



# Program Information Document (PID)

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Appraisal Stage | Date Prepared/Updated: 17-Jun-2020 | Report No: PIDA29549



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Project ID	Project Name	Parent Project ID (if any)
Niger	P173113	NIGER SECOND LAYING THE FOUNDATION FOR INCLUSIVE DEVELOPMENT POLICY FINANCING (P173113)	P169830
Region	Estimated Board Date	Practice Area (Lead)	Financing Instrument
AFRICA	06-Aug-2020	Macroeconomics, Trade and Investment	Development Policy Financing
Borrower(s)	Implementing Agency		
Republic of Niger	Ministry of Planning		

**Proposed Development Objective(s)**

This document proposes a Development Policy Financing (DPF) that supports Niger’s response plan to mitigate the impact of the COVID-19 while sowing the seeds for resilience to protect the future for faster recovery. It has three Pillars: (i) reducing gender gaps and providing cash transfer program to the households most affected by COVID-19; (ii) expanding access to electricity and potable water, and; (iii) improving debt management and debt transparency.

**Financing (in US\$, Millions)**

**SUMMARY**

<b>Total Financing</b>	250.00
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**DETAILS**

<b>Total World Bank Group Financing</b>	250.00
World Bank Lending	250.00

Decision  
Other

**Explanation**

Team has authorization to proceed with a combined concept review meeting and ROC meeting. Email from Mamtha, OPCS is attached as CN Decision Notes.



## **B. Introduction and Context**

### Country Context

1. This document proposes a Development Policy Financing (DPF) that support Niger’s response plan to mitigate the impact of the COVID-19 while sowing the seeds for resilience to protect the future for faster recovery. This is the second and last operation in a single-tranche disbursement of a programmatic DPF series to be disbursed in calendar year 2020. The proposed operation was adjusted to consider COVID-19 emerging needs. It has three Pillars: (i) reducing gender gaps and providing cash transfer program to the households most affected by COVID-19; (ii) expanding access to electricity and potable water, and; (iii) improving debt management and transparency, and reducing fiscal risks. The proposed operation combines an International Development Association (IDA) Grant of US\$125 million equivalent on standard IDA Grant terms, an IDA Credit of US\$125 million equivalent on standard IDA regular credit terms with maturity of 38 years including a grace period of six years. The first operation amounting to US\$350 million was approved by the Board in December 2019.

2. COVID-19 is significantly clouding Niger’s development prospects for 2020. Niger was approaching presidential elections that were preceded by strong financial support of development partners for its economic and social development strategy and robust economic performance. Growth had been on an upward trend, averaging 6.0 percent between 2017 and 2019 despite some important risks linked to challenging security conditions, climate vagaries and commodity prices. Owing to the effects of the COVID 19 global pandemic, growth is now projected at 1.0 percent in 2020. The main transmission channels include lower external demand due to the global recession, a commodity price shock, tighter financial conditions and an output contraction due to measures to contain the COVID-19 outbreak domestically. Job loss and/or reduced income during the COVID-19 crisis is expected to increase poverty, affecting mainly urban and peri-urban poor disproportionately, including workers involved in the service sector and smallholder farmers.

3. Creating the enabling conditions for sustained and accelerated medium-term growth would entail, among others, tackling key structural challenges related to stark gender inequality and low access to infrastructure. Owing to an extremely high fertility rate (7.8 children per women) and population growth rate (3.9 percent) - the highest in the world - the number of poor has increased despite declining poverty rates. Substantially expanding educational attainment and reducing fertility could boost gross domestic product (GDP) by an estimated 12.6 percent by 2030. Rural access to electricity is 5 percent and increasing national access rate would contribute to 1.5 ppt to per capita growth. Low access to both electricity and water have adverse gender and human capital impacts, exacerbating poverty.

### Relationship to CPF

4. The proposed DPF series is closely aligned with the Niger Country Partnership Framework (CPF) (FY18-22) and draws on the World Bank Systematic Country Diagnostics. The CPF was endorsed by the Board of the WBG Executive Directors in April 2018. It is built around three focus areas: (i) increased rural productivity and incomes; (ii) improved human capital and social protection; and a cross-cutting theme; (iii) better governance for jobs, service delivery and growth. It identifies DPF as a key instrument supporting the World Bank strategy in Niger. The proposed operation draws on the SCD which concluded that gender inequality and closing rural infrastructure gap is a priority in Niger. The program is also anchored in the WBG’s Africa Human Capital (HC) Plan and the World Bank Gender Strategy.

## **C. Proposed Development Objective(s)**



This document proposes a Development Policy Financing (DPF) that supports Niger’s response plan to mitigate the impact of the COVID-19 while sowing the seeds for resilience to protect the future for faster recovery. It has three Pillars: (i) reducing gender gaps and providing cash transfer program to the households most affected by COVID-19; (ii) expanding access to electricity and potable water, and; (iii) improving debt management and debt transparency.

#### Key Results

5. By the end of the program in December 2021, it is expected that: (i) communes selected in a pilot phase under the DPO, with the highest child marriage prevalence, will be equipped with Child Protection Committees; (ii) the share of demand met for family planning for married adolescent girls aged 15-19 will increase; (iii) the share of married and mother adolescent girls age 15-19 remaining in the school system would increase; (iv) not less than 30,000 poor and vulnerable households will receive COVID-19 response cash transfer; (v) new power connections in rural areas through mini grid electricity will be developed; (vi) 40 MWp new solar capacity in rural areas are awarded on a competitive basis, and; (vii) all IPP contracts are awarded in a transparent and competitive manner and with cost-benefit analysis; (viii) the turnover of the SPEN would improve; (ix) 550,000 previously unserved beneficiaries, will have access to potable water; (x) an annual borrowing plan includes a cost/risk analysis of the debt portfolio would be published; (xi) 75 percent of SOEs will comply with debt reporting arrangements; (xii) 50 percent of SOEs, will publish certified financial statements; (xiii) a transparent adaptive response mechanism to shocks through a dedicated budget line for the utility companies exists in the budget.

#### D. Project Description

6. The proposed operation is the second and last of a programmatic series of two DPFs to be disbursed over 2020 under IDA19. **The proposed series is articulated around three pillars.** Pillar 1 is “Reducing gender gaps and Protecting Livelihoods”, Pillar 2 is “Expanding rural access to electricity and potable water” and Pillar 3 is “Improving debt transparency and debt management”. The structure of the operation is fully aligned with the government’s development strategy and priorities as articulated in the PDES II. It also supports the COVID-19 response plan of the Government by mitigating the immediate impacts on the most impacted population while protecting the basis for future recovery. The focus on gender in Pillar 1 supports the PDES II strategic Pillars (ii) and (iii). The focus on infrastructure under Pillar 2 also supports the PDES II strategic Pillar (iii). The focus on debt management supports PDES II strategic Pillar (iv).

7. The proposed operation is designed and articulated in a way that brings substantial gender-related and human capital benefits through mutually-reinforcing Pillar I and II. Increase in access to electricity will have positive effects on human capital development, gender agenda and women empowerment in Niger. This will include reduced burden with water pumping, lighting (reduction of usage of hazardous traditional lighting), education (schools, energy for media for awareness raising for women and girls), electrified healthcare centers, and productive use of electricity for small and family level businesses usually managed by women. Improving access to and quality of water also has positive gender implications as it will alleviate some of the time burden placed on women and girls by water chores as well as the caring from sick children and family members resulting from water-related diseases.

#### E. Poverty and Social Impacts, and Environmental, Forests, and Other Natural Resource Aspects

##### Poverty and Social Impacts

8. Several actions supported by the proposed operation are expected to have significant positive poverty reduction and welfare enhancement impacts. Some measures under Pillar 1 and 3 are specifically designed to protect the livelihoods



of the most affected households by the COVID. The cash transfer program under the COVID-19 response plan and the financing of the utility bill moratorium are expected to alleviate the immediate burden on targeted population. Some measures in Pillars 1 and 2 are designed to speed the pace of poverty reduction. This done by way of broadening economic and social inclusion, offering community-based development opportunities and improving women and girls living conditions and promoting access to electricity and water services. Under Pillar 1, the reduction in the number of child marriages and the increase in girls’ enrollment in schools are expected to have a direct impact on welfare. Under Pillar 2, the development of the electricity sector will create business opportunities and along with the initiatives to expand access to potable water will improve rural welfare. For the water sector, the poverty and social impacts are expected to flow from two streams. First, improved financial sustainability of the sector will enable more investment and reach more vulnerable populations in the 75 rural centers now integrated into the urban perimeters. Second, an increased access to water will contribute to improving the well-being of beneficiary households – primarily through the health pathway - and particularly the poorest who currently have a much lesser access.

#### Environmental, Forests, and Other Natural Resource Aspects

9. The proposed prior actions in the energy sector pose environmental risks, but these risks are manageable. Solar based rural electrification projects may have minor negative impacts including small land acquisition, land clearing with tree cutting and construction waste. From the sector standpoint, the water sector reforms might entail some risks, but they have been mitigated. Environmental adverse impacts that could arise from an increased exploitation of water resources could increase risks related to destruction of some protected trees species and Niger River’s riparian countries conflict linked to international water intake and pollution. Niger has institutions dealing with environmental adverse impacts mitigation. In addition, Niger has a comprehensive framework to ensure effective mitigation of potential negative effect on environment, forests, or other natural resources. The main services involved are the National Office of Environmental Evaluation (*Bureau National d’Evaluation Environnementale*, BNEE) and the General Directorate for Environment and Forestry.

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#### CONTACT POINT

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**APPROVAL**

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**Approved By**

Country Director:	Joelle Beatrice Dehasse	15-May-2020
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