AFRICAN DEVELOPMENT BANK GROUP



PROJECT : AFRICA DISASTER RISKS FINANCING PROGRAMME (ADRiFi) IN NIGER

COUNTRY: NIGER

APPRAISAL REPORT

Date: July 2020

	Team Leader	Cecil NARTEY, Principal Agricultural Economist, AHFR.0	1236				
	Team	Donald SINGUE TANKO, Climate Finance Consultant, AHRF.0					
	Members	Maximin ANASSIDE, Procurement Officer, SNFI.1	4230				
		Rokhayatou SARR SAMB, Procurement Officer, SNFI.1	7413				
		Eric NGODE, Financial Management Consultant, SNFI.2	4577				
		Fatoumata TOURE, Sen. Financial Management Expert, SNFI.2	6105				
		Émile C. KEMAYOU, Principal Political Economist, RDGW.0	1702				
		Arona SOUMARE, Climate Change Officer, PECG2	4509				
Appraisal		Hadja Aminata TINE, Principal Operations Officer, CONE	7505				
Team		Grace SHITTU, Junior Financial Analysis Consultant	4230				
		Caterina MATTIOLI, Legal Counsel, Consultant, PGCL.1	5786				
		Charlotte CHEUMANI, Principal Soc. Developement Officer, SNSC					
		Aimée BELLA-CORBIN, Environment and Social Coordinator, SNSC	3206				
	Country Manager	Nouridine KANE DIA, CONE	7501				
	Sector	Atsuko TODA, AHFR	4029				
	Directors	Anthony NYONG, PECG	2768				
	Director General	Marie-Laure AKIN-OLUGBADE, Director General RDGW	4018				
Peer		YIRINKWAYA, Operations Procurement Specialist, RDTS	2351				
Reviewers		a MUSUMALI, Climate Change and Green Growth Officer, PECG2	3983				
	Cheibany Mo	oustapha ABDALLAHI, Senior Agricultural Economist, RDGW2	7507				

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NIGER

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RDGW/AHFR/PECG/CONE

July 2020

Translated document

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Currency Equivalents

June 2020

Currency unit: CFA Franc (XOF)

UA 1 = USD 1.37 UA 1 = EUR 1.23 UA 1 = XOF 808.17

Fiscal Year

[January 1 to December 31]

Acronyms and Abbreviations

ADF African Development Fund

ADRiFi Africa Disaster Risk Financing Programme

AfDB African Development Bank

ARC Ltd ARC Insurance Company Limited

ARC African Risk Capacity
ARV Africa RiskView
AU African Union

Cat DDO Catastrophe Deferred Drawdown Option

CDSF ClimDev Special Fund CSP Country Strategy Paper

DNPGCA National Food Crises Prevention and Management Mechanism

DRM disaster risk management

ESIA environmental and social impact assessment

ESMF Environmental and Social Management Framework

EUR Euro

FAO Food and Agriculture Organization of the United Nations

GDP gross domestic product

IFAD International Fund for Agricultural Development

PANA National Climate Change Adaptation Action Programme

PDES Economic and Social Development Programme

PMU Project Management Unit

RMCs Regional Member Countries (of the AFDB Group)

UA Unit of account
UN United Nations
USD US Dollar
WB World Bank

WFP World Food Programme

Project Information Sheet

BENEFICIARY : Republic of Niger

EXECUTING AGENCY: National Food Crises Prevention and Management Mechanism

(DNPGCA)

FINANCING PLAN (2020-2023)

Funding Source	Amount (UA million)	Instrument
ADF	4.00	Grant
Government	1.05	Contribution
ARC	0.75	Contribution (in kind)

TOTAL COST 5.80

Key ADF Grant Financing Information

Grant currency	UA
Interest type*	Not applicable
Interest rate margin*	Not applicable
Commitment fee*	Not applicable
Other fees*	Not applicable
Timeframe	Not applicable
Grace period	Not applicable
FRR, NPV (baseline scenario)	Not applicable
ERR (baseline scenario)	Not applicable

Timeframe – Main Milestones

Approval of the ADRiFi Programme framework	September 2017
document*.	
Appraisal missions	March 2019
Update of appraisal report	February 2020
Project approval	June 2020
Effectiveness	2020
First disbursement	2020
Completion	2023
Last disbursement	December 2023

^{*} The ADRiFi programme framework document serves as the concept note for the project.

Summary

Programme Overview: The aim of the Africa Disaster Risk Financing Programme (ADRiFi) in Niger is to strengthen Niger's resilience and response to climate shocks by improving disaster risk management and adaptation to climate change. To this end, ADRiFi Niger will provide technical and financial support to the Government of Niger in two key areas: (i) strengthening of Niger's capacity to assess drought risks, prevent drought-related food crises and develop contingency plans; and (ii) transfer of sovereign risk by purchasing insurance against drought-related risks from African Risk Capacity (ARC).

ADRiFi is consistent with Niger's National Strategy for Food Security, Nutrition and Sustainable Agricultural Development titled the "Nigeriens feeding Nigeriens Initiative" (I3N) whose ultimate objective is "zero hunger" in Niger. ADRiFi is also consistent with Niger's Economic and Social Development Plan (PDES 2017-2021), which fifth strategic pillar sets to "ensure food security and nutrition through the I3N". ADRiFi is also in line with the Bank's Country Strategy Paper (CSP) for Niger (2018-2022), whose second pillar is aimed at contributing to the reduction of vulnerability, food insecurity and poverty. Finally, ADRiFi is consistent with the Bank's Strategy for Addressing Fragility and Building Resilience in Africa (2014-2019). The ADRiFi programme span over a period of four years (2020-2023) with a total amount of UA 5.8 million.

Needs Assessment: The agricultural sector occupies an important place in Niger's economy and society. It employs more than 80% of the labour force and thus constitutes the primary source of income. It is therefore crucial to the country's food security. However, this sector is highly susceptible to climatic factors (low rainfall, rainfall variability and rising temperatures), which trigger severe production shocks and erode the food security of households, particularly in rural areas. In recent decades, Niger has experienced various episodes of severe drought that affected millions of citizens—3.6 million people in 2005, 7.7 million in 2009 and 4.5 million in 2011. Moreover, Niger continues to be ranked amongst countries with a high prevalence of food insecurity. In 2019, nearly 2 million Nigeriens were deemed to be experiencing chronic food insecurity; while millions of others suffered from transitory food insecurity during the pre-harvest seasons.

In spite of efforts by the country through the 3N Initiative to increase agricultural production and strengthen food security, Niger's resilience to climatic hazards remains low, particularly among the most vulnerable groups of the population. Although there is a system for coordinating assistance to food-insecure communities – managed by the National Food Crises Prevention and Management Mechanism (DNPGCA) – the time taken to mobilise assistance is still too long and does not therefore guarantee a timely delivery of assistance as required in times of crisis. ADRiFi is therefore geared towards consolidating measures aimed at preventing crises and providing speedy and effective assistance in the event of severe droughts.

Bank's Value Added: The Bank's value added under the ADRiFi Niger programme is that it guarantees an immediate response and provides prompt assistance to vulnerable communities in the event of severe drought, thereby strengthening the country's capacity to prevent and manage drought-related food crises. Additionally, by supporting the transfer of sovereign risks, ADRiFi will safeguard the development outcomes achieved by the country (especially under I3N) and the Bank in the areas of resilience and food security. Furthermore, through ADRiFi, the Bank will contribute to the fight against fragility in Niger and to the strengthening of community resilience for better economic, social and political management of the country, and as such the programme is aligned with the Bank's support to Niger in response to the Covid-19 pandemic. Finally, ADRiFi will support the implementation of Niger's Nationally Determined Contribution (NDC 2015), which focuses specifically on risk and disaster management and index-based agricultural climate insurance.

Knowledge Management: The programme will develop best practices and generate better knowledge at the national level related to: (i) drought risk profiling, (ii) early warning and contingency planning, (iii) climate risk insurance and other disaster-risk financing options, and (iv) direct improvement of the response to climatological disasters. The knowledge gained through this project will be disseminated to

other development partners involved in disaster risk management at the national level, as well as to international partners involved in managing disaster risk in general and food insecurity in particular. The websites of DNPGCA and the Bank will serve as channels for the dissemination of lessons learned from the ADRiFi Niger programme.

Results-based Logical Framework (Logframe)

PROJECT NAME: Africa Disaster Risk Financing Programme (ADRiFi) in Niger
PROJECT OBJECTIVE: Strengthen Niger's resilience and response to climate shocks by improving climate risk management

		PERFORMANCE INDICATORS			MEANS OF		
RESULTS	S CHAIN	Indicator	Baseline situation	2023 target	VERIFICATION	RISKS AND MITIGATION MEASURES	
IMPACT	The country's resilience to drought-related risks is strengthened Niger's capacity to prevent severe droughts and their impact is strengthened Access to sovereign insurance is improved	Timeliness of response: Reduction of the time between declaration of a drought episode and the delivery of first assistance to vulnerable people. Risk profiles Number of drought risk profiles developed Early warning: Number of crop monitoring reports prepared by the country Number of drought contingency plans Number of disaster risk insurance policies purchased from the ARC	8 to 12 months 1 1 1 3	4 months 4 4 7	ARC reports Programme Management Unit (PMU) reports Contingency reports PMU reports ARC reports ARC reports	Risks (1) Basis risk: the risk associated with an improperly calibrated parametric (indexbased) insurance threshold or insufficient correlation to the covered risks; 2) Political risk: A change of Government policy governing participation in the ARC sovereign insurance mechanism, resulting from a change in political leadership or policy stance; 3) Security risks in the country's northern regions, which could slow down the government's response to food crises in those localities; 4) Risk of external shocks (such as the COVID-19 pandemic) that could lead to macroeconomic instability and consequently undermine the government's ability to pay its counterpart contribution. Mitigation measures: 1) Improvement of the quality of data used to compute the parametric index in order to reduce the basis risk.	
OUTCOMES						2) Ongoing advocacy and sensitisation of decision-makers. (3) Delivery of food assistance in all affected areas, including to internally displaced people areas. 4) The government will be sensitized to the fact that insurance cover guarantees stability in the event of a disaster. To underscore the relevance of insurance, Madagascar will be cited as an example of a country that received insurance compensation which enabled it to cushion the effects of drought in the middle of the COVID-19 pandemic.	
	Component 1: Developme	ent of climate risk management solutions					
OUTPUTS	Output 1.1: Niger's risk profile	Number of ARV customization reports independently developed by the country, including risk profiles	4	8	Africa Risk View (ARV) custom reports PMU reports		

	strengthen the regional	Number of drought risk management contingency plans developed and updated Surveys monitoring the food situation in the country's 8 regions	0	2	Contingency plan developed and updated every three years Investigation reports PMU reports
		Surveys monitoring the agricultural season in the country's 8 regions	0	2	Investigation reports PMU reports
		Number of staff members within the reginal offices of the DNPGCA trained to use ArcGis mapping software, including at least 6 women (20%)	0	30	Training reports PMU reports
		Number of ArcGis mapping software licences	0	14	Purchase receipts PMU reports
	Component 2- Support for	r disaster risk transfer			
	Output 2.1: Payment of ARC insurance premiums	Number of annual payments of the ARC insurance premium	2	6	ARC reports PMU reports
	Output 2.2: Advocacy for disaster risk transfer mechanisms.	Number of parliamentary days organized on risk transfer mechanisms, including seminars for women parliamentarians	0	6	PMU reports Newspaper articles
		Number of government seminars	0	4	PMU Reports Seminar reports
	Component 3- Project man	nagement and coordination			
	Operation	3.1.1. Programme implementation rate 3.1.2. Project procedures manual	0	100%	Implementation reports Procedures Manual
	Product 3.2: Regular project audit, monitoring & evaluation	Financial audit reports Annual implementation reports Mid-term report Completion Report	0 0 0 0	3 4 1 1	Monitoring and Evaluation Reports and External Audit Report Completion Report
-	COMPONENTS		1		CONTRIBUTIONS
ACTIVITIES	Component 2 (UA 4,528,0	0): Development of Climate Risk Managemer 000): Support for Disaster Risk Transfer 0): Project Coordination and Management	at Solutions		Sources of financing (UA millions) ADF Grant: 4.00 (69%) Government: 1.05 (18%) In-kind contribution CRA: 0.75 (13%) Total project cost: 5.80 (100%)

Project Implementation Schedule

Activities	Responsible parties	2020	2021	2022	2023
ADF Grant Protocol Agreement	The Bank (AfDB)				
Signature of the ADF Grant Protocol Agreement	Bank and Niger government				
Establishment of the Project Management Unit	DNPGCA				
Opening of the special account	Bank and DNPGCA				
Launch/effectiveness of the project	Bank/Government/DNPGCA/ARC				
Capacity-building	DNPGCA and ARC				
Payment of sovereign insurance premium	Bank and Government				
Advocacy and sensitisation on sovereign risk transfer mechanisms: parliamentary days	DNPGCA, National Assembly				
Advocacy and sensitisation on sovereign risk transfer mechanisms: government seminars	DNPGCA, Finance Ministry				
Supervision mission and mid-term review	Bank				
Audit of project accounts	DNPGCA/External Auditor				
Last disbursement	Bank				
Completion Report	Bank and DNPGCA				
Project closure	Bank				

REPORT AND RECOMMENDATIONS TO THE BOARD OF DIRECTORS ON APPROVAL OF THE AWARD OF AN ADF GRANT TO THE REPUBLIC OF NIGER TO IMPLEMENT THE AFRICA DISASTER RISK FINANCING PROGRAMME (ADRIFI)

This proposal, submitted to Board for approval, relates to the award of UA 4 million from African Development Fund (ADF) resources to Niger for implementation of the Africa Disaster Risk Financing Programme (ADRiFi) in that country. This is a technical and institutional support operation aimed at strengthening Niger's resilience and response to drought-related disasters. The total project cost of UA 5.8 million, will be co-financed by the ADF, African Risk Capacity (ARC) (in-kind contribution equivalent to UA 0.75 million) and the government of Niger (UA 1.05 million).

I. STRATEGIC THRUST AND RATIONALE

1.1. Project Linkage with Country Strategy and Objectives

- 1.1.1 Due to its geographical position and socio-economic context, Niger is one of the world's most vulnerable country to the impacts of climate change. The agricultural sector is an important sector of Niger's economy, accounting for more than 40% of GDP and serving as a source of income for over 80% of the population. However, high exposure to many risks, particularly climate variability, makes the sector's performance highly unstable. Indeed, a combination of land degradation, land erosion (leaching of key mineral and organic elements from the soil), erratic rainfall and drought has affected agricultural productivity, rendering farmers and their incomes vulnerable to climate change. For example, high rainfall variability over space and time, as well as the rise in temperatures recorded in Niger in recent decades have led to cereal and fodder shortages (averagely, one out of every three years), prolonged the "hunger season", generated endemic malnutrition especially among children, and increased the frequency of cyclical food crises in the country.
- 1.1.2 The government's response to this enormous challenge was the launch of a sectoral strategy, namely the "Nigeriens feeding Nigeriens" Initiative (I3N). Primarily targeting the rural population, the I3N aims to promote food and nutrition security and sustainable agricultural development by strengthening the national capacity for food production, supply and resilience to food crises and natural disasters. The I3N sector strategy is itself part of the country's Economic and Social Development Plan (PDES 2017-2021), designed to promote sustainable and inclusive economic growth nationwide. The first implementation phase of I3N (2011-2015) was marked by tremendous progress in structural reforms and the reduction of hunger, malnutrition and poverty, among others. However, much remains to be done in terms of a comprehensive development of community resilience to risks associated with the impact of drought on food security. This makes ADRiFi's involvement in this process critical.
- 1.1.3. ADRiFi will strengthen Niger's capacity to prevent drought episodes and provide rapid and effective assistance to vulnerable communities in the event of severe drought. As such, ADRiFi is consistent with the country's strategic objectives in the fight against drought, food insecurity and poverty alleviation, including the I3N strategy, the PDES (2017-2021) and the Plan to Combat Drought in Niger, adopted in 2019. In addition, ADRiFi is in line with the Bank's CSP (2018-2022) for Niger which identifies it as a priority project for the country. It is also consistent with two of the Bank's High-5 strategic priorities, namely: "Feed Africa" and "Improve quality of life for the people of Africa". ADRiFi is clearly in line with the AfDB's Climate Change Action Plan (CCAP II 2016-2020) whose Pillar II focuses on adaptation considering that the early warning systems and climate risk transfer mechanisms promoted by ADRiFi help to boost the country's resilience to climate change. Finally, ADRiFi aligns with the Bank's *Strategy for Addressing Fragility and Building Resilience in Africa*, which recognises that environmental pressures and climate change have the potential to trigger humanitarian disasters and intensify competition for scarce natural resources, such as water or grazing land.

1.2. Rationale for Bank Involvement

- 1.2.1. The ADRiFi programme seeks to strengthen Niger's resilience to drought-related disasters. Over the past 30 years, recurrent droughts in Niger have threatened household incomes, the performance of the agricultural sector, economic growth, and the country's macroeconomic balances (state budget and balance of payments). These developments have also harmed the government's capacity to provide timely assistance; whereas, prompt drought relief assistance would prevent vulnerable communities from adopting desperate self-help measures such as the sale of profitable assets, rural exodus or the withdrawal of children from school.
- 1.2.2. There are two key elements to boosting resilience to natural disasters in Niger, which are investments and risks management. On the investment side, the Bank already has a portfolio of projects in Niger (totalling more than UA 157 million) in the areas of agriculture, water resource management, and resilience to climate change. These projects contribute to the strengthening of the country's resilience to climate change, with a special focus on drought. Additionally, the government of Niger has demonstrated a commitment to increased productivity in its agricultural sector, particularly through investments under the I3N. These basic investments will, in the long term, reduce the impact of drought on the country's food security. However, there are lingering risks associated with the impact of severe drought, which necessitate effective risk management, not only to preserve the investment gains, but also to bolster the population's resilience to disasters. This is the rationale behind the ADRiFi Niger programme.
- 1.2.3. Niger has adopted parametric insurance as an option for the prevention and management of disaster risks related to climatic hazards that threaten vulnerable rural communities. Recourse to such a risk transfer mechanism guarantees the immediate availability of funds in the event of a disaster, making it possible to limit damage and provide the social safety nets needed to recover from the crisis. However, budgetary constraints and competing priorities limit the government's ability to pay the sovereign insurance premium. Bank intervention to support the government in addressing this constraint is timely and salutary because such support protects investment gains in the area of resilience, while promoting the adoption of appropriate policies and mechanisms that ensure better food crisis management. Moreover, given the current Covid-19 pandemic and its impact on the global economy and that of Niger in particular, and given the country's vulnerability to ongoing climate hazards, Bank support under the ADRiFi programme is all the more relevant, as it will cushion the country from additional external shocks at it struggles revive its economy post Covid-19.

1.3. Coordination with the Activities of Development Partners

1.3.1. The government of Niger leads the fight against food insecurity, with the support of an array of multilateral (EU, World Bank, AfDB) and bilateral (GIZ, French Development Agency (AFD), Swiss Cooperation, etc.) donors as well as United Nations agencies (World Food Programme, Food and Agriculture Organization (FAO), UNDP, etc.). The various donors are coordinated through thematic groups or "clusters" that include the cluster on food security chaired by the EU. Donors route their contributions through three channels: (i) the Joint Multi-Donor Fund (FCD); (ii) the Food Security Fund (FSF); and (iii) the National Food Security Reserve (NFSR). Annex 3A presents the contributions of the various donors to the three different frameworks during the 2001-2014 period. ADRiFi will implement its Niger programme in conjunction with donors' operations to ensure the prompt release of funds in the event of a disaster. Through the ADRiFi programme, the Bank will be granted membership of the food security cluster.

II. PROJECT DESCRIPTION

2.1. Project Components

- 2.1.1 This country project in Niger is part of the ADRiFi programme whose overall objective is to strengthen resilience and response to climate shocks by improving disaster risk management and adaptation to climate change in the AfDB's Regional Member Countries (RMCs). The specific objectives of the ADRiFi Niger programme are to: (i) strengthen Niger's capacity to assess the risks and costs associated with climatological disasters, particularly drought, and develop prevention and management measures at national and sub-national levels; (ii) promote disaster risk coverage through parametric insurance, to ensure the availability of emergency funds for prompt assistance to vulnerable communities in the event of a disaster.
- 2.1.2. The ADRiFi Niger programme has three components: (i) development of climate risk management solutions; (ii) support for disaster risk transfer; and (iii) programme management and coordination. Gender will be cross-cutting in all components.

Component 1: Development of Climate Risk Management Solutions

- 2.1.3 The first component encompasses two main activities: (i) building national capacity to evaluate drought-related risks and develop contingency plans; and (ii) building the capacity of the decentralised organs of the executing agency: the DNPGCA's "Regional Permanent Secretariats (RPS)", because of their crucial role in collecting field data on food security and implementing prompt action in the event of disaster. The ARC will support and implement the first component as part of its contribution to the ADRiFi programme. As a reminder, in approving the ADRiFi programme framework document, the Bank also approved the ARC as the designated implementing partner. The second component will be supported with ADF resources and implemented by the Project Management Unit.
- 2.1.4 Capacity-building in risk profiling for the technical staff and decision-makers will equip the country with the knowledge needed to model its drought-related disaster risk and to estimate the attendant costs to the national budget. Risk profiling will be done through customised Africa Risk View (ARV) software that uses operational early warning models based on rainfall and agricultural drought in Africa in conjunction with data on vulnerable communities to develop a standardised approach to estimating the costs of responding to food insecurity. The ARV can be used for regular monitoring of the agricultural season and early detection of the occurrence and intensity of droughts in the country. The ARV underpins the drought insurance product offered by ARC Ltd and makes it possible to estimate the number of people who may be vulnerable to food insecurity during the lean season.
- 2.1.6 In addition to risk profiling, the country will be assisted in the development of contingency plans such that it is able to act promptly in case of disaster. The contingency plans highlight the insurer's compensation payment methods, the criteria for selecting beneficiaries in case of a pay-out, and the country's arrangements for providing prompt and effective assistance to vulnerable communities. In the case of a confirmed pay-out, the country will develop a Final Implementation Plan that describes the arrangements in greater detail and allows for effective monitoring during implementation.
- 2.1.7 The goal of the component's second activity is to build the technical capacity of the DNPGCA's RPSs with a view to strengthening their role in the collection of field data on food security. To this end, the following activities will be carried out: (i) monitoring of the agricultural season; (ii) monitoring situation on food security; (iii) strengthening of the Sub-Regional Committees for the Prevention and Management of Food Crises (CSR/PGCA); and (iv) building capacity of RPSs on Cartography software (ArcGis). The details of the activities are set out in Annex 3B, Volume II of the appraisal report.

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Africa Risk Capacity is composed of two entities: the specialised agency (ARC Agency) and its financial and insurance subsidiary, ARC Insurance Company Limited (ARC Ltd). ARC Agency oversees capacity-building for various countries, approves contingency plans and monitors their implementation. ARC Ltd has a purely commercial relationship with countries that purchase parametric insurance against severe droughts and their impact on annual agricultural productivity.

- The second component aims to strengthen Niger's capacity to purchase parametric insurance 2.1.8 offered by ARC Ltd and thus transfer its sovereign disaster risk, given that the Government is experiencing some difficulties to pay its insurance premium. The choice of ARC Ltd as insurer for Niger is based on two important factors: the company's endorsement at the highest level of the African Union as a pan-African solution for disaster risk management (following the food crises generated by severe droughts in the Sahel in 2012); and the comparative advantage of the ARC's insurance cover for Niger. In the context of disaster risk management, the ARC offers the advantage of grouping risks at the regional level, allowing individual policyholders to spread their risks geographically, access pooled funding in case of disaster, and obtain insurance cover at a much lower price than if the country took out the policy individually.
- The second component also envisages advocacy and sensitisation activities targeting government decision-making bodies to ensure ownership of the ARC's risk transfer mechanism. Finally, this component will contribute to the process of developing a comprehensive disaster risk financing strategy based on sustainable resource mobilisation for disaster risk management (including payment of the ARC premium).
- 2.1.10. Payment of the insurance premium: The ADF contribution to the payment of the ARC Ltd insurance premium will be done as follows: 100% of the total premium amount in the first two years of the project (2020 and 2021) and 50% of the annual premium in the remaining two years (2022 and 2023). This arrangement deviates from the 50/50 model advocated in the ADRiFi Programme Framework Document which caps the ADF contribution at 50% of the annual premium, as paragraph 2.3.2.1 of the Framework Document specifically states that "The support RMCs receive, from ADF resources committed to ADRiFi, shall not exceed 50% of their annual insurance premium".²
- 2.1.11. The waiver request hereby made for the ADRiFi Niger programme is predicated on the country's financial situation, which is already fragile and is likely to be exacerbated by the outbreak of the COVID-19 pandemic. Indeed, Niger has a chronic budget deficit resulting from low domestic revenue collection and rising expenditures, particularly on public investment and security. According to the Government's preliminary assessment, the COVID-19 pandemic will put heavy pressure on public finances. The loss in tax revenue, estimated at about 1.1% of GDP, would raise the budget deficit to 3.7% of GDP, well above the initial projection of 2.6% of GDP. Given the country's high vulnerability to the hazards of climate change, an increase in exogenous shocks such as severe droughts would plunge it into an unprecedented fiscal and food crisis that would jeopardise its post-COVID-19 recovery efforts. Accordingly, the waiver would guarantee coverage for Niger against drought shocks by offering it the fiscal space to gradually regain control of State budget expenditure.
- 2.1.12. Furthermore, in its request for full coverage of the insurance premium for the first two years of the programme, the country undertook to maintain the budget line provided for this specific item in the State budget and to use it, as far as possible, to clear its outstanding insurance premiums with ARC.³ This attest to the country's willingness to continue mobilising national resources for risk transfer. In addition, the country commits to include its contribution to payment of the premium in its initial and amending finance laws for 2022 and 2023 and submit proof thereof to the Bank.
- 2.1.13. Given the above justifications and Niger's undertakings, Management hereby submits to the Boards of Directors of the Bank and the Fund, a request to waive the provisions of Paragraph 2.3.2.1 of the Framework Document of the ADRiFi programme in order to authorise 100% financing of the first two (2) annual insurance premiums issued by the ARC under the ADRiFi Niger programme, amounting to no more than UA 1,050,000 (equivalent USD 1,400,000) per annum, to guarantee Niger's coverage

Since joining the ARC in 2012, Niger acquired insurance coverage in 2014 and 2015, but has not been able to pay the full premium for 2015 (only USD

Document dated 26 October 2018 entitled "Multi-country Africa Disaster Risk Financing (ADRiFi) Programme - Framework Document" (ADF/BD/WP/2018/146/Rev.1/ Approved).

^{2.5} million out of USD2.9 million). The government subsequently requested ARC Ltd to carry over the outstanding amount to its 2016 insurance contract, but was still unable to pay the premium, totalling USD 2.1 million. Since then, Niger has been experiencing difficulties in paying its ARC premium. It should, however, be noted that Niger got a payout on the insurance in 2015 and was thus able to enjoy the benefits of the ARC sovereign

against drought shocks and thus give the country the fiscal space needed to gradually fund subsequent insurance premiums from the national budget.

- 2.1.14. <u>Advocacy and sensitisation of decision-makers</u>: Apart from pressures on the State budget that have hindered payment of the premium in recent years, there is also a poor understanding of the relevance of the country's participation in the ARC sovereign insurance mechanism by most decision makers. The ADRiFi programme will therefore finance a series of advocacy and sensitisation activities for decision-makers at the national level on drought-related disaster risks in Niger and the transfer of sovereign risks as an effective solution to address food insecurity in the country. To this end, the project management unit will organize parliamentary days, government seminars and workshops to sensitise decision-makers on the importance of taking ex-ante disaster financing measures, such as risk transfer. It is expected that decision-makers will be better informed on the potential impacts of severe droughts on the national budget, and the importance of taking ex-ante measures to manage food crises and guarantee the country's food security, particularly through the transfer of sovereign risk to ARC.
- 2.1.15. <u>Development of a comprehensive disaster risk financing strategy</u>: In addition to contributing to the payment of the disaster risk insurance premium, ADRiFi Niger will also support the development of a comprehensive national disaster risk financing strategy. This activity will be carried out in conjunction with the World Bank, which is already working with the country on the development of the disaster risk financing strategy. The strategy will look into (i) identifying and quantifying existing risks of disasters in the country, (ii) estimating the financing needs for each identified risk and finding the most appropriate and cost-effective financing tools to meet these needs while guaranteeing optimum resource mobilization. The strategy will need to combine different financing tools and resource mobilisation options that the country can pursue in the short, medium and long terms.
- 2.1.16. The process of developing the World Bank's disaster risk management financing strategy, with which the ADRiFi project will be aligned, involves the establishment of an inter-ministerial working group to examine the strategy, followed by the development of a country diagnosis that involves a historical analysis of disaster risks and their budgetary implications for the country. From the result of the diagnosis, the state will formulate guidelines for the development of the strategy. The project's resources will support the launch and feedback workshops, as well as the procurement of national consultants.

Component 3: Programme management and coordination

2.1.15. The third component focuses on the overall coordination of activities supported and monitored by the Bank, to ensure effective implementation. The DNPGA's Programme Management Unit (PMU) will be responsible for the programme's day-to-day implementation. Table 1 (below) presents the cost and details of the planned activities for each of the components.

	Tubie 1. 1 Tojeci Components					
	Component	Costs in UA million	Activities			
1	Development of climate risk management solutions	0.91	 Development of risk profiles Customisation and integration of ARV into the national early warning system Development of three-year national contingency plans Annual update of the contingency plan Capacity-building for the DNPGA's regional permaner secretariats 			
2	Supporting access to disaster risk transfer solutions	4.53	 Financing of the annual insurance premium* (in UA millions) 			
			2020 2021 2022 2023			
			ADF 1.05 1.05 0.525 0.525			
			(100%) (100%) (50%) (50%)			

Table 1: Project Components

0

0,525

0,525

0

Govt

	Component	Costs in UA million	Activities						
3	Project management and coordination	0.36		transf Develors institute funding costs) Project	nistrative co	ms a strategic s s for disast osts (admini	study on leg er risk man istrative sup	gal, financia agement (I pport, opera	l and DRM)
	TOTAL (UA million)	5.80							

^{*}Calculation of the annual premium amount (USD 1.4 million) was based on the following risk transfer parameters: (i) attachment point: USD 81.3 million; (ii) exceedance point: USD 257 million; (iii) cession rate: 4.96%; and (iv) overall limit: USD 7 million.

2.2. Technical Solutions Adopted and Alternative Solutions Considered

Two other options were considered for financing disaster risk management in Niger, namely: a line of credit that the country can activate in the event of a disaster or the establishment of a contingency fund. However, given the importance of prompt assistance, sovereign insurance against disaster risks is a better option; it ensures immediate availability of funds and therefore timely assistance to vulnerable communities in the event of drought. Table 2 (below) presents the alternatives considered and the reasons for their rejection.

Table 2: Technical Solutions Adopted and Other Alternatives Considered

Intervention	Description	Reason for rejection
Establishment of a line of credit that the government could draw upon in the event of a disaster. Option similar to the World Bank's Catastrophe Deferred Drawdown Option conditional financing facility Establishment of a contingency fund	Loan disbursed to the Government of Niger on the basis of a pre-approved drought intensity threshold and declaration of a disaster situation by the government. Setting aside financial resources in a contingency fund that can be accessed for the delivery of prompt and rapid assistance in the event of disaster.	The country's external debt is already fairly high, reaching 58.6% of GDP in 2018. Although the IMF deems Niger's external debt sustainable, it stresses the need for the authorities to adopt a more prudent debt management approach to ensure sustainability. The establishment of a contingency fund has an opportunity cost for the Government of Niger which is already grappling with other priorities and constraints on a tight national budget. In addition, Niger already has a Joint Multi-Donor Fund (FCD) through which donors mobilise resources to combat food insecurity. However, the FCD is not replenished quickly enough to guarantee timely assistance in disaster emergencies. Moreover, the FCD has rarely been replenished to a level sufficient to satisfy
Support for disaster risk transfer	The transfer of drought risks through the ARC mechanism makes it possible for the government to determine the prospect, and magnitude, of crisis situations within a crop year. This ensures that, once the ARV is activated, funds are instantly made available to the country to take prompt action.	identified needs. Solution adopted

2.3. Type of Project

This project is designed within the framework of the African Disaster Risk Financing (ADRiFi) programme. It is institutional support financed by a grant from ADF resources, co-financing from the Government of Niger and an in-kind contribution from the ARC.

2.4. Project Cost and Financing Arrangements

The cost of the project is estimated at UA 5.8 million, spread over a four-year period (2020-2023). Table 3 presents the project's financing sources. Tables 4 and 5 respectively summarise the components and their estimated costs, as well as the expenditure schedule for each component. Table 6 presents the expenditure categories.

Table 3: Financing Sources

Source of funding	CFA F	UA	Percentage
ADF	3,268,976,000	4,000,000	69%
Government of Niger	858,106,200	1,050,000	18%
ARC contribution	612,933,000	750,000	13%
Total	4,740,015,200	5,800,000	100%

Table 4: Estimated Project Cost by Component (in UA million)

		(CFA F '000)			(UA 000)			
	L.C	F.E	Total	L.A	F.E	Total		
A. DEVELOPMENT OF SOLUTIONS FOR CLIMATE RISK MANAGEMENT								
Development of risk profiles and contingency plans	232,655	348,983	581,639	285	427	712		
Revitalisation of RPSs and monitoring	61,996	60,135	122,131	76	74	149		
Subtotal	294,651	409,118	703,770	361	501	861		
B. SUPPORTING ACCESS TO DISASTER RISK TRANSFER SOLUTIONS			ļ			Į		
Payment of the annual insurance premium	1,302,871	1,954,306	3,257,176	1 594	2 391	3 986		
Development of the Disaster Risk Management and Financing Strategy	119,608	39,869	159,478	146	49	195		
Advocacy activities for decision-makers	55,168	28,514	83,681	68	35	102		
Subtotal	1,477,646	2,022,689	3,500,335	1 808	2 475	4 283		
C. PROJECT MANAGEMENT AND COORDINATION	248,833	59,051	307,884	304	72	377		
Subtotal	2,021,131	2,490,858	4,511,989	2 473	3 048	5 521		
Contingencies	99,820	128,183	228,183	123	157	200		
Total	2,120,951	2,619,041	4,739,992	2 595	3 205	5 800		

Table 5: Expenditure Schedule by Component (in UA million)

		(CFAF '000) including co	ntingencies)		(U	A '000 in	cluding co	ntingen	cies)
	2020	2021	2022	2023	Total	2020	2021	2022	2023	Total
A. DEVELOPMENT OF SOLUTIONS FOR CLIMATE RISK MANAGEMENT										
Development of risk profiles and contingency plans	148,978	151,779	154,633	157,540	612,930	182	186	189	193	750
Revitalisation of RPSs and monitoring	19,861	48,994	14,019	46,251	129,124	24	60	17	57	158
Subtotal	168,839	200,773	168,651	203,791	742,054	207	246	206	249	908
B. SUPPORTING ACCESS TO DISASTER RISK TRANSFER SOLUTIONS										
Payment of the annual insurance premium Development of the Disaster Risk Management Financing	834,278	849,963	865,943	882,225	3,432,408	1 021	1,040	1,060	1,080	4,200
Strategy	163,448	-	-	-	163 448	200	-	-	-	200
Advocacy activities for decision-makers	5,557	38,045	38,783	5,876	88,262	7	47	47	7	108
Subtotal	1,003,283	888,008	904,726	888,101	3,684,118	1 228	1 087	1 107	1 087	4 508
C. PROJECT MANAGEMENT AND COORDINATION	85,466	87,644	76,115	64,595	313,820	105	107	93	79	384
Total	1,257,587	1,176,425	1,149,492	1,156,487	4,739,992	1 539	1 440	1407	1 415	5 800

Table 6: ADF Funding by Expenditure Category

		(CFAF '000)			(UA '000)			
	L.C.	F.E.	Total	L.C	F.E.	Total		
I. Investment costs								
A. SERVICES								
Training	21,550	32,325	53,876	26	40	66		
Technical support	232,655	348,983	581,639	285	427	712		
Studies	42,339	28,226	70,565	52	35	86		
Contractual services	166,098	55,366	221,464	203	68	271		
Audit	24,053	24,053	48,107	29	29	59		
Subtotal	486,696	488,954	975,649	596	598	1,194		
B. EQUIPMENT	17,729	32,926	50,655	22	40	62		
C. PREMIUM	1,302,871	1,954,306	3,257,176	1 594	2 391	3 986		
Total investment costs	1,807,296	2,476,186	4,283,481	2 211	3 030	5 241		
II. Recurrent Costs								
A. OVERHEADS	34,236	14,673	48,909	42	18	60		
B. STAFF	81,782	-	81,782	100	-	100		
C. INDEMNITY	97,817	-	97,817	120	-	120		
Total recurrent costs	2,021,131	2,490 858	4,511,989	2 473	3 048	5 521		
Contingency costs	99,820	128 183	228,183	123	157	200		
Total	2,120,951	2 619 041	4,739,992	2 595	3 205	5 800		

2.5. Project Area and Beneficiaries

- 2.5.1 The direct beneficiaries of the ADRiFi programme are the State of Niger, mainly through assistance with the payment of its drought risk insurance premium, and the decentralized services of the DNPGCA at the regional level. Vulnerable communities and small farmers are the indirect beneficiaries of the programme. Approximately six broad categories of vulnerable groups are considered, namely: (i) small-scale farmers with small farms; (ii) small-scale herders with few animals; (iii) nomadic agro-pastoralists and pastoralists who are settling down but have neither enough animal products to sell nor arable land to cultivate; (iv) pregnant women and nursing mothers; (v) large households; (vi) female farmers whose agricultural productivity is impeded by household responsibilities.
- 2.5.2 Selection of the most vulnerable beneficiaries and particularly women, girls and boys for assistance in case of pay-out will be done at the village level, as provided for in the contingency plans, since the various communities are fully aware of the status of each household. A selection committee will be set up for each commune. A gender specialist will analyse the beneficiary targeting process and make recommendations to ensure that gender equity is respected.

2.6. Participatory Approach to Project Identification, Design and Implementation

The main stakeholders consulted during preparation of the ADRiFi programme included the Prime Minister's Office, as well as the relevant sectoral ministries, namely: Ministry of Planning, Ministry of Finance, Ministry of Agriculture and Livestock, Ministry of Humanitarian Action and Disaster Management, and the Ministry of Women's Affairs and Child Protection. In addition, the Office of the High Commissioner for the 3N Initiative (HC3NI), the National Council for the Environment and Sustainable Development (CNEDD), the National Institute of Statistics (INS), DNPGCA and international organizations involved in disaster risk reduction were also consulted. These included: the EU; WFP; World Bank; the UN Office for the Coordination of Humanitarian Affairs (OCHA) and UNDP.

2.7. Bank Group Experience and Lessons Reflected in Project Design

The ADRiFi programme is the Bank's first disaster risk management project in Niger. Consequently, its implementation will draw on the Bank's experience in the country. To this end, a review of the Bank's portfolio in Niger, comprising 15 operations worth a total of UA 476.31 million, or approximately USD 653.93 million, revealed certain weaknesses (presented below) which undermine portfolio performance and that were considered during appraisal of ADRiFi. In addition, ADRiFi Niger complements the Bank's operations in the areas of climate change mitigation and food security. Such operations include the Climate Information Development and Forecasting Project (PDIPC), which will contribute in producing better quality climate data that would in turn ensure better configuration of the ARV software, and the Programme to Build Resilience to Food and Nutrition Insecurity in the Sahel (P2RS), which is complemented by the ADRiFi programme.

Table 7: Portfolio Weaknesses Considered in the Appraisal of the ADRiFi Project

Portfolio Weaknesses	Mitigation Measures
Approximately two-year delay in the	Effectiveness and first disbursement conditions will depend on
effective commencement of projects due	the complexity of the operation envisaged under this project. The
to late fulfilment of effectiveness and first	DNPGCA already has the requisite capacity to launch and
disbursement conditions and the late	implement the project. A speedy fulfilment of effectiveness
formation of project teams	conditions and lifting of the conditions precedent to first
	disbursement are therefore expected.
Late and partial release of counterpart	The deferral of the counterpart contribution payments until 2022
funds	will give the country time to prepare itself and budget for this
	item. In addition, advocacy activities will sensitize the authorities
	to the importance of the ARC insurance for which the
	government's counterpart contribution is being sought.
Poor ownership and participation in	The DNPGCA tasked with project implementation was directly
project preparation, management and	involved in project preparation. In addition, it has a monitoring
monitoring by the country	and evaluation department that also participated in project
	preparation and therefore has the institutional memory to
	adequately monitor the project.

2.8. Key Performance Indicators

The performance indicators and the expected outcomes of ADRiFi project implementation in Niger are outlined in the results-based logical framework matrix and will be monitored through the monitoring/evaluation system set up to facilitate project implementation review. Monitoring and evaluation will be carried out primarily through the biannual and semi-annual reports, the mid-term review and the project completion report. These reports will be based on the schedule of activities.

Table 8: Key Performance Indicators

Indicator	Baseline situation	Target
Rapid response in the event of	8 to 12 months before the first	A maximum of 4 months for the first
severe drought	intervention	assistance
Sustained access to the ARC	Irregular payment of premium to	Regular payment of insurance
mechanism	ARC	premiums
Monitoring of the agricultural	Irregular monitoring of the	At least two countrywide surveys
season	agricultural situation, and	conducted at the end of the
	reliance on outdated data	agropastoral year
Monitoring of the food situation	Data on the food situation not up	At least two food situation surveys
	to date	conducted
Advocacy and sensitisation of	Decision-makers are not aware of	4 parliamentary days
decision-makers on risk transfer	drought-related risks and of risk	4 government seminars
mechanisms	transfer mechanisms.	
Strengthening of the regional	DNPGCA regional branches	1 training seminar for RPSs on the
branches of the DNPGCA	have a limited capacity to provide	ArcGis mapping tool
	effective assistance.	14 ArcGis licence acquired for RPSs
Establishment of a financing	No strategy that enables the	The strategy is developed in
strategy for the management of	government to raise the necessary	conjunction with the World Bank.
food and nutrition security shocks	resources.	

III. PROJECT FEASIBILITY

3.1. Economic and Financial Performance

- 3.1.1 The project does not generate enough direct revenues for financial profitability. However, the viability of the ADRiFi programme in Niger can be determined through a cost-benefit analysis of the ex-ante drought-related disaster risk management measures taken in Niger. For an annual insurance premium of about USD 1.5 million, the country is able to guarantee insurance coverage of about USD 30 million for drought events with a probability of occurrence of once every 4 years, which gives a ratio of almost 20%.
- 3.1.2 Furthermore, investing in the purchase of the ARC insurance policy generates many economic benefits for the country such as the reduction of its financial vulnerability to drought episodes (thanks to the rapid and immediate availability of assistance funds for affected persons), and the relatively low rate of the ARC insurance premium resulting from the country's participation in the ARC insurance pool. In the long term, given that each US dollar invested in the payment of the ARC insurance premium generates savings of USD 4.4 in assistance to affected people, it is expected that the reduction of climatic disaster costs will generate stable GDP growth through the reallocation of funds to growth programmes in other key sectors such as infrastructure, education and health.

3.2. Environmental and Social Impacts

- 3.2.1 <u>Environment</u>: The general framework of ADRiFi aims to mitigate the effects of extreme climatic events aggravated by climatic variations, to the extent that these events have an impact on agricultural productivity and on food security. Its activities mainly relate to capacity building, particularly in environmental and climate management, risk modelling and risk transfer solutions. As a result, the programme triggers operational safeguards (OS) 1 which deals with climate change issues and OS 5 which deals with working conditions issues. However, the program is unlikely to have significant negative and negative environmental and social impacts. Consequently, the environmental and social risk is considered low and does not call for specific corrective action at the present stage of its formulation. The activities of the ADRiFi programme will not negatively affect the environment, directly or indirectly, and are unlikely to cause negative social impacts. Consequently, they present negligible environmental and social risks; which leads to classifying ADRiFi in category 3 according to the Bank's environmental and social assessment procedures for operations linked to the public sector. The programme therefore does not require an environmental and social assessment. Beyond this categorization, no study or document is required before the ex-ante evaluation.
- 3.2.2. <u>Climate</u>: The ADRiFi programme is classified under Category 3 according to the AfDB's climate risk assessment procedures, and does not require the development of specific actions for climate risk management due to the scope of activities (capacity building, parametric insurance). Hence, the programme is specifically identified as an operation that supports adaptation and resilience to climate risks.
- 3.2.3. The observed and expected climatic risks in Niger are: the growing intensity of droughts, irregular but intense rainfall that causes floods, greater sand storms, locust invasions, the drying up of natural ponds and lakes, a decline in the flow of the Niger River, sanding/sedimentation of surface water sources, and rising temperatures. These climatic risks could lead to a decline in agricultural sector productivity in the country. The corollary will be food insecurity, increased migration to more favourable areas and an increase in disease. The fight against the effects of climate change, which is a matter of survival for Niger, prompted the establishment of such government initiatives as the National Environment Plan for Sustainable Development (PNEDD), the Nationally Determined Contribution (NDC) under the aegis of the Paris Agreement on Climate, and the National Drought Plan. The ADRiFi programme in Niger will contribute to the implementation of these initiatives.

- 3.2.4. <u>Gender impact</u>: Niger ranks 157th out of 189 countries under the gender inequality index of the 2016 Human Development Report, and 45th out of 52 African countries according to the 2015 African Gender Equality Index. This low ranking is linked to, inter alia, discriminatory socio-cultural norms, limited economic opportunities for women (poor access to resources, low productivity of female labour, and the paucity of decent employment for women), as well as challenges related to education and reproductive health. Women are particularly affected in the areas of agriculture and food security. Their limited access to productive assets such as land, credit and technology and their low participation in decision-making make them more vulnerable to shocks.
- 3.2.5. An evaluation of the DNPGCA reveals that women's needs are not systematically factored into the programmes it implements. Although women in special situations are identified as a specific category of beneficiaries of assistance (e.g. breastfeeding women and female farm heads whose cumulative household chores leave them with little time to engage in farming activities), the DNPGCA does not have gender-disaggregated indicators, nor a gender mainstreaming strategy. Accordingly, the general approach under ADRiFi Niger will include systematic gender mainstreaming. To this end, a consultant specialised in gender issues will be recruited under the project to conduct a gender audit of the DNPGCA and identify gender-sensitive indicators for project implementation.
- 3.2.6. The ADRiFi Niger project will be implemented in conformity with the National Gender Policy (PNG) which provides guidelines for gender equality in Niger. This policy highlights four strategic priorities, namely: (i) the equitable promotion of the status of men and women in the society, community and family; (ii) the equitable promotion of the potential and status of women and men within the household economy and the market economy; (iii) a stronger drive to enforce the rights of women and girls, scale-up the fight against gender-based violence and push for greater gender equity in political life; and (iv) capacity-building for institutions enforcing the national gender policy. The ADRiFi programme is classified in Category 3 under the Bank's Gender Marker System. Accordingly, a gender action plan is outlined in Chapter B7 of the Technical Annexes. Implementation of the gender action plan will be financed from the programme's resources.
- 3.2.7. <u>Social impact</u>: According to the latest UNDP World Development Report, Niger has maintained its ranking, with the estimated human development index (HDI) of 0.354 in 2017. Although the incidence of poverty fell from 48.2% in 2011 to 42.2% in 2017, this decline was quickly offset by high population growth rates that triggered a surge in the absolute number of poor people in Niger. With their high exposure to food insecurity in times of disaster, these poor communities are caught up in a vicious circle of poverty. Through the payment of compensation to victims of climate-related disasters, the Government will be able to provide timely and effective assistance to vulnerable communities, thus keeping them above the poverty line. Moreover, this approach will enable the Government to provide such assistance without engaging in a reallocation of national resources, thus creating some fiscal leeway for itself and contributing to the implementation of other projects or boosting budget allocation to priority social sectors (such as agriculture and health). The ADRiFi programme will not lead to community displacement.

IV. IMPLEMENTATION

4.1 Implementation Arrangements

4.1.1. <u>Institutional Arrangements</u>: The executing agency of the ADRiFi Niger programme and host of its project management unit (PMU) is the DNPGCA. The PMU will be composed of (i) a programme supervisor; (ii) a technical coordinator; (iii) a monitoring and evaluation officer; (iv) an administrative and finance officer; and (v) an assistant. An evaluation of the DNPGCA revealed that the agency has the technical capacity to carry out the ADRiFi programme in Niger. To this end, the above-mentioned PMU members will be appointed from the DNPGCA staff. However, other specialists, including a procurement specialist and an accountant, will be recruited to assist the PMU in its work. A gender consultant will also be recruited to support the PMU.

- 4.1.2 The PMU will ensure the technical monitoring of the ADRiFi programme. Accordingly, it will (i) ensure that the Government honours its commitments, including payment of its counterpart contribution; (ii) ensure monitoring and evaluation; (iii) ensure timely implementation of the ADRiFi programme schedule; (iv) prepare the programme's half-yearly and annual progress reports; (vi) ensure the programme's financial management (verification of accounts, transmission of direct payment requests to the Bank); (vii) ensure the timely submission of the programme's accounting and financial audit reports; and (viii) prepare the completion report for the Bank.
- 4.1.3 The PMU will work closely with the ARC's Technical Working Group (TWG) in Niger. The current TWG, made up of government representatives from relevant technical services, brings together agro-meteorologists, agronomists, meteorologists, vulnerability specialists, statisticians, economists, financial experts, food security and natural disaster response specialists, researchers, and insurance specialists. The PMU will devote all its time and resources to the implementation of the ADRiFi programme, in coordination with TWG members who will meet regularly, according to the agreed work plan and expected results.
- 4.1.4. An ADRiFi steering committee will be set up to provide strategic guidance and support political advocacy throughout the implementation. The steering committee will be chaired by the Prime Minister's Chief of Staff and will include representatives from the following structures: Ministry of Planning, Ministry of Finance and Budget, Ministry of Agriculture and Livestock, and the Ministry of Women's Affairs and Child Protection. The steering committee will be assisted by the PMU and will meet at least twice a year or as many times as needed.
- 4.1.5. <u>Financial Management</u>: In accordance with the Bank's rules and procedures, the executing agency's PMU will be responsible for the programme's fiduciary management. Since the executing agency (DNPGCA) is relatively new and its systems need fine-tuning, it will therefore need to take necessary steps to ensure the efficient management of the programme's finances. Such steps include the recruitment of an accountant dedicated to the programme, the updating or procurement of appropriate accounting software and training of key project implementation staff on the Bank's systems and procedures, among others. The appraisal revealed that the fiduciary risk is considered to be high since the DNPGCA still lacks sufficient financial management capacity to provide reasonably consistent, accurate, complete and timely information on the programme's status, and cannot therefore meet the Bank's minimum requirements in this regard. However, mitigation measures have been proposed to reduce the risk level and ensure that the programme meets the stipulated requirements and standards for proper implementation. (For more information, see Technical Annexes B4 and B5 in Volume II of the Appraisal Report).

4.1.6. **Procurement Arrangements**

- 4.1.6.1 **Applicable Procurement Policy and System**: All goods, works and consultancy services financed with Bank resources will be procured in accordance with the Procurement Policy for Bank Group-Funded Operations ("AfDB Procurement Policy"), October 2015 edition, and the provisions of the Financing Agreement. In accordance with this policy, and following the various appraisals conducted, it has been agreed as follows:
 - A. Goods, non-intellectual (routine) services and works listed in Paragraph B.5.2.1(a) of Technical Annex 5B will be procured in accordance with the country's procurement system ("National System") enshrined in the relevant law (Law No. 2011/037 of 28 October 2011, on the general principles, control and regulation of public procurement and public service delegations of authority), decree (Decree No. 2016-641/PRN/PM of 1 December 2016 on the Public Procurement Code and Public Service Delegation of Authority) and miscellaneous implementing instruments, and using the standard national standard bidding documents (NSBDs).
 - B. Consultancy services, goods and works listed in paragraph B.5.2.1(b) of Technical Annex 5B will be procured in accordance with the Bank's procurement methods and procedures

("Bank System"). Such items which are partly or wholly financed with Bank resources will be procured using the Bank's most appropriate standard solicitation documents (SSDs).

- 4.1.6.2 **Bank's Reservation of Rights**: Usage of the National System for part of the project will improve efficiency through, inter alia, the following actions: (i) better ownership of the procurement system to be used by the executing agency; (ii) time gains with the absence of a second control (after that of the national entities) in the form of the Bank's a priori review. However, the Bank reserves the right to request the Borrower to revert to the Bank's system if: (a) the public procurement legal framework in Niger were to change to a system unsatisfactory to the Bank; (b) the executing agency fails to comply with the provisions in force; or (c) the appropriate risk mitigation measures included in the risk assessment action plan are not complied with.
- 4.1.5.3 **Procurement Risk and Capacity Assessment (PRCA)**: In order to take into account the specificities of the programme, the Bank assessed: (i) risks at country, sector and programme levels; and (ii) the capacity of the executing agency. These assessments concluded that the procurement risk level was "moderate" and made it possible to determine, subject to application of the mitigation measures proposed in Paragraph 5.9 of Technical Annex 5B, the group of items to be procured according to the Bank's system and those that could be procured, without major risk, using the national system.
- 4.1.6. Disbursements: Bank resources shall be disbursed in accordance with the Bank's Disbursement Manual through the following two (2) methods: (i) the direct payment method; and (ii) the special account method. The direct payment method shall be used for the payment of high-cost contracts and agreements for goods and services signed with firms, suppliers and service providers, including the Bank's contribution to the payment of the premium, as well as the settlement of expenses relating to consultancy services. The special account or working capital fund method will be widely used for operating expenses and low-cost services. The project will open a special account in CFA Francs for the ADF grant with a commercial bank acceptable to the Bank for operating expenses and for the management of certain agreements and payment of the fees of individual consultants. Accordingly, and in keeping with the regulations in force in the country, the special account or working capital method will be widely used for operating expenses and low-cost services. The disbursement letter will provide more details on the Programme's disbursement arrangements. Planned activities to be implemented under the ARC co-financing will follow ARC disbursement arrangements. The Bank's contribution to purchase of the sovereign insurance policy will be disbursed directly to ARC Ltd.
- 4.1.7. <u>Financial Reports and External Audit</u>: The programme will be required to produce quarterly financial statements to be submitted to the Bank no later than 45 days after the end of the quarter and in a format to be defined at the launch of the Project. The financial statements of the Programme will be audited annually by an independent audit firm acceptable to the Bank and according to terms of reference acceptable to the Bank. The financial and audit report, accompanied by a management letter, will be sent to the Bank no later than six months from the end of the fiscal year. The project will bear the cost of the audit.

4.2 Monitoring and Evaluation

The programme's four-year implementation period (2020-2023) is deemed to be reasonable, given its objectives and planned activities. The main task of the PMU will be to monitor and evaluate the programme, using the logical framework indicators. The head of the monitoring/evaluation team at the DNPGCA will ensure that the monitoring/evaluation system incorporates performance indicators that are relevant and consistent with those of the logical framework, by holding up the baseline situation as the benchmark for project progress towards the achievement of intermediate targets and impacts. The PMU will present (i) quarterly progress reports; (ii) a mid-term report on the implementation status of planned activities that will outline "the way forward" to improving programme implementation; (iii) a programme completion report that includes lessons learned, as well as external monitoring and evaluation.

4.3 Governance

- 4.3.1. In the last five years, Niger has implemented major reforms in the areas of governance and public finance management. To combat corruption, the High Authority for the Fight against Corruption and Related Offences (HALCIA) was set up in 2011 and its powers were increased through a law unanimously adopted by parliament in 2016. Moreover, Niger has implemented public finance reforms for more than a decade to improve performance. In this regard, Niger transposed WAEMU public finance directives into national law and adopted the relevant implementing instruments in 2016. It also made progress in ensuring the compliance of its public procurement system with international standards and WAEMU public finance guidelines. Progress was also made regarding budget allocation rules for decentralized services, the examination and approval of the budget by the National Assembly, and the quality of debt reporting. Moreover, in February 2017, the government adopted its fourth Public Finance Management Reform Programme, which was designed to facilitate the stabilisation of the macroeconomic framework and the strengthening of the public finance management system.
- 4.3.2 Despite these reforms, the country continues to face governance challenges. Over the past five years, Niger has obtained the rating "slowing improvement" for governance under the Ibrahim Index of African Governance (IIAG). Although the trend is improving slightly, the country has remained stuck in the 28th/29th position in IIAG rankings. Despite the strengthened anti-corruption framework, corruption remains prevalent across all sectors of Niger's economic and social life, as evidenced by the country's poor ranking in Transparency International's 2017 Corruption Perception Index (112th out of 180 countries). The ADRiFi programme will be implemented in compliance with the Bank's anti-corruption provisions in AfDB-financed projects. During project launch, PMU members will be sensitised on the Bank's anti-corruption principles and guidelines. Economic governance will also be enhanced through strengthening of the country's public procurement system. In this regard, particular attention will be paid to control mechanisms and procurement procedures under the ADRiFi programme. Finally, advocacy and sensitisation activities targeting decision-makers, as envisaged under the programme, will make it possible to enhance the programming, planning and execution of the State's budgetary allocation for disaster risk management, which includes payment of the ARC sovereign insurance premium.

4.4 Sustainability

- 4.4.1 The Niger government's commitment to and ownership of the ADRiFi programme is clearly demonstrated by its close involvement in the programme's design. The country's commitment to risk insurance solutions was adopted at the highest levels of government since ratification of the ARC Treaty in 2012. In addition, the government's willingness to use part of its ADF grant attests to its desire to leverage ADRiFi support to strengthen the country's institutional framework for disaster risk management. Furthermore, the government's willingness to work with the World Bank and the AfDB to develop a financing strategy for disaster risk management is a guarantee of the sustainability of the ADRiFi programme because the jointly-developed financing strategy will enable the country to identify long-term sustainable resource mobilisation options to finance disaster risk management, and constitute a funding source for the premium.
- 4.4.2. From a technical point of view, ADRiFi will ensure adequate disaster risk management in Niger, through institutional and staff capacity-building on disaster risk response. In addition, the advocacy and sensitisation activities planned under the project will contribute to a better understanding and ownership of risk transfer mechanisms at the national level, and encourage a preference for the risk transfer mechanism, as well as budgetary programming, through inclusion of the premium in the country's finance laws and subsequent amendments. Finally, the integration of programme activities into the annual work plans of DNPGCA (in line with the organization's mandate) will ensure the sustainability of ADRiFi-supported activities well beyond the project's lifespan.

4.5. Potential Risks and Mitigation Measures

Table 9: Risks and Mitigation Measures

Nature of risk	Risk level	Mitigation measures Mitigation measures
Policy reversal or decrease in public resources that may	High	The project will raise awareness at the political and policy level on the importance of taking ex-ante disaster risk
undermine the government's ability to pay its counterpart		management measures such as sovereign insurance, while strengthening the institutional framework for disaster risk
contribution to the project.		management and stimulating systematic and sustainable
		financing of risk management in the country. In addition, advocacy and sensitisation of decision-makers will
		facilitate understanding of the ARC mechanism and its ownership at the country level.
Basic risk; i.e., the risk that the	Moderate	Efforts will be made to improve the quality of the data used
index-based or parametric insurance threshold is incorrectly		to determine the index and to reduce the basic risk. Funding for agricultural and food security surveys will help to
calibrated or insufficiently		address the lack of field data. In addition, the country's
correlated to the risk to be covered, thus leading to non-		capacity to understand insurance products and their inherent limitations will be strengthened. The financing strategy for
payment of benefits or to low		disaster risk management will ensure that insurance
payments relative to the damage		products are part of a pool of instruments that the country
in the event of disaster.		and beneficiaries could use to ensure better risk management, including residual risks (i.e. risks not covered
		by sovereign insurance).
Insecurity in the country's northern regions, which could	High	Food assistance will be provided in the affected areas, as well as in neighbouring regions, where vulnerable people
hinder mobilisation of the		often take refuge in times of disaster.
country's counterpart funds, and		Ç
slow the government's response to food crises in these regions.		
Risk of external shocks (such as	Moderate	The government will be sensitized to the importance of
the COVID-19 pandemic) that		adopting insurance as a guarantee of stability in the event of
could lead to macroeconomic instability and, in turn, impact		disaster. To underscore the relevance of insurance, Madagascar will be cited as an example of a country which
the government's ability to pay		received insurance payout that enabled it to cushion the
its counterpart contribution.		
		period but received no payouts. This reduction would be
		factored into the counterpart amount and thus encourage the country to maintain a minimal counterpart contribution.
		received insurance payout that enabled it to cushion the effects of drought in the middle of the COVID-19 pandemic. In addition, the ARC offers premium reductions to countries that have paid their premiums over a three-year period but received no payouts. This reduction would be factored into the counterpart amount and thus encourage the

4.6 Knowledge Development

The ADRiFi programme implementation process will generate new knowledge and information through improvement of the skills and know-how of disaster management stakeholders, promotion of a learning culture from past lessons, the adoption of best practices and the systematic use of available scientific data for decision-making. The knowledge acquired during the implementation of ADRiFi in Niger will be disseminated to other development partners involved in disaster risk management at the national level, as well as international partners working on disaster risk management in general and food insecurity in particular. The websites of the DNPGCA and the Bank will serve as channels for the dissemination of lessons learned under the ADRiFi programme in Niger.

V. LEGAL FRAMEWORK

5.1. Legal instrument

The proposed financial instrument is a protocol agreement for an ADF grant of UA 4 million between the Republic of Niger (the "Grantee") and the African Development Fund.

5.2. Conditions Associated with the Bank's Intervention

5.2.1. Conditions Precedent to Grant Effectiveness

The Grant Protocol Agreement shall become effective on its date of signature by the Fund and Niger.

5.2.2. Conditions Precedent to First Disbursement

Apart from the entry into force of the grant agreement, the Fund shall not make the first disbursement of the grant unless the Grantee fulfils the following conditions to the satisfaction of the ADF:

- i. Sign and submit the Contribution Agreement between the Grantee and Africa Risk Capacity ("ARC") under which the ARC confirms the availability of the budget for its in-kind contribution to the project and whose terms and conditions have been deemed acceptable by the Fund, or submit evidence that the Grantee has obtained funding from alternative sources to cover the funding gap resulting from non-performance of the Contribution Agreement;
- ii. Submit supporting documents attesting to the establishment of the Programme Management Unit (PMU) within the DNPGCA and the appointment of the following key staff members, whose experience and qualifications have been deemed satisfactory by the Fund beforehand: (i) an ADRiFi Programme Supervisor; (ii) a Technical Coordinator; (iii) a Monitoring and Evaluation Officer; and (iv) an Administrative and Financial Officer; and
- iii. Submit supporting documents attesting to the recruitment, within the PMU, of a Procurement Specialist whose qualifications and terms of reference have been deemed satisfactory by the Fund beforehand.

5.2.3. Conditions precedent to second disbursement

Apart from the entry into force of the grant agreement, and the fulfilment of conditions precedent to first disbursement, the Fund shall not make the second disbursement of the grant unless the Grantee fulfils the following conditions to the satisfaction of the ADF:

- i. Submit to the Fund supporting documents attesting to the update of the project's administrative, financial and accounting procedures manual and deemed satisfactory by the Fund;
- ii. Submit to the Fund supporting documents attesting to procurement of the accounting software for the project and deemed satisfactory by the Fund;
- iii. Recruit an accountant for the PMU whose qualifications and terms of reference have been deemed satisfactory to the Fund beforehand.

5.2.4. Commitments

The Grantee undertakes to:

- i. submit to the Fund, no later than six (6) months following signature of the agreement protocol, the supporting documents attesting to the establishment of the programme steering committee;
- ii. recruit, no later than six (6) months after second disbursement of the grant, a gender expert for the PMU whose qualifications and terms of reference have been deemed satisfactory to the Fund beforehand;
- iii. submit, throughout the duration of the project and no later than 31 December of each year, a work programme and budget approved by the Steering Committee and deemed satisfactory by the Fund;

- iv. provide, no later than 31 March of the relevant year, evidence of inclusion of the Grantee's annual counterpart contribution into the Initial Finance Laws for 2022 and 2023, in accordance with the Grantee's cash flow plan designed on the basis of the Programme's disbursement schedule; and
- v. collaborate with the ARC (ensuring that the DNPGCA does same) throughout the duration of the programme; and take all necessary steps to facilitate the implementation of activities to be undertaken by the ARC under the project in order to facilitate the preparation and signature of the insurance policy for each year covered by the Project.

5.3. Conformity with Bank Procedures

The Programme is in conformity with the relevant Bank policies and procedures, except for the provision on the 50 per cent cap on the payment of the insurance annual premium as stipulated in the ADRiFi Framework Document, for which a derogation is hereby sought.

VI. RECOMMENDATIONS

On the basis of the terms and conditions set out in this report, Management recommends that:

- i. the Boards of Directors of the Bank and the Fund should (i) approve the request to waive paragraph 2.3.2.1 of the ADRiFi Programme's the Framework Document, which caps ADF financing at 50% of the total insurance premium; and (ii) authorise 100% financing of the annual insurance premium issued by the ARC equivalent to no more than UA 1.05 million (USD 1.4 million) per annum for the first two (2) years of the insurance policy issued by the ARC under the African Disaster Risk Financing (ADRiFi) Programme; and
- ii. the Board of Directors of the Fund should approve the award of a grant of no more than UA 4 million to the Republic of Niger from the ADF-15 performance-based allocation resources to help finance the African Disaster Risk Financing Programme (ADRiFi).

Annex 1: Comparative Socio-Economic Indicators of Niger

Niger COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Niger	West Africa	Africa	Develo- ping Countries	
Basic Indicators						GNI Per Capita US \$
Area ('000 Km²)	2019	1 267	5 115	30 067	94 797	·
Total Population (millions)	2019	23,3	386,9	1 306,3	6 384,0	2500
Urban Population (% of Total)	2019	16,4	47,0	43,3	50,3	2000
Population Density (per Km²)	2019	18,4	76,9	44,5	69,2	1500
GNI per Capita (US \$)	2018	390	1 551	1 783	4 844	1000
Labor Force Participation *- Total (%)	2019	72,0	58,7	63,2	60,7	
Labor Force Participation **- Female (%)	2019	60,6	53,0	54,6	45,8	
Sex Ratio (per 100 female)	2019	101,0	101,3	99,8	107,1	0
Human Develop. Index (Rank among 189 countries)	2018	189				2018 2017 2017 2016 2018 2018 2018 2018 2014
Popul. Living Below \$ 1.90 a Day (% of Population)	2007-18	44,5	41,2	35,6	11,9	
Demographic Indicators						
Population Growth Rate - Total (%)	2019	3,9	2,7	2,7	1,2	
Population Growth Rate - Urban (%)	2019	4,5	4,1	3,6	2,3	Burn Latina 6 III Burn 1911
Population < 15 y ears (%)	2019	49,8	43,4	40,6	27,6	Population Growth Rate (%)
Population 15-24 years (%)	2019	19,4	19,6	19,3	16,4	4,5
Population >= 65 years (%)	2019	2,6	2,8	3,5	7,2	4,0
Dependency Ratio (%)	2019	110,3	85,8	78,7	54,6	3,5
Female Population 15-49 years (% of total population)	2019	21,0	23,3	24,2	25,2	3,0
Life Expectancy at Birth - Total (years)	2019	62,4	58,0	63,5	70,8	2,0
Life Expectancy at Birth - Female (years)	2019	63,6	59,1	65,3	73,0	1,5
Crude Birth Rate (per 1,000)	2019	45,6	36,8	33,0	20,2	1,0
Crude Death Rate (per 1,000)	2019	8,0	10,0	8,0	7,3	0,0
Infant Mortality Rate (per 1,000)	2018	48,0	64,1	48,7	31,3	2018 2017 2016 2016 2014 2013 2012 2007 2007
Child Mortality Rate (per 1,000)	2018	83,7	99,6	70,2	42,0	
Total Fertility Rate (per woman)	2019	6,8	5,1	4,4	2,6	
Maternal Mortality Rate (per 100,000) Women Using Contraception (%)	2017 2019	509,0 20,5	704,7 21,9	432,3 39,1	230,0 61,7	
				00,1		
Health & Nutrition Indicators	0040 40	4.0	05.4	22.4	404.0	
Physicians (per 100,000 people)	2010-18	4,3	25,1	33,4	121,8	Life Expectancy at Birth (years)
Nurses and midwives (per 100,000 people)	2010-18	27,0	98,7	107,8	240,8	
Births attended by Trained Health Personnel (%) Peop. Using at least basic drinking water services (% of Po	2010-17 2017	39,7 50,3	50,5 69,8	61,7 66,3	78,5 87,7	80
Peop. Using at least basic drilling water services (% of Population Services)	2017	13,6	32,5	40,3	68,5	60
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2017	0,3	1,5	3,4		50 40
Incidence of Tuberculosis (per 100,000)	2018	87,0	171,5	202,3	154,0	30 - 20 -
Child Immunization Against Tuberculosis (%)	2018	87,0	70,4	81,4	84,9	10
Child Immunization Against Measles (%)	2018	77,0	71,0	76,1	85,2	0 0 0 0 0 0 0 0 0
Underweight Children (% of children under 5 years)	2010-17	31,7	19,8	17,5	14,5	2018 2017 2016 2015 2014 2013 2012 2007
Prev alence of stunding	2010-17	42,2	36,3	34,0	23,6	
Prev alence of undernourishment (% of pop.)	2017	16,5	13,9	18,5	12,3	
Current health expenditure (% of GDP)	2016	6,2	4,1	5,3	5,4	
Education to disease						
Education Indicators						
Gross Enrolment Ratio (%) Primary School - Total	2010-19	74.7	90.4	100.1	104.1	
Primary School - Total Primary School - Female	2010-19	74,7 69,2	89,4 87,1	100,1 98,0	104,1 104,4	Infant Mortality Rate
Secondary School - Total	2010-19	24,3	44,9	52,6	71,9	(Per 1000)
Secondary School - Female	2010-19	20,7	42,1	50,4	71,3	120
Primary School Female Teaching Staff (% of Total)	2010-13	52.7	40.2	48.6	62,9	100
Adult literacy Rate - Total (%)	2010-18	30,6	56,0	66,9	84,0	80 -
Adult literacy Rate - Male (%)	2010-18	91,6	53,6	70,8	88,2	60 + 1
Adult literacy Rate - Female (%)	2010-18	22,6	46,8	60,0	79,8	▎ <mark>┃┃┃┃┃┃</mark> ┃┃┃┃┃┃┃┃┃┃┃
Gouvernment expenditure on Education (% of GDP)	2010-17	3,5	4,1	4,3	4,1	40 + - - - - - - - - -
Environmental Indicators						o
Land Use (Arable Land as % of Total Land Area)	2016	13,3	17,0	8.0	11,4	2018 2017 2016 2015 2014 2013 2008
Agricultural Land (as % of land area)	2016	36,1	48,9	38,2	38,3	8 7 8 2 4 8 8 0
Forest (As % of Land Area)	2016	0,9	9,2	13,2	31,9	
Per Capita CO2 Emissions (metric tons)	2014	0,3	0,4	1,2	3,5	

Sources: AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update :

April 2020

UNAIDS; UNSD; WHO, UNICEF, UNDP; Country Reports.

Note: n.a.: Not Applicable; ...: Data Not Available. *Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

Annex 2: AfDB Country Portfolio as at 15 February 2020

N° Soctour	Code SAP	Titro	N° instrument	Date Approbation	Date signature	Date Achevement	Montant Engagement	Montant décaissé	Taux déc.	Age
Projets publics na	code 3/11	nue								
Projets publics na	ationaux		2100150041544		12/062019		46,520,000.00	0.00	0.00	0.0
		DROUGT DI ARRIVA ALI DRO COLAMAS MANDA DI DE RECENTRATIONI DES ESCONISTEMES		F /22 /2240		42/24/2025				
1 Agriculture	P-NE-AA0-020	PROJET D' APPUI AU PROGRAMME KANDADJI DE REGENERATION DES ECOSYSTEMES	2100155039628	5/22/2019	6/11/2019	12/31/2026	35,480,000.00	0.00	0.00	
			5900150002601		6/11/2019		10,000,000.00	0.00	0.00	0.0
2	P-NE-CZ0-001	PROJET DE DEVELOPPEMENT DE L'INFORMATION ET DE LA PROSPECTIVE CLIMATIQUE	5565130000051	9/24/2012	11/22/2012	12/31/2020	6,944,038.36	4,756,759.62	68.50	7.4
Environnement	F-NL-C20-001	PROJET DE DEVELOPPEMENT DE ENVIONMENTON ET DE LA PROSPECTIVE CLIMATIQUE	5565155000301	3/24/2012	11/22/2012	12/31/2020	2,558,329.92	1,435,153.21	56.10	7.4
Environment			5565130000052	- / /			9,136,892.58	6,807,083.73	74.50	7.3
3	P-NE-CZ0-004	PROJET DE MOBILISATION ET DE VALORISATION DES RESSOURCES EN EAUX	5565155000302	9/25/2012	11/22/2012	12/31/2020	6,944,038.36	5,266,270.21	75.84	7.3
Sous-total Dévelo	oppement rural		'	<u>'</u>			117,583,299.22	18,265,266.77	15.53	4.2
	ĺ		2100150036843				15,070,000.00	1,117,918.71	7.42	3.4
4 Energie	P-NE-F00-004	PROJET D'ELECTRIFICATION EN MILIEU RURAL, PERIURBAIN ET URBAIN	2100155034017	12/9/2016	3/10/2017	12/31/2020	29,250,000.00	2,466,762.45	8.43	3.4
"			2200160002039	7.7.1		, , , , ,	7,400,000,00	518.562.67	7.01	
Sous-total énergi	io (01 projet)		220020002033				51,720,000.00	4,103,243.83	7.93	
50us-totul ellergi	1	ARRIVA LA MACRIVICATIONI DES RESCOURCES ET A LA MAISE EN CEININE DU PRES 2047 2024	F0004FF0404F4	2/27/2040	5/25/2010	0 /20 /2020	1,000,000.00		85.34	
Gouvernance	P-NE-KZ0-001 P-NE-IAE-001	APPUI A LA MOBILISATION DES RESSOURCES ET A LA MISE EN OEUVRE DU PDES 2017-2021 PROJET D'APPUI A LA COMPETITIVITE ECONOMIQUE ET A LA GESTION FINANCIERE	5900155013451	3/27/2018	6/25/2018	8/20/2020	9,210,000,00	853,397.98 533.205.00		-
Sous-total gouve		PROJET D APPOTA LA COMPETITIVITE ECONOMIQUE ET A LA GESTION FINANCIERE	2100155040418	9/3/2019	11/1/2019	12/31/2022	10,210,000.00	1,386,602.98	5.79 13.58	
30us-totui gouve	Inunce	PROJET D'APPUI AU DEVELOPPEMENT DE L'ENSEIGNEMENT ET DE LA FORMATION PROFESSIONNELS	2100150023461				7,870,000.00	7,759,371.33	98.59	
7 Social	P-NE-IAE-001	ET TECHNIQUES	2100150025401	12/15/2010	12/22/2010	4/30/2020	17,630,000.00	16,883,603.49	95.77	
Sous-total social	1	El l'Echiniques	2100133013273				25,500,000.00	24,642,974.82	96.64	
Jour total Journ	1		2100150042199				15.810.000.00	0.00	0.00	
8 Transport	P-NE-DB0-011	PROJET D'AMENAGEMENT DES ROUTES TAMASKE-TAHOUA ET TAMASKE-MARRARABA	5900150002751	11/5/2019		12/31/2024	11,140,000.00	0.00	0.00	
o mansport	1 112 550 511	THOSE STATEMENT SESTIONES THOSE THOSE THOSE THOSE THOSE THOSE	5900155016102	- 11/3/2013		12,01,202	2,510,000.00	0.00	0.00	
Sous total Trasnp	port						29,460,000.00	0.00	0.00	
	ts publics nationau	IX .					234,473,299.22	48,398,088.40	20.64	3.6
Projets publics m	multinationaux									
0.4	D 74 AA7 022	NIGER-PROGRAMME DE RENFORCEMENT DE LA RÉSILIENCE À L'INSÉCURITE ALIMENTAIRE	2100150032045	10/15/2014	1/27/2015	12/31/2021	14,480,000.00	6,944,285.47	47.96	5.3
9 Agriculture	P-Z1-AAZ-022	INIGER-PROGRAMIME DE RENFORCEMENT DE LA RESILIENCE À L'INSECURITE ALIMENTAIRE	2100155028525	10/15/2014	1/2//2015	12/31/2021	14,480,000.00	6,832,721.27	47.19	5.3
10 Environnement	P-Z1-CZ0-023	PROJET MULTINATIONAL D'APPUI A LA REINSERTION SOCIO-ECONOMIQUE DES GROUPES VULNERABLES DANS LE BASSIN DU LAC TCHAD	5550155001453	7/18/2018	12/31/2024	12/31/2024	2,373,509.33	0.00	0.00	1.58
11	P-Z1-C00-071	PROGRAMME DE DEVELOPPEMENT ET D'ADAPTATION AU CHANGEMENT CLIMATIQUE DANS LE BN	2100155038973	11/7/2018	6/6/2019	12/31/2025	7,500,000.00	87,415.71	1.17	
11	F-21-C00-071	PROGRAMME DE DEVELOPPEMIENT ET D'ADAPTATION AU CHANGEMENT CLIMATIQUE DANS LE BIN	5110155000552	11/7/2018	0/0/2019	12/31/2023	1,579,702.82	48,898.27	3.10	
Sou-total dévelop	ppement rural						40,413,212.15	13,913,320.72	34.43	
12 Transport	P-Z1-DB0-102	PROJET DE LA ROUTE TRANSSAHARIENNE (RTS)- ALGERIE NIGER TCHAD	2100150030845	12/11/2013	3/8/2014	12/31/2021	58,980,000.00	24,487,632.47	41.52	
12 ITalisport	F-21-DB0-102	PROJET DE LA NOOTE TRANSSATIANIENNE (NTS)-ALGERIE NIGER TETIAD	2100155026867	12/11/2013	3/8/2014	12/31/2021	20,090,000.00	8,913,673.21	44.37	6.1
Sous total Transp	port						79,070,000.00	33,401,305.68	42.24	6.1
			2100150038698				26,000,000.00	0.00	0.00	2.1
			5900150001801	12/15/2017	6/25/2018	12/31/2022	27,500,000.00	0.00	2.29	
13 Energie	P-Z1-FA0-119	NIGER-PROJET D'INTERCONNEXION NIGERIA-NIGER-BENIN-BURKINA FASO	2100155036218	7 7 7	, , , , ,	, , , ,	9,000,000.00	205,850.73	2.29	
			5110155000151	6/29/2018	12/19/2018	12/31/2022	12,100,970.50	0.00	0.00	1.6
Sous-total Energi	ie						74,600,970.50	205,850.73		2.0
14 Communications		DORSALE TRANSSAHARIENNE A FIBRE OPTIQUE (DTS)	2100150037243	12/9/2016	4/6/2017	6/30/2021	19,375,000.00	0.00	0.00	_
17 Communications	21-000-024	DOUGNEE THANSON MILITIME A FIBRE OF FIQUE (D13)	2100155034416	12/3/2010	4/0/201/	0/30/2021	15,443,000.00	1,762,274.60	11.41	
Sous total Comm							34,818,000.00	1,762,274.60		3.1
	ts publics multinat	ionaux					228,902,182.65	49,282,751.73	21.53	
Sous-total projet							463,375,481.87	97,680,840.13	21.08	3.4
Projet secteur pr	rivé									
15 Finances	P-NE-HAB-001	SONIBANK SOCIETE NIGERIENNE DE BANQUE	2000130010430	1/16/2013	7/8/2013	7/8/2021	10,459,409.45	10,459,409.45	100.00	
		SONIBANK SOCIETE NIGERIENNE DE BANQUE	5050140000065	11/4/2015	10/14/2016	7/8/2021	2,478,075.46	0.00	0.00	
Sous-total projet	ts secteur privé						12,937,484.91 476,312,966.78	10,459,409.45 108,140,249.58	80.85 22.70	

Annex 3A: Contributions to the FCD for Food Crisis Management

Donors	Joint Multi-	Food Security	National Food
	Donor Fund	Funds (FSA)	Security
	(FCD)	(in XOF)	Reserve
	(in XOF)		(tonnes)
European Union	47,897,657,984	14,035,108,301	1,912,56
France	11,812,623,280	3,295,572,901	1,329,78
Swiss Cooperation	10,000,000	0	0
Luxembourg Dev't Cooperation	563,643,219	0	0
COGEMA	26,000,000	0	0
Algeria	18,856,866	0	0
Côte d'Armor	26,559,570	0	0
Italy	0	281,344,055	250
World Food Programme	163,753,400	0	0
Canada	50,000,000	0	0
Germany	441,083,899	6,075,308,815	2,397,45
Switzerland	2,401,504,977	2,149,404,009	0
Belgium	557,563,450	0	0
Organisation Int. de la Francophonie	137,682,750	0	0
United States	300,000,000	0	11,848
Spain	5,083,643,550	655,927,250	0
World Bank	972,000,000	0	0
Luxembourg	1,311,805,525	0	0
F.A.O.	287,328,000	0	0
A.F.D.	2,543,113,160	0	0
TOTAL	74,604,819,630	26,492,665,331	17,737,79

Annex 3B: Summary of Donor Interventions

Fields of intervention	AfDB	IMF	EU	AFD	BM
Public finance and revenue collection	X	X	X	X	X
Justice			X	X	
Energy	X			X	X
Industry	X				
Oil and Mining	X				
Agriculture	X		X	X	
Business environment and private	X		X		X
sector					
Water and sanitation	X			X	
Education	X		X	X	
Health			X		
Gender	X				X
Youth employment			X		
Anti-Corruption			X		
EITI	X				

Annex 4: Note on the Fragility Status of the Republic of Niger

INTRODUCTION

- 1.1 In recent years, the Government of Niger has succeeded in establishing a relatively stable society and achieving a degree of economic development that is partly based on the exploitation of mineral resources. The country is rich in uranium, coal, gold, iron ore, tin, phosphates, oil, molybdenum, salt and gypsum. The mining sector is therefore crucial to the national economy. Uranium mining and oil production are on the rise uranium and crude oil account for half of Niger's current exports. Indicated mineral resources are estimated at about 21 million tonnes of ore for gold and about 14 million tonnes of coal.
- 1.2 Despite this vast potential, Niger faces many challenges, namely: a hostile climate, severe poverty and the attendant social tensions, compounded by very high population growth, an extensive and sparsely populated surface area, a fragile economy and its very young democracy which is threatened by sporadic violent extremist incursions from neighbouring countries, and insurrections of powerful global terrorist groups operating throughout the Sahel. Indeed, although Niger has no home-grown militant group, militant activities in neighbouring Mali, Nigeria, and Libya, as well as global terrorism and jihadist kidnappings have undermined the country's internal security. In addition, as the main transit route for the trans-Sahara illegal migration to Europe, Niger is also an essential route for migratory flows and contraband trafficking.
- 1.3 To address these complex challenges and ensure stability, Niger needs more than military operations. It needs more sustained efforts to strengthen national institutions and endow the country with infrastructure that boosts its economic competitiveness, among other things. Strengthened institutions and good governance best practices will not only bolster the populations' resilience to violent extremism, but also increase the government's understanding of the concerns of its citizens, especially women and youth. It will also enable all the competent State structures to increase transparency and accountability in their management of the country's natural resources. Niger's return to the Extractive Industries Transparency Initiative (EITI) should improve transparency in the management of the country's oil and mineral resources and speed up the reduction of poverty and gross inequalities by promoting greater accountability and better distribution within the national economy and across communities.

HISTORICAL BACKGROUND

- 2.1 The region now known as Niger became a French overseas territory in 1946, an autonomous state within the French Community in 1958, and an independent republic in 1960. From its independence in 1960 until 1974, the country was led by President Diori Hamani, who established a one-party system. His party, the Niger Progressive Party African Democratic Rally (PPN-RDA), obtained 100% of the votes in the presidential and legislative elections of 1965 and 1970. The political life of this young state was stable until 1974 when Lieutenant-Colonel- Seyni Kountché ousted President Diori in a military coup. This coup d'état set off a cycle of military involvement in Niger's political life, as demonstrated by successive regime changes through military coups in 1996, 1999 and 2010. The military governed the country until democratic reforms adopted in the early 1990s restored civilian rule. The country's next big challenges were the Tuareg insurgency and a fragile economy.
- 2.2 The Kountché junta dissolved the constitution and declared a "state of emergency", which lasted until his death in 1987. His successor, General Ali Seybou, adopted a new constitution restoring single-party rule and held presidential elections that were easily won by his party, the Niger Movement for Social Democracy (MNSD Nassara). Less than a year later, however, and with the wind of democratisation blowing from the East, French President

Mitterrand's La Baule speech, and a combination of international pressure and national protests, forced President Seybou to initiate democratic reforms. A national conference held in 1991 produced a new constitution, which was adopted by referendum in 1992. Niger's first multi-party elections were held in 1993. A young and inexperienced politician named Mahamane Ousmane won the second round of the ballot, beating the MNSD Nassara candidate, Tandja Mamadou.

- 2.3 The growing rivalry between President Ousmane and his Prime Minister, Issoufou Mahamadou, over the sharing of strategic positions within the government led to the paralysis of state institutions. The military ended the impasse by seizing power in a coup d'état in January 1996. After a short military transition, the junta held presidential elections in which its leader, Colonel Ibrahim Bare Mainassara, won in the first round with 52% of the vote. The election, widely regarded as fraudulent, led to political unrest and then the April 1999 military coup. A short military transition ended with the adoption of a new constitution and the organisation of multi-party elections later in 1999. These elections were dominated by the MNSD Nassara and its presidential candidate, Tandja Mamadou, a retired military officer and member of the former junta. Tanja Mamadou would be re-elected in 2004 after a run-off against Issoufou Mahamadou. But Tandja made a tactical error towards the end of his second term: organizing a referendum for the adoption of a new constitution that would allow him to bypass the presidential term limit. Only six months after the referendum, the army overthrew Tandja, making him the fourth leader of Niger to be toppled in a military coup.
- It is common knowledge that military coups are pointers to the weakness of a country's democratic institutions. However, Niger features among the exceptions where multiple successful and attempted military coups in the 1990s appear to demonstrate the resilience, rather than the fragility, of its democratic institutions. In fact, the three coups d'état that occurred after the start of the democratisation process (1996, 1999 and 2010), took place either in a context of near-complete paralysis of the government (1996) or to prevent descent into authoritarian rule (1999 and 2010). In all three cases, the military coups paved the way for the return of multiparty democracy. The 2010 military coup led to the adoption of Niger's seventh constitution and the conduct of multi-party elections in 2011. President Issoufou Mahamadou, then leader of the PNDS Tarayya who had unsuccessfully run for president in many previous elections, won the poll with 58% of the votes in the run-off against Seyni Oumarou of the MNSD Nassara. International observers described the election as free and fair. Following the presidential run-off held on 20 March 2016, Issoufou was re-elected for a second and final term (in accordance with the Constitution).

GEOGRAPHICAL CONTEXT

- 3.1 Niger is a landlocked West African country located just south of the Sahara. It is the largest country in West Africa, with a surface area of 1,267,000 square kilometres and an estimated population of over 20 million inhabitants. It shares borders with seven countries, namely: Algeria and Libya in the north, Chad in the east, Nigeria and Benin in the south, Burkina Faso in the west, and Mali in the northwest.
- 3.2 Niger has a tropical climate, with two main seasons: a dry season from October to May and a rainy season from May to September. A large part of the territory is located in arid and semi-arid zones—the Sahara and the Sahel. Only 11% of the land is suitable for farming, and is located mainly in the south and west along the Niger River, where almost the entire population lives in semi-arid conditions. The rest of the territory consists of the Sahara Desert, with scattered oases and mining communities. The country's wetlands are located in the southern strip of the border with Nigeria and in the valley of the Niger River, the main watercourse that traverses the country over a distance of more than 500 km. It is a hot country with temperatures reaching 50° C in the shade at certain times of the year, especially in the hottest months (April and May). Niger has three climatic zones as follows:

- the Saharan zone in the north which covers 3/5 of the territory and is dry and rich in mineral resources;
- the Sahelian pastoral zone in the centre which has an average rainfall of 200 to 300 mm per year; and
- the Sudan region in the south which is a farming area with rainfall of 350-600 mm per year and is highly suitable for stockbreeding.
- 3.3 The Sahara desert covers about 80% of the total land area, and the desert conditions constantly drive farmers off their farmland. The majority of Niger's population are subsistence farmers living in rural areas, on less than one US dollar a day.

POLITICAL AND GOVERNANCE CONTEXT

- 4.1 After a decade of military coups as well as political and economic upheavals, Niger returned to democracy in 1999 and is on a very encouraging upward trajectory. Despite a brief return to political instability with a military coup in 2010, a democratically elected government was restored in April 2011. Since then, Niger has achieved some political stability, although the security situation remains fragile. The government's programme to address Niger's development challenges has generated renewed hope among the population. Indeed, the Government of Niger is pursuing an economic and social development plan that also underpins the activities of the main development partners. It has embarked on a vast project to promote rural development and women's rights. It is also committed to good governance, sound economic policies and the rule of law.
- 4.2 There are three main reasons why Niger remains at the bottom of development index rankings, namely: (i) the inability or unwillingness of past leaders to optimise the country's wealth in order to enhance the well-being of their people; (ii) military coups and corruption; and (iii) poor coordination of donor activities by the government. Other notable impediments to progress include poor coordination among the donors themselves. In October 2012, the government of Niger launched a five-year initiative to address security and development challenges in the country's Sahel and Saharan areas. The initiative proposed projects to examine (i) the root causes of instability and establish local, national and regional mechanisms; and (ii) the external causes of economic exclusion and political disenfranchisement that fuel political instability and the collapse of the State.

SECURITY CONTEXT

5.1 Niger is particularly vulnerable to the instability prevalent in the Sahel and Saharan regions because it is surrounded by danger on all sides: in the north is southern Libya, a volatile zone from where terrorists operate, roaming through the entire Sahel region; in the west is Mali where Al Qaeda in Islamic Maghreb (AQIM) and the Movement for Oneness and Jihad in West Africa (MUJAO) terror groups are wreaking havoc; and in the south, Boko Haram carries out bloody attacks on a stretch of Nigerian territory. Furthermore, the country is vulnerable to terrorist threats and burgeoning cross-border crime (trafficking of arms, ammunition, explosives, migrants and human beings). Their impact on social, political, religious and economic life is incalculable given the country's fragile situation. Moreover, Niger has a very vast territory that is difficult to secure. Porous borders promote cross-border crime. The main concern is limited security for the territory, citizens and property owing to porous national borders and the lack of human, material and technological resources required to effectively control criminal activity. The inability to exert control over its entire territory and over its borders with Libya, Mali and Nigeria remain major challenges for Niger. However, Niger's inability to effectively control its entire territory is largely attributable to limited sources. The lack of a government presence, in terms of infrastructure and basic social services, in certain poor areas creates an enabling environment for drug, human and arms trafficking on Niger territory and particularly in the Saharan region.

5.2 Meanwhile, poor management of natural resources sparks interpersonal conflicts. Agriculture and stockbreeding are the mainstays of Niger's economy, although only 15% of the country's land is arable. Moreover, 85% of the population lives in rural areas, with natural resources as their main source of food and income. Recurrent droughts and demographic pressure have raised the frequency and intensity of conflicts in rural communities. Although there are various kinds of land conflicts, the most frequent break out between farmers and herders. Such conflicts cause severe social problems by disrupting or destroying income-generating opportunities, creating food insecurity, harming the environment and causing fights that sometimes result in loss of life.

SOCIO-ECONOMIC CONTEXT

- Niger is rich in uranium and other natural resources, yet it ranks among the world's poorest countries. The level of illiteracy is staggering, and women cannot fully exercise their rights. According to the 2017 UNDP report, the country ranks 151st on the Gender Inequality Index with a score of 0.649 on a scale of 0 (perfect equality) to 1 (perfect inequality). These disparities undermine development, especially in the areas of literacy, mortality, morbidity, access to assets, sexual violence and early marriage. Rural women, in particular, are heavily burdened with a combination of farm work and domestic chores—they are responsible for collecting water and firewood, farming, preparing meals or caring for children. Niger's regions are rife with conflicts between traditional pastoralist societies, expanding urban communities, mining companies and the central authorities. Several violent extremist groups also operate in Niger, taking advantage of the country's poverty and the perceived lack of trust between citizens and the government.
- 6.2 Insecurity has a serious impact on Niger's economy, particularly the tourism sector. At the beginning of the 2000s, the tourism sector was booming, with many tourists visiting the north of the country in particular (Agadez region). However, insecurity and instability have reduced the number of tourists, thus threatening jobs and livelihoods. Niger is an exporter of natural resources, the most prominent being uranium and oil. It also earns foreign exchange from gold and agricultural products, including livestock. As noted above, agriculture and livestock are the two pillars of the country's economy, employing 85% of the labour force and making an estimated average contribution of over 40% to GDP formation over the past decade. However, the unpredictable climate, combined with soil depletion and erosion, poses a constant threat to agricultural production. Frequent natural disasters and high population growth rates are largely responsible for Niger's food crises. As a result, food security remains a major ongoing challenge. Recurrent food crises increase food and nutrition insecurity among rural dwellers, especially women and children. In addition, more than 115,000 Nigerians, displaced by the recent violent clashes between Boko Haram and the Nigerian army, have sought refuge in Niger. The concentration of refugees in Diffa, a food-insecure region, has created a severe humanitarian crisis.
- Niger faces serious structural challenges and the focus on security issues should not eclipse the major obstacles to development encountered by the country. These include: the country's landlocked nature, poor infrastructure, fragile government institutions, inadequate health care, the world's highest population growth rate, the world's highest total fertility rate, a small and declining arable land surface area, low annual rainfall, high levels of malnutrition, extremely low levels of education, high gender inequalities and a future threatened by the effects of climate change. It is essentially a rural country that has not yet begun an urban transition. Most of its social and economic indicators are weak. With a poverty rate of 48.9% and a per capita income of only USD 420, Niger is one of the poorest countries in the world. This poverty is most

pronounced in rural areas, which are home to nearly 80% of the population. These areas have high unemployment rates. The Ministry of Employment attributes the unemployment level to many factors, namely: population growth, a weak economic fabric, the mismatch between training and real labour market needs, a weak institutional capacity to create jobs that is compounded by a disorganized informal sector, and the limited size of more than two-thirds of registered businesses. In this context, unemployment and underemployment, particularly among young graduates, are persistent challenges in Niger. The Ministry of Employment estimates that some 32% of the labour force is unemployed or underemployed, most of them women and young people. The majority of unemployed or underemployed young people become a burden to family heads, especially within the low-income quintile where the average household size is higher and educational levels are lower. About 60% of the unemployed depend on uneducated family heads. In 2015, Niger was last - 188th out of 188 countries - in the United Nations Human Development Index rankings.

6.4 At 3.9% per annum, Niger has one of the world's highest population growth rates, with an average of 7.6 children per woman, which poses significant service provision challenges and risks undermining national economic development. Furthermore, 60% of the country's population lives on less than one US dollar a day. This problem is compounded by the very high illiteracy rate resulting from low school enrolment. Official development assistance, which has increased since the 1990s, accounts for about 60% of the investment budget and 40% of the national budget.

ENVIRONMENTAL CONTEXT

The Sahel is one of the most fragile ecological zones in the world. Only 12% of Niger's land area receives sufficient rainfall to sustain agriculture, and it is predicted that the country will have little or no arable land by 2100. Niger's soil is low in nutrients, poorly managed, overgrazed and loses up to 100 tonnes of topsoil per hectare to erosion annually. The amount of firewood used for cooking (estimated at two million tonnes per year) is double the natural replacement growth rate of trees. Subsistence farmers and pastoralists in this landlocked country have limited connection to domestic markets and even more limited access to imports such as improved seeds and fertiliser. Moreover, there are no financial institutions offering loans that they could rely on to protect themselves against external shocks. The death of their animals due to low rainfall constitutes a loss of their investment capital. For several decades, cereal production has declined by an average of 0.6% per year. New drought-resistant varieties of millet, sorghum and cowpea are being adopted. However, urgent measures are required to ensure that yields keep pace with population growth.

REGIONAL CONTEXT

- 8.1 The Sahel region has become increasingly unstable in recent decades. Niger has long been considered a relatively stable country in an unstable region. However, this stability is fragile and threatened by instability in the region, the incursions of terrorist groups and domestic political strife. The region has experienced several armed conflicts and increased terrorist activity in recent years. Many historic trans-Saharan trade routes are currently controlled by terrorist and criminal networks. The trafficking of drugs, arms and people has reached unprecedented dimensions, involving major economic interests. The northern zone is inaccessible and sparsely populated, making it extremely difficult for the government of Niger to exert control and develop infrastructure in its outlying national territory.
- 8.2 Niger is the largest and most populous country in the Sahel region and constitutes the geopolitical buffer between the Sahara and Nigeria. Its peace and stability are therefore crucial to stability in the entire region. A collapse of the social and political order in Niger could have a major destabilizing effect on the region. Niger plays a major role in curbing irregular migration.

Moreover, cognizant of its status as a transit country, Niger is the first country in the Sahel to adopt legislation that reinforces the prosecution of human traffickers and portrays migrants as victims of human rights violations.

8.3 However, the enforcement of this legislation is hampered by weak capacity at the government and local levels, as well as socio-economic challenges. Addressing the main challenges of irregular migration through Niger should be based on a comprehensive approach that includes political dialogue, long-term development aid, humanitarian assistance and regional stabilisation programmes.

Annex 5: Environmental and Social Compliance Note

ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)⁴

					(2500)	• • •	
A. Basic Information		D., (AD	D:E:\	Ductoot	CAD and a	. D NE 400 000	
roject Title: African Disaster Risk Management Financing Program (ADRiFi)							
Country: Niger					RPA EF	RBF	
Project Sector: Agriculture (AHY	VP) 18	sk Team Lea			2020		
Appraisal date: February 2020	CI 'N I'' CI	Estimated 1	_				
Environmental safeguards Offic			Social safe	0	_		
Environmental and Social Cate		Operation t		NSO [PBO	w 57	
Is this project processed under					Yes _	No 🗵	
Is this project processed under	a waiver to the Integrated	Safeguards S	System?		Yes _	No 🗵	
B.1. Mandatory discl							
Environmental Assessment/Aud		:		<u>.</u>	<u> </u>)	
Was/Were the document (s) dis				Yes _	No _	NA 🖂	
Date of "in-country" disclosure					[Date]		
Date of receipt, by the Bank, of	the authorization to disclos	se		[Date]			
Date of disclosure by the Bank					[Date]		
Resettlement Action Plan/Fram	ework/Others (specify:				• • • • • • • • • • • • • • • • • • • •)	
Was/Were the document (s) dis	closed <i>prior to appraisal?</i>			Yes	No 🗌	NA 🖂	
Date of "in-country" disclosure	by the borrower/client			[Date]			
Date of receipt, by the Bank, of	the authorization to disclos	se		[Date]			
Date of disclosure by the Bank					[Date]		
Vulnerable Peoples Plan/Frame	work/Others (specify:	• • • • • • • • • • • • • • • • • • • •		•••••)	
Was the document disclosed pr	ior to appraisal?			Yes [No [NA ⊠	
Date of "in-country" disclosure	by the borrower/client				[Date]		
Date of receipt, by the Bank, of	the authorization to disclos	se			[Date]		
Date of disclosure by the Bank					[Date]		
If in-country disclosure of any o	of the above documents is	not expected,	please expl	ain why:	NA.		
B.2. Compliance mon		-					
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?					No NA NA		
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost? Yes No NA					No 🗌 NA 🗌		
Is the total amount for the full impintegrated in the project costs, efforts	olementation for the Resettl	ement of affec	cted people,	as	Yes 🗌	No 🗌 NA 🖂	
Does the Monitoring and Evaluati safeguard impacts and measures r	on system of the project inc	clude the moni	itoring of		Yes 🛚	No 🗌 NA 🗌	

C. Clearance

been adequately reflected in the project legal documents?

Is the project compliant to the Bank's environmental and social safeguards requirements, and to be submitted to the Board? Yes \boxtimes No \square

Yes 🖂

Have satisfactory implementation arrangements been agreed with the borrower and the same

⁴ Note: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

⁵ **DI**=Direct Investment; **FI**=Financial Intermediary; **CL**=Corporate Loan; **BS**=Budget Support; **GU**=Guarantee; **RPA**=Risk Purchase Agreement; **EF**=Equity Financing; **RBF**=Results Based Financing.

Prepared by:	Name	Signature	Date
Environmental Safeguards Officer:	Charlotte CHEUMANI NOUDJIEU		July 09, 2020
Social Safeguards Officer:	-		
Task Team Leader:	Cecil NARTEY		July 10, 2020
Submitted by:			
Sector Director:	Atsuko TODA	a6-2	July 12, 2020
Cleared by:			
Director SNSC:	Maman-Sani ISSA	Shineral	July 13, 2020

Annex 6: Map of the Project Area

