachers to work in remote, rural, or difficult areas by offering support for their return to preferred locations; ensure fair and transparent transfer decisions; and ensure that all schools have the necessary workforce at the beginning of the school year. The reform introduced bonuses in the form of points throughout a teacher's career for years of service in more challenging areas, making it easier for them to transfer to more attractive areas or positions and recognize the value of their service in those areas. It was well-tailored to address the distribution and incentivization of teachers. Relevance of PA4a: **Satisfactory (S).**

PA4b: Specifying new criteria for the recruitment and management of teaching staff was relevant. The ministry adopted new criteria for the recruitment and management of teaching staff in "Ecoles Annexes" to enhance the quality of teachers' pre-service training. The PD states that Teacher Training College staff were not adequately trained and did not have the competencies to teach aspiring teachers, yet it also cites the Teacher Training Colleges' overall poor organizational capacity to conduct their mission. PA4b thus addresses only one driver of teacher underqualification. Additionally, as the measure focuses on recruiting new Teacher Training Colleges staff, its impact on overall teacher performance is unlikely to materialize quickly. Relevance of PA4b: **Satisfactory (S).**

PA5a: While defining the rules for financing TVET is beneficial, it is only partially addressing the objective of strengthening the quality, management, and efficiency of the TVET system. Due to limited access to quality education, 90 percent of Niger's youth enter the job market without qualifications. Niger has set itself the objective of raising the enrollment rate in TVET to 40 percent of post-primary education students. TVET could effectively address youth employability but suffers from low effectiveness and efficiency in the system's financing. The formal TVET is characterized by poorly adapted professional streams, curricula, and teaching methods, overcrowded and underequipped workshops, a weak system of governance, and inadequate funding. Although Law No. 2015-22 entitles educational institutions to manage their own budgetary resources, budgets remain managed centrally by the Ministry of TVET, limiting TVET institutions' ability to adapt to provide quality training. PA5a aimed to accelerate the implementation of Law No. 2015-22, allowing TVET institutions to collect and use their own financial resources and thereby providing them with a sustainable source of financing. However, more recent developments, discussed in the ICR under Risks to Outcomes, indicate that this was not sufficient to guarantee reliable TVET financing. Relevance of PA5a: **Moderately Satisfactory (MS).**

PA5b: Ensuring TVET apprentices receive a monthly allowance facilitates the expansion of training to rural areas and the poorest households who could not otherwise afford the opportunity cost of dedicating time for training. However, the ICR acknowledges that the PA could have been strengthened by adding an element on the TVET content. Ensuring that vocational training is expanding to rural areas and poor households is important, but it does not guarantee the quality of training, i.e., that training is aligned with private sector needs, nor better management or efficiency of TVET. Relevance of PA5b: **Moderately Satisfactory (MS).**

PA6: Niger's fertility rate is the highest in the world, causing a significant burden on girls and women and all of society. Reducing the fertility rate would require combating child marriage, reducing early childbearing, empowering girls, and improving girls' educational attainment. High rates of child marriage and girls' lack of access to family planning increase the likelihood of multiple pregnancies and limit educational attainment. To intensify efforts to reduce gender gaps and keep adolescent girls in school, multisectoral education is crucial, namely the integration of Comprehensive Sexuality Education (CSE) into the school curricula of middle and high schools. PA6 aimed to do this by mandating the creation in secondary schools of comprehensive reproductive health education and information classes, thus building on reforms introduced by a preceding DPO series. This PA could have been strengthened by adding a financial component, reducing the cost to access, or even offering free contraception, and extending the scheme to other groups, as the role of the family and social norms is just as important as self-conscientization. Relevance of PA6: **Satisfactory (S).**

Rating

Satisfactory

4. Relevance of Results Indicators

Rationale

Seven of the eight results indicators (RIs) were rated MS or higher, while one was rated Unsatisfactory.

Table 2: RIs by Objective and PAs; baseline and target values; status and achievement

Results indicator (RI)	Associated PAs	RI Relevance	Baseline	Target	Actual Value as of Target Date	Actual Change in RI Relative to Targeted Change	RI Achievement Rating
PDO1: Improve SOE governance and public investment management							
RI1: Percentage of SOEs covered by the annual SOE portfolio report (% of the number of total SOEs covered by the report with at minimum information on their workforce and financials, including debt arrears).	1	MS	0 (2020)	80% (2023)	23 out of 47 SOEs (48.9 percent).	61%	Modest
RI2: Number of multiyear performance agreements signed between the MoF and SOEs and published on the MoF website (cumulative).	1	S	0 (2020)	8 (2023)	1 (2023)	13%	Negligible
RI3: Percentage of the total number of budgeted public investment projects that have been assessed and evaluated according to the new selection criteria.	2	S	0 (2020)	30% (2023)	45.9% (2023)	153%	High
PDO2: Support human capital development							
RI4: Number of public urban large sanitation infrastructures for the containment and treatment of fecal sludge of which at least 50 percent have public private participation for	3	MS	1, and has PPP (2020)	4, out of which 2 have PPPs (2023)	1 Septage Treatment Plant in operation (SBVT) and is managed	0%	Negligible

operation and maintenance (O&M).					through a PPP. (2023)		
RI5: Consistency of primary schools' teachers' deployment	4	U	Initial Baseline (2020): 0.71 Revised baseline: 0.8 (2019)	Initial Target (2023): 0.8 Revised target: 0.9	0.76 (2023)	-40%	Negligible
RI6: Number of young people direct beneficiaries of the *Fond d'Appui à la Formation Professionnelle et à l'Apprentissage* (FAFPA): youth trained by training institutions supported by the *Fond d'Appui à la Formation Professionnelle et à l'Apprentissage* (FAFPA).	5	MS	34,000 (2020)	83,000 (2023)	87,905 (2023)	110%	High
RI7: Contraceptive use among adolescent girls (% of 15-19 years).	6	MS	5.5% (2020)	6.5% (2023)	18.7% of girls 15-20 years old (2023)	1320%	High
RI8: Percentage of secondary schools providing comprehensive reproductive health education and information classes.	6	S	2% (2020)	15% (2023)	No data provided (2023)	0%	Negligible

Note: Achievement ratings in the table reflect the level of achievement based on actual change relative to the targeted change of the RI. Where the achievement rating is shown in brackets, the RI is not deemed adequate for assessing achievement, and the ratings have been adjusted (noted in the Efficacy section).

PDO1: Improve SOE governance and PIM

RI1: The report that informed the setting of the target for SOEs in RI1 was not fully accurate; while it identified 164 SOEs, the ICR workshop revealed that only 47 of those were actual SOEs with the capacity to provide minimum information on their workforce and financials. The remainder were other public entities. The workshop helped obtain a clearer definition of SOEs to assess progress against the RI1 target. However, if so written, RIs 1 and 2 could have covered other public agencies apart from SOEs, such as *Etablissements public à caractère administrative* (public establishments of an administrative character), which also present significant fiscal risks. While aiming for 50 percent coverage of SOEs in the first report was a commendable starting point for RI1, a focus on the quality of reporting over quantity could have been considered. This could have been done by specifying "X percent of the largest SOEs," to ensure inclusion of major entities such as Nigelec, Telecom, and Spen. Choosing a lower percentage but targeting the most relevant SOEs could have ensured more impact on fiscal risks. Relevance of RI1: **Moderately Satisfactory (MS).**

RI2: The RI was well designed to measure the impact of PA1 further along the results chain than RI1, and as far as possible along the results chain, considering the 18-month project duration. The MoF lacked an SOE Directorate, which, once it was set up after delays caused by the change of government, consisted of only one person. Consequently, even a target lower than eight performance contracts would have been difficult to achieve. Relevance of RI2: **Satisfactory (S).**

RI3: RI3 is well defined and adequately measures the impact of PA2. Relevance of RI3: **Satisfactory**.

PDO2: Support human capital development

RI4: PA3 aimed to clarify key responsibilities concerning the financing of public and private sanitation, as well as the types of norms and authorizations required for the management of wastewater. This was intended to allow for greater participation of the private sector. As such, RI4, which captures an expansion of sanitation infrastructure, could have been a valuable higher-level indicator. However, PA3 could have benefitted from a complementary RI to capture more immediate outputs. Relevance of RI4: **Moderately Satisfactory (MS)**.

RI5: Consistency is calculated from the correlation between the number of pupils and the number of teachers in a school. The closer the degree of consistency is to 1, the more equitable and rational teacher allocation is in schools from the standpoint of the number of pupils enrolled. Conversely, the lower the degree of consistency, the more the problems of coherence in teacher allocation are visible and reveal the weaknesses of the management systems. This data is generated by UNESCO. RI5 relevantly measures PA4a, which covers teacher deployment, assignment, and transfer. However, the concept of "consistency" is not well-known and proved difficult to explain, making it less understandable to stakeholders during implementation. It would have been preferable to choose an indicator that was more easily understandable. More importantly, RI5 did not address PA4b, which involves the recruitment and management of teaching staff. Additionally, the baseline for RI5 was erroneously based on 2016-2017 data, despite data being published annually and existing data from 2019 showing that the target for 2022-2023 had already been met. Relevance of RI5: **Unsatisfactory (U).**

RI6: RI6 captures the TVET system expansion and the increase in young people trained by the TVET system. While RI6 is suited to assess the expansion of the TVET system, it lacks qualitative dimension. More young people trained but poorly trained would not be a system improvement. Relevance of RI6: **Moderately Satisfactory (MS)**.

RI7 and RI8: Both RIs aimed to measure both immediate and more advanced outcomes of PA6. However, RI7 on contraceptive use, is further down the results chain and could be impacted by other factors beyond the control of the PA, such as the availability of contraception or the prosperity of families of adolescent girls. Additionally, while RI7 considered: “Contraceptive use among adolescent girls (percent of 15-19 years)," the data gathered through the National Health Information System is only available for girls 15 to 20 years old, creating a mismatch between the target and actual data. Regardless of the definition, the target for the RI7 appears to have been set low. The ICR states that the 5.5 percent 2020 baseline reflects the pandemic's impact on health service usage, given that in 2021, already 7.57 percent of girls under 15-20 years old used modern contraceptives (ICR p. 17). Considering the data challenges of a low capacity/FCV environments this does not affect the rating. Relevance of RI7: **Moderately Satisfactory (MS)**. Relevance of RI8: **Satisfactory (S)**.

Rating

Moderately Satisfactory

5. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Improve SOE governance and PIM
[PAs 1 and 2, RIs 1 to 3]

Rationale

With one out of three RIs rated negligible, the efficacy of Objective I is rated **Moderately Unsatisfactory**.

RI1: The target was for the annual SOE Portfolio report to cover 80 percent of SOEs with at least minimum information on their workforce and financials, including debt arrears. The eventual report covered 84 public entities, including an in-depth analysis of 23 SOEs, as per decree no. 0576 of December 29, 2020. It was published online on May 10, 2023, at the MOF website http://www.finances.gouv.ne/index.php/actualites/publications-du-ministere/file/1046-niger-rapport-eep-2021. With 48.9 percent of SOEs covered, the RI fell short of its target of 80 percent. Achievement Rating: **Modest**.

RI2: Only one performance agreement out of eight was signed owing to the government's unfulfilled commitments, the companies' lack of strategic planning capacity, and understaffing at the overseeing Directorate General (RI2). This agreement was not released online as agreed. While the target was not achieved, three companies are currently preparing their performance agreements. Achievement Rating: **Negligible.**

RI3: The target was to assess and evaluate 30 percent of the total number of budgeted public investment projects according to the new selection criteria. In 2023, 37 new projects have been registered, of which 17 have gone through the evaluation process (45.9 percent). The operation planned for further progressive implementation of the reform to eventually cover all investments, but first covered the largest investments with potentially higher fiscal risks (PAD, p. 25). Achievement Rating: **High**.

Rating

Moderately Unsatisfactory

OBJECTIVE 2

Objective

Support human capital development

[PAs 3 to 6, RIs 4 to 8]

Rationale

As three out of five RIs are rated negligible and the remainder high, the efficacy of Objective 2 is rated **moderately unsatisfactory**.

RI4: Progress on water and sanitation infrastructure development stalled. Several projects have not yet been completed due to delays in feasibility studies and disbursements, even though substantial funding has been secured from international partners such as the WB, the Islamic Development Bank, and the African Development Bank, which led the government to increase the target to five. The status of the projects as of the ICR is as follows: (i) finalization of Niamey's 2nd septage treatment plant by the WB through P174414, not yet started; (ii) 3rd Niamey STBV financed by the Islamic Development Bank, not yet started; (iii) Maradi, financed by the WB through P174414; (iv) Zinder (African Development Bank financing for a septage treatment plant), preparatory studies underway and principal acquired; (v) 4th Niamey septage treatment plant, financed by the WB through P174414, studies have not yet begun. The coup and ensuing political crisis have further hindered progress. Including a less high-level results indicator, could have helped to capture more outcomes. Achievement rating: **Negligible.**

RI5: This indicator deteriorated against its revised baseline of 80 percent in 2018-2019 to 76 percent in 2022-23. Regional population growth disparities, population movements due to insecurity, and public administration inefficiencies are contributing factors to the reform's underperformance. Achievement rating: **Negligible.**

RI6: From 2020 to 2023, TVET's overall enrollment surged, more than doubling the total to 87,905. Achievement Rating: **High**.

RI7: There has been a marked increase in the use of modern contraceptives among adolescents aged 15-20 years old, from 7.6 percent in 2021 (97,263 girls) to 18.7 percent in 2023 (260,644). The ICR attributes this increase to the establishment of 145 integrated health centers, outpatient clinics, community distribution sites, and non-governmental organization-led awareness efforts. RI7 exceeded its target. Achievement Rating: **High**.

RI8: Data relating to the status of RI8 on reproductive health education was not made available by the authorities. Counterparts instead referred to a circular from the Ministry of National Education issued on February 21, 2024, N 03/MENA/A/EP/PLN/SG, on the introduction of new educational content in schools, which does not include data on which to assess RI8. Lacking evidence, RI8 is rated negligible. Achievement Rating: **Negligible.**

Rating

Moderately Unsatisfactory

Overall Achievement of Objectives (Efficacy)
Rationale

Objectives 1 and 2 are rated Moderately Unsatisfactory and therefore the overall efficacy rating is also **Moderately Unsatisfactory**.

Overall Efficacy Rating

Moderately Unsatisfactory

6. Outcome

Rationale

The operation's overall performance was mixed, with some results achieved, but many targets not achieved, leading to an moderately unsatisfactory rating. The operation's efforts were most successful in improving PIM. There are indications that the DPO supported contraceptive use, but attribution is weak and sufficient evidence is lacking. Other efforts were mixed, with performance suffering from poor data and FCV challenges. With the Relevance of PAs rated moderately satisfactory and the Achievement of Objectives (Efficacy) moderately unsatisfactory, the overall outcome is rated **moderately unsatisfactory**.

a. Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

The sustainability of the program's reforms and results faces significant risks. This DPO's reforms aimed to build on progress made on SOEs, fiscal management, education, and water in previous DPOs. A standalone operation was chosen as a new government had just assumed power in April 2021. This was meant to be followed by a new programmatic DPF series of two operations. The first operation of US$350 million was approved in December 2022, but the second operation was under preparation in 2023 before the coup d'état in July 2023. This might have stalled further progress on some RIs and may lead to a decline for others. The sustainability of the reforms and results will be impacted by the development priorities and programs of the new government, which are still being defined. Changes in political priorities or leadership could lead to a reversal or weakening of the commitment to maintaining and building upon the program outcomes.

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

The program drew on experience from previous WB investment projects and technical assistance, and analytical work that covered each of the reform areas. PA1 was informed by a rich body of analytical work from the Bank and the IMF: the FY 22 Sustainable Development Financing Policy, PA2 by the Niger Public Expenditure Review (World Bank 2020), the IMF Public Investment Management Assessment (2019), and Country Economic Memorandum (2021), PA3 by the Niger Water, sanitation and hygiene poverty diagnostic (2018) and annual reports on the indicators of the sector (2016-2017), PA4 and 5 by the Niger Public Expenditure Review (World Bank 2020) and Niger Country Economic Memorandum 2021, and PA6 by the Economic Impact of Gender Inequality in Niger (World Bank, 2018) and Unrealized Potential: The High Cost of Gender Inequality in Earnings (World Bank, 2018) reports and the Niger - Integrated State-Owned Enterprise Framework iSOEF (P150197). The operation built upon several operations, most importantly The Laying the Foundation for Inclusive Development DPO series (P169830; P173113) (2019-2021), the New IPF Niger Integrated Water Security Platform Project (P174414), the NIGER Skills Development for Growth Project (P126049), and the Improving Women's and Girls' Access to Health and Nutrition Services project (P171767).

The operation built also on recommendation from previous DPOs, in particular the need to be selective and to closely consult with other development partners. The ICR from the previous DPF series informed the DPO's design, specifically in applying more selectivity: (i) supporting a targeted reform agenda with a well-designed objective rather than a broad agenda with multiple objectives; (ii) a prolonged engagement in the face of medium-term sectoral reforms in complex sectors mixing various objectives (fiscal sustainability, SOE transparency, electricity financial viability), particularly to sustain the reform program and avoid policy reversal in times of economic crises; (iii) focus on good practices in fiscal management; and (iv) continued focus on the fiscal and water sectors as well as the reduction of gender gaps. The WB consulted with development partners on outcomes of the reform policies, especially with UNFPA and UNICEF, on reproductive education and learning quality.

The DPO was complementary with several parallel ongoing Bank projects. The team leveraged complementarities with other operations, ensuring a coherent policy dialogue with the government and reducing the administrative burden on the authorities. Under Pillar 1, there was the Public Sector Management for Resilience and Water Security Platform Project (P174414). Under Pillar 2, there were several IDA-financed investment projects, such as the Sahel Women's Empowerment and Demographic Dividend project (P150080), Niger Learning Improvement for Results in Education Project (P168779), Health and Nutrition Project (P171767), and Niger Adaptative Safety Net Project 2 (P166602).

The DPO preparation included a candid evaluation of the risks associated with the implementation of supported reforms, but the risk of low capacity was in practice difficult to mitigate through the standalone DPO. In every targeted area of reform—spanning institutional and technical capacity to social grievances—risks were deemed substantial. The focus on supporting a small number of key reforms and PAs was appropriate as selectivity is important in low-capacity environments and especially FCV settings to mitigate related implementation risks. However, more could have been done to combat the risk posed by low capacity, especially in the areas of RI2 and RI4. It would have been prudent to for the Bank program to provide complementary TA when the government encountered challenges in executing measures related to public investment. While the choice for a standalone operation was sensible considering the recent political transition, the instrument does not lend itself well for post-disbursement supervision in a low-capacity environment.

Rating

Moderately Satisfactory

b. Bank Performance – Implementation

Rationale

During supervision, the Bank could have supported the government more in the monitoring of results. This ICRR concurs with the findings of the ICR: as DPF missions focused on the preparation of the new operations and getting the disbursement released within the annual budget cycle, the implementation progress of the RIs was not systematically monitored. The new programmatic DPF series had different areas of reforms (social protection, disaster risk management, energy, extractives revenue), so dialogue on those reforms did not cover the monitoring of results of the standalone DPO.

Rating

Moderately Satisfactory

c. Overall Bank Performance

Rationale

The operation was well-designed given the challenging context, but it was unable to mitigate the risk of limited capacity. The operation drew on lessons learned from previous engagements, such as selectivity, and increased consultation with development partners. It was complementary with several ongoing parallel Bank projects. All significant risks were well-identified, but the risk of low capacity was in practice difficult to mitigate through the standalone DPO. More monitoring support as well as complementary technical assistance for implementation could have been provided to ensure progress in indicators. The overall Bank Performance is rated **moderately satisfactory**.

Overall Bank Performance Rating

Moderately Satisfactory

9. Other Impacts

a. Social and Poverty

There is no evidence of current social and poverty impacts beyond those described in the Outcome section.

b. Environmental

There is no evidence of a significant impact on Niger's environment, forests, and other natural resources. Most measures were strongly policy-focused with no direct physical impacts. Water sector reforms under PA3 entail certain environmental risks, but institutional instruments have been put in place to mitigate these risks. Increasing exploitation of water resources could increase the risks of destruction of certain protected tree species, and conflicts between countries bordering the Niger River are linked to international water intakes and pollution. However, Niger has set up institutions to address these negative environmental impacts, including the National Integrated Water Management Project adopted in 2017 and overseen by the Ministry of Water.

c. Gender

Reproductive health education in school was expected to have significant positive effects on reducing teenage pregnancy, through increased use of contraception, improved knowledge of sexual and reproductive health, and attitudes toward early pregnancy. Increased contraception should contribute to preventing young women from experiencing negative health, education, and economic consequences of early pregnancy, improve girls' school attendance and completion, empower them, and in the medium term build their human capital, thus reducing the gender gap.

d. Other

N/A

10. Quality of ICR

Rationale

The ICR provides a comprehensive and well-structured assessment of the project's performance, covering the relevant aspects of the project's design, implementation, and outcomes, and aptly analyzes the achievement of intended objectives and appropriately links the efficacy narrative, ratings, and evidence. The various parts of the ICR are internally consistent logically linked and integrated. The ICR clearly denotes evidence sources for the indicators, and when robust and credible evidence was lacking, this is candidly described. The ICR is thorough and provides adequate information for preparing this ICR Review and rating the project. Most importantly, the ICR candidly and accurately identifies the main shortcomings of the operation and translates those into important and operationally relevant lessons. The ICR could have been stronger with additional information on how other Bank and development partner operations supported the DPO and by providing stronger evidence to support the ICR's *Other Outcomes and Impacts section*.

a. Rating

High

11. Ratings

Ratings	ICR	IEG	Reason for Disagreement/Comments
Outcome	Moderately Unsatisfactory	Moderately Unsatisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Relevance of Results Indicators	---	Moderately Satisfactory	
Quality of ICR	---	High	

12. Lessons

This review concurs with the lessons of the ICR. Here are presented the three key lessons in augmented form. The first lesson, although superficially obvious, merits attention and has been attested by various IEG evaluations.

1. **The Bank, from senior management to task teams, should continuously stress with the government the importance of implementing the DPF program to achieve results.** Yearly DPF operations risk Bank and government teams becoming solely focused on the preparation of the next operation and getting the disbursement released within the annual budget cycle, especially in low-capacity FCV countries. The DPF policy dialogue should always emphasize the intrinsic value of the development objectives of the DPF program as expressed in the PDO and measured by the result indicators, to help ensure focus from the government on achievement of the RIs. Additionally, the Bank should emphasize how the successful implementation of a DPF program demonstrates the credibility and commitment of the government to reforms, which is important in making the case for new DPFs. This is particularly relevant to avoid perceptions that budget support is semi-automatic, especially when the overall Bank portfolio is increasing rapidly, as it was in Niger.
2. **The ambition of a reform program should align with the government's implementation capacity and the Bank team's resources, while considering the need for long-term support through complementary technical assistance (TA).** In low-capacity environments, like FCV settings, overly ambitious programs with multiple policy actions across various sectors can face delays, as seen in the water sector reform, where progress stalled due to weak capacity and understaffing. Sustainable impact of complex reforms, particularly in standalone operations, requires sustained policy engagement and fewer PAs across fewer but more consistent sectors. Ensuring reforms can be supported in subsequent operations and are anchored by ongoing TA is crucial for successful and lasting outcomes.
3. **Building client-capacity for monitoring and working with a set of clear indicators with data sources is essential for results monitoring, especially in low-capacity environments.** Clarifying the indicators and their data sources and building client capacity around M&E merited more attention and

should be addressed more thoroughly going forward. Half of the indicators were compromised by inaccurate or incomplete data or unclear definitions.

13. Project Performance Assessment Report (PPAR) Recommended?

No