

OFFICE MEMORANDUM

DATE: January 7, 2002

TO: Mr. Ken King, Assistant CEO, GEF Secretariat
Att: GEF PROGRAM COORDINATION

FROM: Lars Vidaeus, GEF Executive Coordinator



EXTENSION: 3-4188

SUBJECT: **Niger Community Based Integrated Ecosystem Management under the National
Community Action Program
Submission for Work Program Inclusion**

Please find enclosed the electronic attachment of the above mentioned project brief for work program inclusion. We would appreciate receiving any comments by January 14, 2002.

The proposal is consistent with the *Criteria for Review of GEF Projects* as presented in the following sections of the project brief:

- Country Drivenness: Section D4, p. 26.
- Endorsement: Annex 4 of the project brief contains the endorsement letter.
- Program Designation & Conformity: Section A3, p.4; Section B1a, p.6; Annex 3.
- Project Design: Section C1, pp. 14-18; Annex 2.
- Sustainability: Section F1, p. 35.
- Replicability: Section B4, p.14; Section F1, p. 35.
- Stakeholder Involvement: Section E6, pp. 33-34.
- Monitoring & Evaluation: Section C1, part D, pp. 16-17.
- Financing Plan: Cover page; Section C1 (table), p. 18.
- Cost-effectiveness: Not feasible, explained in Section E1, p.27.
- Core Commitments and Linkages: Section B1, pp. 5-6; Section D2, pp. 22-24.
- Coordination and Collaboration between IAs: Section D5, p.26; Annex 4.
- Response to Reviews: Annex 4 (STAP review) and response.

No additional comments were received from the GEFSEC at pipeline entry and PDF approval.

Please let me know if you require any additional information to complete your review prior to inclusion in the work program. Many thanks.

Distribution:

Messrs.: F. Pinto, UNDP
A. Djoghlaf, UNEP (Nairobi)
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cc: Messrs./Mmes.D. Sellen;, J. Baah-Dwomoh (AFTR2); C. Crepin, P. Gleason (AFTES); E. Esikuri; R. Khanna, S. Wedderburn, D. Aryal (ENV); ENVGC ISC; AFTES Divisional Files.

PROJECT BRIEF

1. IDENTIFIERS:

PROJECT NUMBER: P073011
PROJECT NAME: Niger: Community-Based Integrated Ecosystem Management Under the Community Action Program, Phase I
DURATION: 4 years (within a 12-year APL)
IMPLEMENTING AGENCY: World Bank
EXECUTING AGENCY: Ministry of Planning and Economic Development
REQUESTING COUNTRY: Niger
ELIGIBILITY: Niger ratified the Biodiversity Convention, the UNFCCC (1995) and the Convention to Combat Desertification (1996)
GEF FOCAL AREA: Multi-focal
GEF PROGRAMMING FRAMEWORK: OP 12 (Integrated Ecosystem Management)

2. SUMMARY:

The Niger Community Action Program (CAP) is aimed at poverty reduction and improved governance through stimulating economic growth, improving natural resource management, raising levels of health, education, and food security, and empowering communities and local governments. These goals will be achieved through local-level capacity-building efforts and implementation of demand-driven micro-projects. To ensure that local actions also translate into global environmental benefits, the CAP's IDA development objective will be supported through GEF financing, under the Operational Program #12 (OP12). In this way, the program will address Niger's increasingly severe problems related to ecosystems degradation with an emphasis on land and water degradation. Thus, the global environmental objective of this project is to promote community-based integrated ecosystem management of the mainly arid and semi-arid (agro)ecosystems in Niger as a means to contribute to reduce the vulnerability of the West African region as a whole to desertification while fostering multiple global environmental benefits.

3. COSTS AND FINANCING (US\$MILLION)

GEF:	-Project	4.00 (with \$5 million planned for 2 nd phase)
	- PDF:	0.35
	<i>Subtotal:</i>	4.35
Co-financing:	IDA:	30.00
	Local communities	2.00
	Borrower:	2.00
	<i>Subtotal:</i>	34.00
Total Project Cost:		38.35

4. OPERATIONAL FOCAL

Name: Oumarou El Hadji Title: Secretary General

POINT ENDORSEMENT:

Organization: Ministry of Planning Date: September 17, 2001

5. IA CONTACT:

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A. Program Purpose and Project Development Objective

1. Program purpose and program phasing:

The Niger Community Action Program (CAP) is aimed at poverty reduction and improved governance through stimulating economic growth, improving natural resource and ecosystem management, raising levels of health, education, and food security, and empowering communities and local governments. These goals will be achieved through local-level capacity-building efforts and implementation of demand-driven micro-projects.

In Niger, as in most poor countries, communities are struggling to find ways to manage and finance local development to meet the most basic of needs. Policy-makers have promoted deconcentration of government services, but implementation has fallen short of expectations. Local administrations hope to improve the delivery of services, but are constrained by inadequate resources, limited capacity, and weak linkages with civil society and the private sector. Communities typically lack the financial resources and decision-making powers to manage their own development. They seek greater participation in decisions that affect them, but are thwarted by entrenched political and institutional interests. As a result, decentralization remains largely on paper, while true community-driven development in Niger exists only in isolated cases supported by donors or NGOs.

The CAP is explicitly aimed at supporting Niger's process of decentralization by giving communities the responsibility and resources for local development and by providing nascent local governments with the means and administrative capacity to support the communities to which they are accountable. The program is long-term in recognition that decentralization is a process that cannot be achieved quickly. The Adaptable Program Loan (APL) instrument is chosen to provide a flexible and long-term horizon with which to accomplish the program's purpose.

To reach the goal of national coverage, the program aims at implementing over a 12-year period with a phased approach of progressive geographic expansion (i.e. the so-called "horizontal" version of the APL). The initial four-year phase will include cover all communities within 15 - 20 percent of rural and urban *communes* in all eight regions. This phase is the subject of this PAD. Subsequent phases will be initiated independently of the termination dates of the previous phase. Rather, they will begin when readiness criteria for expansion are satisfied. Performance triggers are described in section B.4.

2. Project Development Objective: (see Annex 1)

The CAP will assist the Government of Niger **to establish and operationalize decentralized, participatory, and transparent financing mechanisms that empower poor communities to take charge of their own development, with the support of their local governments.**

3. Global Objective: (see Annex 1)

A major reason for poverty in Niger is the degradation of its natural resource base. This challenges the majority of its growing population, which relies on agriculture and livestock production for food security, income, and employment, to produce more with less, at the expense of the environmental sustainability. Yet as the majority of Nigeriens struggle to meet short-term needs like food security and clean water, it is not realistic to expect that long-term goals of sustainable natural resource management and ecosystem resilience would place high on a list of community priorities, and thus be served by the CAP. For this reason, and to enable the leveraging of additional resources and ensure that local actions translate into

global environmental benefits, the CAP's IDA development objective will be supported through financing from the Global Environment Facility (GEF), under the Operational Program #12 (OP12). In this way, the program will address Niger's increasingly severe problems related to ecosystem degradation with an emphasis on land and water degradation, which threaten to accelerate desertification over the whole West African region. Thus, the global environmental objective of this project is **to promote community-based integrated ecosystem management of the mainly arid and semi-arid (agro)ecosystems in Niger as a means of reducing the vulnerability of large areas of the West African region to desertification, while fostering multiple global environmental benefits.**

In view of the linkages between local development and natural resource and ecosystem management (see Annex 11), the CAP will pro-actively promote a concept known as "community-based integrated ecosystem management" (CBIEM) which is promoted in GEF's OP12. CBIEM is defined for this project as harmonized management of the cultivated areas, natural rangelands, and water resources in and around Nigerien communities by these communities in order to maintain or recover a balance in the multiple functions of these natural resources as seen from a local, national and global ecosystem perspectives. More concretely, for this Sahelian country, this balance will involve the maintenance or recovery of the condition of the natural resources as they function as providers of cropping areas, water and fodder for sedentary and non-sedentary livestock and local and migratory wildlife, household energy, food, medicinal products, veterinary products, construction material, shelter, areas of cultural and social value, barriers to land and water degradation and as sources of carbon sequestration and biodiversity. Activities promoting CBIEM will be co-financed by IDA and GEF. Over the CAP's lifetime, CBIEM is expected to significantly enhance the carbon storage capacity of the soils and vegetation, as a result of the maintenance or recovery of the biomass on cropping and rangelands. In addition, conservation and maintenance of biodiversity will be achieved through holistic management of land and water resources. Numerous scattered water bodies in Niger are of importance to migratory birds. International water bodies, such as the Niger River and the Lake Chad Basin, also represent areas of relative high biodiversity. Since further degradation of the land and water resources in Niger would accelerate desertification and result in increased pressure on the ecologically richer areas to the south, the longer term impact of the project is expected to contribute to the preservation of the many globally important environmental assets encompassed in this region.

Depending on the projects' performance, GEF will co-finance the first two phases of the CAP. During this time, the program will endeavour to establish the principle of the CBIEM approach conceptually in Niger, establish a conducive policy and institutional framework, and undertake successful interventions in Nigerien communities. Based on this success, other resources will be leveraged to supplement any remaining requirement.

4. Key performance indicators: (see Annex 1)

The CAP is in the business of institution building, and as such many of the performance indicators will need to measure administrative capacity and social capital. With respect to community investment in micro-projects, numeric estimates will not be possible *a priori*, precisely because the micro-projects are demand-driven through community needs assessments carried out as part of project implementation. However, it is possible to describe the types of indicators. The performance of the project will be evaluated in terms of:

- *Local institutional capacity:* Number of communities capable of carrying out needs assessments and feasible development plans. Number of communities directly executing small projects, and of monitoring execution of larger projects. Increased involvement of the private sector and civil society in local development. Reduced time lags to implementation. Decreased management to investment cost ratios.

- *Central institutional capacity:* Policy, legal, and financial framework for decentralization in place. Conducive policy and institutional environment for application of harmonized management of the natural resources such as to address the interest of non-resident livestock holders in natural resources tenure issues and to discourage cultivation of marginal lands Central government actively and effectively supporting local development efforts. National cross-sectoral poverty M&E system established encompassing, including relevant data relating to the condition of the natural resources.
- *Investment volume:* Proportion of national resources mobilized by rural communities; trend in overall investment and distribution; trends in number and types of investments with distinction of projects involving activities promoting or supporting harmonized management of the natural resources.
- *Living conditions:* Improved use and more equitable access by members of communities to key social and economic services, infrastructure, and natural resources. Decreased prevalence of HIV infection.
- *Employment and income generation:* Number of jobs created micro-projects, with distinction of projects involving activities promoting or supporting harmonized management of the natural resources. Income levels of community members in general and in particular by vulnerable groups.
- *Natural resource management:* Trends in the condition of the natural resources regarding their multiple functions seen from a local, national, and global perspectives, such as cropping areas, water and fodder for sedentary and non-sedentary livestock and local and migratory wildlife, household energy, food, medicinal products, construction material, shelter, areas of cultural and social value, barriers to land and water degradation and as sources of carbon sequestration and biodiversity.

B. Strategic Context

1. Sector-related Country Assistance Strategy (CAS) goal supported by the project (see Annex 1)

Document number: 17114-NIR and 22958-NIR **Date of latest CAS discussion:** 10/16/97 and 01/23/01

The overall goal of Bank assistance to Niger is to reduce the number of poor people through sustainable and equitable economic growth.

The 1997 CAS document (17114-NIR) places particular importance on helping to "finance the delivery of needed public services by groups outside central government, including local communities" and recommends "major long-term investments in human capital". The CAS also recognizes that Niger will require external assistance for the foreseeable future. In a similar vein, the 1996 Niger Poverty Assessment (15344-NIR), recognizes that poverty reduction will require a greater role from communities, NGOs, and civil society in the definition, implementation, and execution of local development efforts. In assessing experience of the last four years, the 2001 CAS Progress Report (22958-NIR) notes that "implementation can work well where responsibility is devolved upon communities, and where adequate attention is paid to building their capacity to manage their development". In contrast to the previous CAS, the report gives particular importance to the potential of decentralization, and underscores the role of the Community Action Program in realizing this potential.

Seen more broadly, the CAP must be viewed as part of the Bank's corporate recognition that recognizes the need for interventions along multiple axes: (i) macro-economic interventions with the aim of growth, (ii) sector-specific work and policy reforms, and (iii) empowering communities to take control of their own development. The CAP constitutes this third leg, and reflects the Africa Region's response to the Bank's corporate priority of community-driven development (CDD). The CDD initiative responds to the OED's observation that community-based projects are more likely to be rated satisfactory than other projects (particularly in Africa), and the fact that -- according to recent feedback surveys -- clients believe the World Bank weak in areas of community empowerment and poverty reduction.

1a. Global Operational strategy/Program objective addressed by the project:

The co-financing of the CAP by the IDA-loan and the GEF grant aims at producing multiple benefits. GEF-supported activities will benefit from the nation-wide and cross-sectoral approach of the project, the management structures and logistics of the program, and the fulfillment of the short term basic needs of the communities allowing the communities to put their mind and energy to longer term natural resource and ecosystem management issues. The IDA-loan supported activities will benefit from the GEF-supported activities through the latter's immediate support to longer-term local, national and global environmental concerns, which will help satisfy the longer term sustainability of the poverty reduction effort, which otherwise would only be addressed after the shorter term basic needs would be fulfilled (at which point the further degraded natural resources would be harder to recover and maintain).

In accordance with the broad programmatic approach of OP12, the GEF grant funds will supplement the IDA credit, which will enable the program to address global environmental concerns through CBIEM in the context of a national program to reduce poverty, support decentralization, empower communities, and improve resource management. The proposed project is fully consistent with the objectives of GEF's OP12 to promote "widespread adoption of comprehensive ecosystem management interventions that integrate ecological, economic, and social goals to achieve multiple and cross-cutting local, national, global benefits". Supporting land and water degradation control in West Africa through CBIEM in Niger, the project will lead to at least three of the four type of global environmental benefits distinguished by OP12 through its contribution to maintaining or recovering carbon sinks, biodiversity preservation, and sustainable use of water.

The CAP's GEF grant funds will also be used to support Niger's international commitments. Niger ratified the Biodiversity Convention and the UNFCCC in 1995 and the Convention to Combat Desertification the following year. Niger also signed the Convention on International Waters, Convention on Migratory Species and African/Eurasian Migratory Waterbird Agreement, Convention Cites and the Ramsar Convention on Wetlands.

To foster a broader regional impact, the CAP development and implementation closely coordinates with the development and implementation of a similar CDD project in Burkina Faso also involving an OP12 component . The project proposed also complements other GEF initiatives in progress or under preparation in Niger (see Section D).

2. Main sectors issues and government strategy:

Key structural and institutional features of the sector

The countries of the Sahel are among the poorest in the world, and by most measures Niger is the poorest of these, with more than two-thirds of the population living in poverty. If trends continue this number will grow -- current per capita GNP (\$190) is less than half of what it was two decades ago. But poverty is not

simply the result of low income levels. It is also caused by widespread lack of access to food, clean water, medical care, education, financing, and other economic and social services. This section reviews the multi-sectoral dimensions of poverty in Niger.

Natural resources: The CAS recognizes that the biggest obstacle to promoting rural development in Niger is the agro-ecological resource base, which is characterized by fragile and degrading arable land, low rainfall and periodic droughts. A combination of rapid population growth, southward migration due to droughts, and few opportunities for employment outside of agriculture, has put increasing pressure on limited amounts of fertile land, and this land is disappearing fast. In 1965, one quarter of Niger was arable; it is now one eighth. Eighty-five percent of Niger's population is thus pressed into a corridor north of the Nigerian border about 100 to 150 kilometers wide. With the encroachment of the Sahara and an apparent downward trend in rainfall across the Sahel, there is perhaps no country more at risk from desertification. Any strategy for sustainable development must therefore urgently come to grips with arresting degradation of -- and ultimately improving -- Niger's land and water resources. A major cause of the land and water degradation in the region is an uncontrolled expansion of cultivated areas at the expense of the availability and quality of the natural rangelands and water resources. Biodiversity is also adversely affected. The natural flora and fauna in this area used to be very well equipped with mechanisms of resistance and resilience to cope with the erratic and harsh climatic condition in the area, while the agricultural species are much more vulnerable to the climatic forces. In addition, the natural rangelands and water resources in the southern area, also provided a crucial amount of water and fodder resources during the dry season for migrating wildlife and livestock coming from the northern arid regions. These are now becoming increasingly dependent on a decreasing amount of crop-residues, often owned by sedentary livestock holders. The increasing pressure on the diminishing natural rangelands and water resources in the south, has not only led to overall decrease in availability/productivity of these natural resources but has also led to loss of biodiversity as a result of overexploitation of natural species that are particularly sought for as sources of food, fodder, household energy, medicinal products, veterinary products and construction and shelter material. Within this context, linking CBIEM, which aims to balance the management of the cultivated areas, the natural rangelands and the water resources within ecosystems, to a cross-sectoral program to reduce poverty, appears the best hope for success.

Water resources: One of the three pillars in the CAS is the need to manage Niger's scarcest resource -- water -- which is the primary factor in agricultural productivity and, by extension, household and national incomes. Niger has by far the lowest level of annual internal water resources in the region. Ninety-nine percent of cultivated lands are rainfed, leaving crops and farm incomes vulnerable to erratic rainfall and droughts. Farmers lack the technologies, credit, and organization to access ground and surface water and to successfully share its use. Improved rural infrastructure such as small-scale irrigation schemes, village water catchments, and soil/water management technologies could therefore have major impacts on communities' food security. Such activities, however, should be developed taking into account the multifunctionality of the land and water resources of ecosystems as a whole in the context of development concerns and environmental interests.

Agriculture and food security: The Bank Poverty Assessment and the new PRSP consider rural development the cornerstone of a poverty reduction strategy in view of the fact that agriculture provides the vast majority of employment, food, and income for Nigeriens. Of the national actively employed population, 84 percent of men and 97 percent of women are involved in growing crops or raising livestock. Despite the large share of public investment financing devoted to rural development (53% over the period 1991-97), agricultural GDP grew at an average annual rate of only 0.9 percent in real terms in the period 1966-96, mainly from increasing the area under cultivation. This has meant an annual decline in per capita agricultural GDP by about two percent, and a widespread increase in the number of households lacking food security. One factor is that yields for the staple crops -- millet and sorghum -- are low and declining. Furthermore, the drop in quality and quantity of natural rangelands also decreased the

availability of traditional food products produced by wild growing native species. Pastoralism is also very important in Niger and used to represent a buffer effect during adverse effects of bad cropping years, but the national herd has suffered tremendously from recurring droughts and the decreased availability, condition and accessibility of grazing and water areas during the dry season.. A growing source of conflict in the country is the fact that seasonal movements of pastoral peoples and their herds have difficulties passing through the agricultural zone to reach the Nigerian market to the south. Apart from low and variable farm incomes, the combination of low yields, scarce water, declining soil fertility, and inadequate marketing infrastructure are the main reasons for widespread food insecurity. Recent work done by the World Bank in the Tillaberi region in March 1998 identified food security as the top priority for most rural communities. While there is scope for increased exports of certain high value agro-pastoral products, most rural households will continue to depend on subsistence agriculture for the foreseeable future.

Health: Statistics on the health of Nigeriens reveal a dismal situation. One out of four children die before their fifth birthday. Life expectancy is very low (only 44 years for males). Four out of five births take place outside health facilities, and two thirds of women receive no pre-natal care. Forty-three percent of children under five suffer from malnutrition. Only 30 percent of Nigeriens live within five kilometers of a health facility. Three-quarters of expenditure and four-fifths of personnel are devoted to urban areas, much of which is associated with hospitals rather than primary care clinics. Health care resources are particularly scarce for rural communities which are dependent on traditional medical products coming from the declining and degrading natural rangelands. As many medicinal plants are no longer readily accessible in Niger, materials are being imported in increasing quantities from Nigeria. More than 90 percent of all health care in Niger is provided by *traditherapeuts* (herbalists) and *matrons* (traditional birth attendants). There are an estimated 27,000 *traditherapeuts* and only 300 "western" trained doctors resulting in doctors per people ratios of respective 1 : 400 and 1: 35,000.

HIV/AIDS: The official estimate of HIV infection is under two percent. While this is low compared to other African countries, it is a situation that could change fast; one in three individuals in certain military and hospital populations, according to recent surveys, carry the disease. Myths about disease transmission prevail, and communities are reluctant to acknowledge the threat and discuss mitigation strategies for reasons of denial and fear. While some prevention programs currently exist, Niger may not be able to afford a strategy where these gradually expand to national coverage. Inclusion of *traditherapeuts* and *matrons* in activities to prevent spreading of HIV infection needs attention.

Water and sanitation: Household access to clean water is probably the single most important determinant of health in Niger. Only half of Nigeriens have such access. The time devoted by women and girls to gathering water and transporting goods is a major constraint to their participation in other economic activities, as well as in literacy and education programs. Only 15 percent of communities have access to sanitation.

Transport infrastructure: Even if farmers manage to produce marketable surpluses, access to consumers is difficult. While the network of main roads is not unusually small compared to its neighbors, Niger's rural network is poorly developed, with many routes impassable in the rainy season. This has important implications for farmers' timely access to markets, as well as the ability of extension agents and input suppliers to reach clients. When routes are in poor condition, farmers are obliged to rely on non-motorized forms of transport, a duty which often falls upon women and children. To date, a highly centralized Ministry of Equipment has been largely unsuccessful in mobilizing communities to provide maintenance of roads although some pilot activities are underway to provide solutions that may be replicated under the CAP.

Micro-finance: Communities or individuals have very limited access to credit. What little financing is available usually relates to projects with donor-specific procedures. Following the collapse of the Rural Development Bank and the *Caisse Nationale d'Epargne*, the formal financial sector is almost completely absent in the rural sector. Banks are generally not interested in accepting the risk, insufficient collateral, and high transaction costs involved with lending to smallholders or communities, even if the latter are able to organize. Despite the recent expansion of decentralized financial systems, recent statistics estimate that 3-4 percent of the active population have access to these institutions.

Education: Niger's primary school enrollment rate is very low, and the literacy rate is the lowest in the world. This problem is particularly acute for girls, among whom less than one fifth attend school. Factors that discourage enrollment are long distances to school, low quality of education, and a low probability of being hired in the modern sector. Being poorly educated, many communities are therefore unable to liaise or negotiate effectively with local or central government, NGO's and donors. Another consequence is that farmer organizations, cooperatives, and professional associations tend to be very weak.

Government Strategy

Economic growth and poverty reduction: The strategy for economic growth and poverty reduction is in a state of transition. The 1997 *Programme de Relance Economique* (PRE) provided a medium-term program to improve the efficiency and equity of public resources in line with its macroeconomic framework and development priorities. However, this failed to be implemented for institutional reasons (it was not formulated by the line ministries but by the Prime Minister's office) and because it presented a long and unrealistic list of recommendations. As a product of the previous regime, the PRE has been abandoned.

The *Programme Cadre National de Lutte Contre la Pauvreté* (PNLCP) was adopted in 1998 at a round table in Geneva to reduce and ultimately eliminate poverty through investments and policy reform aimed at improving economic conditions and developing social sectors. The PNCLP is based on the following laudable principles: (i) participatory approaches to identifying, programming, implementing, and evaluating development interventions; (ii) decentralization and local-level capacity-building; (iii) capitalizing on synergies between development partners; (iv) geographically-focussed actions; (v) adoption of labour-intensive techniques; (vi) systematic integration of gender concerns; (vii) addressing environmental concerns in all activities; (viii) transparency of management and a communication strategy; and (ix) the sustainability of actions. Results of PNLCP thus far, however, have been modest, in part due to the political upheaval in 1999 and consequent exodus of donors. Government readily acknowledges that the program has not successfully grappled with the macro-economic dimension, nor has it produced a system of monitoring and evaluation. However, the program has served to coordinate actions of certain donors (notably the UNDP and ADB), has facilitated the emergence of many community organizations, and has explicitly underscored the government's intention to strengthen civil society and operate in a participatory manner.

Coincident with the establishment of the new government in December 1999, was the Poverty Reduction Strategy Paper (PRSP) exercise, which is a condition of debt relief under the HIPC. Government acknowledges that the PRSP presents a way to take forward the PNLCP from and vision and guiding principles to strategies and actions. An "interim" PRSP (I-PRSP) was produced last year (July 2000) and a final document should be available by late 2001. The I-PRSP suggests that health, education, and rural development will be the central focus of poverty reduction. The challenge will be to operationalize these efforts, coordinate line ministries, harmonize diverse donor activities, and monitor impact.

Public sector management: A major obstacle to implementing an effective community development strategy in Niger is that public resources are inappropriately distributed and ineffectively managed. There

is little coherence in the design and implementation of projects, and most operations, even in the same subsector, do not coordinate approaches or are prepared and implemented without taking account of any priority public investment program. Decision-making powers, staff, and financial resources continue to be concentrated at the center. Even so, incentives for public servants are poor as wages are frequently delayed or skipped entirely. About three quarters of recurrent expenditure in line ministries are devoted to personnel salaries and allowances, with much of the remainder to utility costs, leaving very little for recurrent outlays. There is limited autonomy of key ministries to decide allocation of funds between different programs and projects given the large and inflexible wage bill and limited control over personnel decisions. In addition, a large share of the investment budget finances the recurrent costs of government agencies rather than services for communities. Execution rates for the investment expenditures remain very low (about 50 percent), due to limited institutional capacity, poor utilization of existing manpower resources, and lack of counterpart funds. Disbursement and procurement procedures are cumbersome and slow. There is no coherent system for monitoring progress and evaluating impact of programs and projects.

Decentralization and community-based development: Since independence, Niger has initiated a variety of policies aimed at development and modernization of local administration and local service provision. Many line ministries have deconcentrated their staff to regions and *arrondissements*. However, the lack of operational funding has left most of them unable to reach communities.

Many of the necessary policies are in place. For example, in 1993 Government approved the implementation of a Rural Code, which established rules for the access, use and management of natural resources, including the requirement that consultation with communities whenever public actions are taken for collective investments. While management and use of natural resources in Niger has always been collective, local communities have lacked the legal right to do so. To address this issue, a decentralization law was adopted by the national assembly in 1993 and declared effective the following year. Under this law, districts and municipalities would become legal entities, bearing responsibility over local finances, management of local public services and community assets, with representation by electoral bodies, district and municipal councils (previous laws did not consider autonomy at village or *terroirs* levels). During the period 1996-98, Parliament adopted a set of laws establishing new administrative divisions of the country and the creation of local governments at the region, department, *arrondissement*, and *commune* levels. Once acceptable local elections take place, there will be 774 *communes*, of which 156 are urban and 618 rural. According the *Haute Commissariat à la Réforme Administrative et à la Décentralisation*, the principle challenge will be the setting in place of a coherent framework for financing the different levels of local government, and the reinforcement of capacity at all levels. The application of this reform will be expensive -- estimated at 140 billion FCFA (15% of GDP).

Despite these advances in the policy framework, however, real advances in decentralization have yet to be felt at the community level. Public resources remain centralized, and have failed to secure the active participation of local communities to articulate demand and manage their own development. Local elections have not taken place, but are foreseen in the near future. Also, substantial work is required on fiscal and administrative arrangements to ensure that local government (a) has the flexibility to respond to the needs of their constituents; (b) has the financial and human resource capacity to respond effectively; (c) is accountable to the local populations as well as to the central government (for those services delegated to local governments); and (d) can obtain information and monitor services for which they are ultimately responsible.

Natural resource management policy: The National Environment Council for Sustainable Development (CNEDD) adopted in April 1998 the National Environmental Plan for Sustainable Development (PNEDD) representing the objectives, policies, strategies and priority programs for environmentally sustainable development. The document reflects a consensus between representatives of the Government,

the private sector and the civil society and lists the following six priority programmes: (i) National Action Plan of Desertification Control and Natural Resources Management (PAN/LCD-GRN); (ii) Sustainable Water Development Program; (iii) Sustainable Energy Development Program; (iv) Urban Environment Development Program; (v) Biodiversity Management Program; and (vi) the Variability and Change of Climate Program. Within the Ministry of Rural Development, the Natural Resources Management Unit (*Cellule de Gestion des Ressources Naturelles, C/GRN*) is responsible for the development of policies and strategies relating to natural resource management. This C/GRN, in collaboration with other Ministries, has developed the National Action Plan of Desertification Control and Natural Resources Management (PAN/LCD-GRN) which support community-based natural resource management and manages the Natural Resources Management Project of the World Bank (PGRN) which is due to close in 2002, but which is expected to transfer much of its experience and capacity to the CAP. Presently, a National Soil Fertility Action Plan is being developed which would resort under the PAN/LCD-GRN. Under the guidance of the CNEDD, the Ministry of Rural Development and the Ministry of Environment are currently developing a long term socio-economic and natural resources monitoring and evaluation system to evaluate the impact of PAN/LCD-GRN supported activities. As such, the human capacity, knowledge and experience regarding community-based natural resources management (CBNRM) is fairly well developed in Niger with a variety of projects are implementing CBNRM. However, the main remaining constraints to a sustainable management of the natural resources appear to be the lack of a holistic approach towards the management of the various sub-components of ecosystems seen from a local, national and global perspective, the lack of appropriate land and water tenure policies and a lack of financial mechanisms and resources allowing the communities to take charge of their own environmental needs.

3. Sector issues to be addressed by the project and strategic choices:

Community-driven development

Strategic choices for effective projects in Niger are suggested in the conclusions of the poverty assessment field work carried out in Tillaberi in 1998, which lend strong support to the strategic choice of a CDD approach. The mission identified projects that were unanimously recognized by government services, traditional authorities, and communities as having the most positive impact on people's living conditions. In summary, these projects had the following characteristics:

- They are long term (about 10-15 years) in order to build capacity, yet they give priority to income-generating and food security interventions that meet the short-term basic needs of the poor.
- They are integrated and multi-sectoral rather than narrowly sector-specific, to reflect a diversity of needs and address constraints to productivity that lie outside of agriculture.
- They stress software -- sensitization, community organization, participation, and capacity-building -- over public works and technical assistance.
- They are decentralized (both in terms of products and processes) and demand-driven (guided and managed by local communities), as opposed to depending on decisions and resources from Niamey.
- They encourage communication and horizontal circulation of information.
- They recognize and support the potential of women and young people.

The CAP will incorporate these design principles in the following ways. First, it is being prepared as an Adaptable Program Loan (APL), in recognition of the importance of capacity-building and the consequent need for a **longer time horizon**. Second, because it is **demand-driven**, the CAP will directly address the perceived priorities of communities. Project financing will cover a **multi-sectoral** range of micro-projects

that will include *inter alia* water supply, schools, clinics, soil and water conservation measures, road repair, HIV/AIDS prevention, tree nurseries, cereal banks, etc. Third, the project will develop concrete options to supporting Niger's process of **decentralization**, by working with and **building capacity** in local governments as they emerge. Fourth, the project will devote a substantial portion of the project budget to **communication** efforts. A public awareness campaign will be key to successfully informing the public of the potential for and expectations of decentralization in general and the project in particular, and will help circulate information on successful cases among communities. Finally, the project will take aim at **vulnerable groups**. Strict rules for community participation will help ensure that women, young people and pastoralists are involved in decision-making.

Community-based integrated ecosystem management

Integrating GEF global objectives within a CDD framework present several challenges. One is to ensure that the CBIEM approach is promoted at the grass-roots without compromising the demand-driven principle which respects communities' priorities. In addition, the CAP must also devise ways to ensure that global or regional benefits are realized through local actions. To meet these challenges, the following strategic choices were made to pro-actively promote and support CBIEM:

- *The project will actively assist the communities in analyzing and operationalizing the linkages between poverty reduction and the benefits of CBIEM.* Pilot activities in preparation for this project indicated that the participatory diagnostic methodologies used by facilitators in development of action plans in six pilot sites did not sufficiently articulate linkages between poverty and the condition of the natural resources such as, for example, relating to water availability, food production, health care, and availability of household energy resources. This suggests that a concerted effort must be made to ensure that analysis of the problems relating to natural resources and solutions to these problems must be highlighted early in the participatory appraisal process. The facilitators or local development agents of the CAP, therefore, must be adequately trained and or supplemented with targeted assistance on CBIEM using earmarked GEF funds under the capacity-building component.
- *The project will emphasize support to the national decentralization process to create an enabling institutional and legislative environment conducive to CBIEM.* As part of the preparation activities, the GEF financed a study analysing the existing institutional and legislative framework guiding natural resources management and providing information on what will be needed to remove barriers and create incentives to guide deconcentrated public services in the promotion of CBIEM. An issue of particular interest is the inclusion of rights and interests of non-sedentary livestock holders in the natural resources tenure policies and the discouragement of cultivation of marginal lands. GEF funds will be used to support the component on support to decentralization with respect to natural resource management.
- *The project will favour interventions in areas of environmental vulnerability and measure project impact in these areas:* On a national level, based on rainfall patterns, four major agro-ecosystems may be distinguished in Niger. The geographical coverage of the first phase of the CAP will select 15 - 20 percent of the population of Niger, based on administratively defined (*communes*) and socially defined (village groupings) areas, which do not necessarily correspond to local ecosystems. However, based on prior identification of the territory of communes characterized by complex agro-ecological production systems comprising sedentary and non-sedentary livestock systems, cropping systems and/or substantial shared surface waters providing ample opportunity to benefit from CBIEM, the selection of the target areas of the CAP give weight to the selection of these areas in the first phase. A GEF financed PDF-B preparation study has identified ten such zones for priority attention: (i) *complexe de mares de Albarkaizé*, (ii) *complexe Kokorou-Namga*,

(iii) *Mare de Tabalak*, (iv) *forêt classée et réserve totale de faune de Gadabédji*, (v) *forêt de Marigouna-Bela*, (vi) *cuvette e Gonedj*, (vii) *lac de Madarounfa*, (viii) *forêt de Korap*, (ix) *forêt du lac Tachd*, (x) *complexe de Droum Malori*. All these sites are located in the two southern agro-pastoral agro-ecosystems. While the coverage of the CAP is expected to eventually be national, initial preference will be given to communes that include or border these zones. Parallel to the overall national poverty mapping activities initiated during the preparation phase of the project, the PDF is funding a task to incorporate socio-economic and natural resource data relating to the use and condition of the ecosystems.

- *Communities will have access to a single Local Investment Fund, which represents blended IDA/GEF financing.* Approximately half of the available GEF funds will be fully blended with the IDA funds, representing about eight percent of the total amount available for the matching grants. To encourage priority-setting and to simplify the micro-project financial management, communities will not be exposed to separate "IDA-funds" and "GEF-funds". Instead, a single blended fund will be available to address CBIEM or non-CBIEM community demands. However, GEF funds devoted to CBIEM micro-investments will be tracked for accounting purposes.
- *The project will demand significantly lower proportional community contributions for micro-projects promoting and/or supporting CBIEM.* Reduced community contributions will be possible to if micro-projects contribute directly to the maintenance and/or improvement of the condition of the ecosystem of the community territory as a whole in its multiple function seen from a nation, local and global perspective, and if this is convincingly supported by a written statement of the need for the activity in the context of poverty reduction and the current condition of the natural resources. A preliminary listing of the type of activities considered CBIEM-related is given in Annex 3, Table 2. However this listing is not exhaustive and will be expanded in the Project Implementation Manual. To foster harmonization of the management of the cultivated areas, the natural rangelands and the waters, particularly low contributions will be demanded for projects involving the management of natural rangelands and the water resources versus those addressing issues relating to the condition of the cropping areas. These criteria will be clearly spelled out in the Project Implementation Manual.

4. Program description and performance triggers for subsequent loans:

Under the Niger CAP, communities will have access to a matching grant facility (the Local Investment Fund, LIF), with which they can undertake investments in small sub-projects of their choice. Each round of LIF financing will be small, in most cases no greater than \$25,000. To be eligible for LIF financing, communities must proceed through the "micro-project cycle" and thereby satisfy the project that (a) the decision taken included broad representation from the community, (b) they possess a modest yet feasible local development plan, and that (c) they are willing and able to contribute a portion of the cost in cash, and/or in kind. Communities will receive assistance in participatory appraisal and community-based contracting techniques primarily through contracted NGOs, but the latter will not manage the LIF. Local governments will receive capacity-building assistance as part of the CAP, with the ultimate aim of transferring program execution to them.

Four four-year phases are tentatively foreseen for the CAP. In accordance with the APL's flexible approach, the "horizontal" form is chosen, i.e. each new phase will comprise a set of new *communes* approximately every three years, while maintaining the previous communities' access to the LIF. As such, multiple phases may run concurrently. The initiation of a phase will depend on satisfying certain trigger indicators. These are: (a) readiness of new *communes*, based on commitment, consultation, and budget

availability, as determined by preparatory studies; (b) satisfactory implementation of existing phases of CAP activities.

GEF financing will be limited to the first and second phases of the CAP only. During this time, the program will endeavour to establish the principle of CBIEM at an operational level in Niger, establish a conducive policy and institutional framework, and undertake successful interventions in Nigerien communities. Based on this success as monitored by the key performance indicators mentioned above, other financiers would be expected to supplement any remaining requirement under subsequent CAP phases and elsewhere.

Replication of the activities in support of CBIEM, will be facilitated through using and applying the knowledge, best practices and lessons learned from the two first phases of the program in the targeted areas, while also the support to the establishment of and enabling institutional and legislative environment to favor replication of the activities on a national scale. The nationwide monitoring and evaluation database, which will link poverty and the condition of the natural resources, will be established during the first phase of the project. Replication of the activities will also be promoted on Africa level as a whole through the projects association with the African Land and Water Initiative.

C. Program and Project Description Summary

1. Project components (see Annex 2 for a detailed description and Annex 3 for a detailed cost description)

The proposed project will have five components, consisting of (a) community support, (b) decentralization support (c) a Local Investment Fund, and (d) poverty monitoring, and (e) program management.

A. The **Community Support** component is aimed at introducing decentralized and participatory planning procedures and to build the capacity of community-based organizations (CBOs), and other local institutions to design, implement, and manage micro-projects. This component will be implemented in a selected sample of *communes* (about 15 - 20 percent of the total), and will cover all villages or village groupings within these *communes*.

Strengthening capacity of CBOs will involve participatory appraisal (PA) and planning to facilitate the micro-project cycle of needs assessments, local development planning, implementation, monitoring, and evaluation. Capacity-building efforts will operate on the principle that there exists substantial, yet latent, social capital, that hitherto lacked the institutional framework and resources with which to emerge. Accordingly, rather than designing an extended preliminary phase of training on participatory appraisal and fiscal management, the CAP will quickly offer access to local development financing after a short period of PA, in the belief that communities will best learn by doing and will be encouraged by quick results. Pilot operations undertaken as part of CAP preparation suggests that the micro-project cycle can be completed in fourteen months. However, the CAP will recognize that certain communities require more capacity-building than others, and will focus efforts to match existing conditions.

The hallmark of this component is the systematic use of PA techniques in the micro-project cycle. This will require building consensus on such techniques among NGOs or other facilitators, who will assist communities to (i) conduct needs assessments, (ii) draft local development plans (LDPs), and (iii) facilitate implementation of micro-projects. The needs assessments and LDPs will be submitted for approval and assessed using transparent criteria known in advance to all stakeholders. The development plans will be implemented by the communities themselves, under the leadership of committees created for this purpose. Communities will be able to exercise choice over source of technical assistance, technology

type, and investment design. Local government, NGOs, and sector specialists may give input, guidance, and training, but may not interfere in implementation. This is essential to empower communities, ensure correspondence of investment to needs, and ensure accountability to the community.

The GEF resources will support i) the CBOs in the incorporation of the analysis of the linkages between poverty reduction and integrated management of the natural resources as part of ecosystems, ii) the identification and inclusion of the various types of primary stakeholders within communities having interest in the maintenance of the various type of production functions of the ecosystems (such as sedentary and non-sedentary livestock holders; croppers; collectors of household products such as food, water and energy; fishermen; hunters and traditional healers and nature conservationists and iii) the ability of the CBOs and communities to design and implement relevant micro-projects related to CBIEM.

B. The **Local Governance Support** component is aimed at strengthening administrative and fiscal dimensions of local governance. This effort will be modest and experimental in the first phase, but will scale up in subsequent phases based on successes learned in the first phase. This will involve efforts at local and central levels within two sub-components:

- *Local governance:* First, the CAP will work actively with a select set of new local governments to build capacity in administrative and fiscal management, and ensure that they work effectively with their constituents -- the local communities. This set of new governments will be selected from the *communes* selected for the first phase of the CAP. Formal relations will be established between the CBOs involved in the first component, and fiscal capacity would be enhanced by operating the matching grant facility (see component C). The goal of this component is to increase capacity such that these governments "graduate" and are able to assume the fiscal and administrative responsibilities performed by the CAP in other communes. GEF funds may be used to assist the Secretariat of the Rural Code in the development of a local environmental governance framework promoting CBIEM. For example as defining the nature, composition and authority of local land tenure committees with inclusion of representatives of various socio-economic and occupational levels including non-sedentary livestockholders.
- *Policy and institutional reforms:* Second, the CAP will work with the central government, notably the High Commission for Decentralization, to accelerate the process of decentralization. This component can provide studies and communication that helps enforce the legal and regulatory framework for decentralization, while strengthening the capacity of central Ministries responsible for decentralization. Working with line ministries, the project will assist in planning for the deconcentrating staff and resources to the lowest possible level of local government. Such line agency staff must eventually be accountable to local government and communities, as opposed to receiving instructions and pay from Niamey. GEF funds will be earmarked to support the Secretariat of the Rural Code in the development of a national and local environmental governance framework promoting CBIEM for example through natural resources tenure policies covering the interest of non-sedentary livestockholders, discouraging cultivation of marginal lands and banks of surface waters and resolving conflicting interests and use of surface waters.

C. The **Local Investment Fund** (LIF) is the financial facility that will channel small fungible capital grants to communities or local government for the financing of micro-projects. Initially, the LIF will flow from regional PMUs to communities. Eventually, the goal is to have the LIF flow through local governments to support fiscal decentralization once accountable and democratically elected are in place and have reached a level of capacity to serve their communities in this way (i.e. through component B). Such micro-projects will be proposed by communities as part of an approved local development plan, and providing that a participatory needs assessment has been successfully undertaken.

A central principle of the CAP is that communities may decide to use the LIF for any micro-project they deem important. These may include, but are not limited to, natural resource management (soil fertility control, erosion control, tree plantings and nurseries, fuelwood); production of crops, fish, and livestock (irrigation, gardening, seedling production, livestock fattening, cereal banks, fish farming, food processing, stockraising, beekeeping), water and sanitation (wells, boreholes); education (village schools, literacy programs); health (clinics, health posts, disease prevention); rural transport (rehabilitating local roads, bridges); etc. An important principle is that the LIF may be used for both social and productive infrastructure and activities.

The LIF is a matching grant. As such, communities are expected to contribute a certain percentage of the value of the investment, either in cash, or more likely in the form of labour or materials. The amount of the initial grant would be small, from \$2 - \$4 per inhabitant. As a limited fund, the LIF would encourage priority-setting and avoid creation of "wish lists". Communities that effectively access and execute the LIF would be eligible in subsequent financing rounds for additional funding. In contrast, those communities who do not respect the terms of the grant would be excluded for a certain period.

Half of the available GEF funds will be blended with the IDA funds, representing about eight percent of component financing. To promote and support in particular the global environmental interests of CBIEM related activities, the proportional community contribution required will be significantly lower for CBIEM related activities pertaining to a) community awareness raising activities relating to the interest of integrated ecosystem management such as determining the degree of importance of native natural rangelands species to poverty reduction, b) the maintenance of the productivity, biodiversity and soil cover of the natural rangelands, including the preservation and/or recovery of marginal lands and banks of surface waters, c) the introduction of valuable native species of the natural rangelands within the cropping systems and d) allocation of cultivated areas to fodder production by native fodder species.

D. The **Poverty Monitoring** component is the CAP's M&E system. It will serve three purposes : (i) measure levels and trends of poverty; community access to social services and to local markets; and the state of natural resources; (ii) monitor the CAP in order to provide timely feedback to both communities and program management in terms of relevance, efficiency, effectiveness and impact of program interventions, in order that rapid corrective action can be taken if necessary; and (iii) enhance local communities' capacity to analyze and manage their own development process. The poverty monitoring component will have two related sub-components:

- *National poverty monitoring system:* The CAP, as an important instrument of the PRSP, will attempt to focus investments on Niger's poorest people to achieve sustainable poverty reduction from the poorest upwards. As such, the national poverty monitoring system will seek to harmonize the access to and use and maintenance of several of Niger's socio-economic and natural resources data sets. Instead of generating new data, the CAP will integrate several disparate data sets on socio-economic and environmental issues into a spatial *geographic information system (GIS)*. Because the data sets are currently sector-specific and unconnected, they fail to provide a multi-dimensional view of poverty. In support of GEF objectives, this monitoring system will incorporate data relating to the use and condition of the natural resources by incorporation and extension of the monitoring and evaluation system being developed within the context of the National Action Plan of Desertification Control and Natural Resources Management (PAN/LCD-GRN). A series of *poverty maps* from the data available have been generated as part of project preparation, creating a baseline assessment of the Nigerien population's vulnerability down to the village level. This baseline provides a way to measure future progress, under either the CAP or other poverty reduction and NRM efforts. The poverty maps and supporting data and analysis may also be used to prescribe possible development solutions. The CAP could support the national poverty monitoring within the Census Statistics

Office, or within the CAP offices itself. (A decision for the location of this system will be made at appraisal.) The coordinators of the data system would have two initial objectives : (i) to work with Niger's research institutes, government statistical bodies and NGOs to create the initial spatial assessment of poverty and the condition of the natural resources, and (ii) to develop a strategy for sharing, using and maintaining data within Niger, making data spatial and congruent with harmonized data sets as necessary. The sub-component would finance a small team (two or three people), some hardware and software, training, and consultants.

The geographical coverage of the first phase of the CAP will select 15 - 20 percent of the population of Niger, based on administratively defined (*communes*) and socially defined (village groupings) areas, which do not necessarily correspond to local ecosystems. However, based on prior identification of the territory of communes characterized by complex agro-ecological production systems comprising sedentary and non-sedentary livestock systems, cropping systems and/or substantial shared surface waters providing ample opportunity to benefit from CBIEM, the selection of the target areas of the CAP will give weight to the selection of these areas in the first phase. A GEF financed PDF-B preparation study has identified ten such zones for priority attention: (i) *complexe de mares de Albarkaizé*, (ii) *complexe Kokorou-Namga*, (iii) *Mare de Tabalak*, (iv) *forêt classée et réserve totale de faune de Gadabédji*, (v) *forêt de Marigouna-Bela*, (vi) *cuvette e Goned*, (vii) *lac de Madarounfa*, (viii) *forêt de Korap*, (ix) *forêt du lac Tachd*, (x) *complexe de Droum Malori*. All these sites are located in the two southern agro-pastoral agro-ecosystems. While the coverage of the CAP is expected to eventually be national, initial preference will be given to communes that include or border these zones.

- *Community-based M&E*: The CAP will develop and implement a system for facilitating a community-wide reflection on communities' development and the evolution of that development over time. Within this process, a community Monitoring and Evaluation Committee will define the indicators that will be used to: (i) monitor CAP micro-projects; (ii) evaluate each micro-project at completion; and (iii) evaluate the CAP within the community on the basis of a locally-elaborated baseline. Community development agents will formally transmit a subset of these findings to the decentralized project implementation units. This system will be developed by: (i) improving the participatory monitoring and evaluation/assessment methodology used by each; (ii) establishing a system for selecting the community-level monitoring and evaluation information needed by project management; and (iii) developing a mechanism for transmitting that information to project management at the regional and national levels. This system will also develop a mechanism for exchanging information on and from the poor between the CAP and the PRSP. The sub-component will finance data collection, analysis, training, workshops and dissemination of results.

E. **The Support to Project Management** component will cover project coordination, field services, financial management, and establishment of a communication program. Project coordination will include support for coordination meetings, liaison with the World Bank and other donors, and exchange of experience at national fora. Field services include the training, personnel, equipment, and operating costs associated with the regional project implementation. Financial management includes operational planning and monitoring of the physical and financial execution of the CAP, procurement, accounting, internal audit, and personnel management. The communication program includes development and dissemination of information concerning program activities, approaches, results, and possibly education in schools, on radio, and on television. Most activities of this component will fall under the project management unit and project steering committee (see Section C4). The various aspects of project management will also coordinate cross-cutting CBIEM-related activities, while in addition a specific communication program will be developed to reach out to other relevant national and region/global environmental programs. In view of this, close collaboration and coordination of the activities will take place with the Africa Land and Water Initiative as coordinated in the region by CILSS (see Section D2 "Major related projects").

Component	Sector	Indicative costs (US\$M)	% of Total	Bank Financing (US\$M)	% of Bank Financing	GEF Financing (US\$M)	% of GEF Financing
A. Community Support	Community Action Program	5.5	16.18	5.00	16.7	0.50	12.5
B. Local Governance Support	Decentralization	3.5	10.29	3.00	10.0	0.50	12.5
C. Local Investment Fund	Other Finance	20.00	58.82	18.0	60.0	2.00	50.0
D. Poverty Monitoring	Non-Sector Specific	1.5	4.42	1.00	3.3	0.50	12.5
E. Project Management	Institutional Development	3.5	10.29	3.00	10.0	0.50	12.5
Total Project Costs		34.0	100	30.0	100	4.00	100
Total Financing Required		34.0	100	30.0	100	4.00	100

2. Key policy and institutional reforms supported by the project:

The proposed project must explicitly support and be firmly rooted in Government's efforts at decentralization. The following recommendations are provisional, and come from the recent Bank-financed public expenditure review of decentralization. The CAP will assist the High Commission for Decentralization and Administration Reform in the following ways:

- Detail the responsibilities devolved to the new *collectivités territoriales* (CT), including those relating to decentralized environmental governance encouraging the application of harmonized management of the cultivated areas, the natural rangelands and the water resources.
- Rework the budget nomenclature taking into account the norms of UEMOA and also the needs and limited technical abilities of the CT.
- Detail the financial base of intergovernmental transfers in terms of taxes and subsidies.
- Put in place a financing mechanism for CT independent of the Treasury.

Repartition personnel and other resources progressively, in a manner consistent with the goals of decentralization.

3. Benefits and target population:

The **benefits** are expected to be as follows (as suggested in the performance indicators listed in A.4):

- *Local institutional capacity:* In order for the project's impact to be sustainable, sufficient capacity must be built at the local level to enable local communities to design, execute and evaluate local development plans, improve their local management capabilities, and engage in securing, planning and management of financial resources. While this capacity is a means to achieve other benefits, the empowerment of communities created in the process may be seen as a benefit in itself.
- *Central institutional capacity:* The project aims to improve governance by central ministries by providing a cross-sectoral, national institutional and legislative frame work and monitoring and evaluation systems to guide the design of development strategies and a vehicle for disengaging from direct community level activities, which they tend to do poorly. In this way, central

government will be better able to conserve and focus scarce resources on supplying national public goods and services.

- *Improved living conditions:* Improved and more equal access to key social and economic services, infrastructure and natural resources will improve health and education levels and improve food security, which will in turn improve the productivity of the community members and their human and financial capacity to invest in sustainable management of their natural resources.
- *Employment and income generation:* Increased income is expected from many categories of productive micro-projects, either directly (as in the case of a sheep fattening facility), or indirectly (as in the case of soil conserved to provide for sustainable production). Increased involvement of the private sector in local development initiatives, such as when communities contract local artisans and small-scale entrepreneurs for village infrastructure construction and rehabilitation, will also increase local employment.
- *Natural resource management and global environmental benefits:* Reduced degradation and recovery of the condition of the mainly arid and semi-arid ecosystems in Niger. Additionally, through a demonstration effect, a contribution to other efforts in the West African region to halt the expansion of the Sahara desert. As such, the project will generate directly local, national and global environmental benefits within the country while protecting the environmental assets of countries to the south.

The primary **target group** for the CAP are poor communities. In the first phase, the project is expected to have a positive impact on the income and well-being of 1.5 million people, consisting of approximately fifteen percent of the national population. Subsequent phases will remain working with this initial group, but expand to take on new geographic areas. In addition, secondary target groups will include community associations, local governments, key central government agencies and relevant national and regional programs working on global environmental objectives..

The CAP is a poverty targetted intervention. As such, it will give priority to populations which are particularly poor or vulnerable. The definition of the poverty/vulnerability is a composite of several indicators and is the subject of the geographic "poverty mapping" exercise described in the poverty monitoring component above. The CAP will also employ geographic upscaling strategies to optimize the achievement of global environmental benefits. The same mapping exercise will identify zones of relative high interest to obtain global environmental benefits through community-based integrated ecosystem management while still being relatively representative for the ecological circumstance in Niger in general. Communities in and/or near such zones will receive particular attention.

4. Institutional and Implementation arrangements:

Procurement, disbursement, and decentralized financial management practices will benefit from a wealth of new and simplified methods developed and standardized recently in the Bank. These are described in *Guidelines for Simplified Procurement and Disbursement for Community-based Investments*, February 1998; *Guidelines for Africa Region on Financial Management for Community Action Programs*, October 2000; and *Guidelines for Task Teams on Procurement Procedures Used in Social Funds*, February 2001.

Project financial management

A project implementation unit (PIU), staffed with qualified professional that are recruited on a competitive basis, would be in charge of the day-to-day financial management of the project activities distinguishing between IDA and GEF resources. In addition to the Project Coordinator, the unit technical

staff would include an Administrative and Financial Management Specialist (AFMS), an AFMS assistant, a Financial Comptroller, and support personnel (see section E 4.1).

Accounting, financial reporting, and auditing arrangements

The PIU will be established for the execution and implementation of the Project activities. The PIU will be responsible for project financial management including the preparation and production of the annual financial statements, in accordance with internationally accepted accounting principles, as well as making arrangements for their certification by a competent and experienced audit firm under terms and conditions acceptable to IDA and GEF. The PIU will also monitor all disbursements under the projects and ensure that they are made in conformity with IDA requirements while distinguishing between IDA and GEF resources. During appraisal, the key areas of the project financial management will be reviewed in compliance with the IDA-established financial management system assessment guidelines to ensure agreement with Bank procedures. A computerized financial management system (including the accounting, budgetary, financial, reporting and internal control systems) will be established in the PIU by a reputable consultant/consulting firm and it would be operational at the outset of project implementation. The Manual of budgetary financial and accounting procedures will be elaborated. The design of the financial management system will be based on the reporting requirements of the Bank's new Loan Administration Change Initiative (LACI) or PMR-based disbursement method. The PIU will be adequately staffed by competent and experienced professionals, including an AFMS and assistant AFMS. The financial management system will allow for the proper recording of all project-related transactions as well as timely monitoring of expenditures per category, per executing agencies, and components. The financial reporting will evolve from the traditional basic set of financial statements during the first 18 months of the project implementation to the PMR-based method. The PMR-based reporting will start after the Mid-Term Review and continue till the end of project implementation.

The records and accounts of all the components of the project would be audited annually by an independent auditor. Regarding the matching grants (LIF), the audit firm will review the performance of random beneficiaries, and provide a specific opinion on the effectiveness and efficiency of the lending and distribution procedures. In addition to the audit opinion on the financial statements, the auditor will be required to express separate opinions on the SOEs and the management and utilization of the special account. Finally, the auditor will issue a management report with practical recommendations for improving the project internal control system. The establishment within the PIU of a sound financial management system acceptable to IDA and distinguishing between IDA and GEF resources and the recruitment of the project auditors are conditions of effectiveness.

D. Project Rationale

1. Projects alternatives considered and reasons for rejection:

PPODR II: Government originally made a formal request for a second phase of the Small Rural Operations Project (PPODR), which had closed in December 1998. This proposal was not accepted by the Bank. Although PPODR has a reputation (in Bank documents and in Niger) for positive impacts on the ground (i.e. building capacity, decentralizing financial operations, and promoting new technologies), it was highly expensive in terms of administrative costs and insufficiently multi-sectoral. In addition, it mainly dealt with individuals rather than communities, and as such was not explicitly supportive of

decentralization or community-driven development. Nevertheless, there are several good lessons that arise from the experience of PPODR, on which the design of the CAP is based (see section D.3).

PGRN II: IDA is currently financing the natural resources management project (PGRN), which closes in 2002, and a second phase could be envisaged. Indeed, the design of the CAP is based on much of the experience of PGRN and other community-based NRM projects in the region in its reliance on CBOs to appraise and implement micro-projects. PGRN has built a solid record of success in Niger in this respect by demonstrating that communities have substantial capacity for local development. The basic differences between PGRN and the CAP are three-fold. First, the CAP is explicitly multi-sectoral (although PGRN's activities had evolved outside of NRM to literacy classes and cereal banks). Second, the CAP proposes supporting local governance. Third, the CAP aims at national coverage over a longer time horizon. Among the lessons for the CAP are that communities will only be willing and able to address issues of natural resources management, once the more urgent needs relating to food and health security and income generation are being addressed. Conversely, the resolution of the shortage of food during drought periods by the establishment of cereal banks by this project, has shown to enable the communities to continue their natural resources management activities also during periods of drought. PGRN has also demonstrated that communities are successful in procurement and decentralized financial management. In an attempt to make the transition from PGRN to the CAP as seamlessly as possible, the latter intends to work with PGRN communities and the capacity built during over the past five years.

Sub-sector national projects: Micro-projects could be targeted within the context of sectoral projects, which might achieve implementation efficiency in terms of economies of scale. However, such approaches are often supply-driven and do not foster ownership locally, since communities' priorities are ignored if they lie outside the domain of the project. Moreover, these efforts tend to bypass local authorities and thus do not help promote efficient and accountable local governance.

An Integrated Rural Development Project: IRDPs were common twenty years ago, and shared several features of today's CDD approach -- they were integrated, multi-sectoral, and often successful in coordinating field operations among the various agencies providing services to rural communities. However, they failed to incorporate active participation of beneficiaries in design and implementation, were not linked to national institutions or local governments, and were often based on expatriate technical assistance. This "enclave approach" eventually meant that IRDPs were not institutionally sustainable. The CAP proposes to maintain the integrated approach, but link this to community participation, capacity-building, and local governance.

A centrally-based program: Another traditional approach is to have responsibility for micro-project implementation at the center. Niamey, however, is too far removed from most communities to be able to hear their priorities, tailor interventions accordingly, and respond effectively. The centralized approach therefore ends up being supply-driven and failing to secure generate community ownership and contributions

A Social Fund: There is currently no major social fund in Niger, but this option was rejected. The CAP will resemble a traditional social fund in many ways, with two important differences. First, it will not be limited to social infrastructure investment. Second, it will focus explicitly on local government support, rather than relying exclusively on a parallel administrative and financial structure.

A "Rural" or "Urban" Program: The original conception of this project was a community-based *rural* program. The problems of rural communities are qualitatively and quantitatively different from those of urban inhabitants. The rural poor, for example, are more numerous and are much more likely to be malnourished, to die as children, to be without health care, to be uneducated, etc. However, a large and growing number of urban poor suffer from lack of access to economic and social services, and growth

rates are such that the rural-urban populations will equalize in a generation or so. The proposed CAP, therefore, will attempt to cover both *communes rurales* and *communes urbaines*. However, the program will have to come to grips with important institutional and social differences between these two groups. For example, the social fragmentation that is characteristic of city life may provide barriers (or perhaps opportunities) for organizing communities. The presence of the IDA-funded Urban project and its planned second phase will require establishing divisions of labour that define our respective geographic and financing mandates.

Decentralization and Public Sector Reform vs. Community Empowerment and Decentralized planning: As noted earlier, Niger lacks a vision for decentralization, despite progress with the legal framework and good intentions in the PRSP. A central debate within the project team during preparation concerned the degree of emphasis the CAP should place on decentralization, particularly inter-governmental fiscal transfers, which will ultimately rest on progress in political decentralization, a process largely exogenous to the CAP. The conclusion of the Quality Enhancement Review Panel, suggested that this lack of clarity requires striking a clear balance between *full-fledged decentralization* on one hand, and the more modest goal of *increased local capacity for decentralized planning* on the other. There was consensus that the focus for the project in first phase would be closer to the latter end of the continuum, i.e. emphasizing community empowerment and local governance for sustainable service delivery. In this way, the CAP would create a demand for decentralization from the bottom up. The larger issues of the public sector reform agenda need to be tackled in the CAS and PRSP, but not necessarily in this project. This suggestion does not imply that the CAP should abandon policy and institutional reforms related to decentralization. On the contrary, the CAP will retain the component "local governance support" and use it to provide technical assistance and commission studies on these subjects to prepare the ground for deeper reforms in the course of the APL.

2. Major related projects financed by the Bank and/or other development agencies (completed, ongoing and planned).

Sector Issue	Project	Latest Supervision (PSR) Ratings	
		Bank Financed Projects only	
Bank Financed		Implementation Progress (IP)	Development Objective (DO)
Agriculture Environment	Natural Resource Management Project (PGRN). Cr. 1967 – active	S	S
Agriculture, Infrastructure	Small Rural Operations Project (PPODR) Cr. 1890 – closed	S	S
Agricultural Research	National Agricultural Research Project Cr. 2122 – closed	S	U
Agricultural Extension	Agricultural Services Project (PRSAA) Cr. 2355 – closed	S	U
Agriculture, Irrigation	Pilot Private Irrigation Project (PPIP) Cr. 2707 – active	HS	S
Agriculture, Marketing	Agro-pastoral Export Promotion Project (PPEAP) Cr. 3363- not yet effective	S	S
Education	Education III Cr. 1980 – active	S	S
Health	Health II Cr. 1999 – active	S	S
Transport	Transport Infrastructure Rehabilitation Cr. 35608 – active	S	U
Urban	Urban Infrastructure Rehabilitation Cr. 49691 – active	S	S
Water	Water Sector Project Cr. 3505 – active		
HIV/AIDS	HIV/AIDS Project preparation		

Other development agencies			
AFD	Projet de Développement Local de Torodi (PDLT)		
SNV	Participation Project for the Reinforcement of Institutions for Agricultural Development (PRIVAT); Integrated Rural Development Project (PDIPP)		
FAO	Projet Développement rural de Mayahi (PDRM)		
UNDP/UNCDF	Programme Cadre National de Lutte Contre la Pauvreté (PCLCP); Le Projet d'Appui au Développement Local de Mayahi.		
GTZ	Le Programme Agro Sylvo Pastoral (PASP)		
EU	Le Programme de Coopération Décentralisée (PCD)		
Switzerland	Le Programme de Développement Local de Maradi (PDLM)		
FAO/Italy	Le Programme de Développement Rural Ader Doutchi Maggia -- Keita (PDR/ADM)		

IP/DO Ratings: HS (Highly Satisfactory), S (Satisfactory), U (Unsatisfactory), HU (Highly Unsatisfactory)

Notes:

- The information for "other development agencies" is but a partial list of relevant projects. A survey of 87 community-based projects in Niger, including those above, appears in the document entitled *"Enjeux du Développement Communautaire"*.
- Major GEF-related projects funded by the Bank and other donors appear in Annex 11.

3. Lessons learned and reflected in the project design:

In this section, lessons from other projects, particularly in the rural development, are reviewed. These lessons are taken in large part from ICRs and supervision reports. Performance of most projects in Niger, ranged from highly unsatisfactory to limited success, and have produced valuable lessons to consider in planning future work in Niger. In addition, lessons from the pilot operations, which constituted the major activity during the CAP's preparation period, are reviewed in this section.

Lessons from projects:

- **Sustainability** of operations is hindered by the project mentality of most government officials and even farmers, whereby each project is expected to be followed by another.
- Government lacks a clear framework, action plan, or time path for **decentralizing** services or getting beneficiaries to take charge of activities. While the government's long-term objective is *désengagement*, this is not reflected either in the structure or the function of the administrative services with respect to communities.
- **Institution building** takes time. Capacity built as the result of a project may not become evident for ten to fifteen years. Operations designed to develop local capacity and a participatory culture require a longer learning curve and therefore long-term commitment before development impacts are evident.
- **Monitoring and evaluation** systems have been poor or non-existent. It is essential to define and phase project objectives by stating clearly at appraisal the short, medium, and long-term objectives of the project and related performance indicators. Such systems must be properly staffed and be allocated timely and adequate resources for operation and training.
- **Decentralized financial management** at the local community level is central to successful implementation of bottom-up approaches to development and for promoting a culture of financial discipline in managing community funds.
- Training in farm management skills such as entrepreneurship and risk management promotes **financial sustainability**. Simplified operating procedures, legal protection, and clarity with respect to benefits of the established financial mechanisms are central to establishing ownership and credibility of such mechanisms. Provided with basic training, communities are quite capable of carrying out their own **procurement**, and in ensuring that services providers are accountable to them.
- Although **public** administration can be an effective catalyst in fostering private entrepreneurial development and participatory grassroots income-generating initiatives, it is generally less effective than a **private** self-interested association of the beneficiaries.
- Even when community-development funds are earmarked for specific purposes (i.e. PPODR and PGRNs' focus on economic activities and natural resources management, respectively), communities nevertheless request those investments that meet their **priority basic needs**. Once these basic needs are fulfilled, longer term interest such as the maintenance of the natural resources come into view. The management of cultivated areas tend to receive earlier and more attention than the natural rangelands and water resources.

Based on these lessons, the approach of the CAP will (a) be long-term, (b) cover multiple sectors, (c) ensure active participation of all segments of communities, (d) rely on decentralized financial management, (e) place strong emphasis on monitoring and evaluation, (f) provide financial mechanisms to satisfy the basic needs while actively promoting activities that will ensure long-term viability of ecosystems and natural resources; and (g) propose concrete steps for transferring the role of central government to local government or the private sector in local service provision.

Lessons from pilot activities:

Pilots were an important part of the preparation process because they helped provide lessons on which to design the implementation phase. In addition, they served to forge institutional linkages with NGOs who

are expected to play a key role in facilitating the CAP by providing animation and capacity-building to communities.

Eight "operators" manage the pilot activities. There are three international NGOs: CARE Niger, CECI, AFVP; two local NGOs: Karkara, ABC-Ecologie, and three donors: the African Development Foundation, the United National Capital Development Fund, the European Union. The pilots are located in, respectively, the departments of Maradi, Dosso, Tahoua, Zinder, Tillaberi, Niamey, Diffa, and Agadez. Six are rural, and two are urban. The donors' activities were ongoing or incremental activities financed independently of CAP funds, in close collaboration with the CAP. The NGOs were financed with CAP resources, and chosen by single source selection on the grounds that they were already carrying out multi-sectoral and demand-driven community-based work consistent with the principles of CAP. Rather than providing each operator with a standard operational manual, they have been encouraged to continue with their own business practices. An "operator liaison" was hired to facilitate the transfer of information and experience across the pilots and to the PPU and World Bank. He also convened and organizes periodic workshops to share experiences and plan next steps. His mission reports and conclusions from the workshops are available upon request.

- During the preparatory activities of the project, it became clear that community-participatory diagnostic methodologies used by the local development agencies to facilitate the development of community development action plans in the initial six pilot sites do not sufficiently raise the attention towards linkages between poverty and the conditions of ecosystems as a whole as for example relating to the availability of water, food, health and traditional household energy products. As a result, case-studies are being conducted in two additional sites to generate a standardized modified community-participatory diagnosis methodology addressing this issue for the implementation phase of the project. The two additional sites were selected according the principle that CBIEM would particularly be of benefit in situation where sedentary and non-sedentary livestock systems exist along cropping systems and/or where a surface water, such as a lake, is being shared.
- As part of the preparation activities, the PDF is financing a review study analysing the existing institutional and legislative framework guiding natural resources management and providing information on what would be needed to create and guide deconcentrated public services in the promotion of harmonized management of the cultivated areas, the natural rangelands and the water resources. Particular attention is being given to the aspects of the current natural resources tenure practises as relating to access of natural resources by different stakeholders of varying socio-economic status and production systems and the possibility of preventing cultivation of marginal lands.
- Parallel to the overall national poverty mapping activities initiated during the preparation phase of the project, the PDF is funding a task to incorporate socio-economic and natural resource data relating to the use and condition of the ecosystems in their multiple function seen, from a local, national, regional and global perspective. Integrated in the overall national poverty mapping, these result would guide the project how to geographically upscale the activities nation-wide. Priority areas will represent areas with high opportunity to reduce poverty while representing complex ecological production systems comprising sedentary and non-sedentary livestock systems, cropping systems and/or substantial shared surface waters providing ample opportunity to benefit from CBIEM while being relatively representative for the situation of the nation as a whole.

4. Indications of borrower and recipient commitment and ownership:

The government had originally requested a second phase of the Small Operations Project (PPODR) described above. A September 1999 identification mission argued for an alternative that was less costly, multi-sectoral, and explicitly supportive of decentralization and Government, represented a meeting with several agencies represented, expressed approval for a decentralized project that encourages communities to define their own development priorities. As a result of the meeting, a multi-sectoral steering committee was created from eight ministries to proceed with project preparation. The steering committee oversees a working group from central ministries, NGOs, and related donor-funded initiatives, and has demonstrated strong ownership over project preparation.

Another positive indication of borrower commitment concerns decentralization policy. As indicated in section B.2, government has made significant steps forward with respect to the legal and institutional framework on decentralization, although this needs to be operationalized. In terms of political decentralization, this effort was set back with the annulment of the March 1999 local elections. Local elections will likely take place in the near future, which will provide the basis for real fiscal and administrative reforms and actions.

A third indication of borrower commitment stems from the PRSP. Government is now committed to a poverty reduction strategy that centers on rural development, health, and education. In a September 2000 CAP workshop, Government recognized the CAP's poverty targeting and multi-sectoral application as an important instrument for operationalizing the PRSP.

Finally, in terms of GEF involvement, the Government has formally expressed its commitment to the project through the endorsement letter signed by the GEF focal point in September 2001.

5. Value added of Bank and Global support in this project:

Dialogue on poverty reduction policy: With our support to the PRSP, IDA is well positioned to push forward discussion on how to coordinate and strengthen Government's commitment to poverty reduction. However, this will have to involve all other major donors.

Scaling up CDD efforts: IDA has the ability to mobilize sufficient funding to undertake such an ambitious national program. With the wide range and large scale of many of its operations, IDA is well positioned to link the CAP goals with the national reforms and financing mechanisms required.

Sectoral experience: IDA has projects in every sector, which can contribute technical solutions and facilitate institutional linkages with line ministries. The CAP will benefit from two "parent" projects. The PPODR demonstrated many positive lessons with respect to decentralized financial management and income-generating micro-projects. The CAP can also build on success of the Natural Resource Management Project (PGRN) in community-based provision of public goods, which is particularly relevant for the activities relating to the support to community-based integrated ecosystem management (CBIEM).

Complementing on-going GEF support in the nation: Other projects involving global environmental management at work or under development in Niger, tend to focus on specific focal areas of interest as distinguished by GEF- biodiversity, condition of international waters, or global warming mitigation- and/or are restricted to certain geographic areas, nature reserves or ecosystems. The nation-wide CAP, classified as a so-called multiple focal area project, will therefore be complementary to all other projects. Furthermore, through its close coordination with the Africa Land and Water Initiative, the best practices and lessons learned from this project will have an impact on the natural resources management in Africa as a whole.

International experience: IDA brings international experience in the areas of social funds, decentralization, and demand-driven rural investment funds. Aside from experience in Niger listed above, we now have many similar operations ongoing in the region, and the CAP may draw from the positive and negative lessons of this experience. Examples include the Village Communities Support Program in Guinea, the Borghou pilot in Benin, the Community-based Rural Development in Burkina Faso, and a variety of social funds in the region, notably the Zambia case. In addition, the growing focus and debate in the Bank on community-driven development (CDD) will help to consolidate lessons and experience which the CAP can use to its advantage.

Limitations: While recognizing our comparative advantage, it is equally important to acknowledge that we are relatively weak in several areas, particularly concerning on-the-ground experience in community-driven approaches in Niger and working with NGOs. In this respect, it will be vitally important for the CAP to collaborate with development partners who possess diverse strengths and considerable operational experience. These include the *Agence Française de Développement* (AFD), the United National Capital Development Fund (UNCDF), the International Fund for Agricultural Development (IFAD), and German Cooperation (KfW and GTZ). In addition to donors are a large and growing number of NGOs who have considerable experience, such as CARE International, the Canadian Centre for International Studies (CECI) and many national NGOs.

E. Summary Project Analysis

1. Economic (see Annex 4)

Incremental Cost Analysis:

This type of project does not easily lend itself to economic evaluation for various reasons. First, benefits of the capacity-building components (support to communities and local governance) cannot easily be quantified in monetary terms. Second, the investment component cannot be known *ex ante*, since it is demand-driven and defined in the course of the project. Third, many of the benefits from anticipated investments (such as in natural resource management, education, health, etc.) similarly defy quantification. For these reasons, there will be no economic analysis in terms of cost-benefit analysis or internal rates of return. However, explicit measures will be taken to ensure that economic benefits are maximized. First, those micro-projects that can be evaluated with economic methods (such as income-generating activities) will do so where feasible. Second, the communities will be presented with strict eligibility criteria to ensure that uneconomic or otherwise unsound project proposals are weeded out. Third, training in economic analysis particularly for infrastructure investments, will be provided to the project management before effectiveness.

With respect to benefits of GEF financing for CBIEM in the CAP, an **Incremental Cost Analysis** is provided in Annex 3, which highlights the difference between scenarios with and without GEF financing.

2. Financial (see Annex 4 and Annex 5)

Fiscal mechanisms: The Decentralized Investment Fund is a system of matching grants. Each community committee will receive a budgetary envelope which is expected to provide two to four micro-projects. Communities will be expected to contribute 5- 30% of the total cost of proposed micro-projects in money, time, labour, or materials, the proportion being dependent on the type of micro-project. This percentage must be high enough to ensure that the micro-project is truly desired, yet low enough to keep within the means of a poor population. Over time, as incomes rise, this percentage would increase. The goal of the project in the short to medium term is not fiscal sustainability. This, however, is a long term goal, and one that will only be attained when incomes rise and local governments are able to generate revenues. The

fiscal goal of the first phase of the CAP is to make efficient transfers to poor communities and to ensure that this is spent effectively and transparently.

Methodology for financial analysis: The impact of micro-projects will be carefully measured, with a focus on cost-minimization measures and on additional funding requirements (maintenance costs) to ensure that the benefits of the investment are sustained. Stakeholders will be involved in determining and fine-tuning the cost-sharing and cost-recovery arrangements. Financial management, setup and controls will also be developed, together with the compatibility requirements with the Bank's LACI (Loan Administration Change Initiative).

Fiscal Impact

The combined support to decentralization and participation is expected to increase the efficiency of public investment expenditures. Seen over the long term, economic benefits will offset costs to the Government budget in providing a given amount of transfers to the local level.

3. Technical

The CAP will promote the use of simple, appropriate, and environmentally sound technologies, that correspond to the needs and capabilities of the beneficiaries. Labour-intensive works will be favored if demonstrated to be technically and economically efficient, so that employment is generated. It is expected that there is substantial latent technical capacity at the village level, which has not surfaced for want of effective demand. Most of the micro-projects would involve simple infrastructures, for which local artisans and entrepreneurs could be used.

The Project Implementation Manual (PIM) will be supported by a technical assessment of the components that will be carried out. This will require coming to a clear understanding of the technical norms and standards for micro-project selection and implementation. Technical criteria and standards will be incorporated into the PIM. Line ministries, such as health, education, and roads, will need to be involved closely with this exercise, and protocols will need to be developed to formally establish this collaboration. Technical staff operating at the local level will need to be involved closely.

4. Institutional

4.1 Executing Agencies

The following summarizes the role of each of the actors in the CAP. See Figure 1 in Annex 12 for the global institutional structure of the project.

Communities: The principal actors in the CAP are communities, which essentially constitute the CAP's decentralized executing agencies for micro-projects. Prior to implementation, communities must follow a participatory planning process, which has the following features. First, management of the local planning process is entrusted to a community association that has representation from local government and civil society. Second, participatory planning techniques are used to secure the maximum feasible degree of consultation in decisions that are made. In order to help communities with the participatory planning process, the project will contract technical advisory services from the private or NGO sector. Third, the micro-projects that are locally identified and selected become the responsibility of the local communities, which manage and design the implementation, including procurement of goods, services, and works. However, the detailed planning, design, and execution of micro-projects may be contracted out to private service providers. Communities will hire service providers capable of carrying out these actions under

competitive conditions, and will evaluate bids and award contracts following a transparent process in which all stages and results are publically presented. Fourth, technical supervision and monitoring of the micro-project implementation may be shared between the communities and deconcentrated sectoral services.

State services: Central and local services of the State will play an important role in the CAP. The functions are three-fold: (i) the oversight function to verify conformity of different investments with rules and legal texts; (ii) the validation of annual LDPs from communities in recognition that the plans conform with the development agenda of the *commune* and region; (iii) the assistance to communities as needed during preparation or implementation of their micro-projects. The validation of the LDPs will be undertaken by a Project Approval Committee at the *commune* level, coordinated by a regional body, which will not intervene in the approval process.

The Project Coordination Unit (Cellule de Coordination Nationale, CCN): The CAP will be managed by a national project coordination unit (CCN) under the tutelage of the Ministry of Finance and Planning. This ministry was preferred because (i) it has experience in managing projects, (ii) it is best placed to coordinate the CAP with other projects and donors, and (iii) the multi-sectoral nature of the CAP lends itself to a non-line ministry.

Regional Project Coordination Units (Cellules de Coordination Régionales, CCRs): The CCN will be decentralized to all regions, (Cellules de Coordination Régionales, CCR). The CCRs will be responsible for overseeing the implementation of the DIF component, capacity building, and managing the poverty impact/M&E system.

Central and decentralized administration: Close links with the Ministry of Equipment will be need for maintenance and rehabilitation of rural roads, and with the Ministry of Water Resources and the Environment for wells and natural resource management. The project will also maintain close links with the Ministries of Health and Education to ensure that facilities constructed are consistent with their plans and to ensure that these will be properly staffed.

4.2 Project Management

There are several weaknesses in Niger's institutional environment that must be addressed. First and foremost is the issue of managerial and technical capacity, which is limited in all levels of government. Government and community leaders will receive training to improve their ability to plan and manage local development. The project will therefore need to expend considerable resources on capacity-building, particularly in the first phase.

Second, the decentralization process is in its infancy. With its 1994 adoption of a decentralization law, the government of Niger has yet to have a clear framework, action plan or time path for decentralizing services. Approaches are still centralized and beneficiaries are in no position to take charge of activities. The government's long term objective of disengagement is neither reflected in the structure of the administrative services nor in service delivery systems for rural communities. Thus a major issue to be incorporated into the CAP design is the direct interference of government in the use of project resources and the recruitment of competent project personnel. Responsibility for decentralization is based in the *Haute Commisariat à la Réforme Administrative et à la Décentralisation*, but implementation will require a concerted effort with several Ministries.

Third, Niger's civil servants are often not paid, and there are few rewards to good performance. If this situation continues, it may be difficult to work with those debilitated and demoralized by a poor incentive system.

Fourth, local governments have traditionally not been closely accountable to their constituencies. The project must establish a mechanism to review possible abuses of power. More importantly, even if there is local accountability, the Central Government must be ready and willing to relinquish authority over these local governments and resist any temptation to override the results of local participatory processes.

4.3 Procurement issues:

A Country Procurement Assessment Review (CPAR) for Niger was carried out in 1998 and found that National procurement regulations are reasonably elaborated, satisfactory to the Bank and subject to the following reservations: (a) the *adjudication* procurement method, where a maximum price is fixed, may result in unnecessary rebidding in cases where such limits are not justified; (b) there is no requirement for specifying the minimum qualification criteria in the bidding documents; (c) the *appel d'offres avec concours* method currently used for the procurement of goods, works and services is normally relevant only for services such as the hiring of architects; and (d) the current eligibility requirements (registration) may preclude foreign bidders.

A procurement risk rating for the project, capacity-building, and other actions to mitigate risks will be carried out prior to appraisal.

See Annex 6 for more details on procurement issues and procedures.

4.4 Financial management issues:

b) Capacity Assessment of CCN for Financial Management and PMR-Based Disbursement

A Project Implementing Unit (CCN) staffed with competent and experienced staff, including a Project Coordinator (PC), a Monitoring, and Evaluation Specialist (MES), an Administrative and Financial Management Specialist (AFMS), and a Procurement Specialist, plus support staff will be recruited through a competitive and transparent process in accordance with terms of reference acceptable to the Association. Adequate provisions will be made to train the accounting and financial staff. CCN will be established as a separate entity under the tutelage of the Ministry of Planning. The CCN budget for the life of the project is set up.

The specific project financial management assessment will be completed at appraisal and will cover (i) the status of the borrower's and the project implementing entity's compliance with audit covenants in existing Bank-financed projects, (ii) the flow of funds between donors, the project and its beneficiaries, and (iii) the supervision and other actions to mitigate the possible unfavorable results.

The project will establish a financial management system, acceptable to IDA, which will provide the borrower and IDA with accurate and timely information regarding resources and expenditures. The financial management systems will include budgetary accounting, financial reporting for internal control and auditing elements. A financial management consultant or firm would be selected to assist in the design and establishment of the computerized financial management systems of the CCN. The Unit will be responsible for project administrative and technical coordination as well as financial management. The final configuration of the CCN, the profile of the staff as well as their job descriptions will be described in the Project Implementation Manual (PIM). The relevant internal control system, meanwhile, has been determined and fully described in the Manual of budgetary accounting and financial procedures.

A financial management assessment was completed for the NGOs receiving preparation funding for managing the pilots. In addition, a review is currently being carried out of financial management in IDA projects in Niger that involve financing community investments.

c) Financial Management Arrangements

Accounting and Financial Reporting

The CCN will maintain the books and accounts of the project activities and will ensure that the production of the annual financial statements are done on a timely manner. A financial management consultant or firm would be selected to design a computerized accounting and financial management system, based on internationally acceptable accounting principles agreed with the Bank. The consultant will also prepare the accompanying guidelines for the software operations and will check whether computerized guidelines match with the Manual of budgetary financial and accounting procedures. The manual will be agreed to by IDA. The consultant will be responsible for the initial training of the accounting and financial management staff on the efficient operation of the computerized accounting system. They will also be responsible for the preparation of a training program in financial management with an implementation timetable and will provide the project with assistance. The selection of the accounting software will ensure that the system is supported by a reliable organization.

Prior to appraisal, a Bank Certified Financial Management Specialist will carry out an assessment of the project financial management system (recommendation on adequacy and competence of the accounting and financial staff to be recruited, relevance of the manual of budgetary financial and accounting procedures and the Project Implementation Manual, completeness of the financial management system) to

determine its soundness and capability to provide IDA accurate and timely information regarding project resources and expenditures.

Project Management Reports

The project needs to adopt a financial management and reporting system in compliance with the Loan Administration Change Initiative (LACI). It will be necessary, therefore, to design the financial management system so that it can produce, in addition to the basic financial statements (Balance sheet, Income statement, Sources and Applications of Funds), other relevant quarterly financial management reports, namely: (a) Summary of Sources and Uses of Funds; (b) Contract Expenditures Report – Goods & Works; (c) Contract Expenditures Report – Consultants; (d) Procurement Management Report – Good & Works; and (e) Procurement Management Report – Consultants, required under PMR-based disbursement. Since the CCN will be newly established and the capacity of accounting and financial staff has yet to be developed and tested, current disbursement procedures will be used for the first 18 months of implementation. It is expected that full PMR-based (Quarterly PMRs) will start in the third quarter of the second year of implementation till closing a year and a half hence. This will require that IDA carry out a comprehensive and detailed assessment of the project financial management to determine its full readiness for PMR at the end of the first year of implementation. A second assessment will be carried out at the end of the second quarter of the second year of implementation to evaluate and effect the transition to PMR-based disbursement.

Auditing

Project records and accounts will be audited in accordance with international audit standards by an experienced and internationally recognized audit firm acceptable to IDA. The audit reports will be submitted to IDA within six months after the end of Government fiscal year. In addition to their standard short-form report with opinion on the financial statements, the auditors will be required to: (a) carry out a comprehensive review of all the SOEs as well as the internal control procedures governing their preparation for the relevant period under audit, and express a separate opinion thereon; and (b) review the management and utilization of the special account and express a separate opinion thereon as well; (c) the auditor will complete their in-depth review, started at interim, of the internal control system of the project with a view to identify the major weaknesses and shortcomings and proposing practical recommendations for improvement. The results of this review would be documented in a Management Letter to be submitted along with the audit report.

The auditors will review and audit the use of the PPF, PDF and PHRD Grant funds covering the period prior to effectiveness. They will also perform interim audits (9 months into the fiscal year) to review the internal control system including management performance, and issue reports to that effect within one month from the end of their work. The findings and recommendations of the interim reports will be addressed by management without delay before the final audit (mostly 6 months after closing of the fiscal year). The contracting of auditors on a renewable multi-year contract, acceptable to IDA, and certification by the financial auditors that the project accounting system is operational, is a condition of credit effectiveness.

5. Environmental Environmental Category: F (Financial Intermediary Assessment)

An Environmental Assessment will be conducted prior to appraisal to ensure that there are no unforeseen environmental impacts. EA work will cover the likely impacts of small infrastructure, soil/water conservation, forestry components, and irrigation schemes that may be identified by communities during the course of the project. It will establish mitigating and capacity-building measures that go with them.

TORs for EA will be produced with the assistance of the Environmental Assessment Unit. The M&E system will include environmental monitoring. This will require training for village-based monitoring. Additional capacity will be required in the project management for environmental screening of micro-projects with potential harmful effects.

6. Social

6.1 Summarize key social issues relevant to the project objectives, and specify the project's social development outcomes

Social assessment will be carried out during project preparation, and PHRD funds have been earmarked for this purpose. The goal of this exercise will be to understand household and community-level dynamics and to discover optimal ways to reach traditionally marginalized groups, particularly women. This is particularly important given the highly stratified nature of Nigerien society around age, kinship, and gender.

A promising model for this exercise is the recent work on local level institutions (LLIs) done in Burkina Faso (*Local Level Institutions and Poverty Eradication: the Case of Rural Decentralization in Burkina Faso* -- Paula Donnelly-Roark, Karim Ouedraogo, and Xiao Ye). This study has shown the importance of recognizing locally anchored and multi-sector participation when proceeding with decentralization, and has found that high-performing LLI's are associated with more equitable income distribution and lower poverty. This mapping exercise may be replicated in Niger with a joint Nigerien/Burkinabe team, assisted by the Bank.

6.2 Participatory Approach: How are key stakeholders participating in this project?

The participatory approach as a cornerstone of the implementation of the project. Poverty is a multi-dimensional problem, which will differ from region to region, and from village to village. To be effective, a poverty-reduction program must therefore respond to a multiplicity of needs. Articulating the needs of a particular village will require a participatory approach within a demand-driven and multi-sectoral strategy. The preparation of the CAP will also use such an approach to improve the quality of the program's design and promote ownership.

Stakeholders have been actively involved from early stages of preparation and this process will continue during implementation. A large proportion of the PHRD grant is earmarked for client consultation. A stakeholder's forum was held in November 2000 with the aim of publicizing the project concept and receiving input from Government, community leaders, donors, NGOs and civil society. Several of the preparation missions included field visits to consult directly with communities. A major study of local level institutions is currently underway to ensure the project design principles conform with the ways in which communities are organized and collectively reach decisions. In addition, the community-based M&E methodology was developed and tested directly in the field.

Another key stakeholder group is donors. The United Nations Development Fund will be an important partner, particularly with respect to building capacity in local governance. The *Agence Française de Développement* has also expressed its interest in collaborating.

In summary, the following groups and institutions will be implicated during implementation in terms of information sharing (IS), consultation (CON) and collaboration (COL):

	Preparation	Implementation
Central Government	CON/COL	CON/COL
Local Administration	IS/CON/COL	IS/CON/COL
Community groups	IS/CON/COL	IS/CON/COL
NGO's	CON/COL	CON/COL
Other donors	IS/CON/COL	IS/CON/COL

6.3 How does the involve consultants or collaboration with NGOs or other civil society organizations?

The CAP will rely heavily on the collaboration of NGOs, many of which have been actively involved in community work and participatory appraisal for years. This relationship has been established in the context of the pilot activities during preparation with very positive results, and this will be scaled up during implementation.

6.4 What institutional arrangements have been provided to ensure the project achieves its social development outcomes?

{to be elaborated pending receipt of the social assessment currently underway }

6.5 How will the project monitor performance in terms of social development outcomes?

{to be elaborated pending receipt of the social assessment currently underway }

F. Sustainability and Risks

1. Sustainability:

First, sustainability of the CAP will depend primarily on community ownership. While CAP development plans will be implemented with technical and financial assistance from some external sources, decisions on the content of plans would rest ultimately with communities who would be responsible for managing implementation. Once communities acquire the knowledge, awareness, and necessary skills to design and implement local development plans and initiatives, sustainability will be assured, provided that financing is available. Past experiences have also demonstrated that once the short-term needs of communities are fulfilled, sustainability of the activities relating to the longer-term goals as provided by CAP, such as CBIEM, are much more likely to come to fruition.

Second, the fiscal sustainability will depend on whether revenues continue to flow through channels set up via the CAP. Financing for community development in Niger, for the foreseeable future, will continue to rely on external sources, since the level of poverty is such that local revenue generation is impossible in the majority of communities. The CAP's financing flows are intended to "prime the pump" of fiscal decentralization. The potential for cost recovery will be exploited when possible to minimize dependence on intergovernmental transfers. Community ownership is being strengthened by the project through its support to decentralization of Government services. Additionally, the emphasis on strengthening existing local level institutions instead of creating new ones, has been shown in the past to foster ownership and reduce poverty.

Third is the issue of environmental sustainability. GEF financing will be limited to the first and second phases of the CAP. During this time, the program will endeavour to establish the principle of CBIEM conceptually in Niger, establish a conducive policy and institutional framework, and undertake successful interventions in Nigerien communities. Based on this success, and the expected achievements of the overall project to provide for the short term needs and the development of income generating activities, increased ability of the communities to contribute to an investment in the natural resources base is expected while other financiers would be expected to supplement any remaining requirements. As indicated by the lessons learned from the PGRN, the fulfillment of the basic needs under the CAP will allow the communities to continue their activities relating to natural resources management also during severe periods of drought.

Finally, sustainability will also depend on the central government's continued support of approaches and activities of the program after it terminates.

2. Critical Risks (reflecting the failure of critical assumptions found in the fourth column of Annex 1)

Risk	Risk Rating	Risk Mitigation Measure
<p>From outputs to objective Local government representatives are elected in a transparent manner</p>	H	<p>Project financing must be contingent on accountable and transparent practices; if not, funding will stop at those particular localities</p>
<p>Micro-projects completed and successful in what they set out to accomplish</p>	M	<p>Sound technical advice must be prescribed and applied; timely monitoring and evaluation will provide project managers the ability</p>

Willingness of beneficiaries to use facilities and services financed by the project	N	provide project managers the ability to detect and address emerging difficulties Given that the micro-projects are chosen by the communities themselves, there is likely to be strong demand for them.
Willingness of rural communities to commit to project development objectives and engage in participatory planning and collective investment	M	Strong communication campaign, regular awareness raising and information campaign; exchange of information among various communities, working closely with communities that show risk-aversity, demonstrating of success of collective action in other communities
Central government does not override authority of local decision-makers	M	Rules of autonomy must be clearly spelled out in the loan agreement; M&E must be able to catch problems such as these at an early stage.
From Components to Outputs		
Adequate availability of resources to provide matching grants to implement project	M	
Reports received by the PMU are reviewed and responded to in a timely manner	N	
Overall Risk Rating	S	

Risk Rating – H (High Risk), S (Substantial Risk), M (Modest Risk), N (Negligible or Low Risk)

3. Possible Controversial Aspects:

True decentralization, i.e. devolution of power and resources to lower level, presents a serious threat to the political status quo. It is a process that will create winners and losers. In as much as the CAP promotes decentralization, it is bound to encounter resistance.

G. Main Conditions

1. Effectiveness Condition:

Conditions of credit effectiveness require that the Government would:

a) Staffing of a project coordination structure (CCN and CCRs) which is staffed with professionals experienced and competent and who are satisfactory to IDA. The terms of reference of these staff are to be defined during appraisal.

b) Sign a multi-year contract with an independent auditor, satisfactory to IDA, to audit all project accounts and financial statements.

d) Adoption of a Project Implementation Manual (PIM) acceptable to IDA.

d) Establish a computerized accounting and financial management system in the CCN, acceptable to IDA.

e) Establishment of a Project Account with initial deposit.

2. Other

None.

Annex 1: Project Design Summary

NIGER: Community Action Program

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
Sector-related CAS Goal:	Sector Indicators:	Sector/ country reports:	(from Goal to Bank Mission)
Sustainable and equitable economic growth with poverty reduction.	Per capita GDP Occurrence of disease and infant and child mortality Percentage of poor population. Percentage of vulnerable population.	National statistics National budgets Poverty studies Poverty maps UNDP Human Development Reports	
Program Purpose:	End-of-Program Indicators:	Program reports:	(from Purpose to Goal)
Increased incomes, employment, access to basic infrastructure, food security, and capacity to manage financial and natural resources.	Number of those with access to basic social and economic services Number of individuals employed in micro-projects Number of local groups and communities active in the management and conservation of natural resources Farm and non-farm incomes	Regional and sector statistics poverty surveys Beneficiary assessments Mid-term and final project evaluations	Sufficient number communities benefiting from project to account for significant national impact Project maintains consistent and tangible progress toward goals External funding sources (donors) continue in the medium to long term to provide financing for fiscal decentralization
Capable and accountable local governance.	Existence and use of transparent, accountable, demand-driven decision-making processes Broader representation of hitherto marginalized groups in local affairs Policy, legal, and financial framework for decentralization in place Central government effectively support local development efforts	Local and regional budgets External financial audits Mid-term and final project evaluations	Political stability exists in the country Government of Niger remains committed to decentralized and participation Sustained budgetary commitment to provision of services

GEF Operational Program:			
<p>To promote community-based integrated management of the mainly arid and semi-arid (agro)ecosystems in Niger as a means to reduce the vulnerability of large areas of the West African region to desertification, while fostering multiple global environmental benefits.</p>	<p>Condition of the ecosystems as a whole in their multiple functions seen from a local, national and global environmental perspective as indicated by the trends in:</p> <p>Seasonal percentages of the soils covered by vegetation, the plant species composition and the productivity of woody and herbaceous vegetation and/or crops (including crop residues) on natural rangelands lands, cultivated areas and banks of waters. Area of marginal lands under cultivation of annual crops and those being protected and/or actively recovered. Existence, condition and compliance to livestock corridors. Availability and accessibility of grazing and water areas during the dry season to non-resident livestock holders. Knowledge and preservation and recovery of declining natural plant species which serve as sources of traditional food, medicinal and veterinary products.</p>	<p>Cross-sectoral national M&E to be established by project</p> <p>Community-participatory M&E to be established by project.</p>	<p>Constraints to CBIEM are sufficiently recognized and addressed by the synergy of the combination of the five main project components.</p> <p>Timing, coordination and implementation of the five main project components will allow for succes.</p> <p>Hazardous climatic situations do not disturb the activities of the communities to support and monitor the impact of CBIEM.</p>

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
Project Development Objective:	Outcome / Impact Indicators:	Project reports:	(from Objective to Purpose)
To establish and operationalize decentralized, participatory, and transparent financing mechanisms that empower poor communities to take charge of their own development and the natural resources involved, with the support of their local governments.	<p>Proportion of national resources mobilized by rural communities</p> <p>Trend in overall investment; trends in number and types of investments, e.g. with distinction of projects promoting or supporting CBIEM.</p> <p>Number of communities capable of carrying out needs assessments, feasible development plans, of directly executing small projects, and of monitoring execution of larger projects</p> <p>Increased involvement of the private sector and civil society, including the "vulnerable" stakeholders, in local development</p> <p>Reduced time lags to implementation</p> <p>Decreased management to investment costs.</p>	<p>Sector statistics</p> <p>Field data collection</p> <p>Sample studies/surveys</p> <p>External financial audits of national, regional, and local budgets</p> <p>Mid-term and final project evaluations</p> <p>Periodic reports by community associations</p>	<p>Willingness of beneficiaries to use facilities and services financed by the project</p> <p>Micro-projects completed and successful in what they set out to accomplish</p> <p>Local government representatives are elected in a transparent manner</p> <p>Central government does not override authority of local decision-makers</p>
Output from each Component:	Output Indicators:	Project reports:	(from Outputs to Objective)
A. Community Support Capacity of local institutions and community associations strengthened to facilitate local development planning, implementation, monitoring, and evaluation, while taking into account the linkages between poverty and the condition of natural resources as part of	<p>Skills gap analysis completed</p> <p>Number community leaders/members trained</p> <p>Existence of regular meetings</p>	<p>Project MIS</p> <p>Accounting system reports</p> <p>other reviews and audits</p> <p>Skills gap analysis traing program curriculum</p> <p>minutes of community fora</p> <p>training material</p>	<p>Needs assessments and development plans are reviewed and approved on a timely basis</p> <p>Funds to match community contributions are available on a timely basis</p>

ecosystems as a whole.			
<p>B. Local Governance Support</p> <p>B.1 Capacity of local government and regional authorities strengthened to support decentralization, including promotion of community-based integrated management of the natural resources.</p> <p>B.2 Legal and policy framework strengthened to support administrative and fiscal decentralization conducive to CBIEM.</p>	<p>Review of decentralization legal and policy framework completed.</p> <p>Proposed system of fiscal decentralization tested</p> <p>New policies and procedures distributed and explained to community associations</p> <p>Skills gap analysis completed</p> <p>Number of government representatives and support staff trained</p> <p>Existence of quality and timely provision of support to decentralized services</p>	<p>Project MIS</p> <p>Accounting system reports</p> <p>other reviews and audits</p> <p>legal studies</p> <p>election observation results</p> <p>technical studies</p> <p>decentralization PER</p> <p>Skills gap analysis</p> <p>traing program curriculum</p> <p>training material</p>	
<p>C. Local Investment Fund</p> <p>Matching grants facility established and operational providing particular attractive conditions for micro-projects promoting or supporting CBIEM.</p>	<p>Contractual agreements signed with XX community associations</p> <p>Needs assessments completed</p> <p>Development plans approved</p> <p>Communities able to raise local contribution</p> <p>Number and distribution of type of micro-projects completed</p>	<p>Project MIS</p> <p>Accounting system reports</p> <p>other reviews and audits</p>	
<p>D. Poverty Monitoring</p> <p>A cross-sectoral M&E system established able to demonstrate linkages between poverty and the condition of natural ressources , providing feedback for rapid program adaptation</p>	<p>Number of surveys financed and carried out</p>	<p>Project MIS</p> <p>Accounting system reports</p> <p>other reviews and audits</p> <p>Annual performance reviews</p>	

<p>E. Support to Project Management</p> <p>Efficient and capable staff in place to manage project including the fully integrated CBIEM component.</p>	<p>Existance of qualified staff mobilized, with defined performance goals Office and transport infrastructure adequate to project activitie are procured and distributed</p>	<p>Project MIS Accounting system reports other reviews and audits Annual performance reviews</p>	
<p>Project Components / Sub-components:</p>	<p>Inputs: (budget for each component)</p>	<p>Project reports:</p>	<p>(from Components to Outputs)</p>
<p>A. Community Support</p>	<p>A. USD 5.5</p>	<p>Bank Disbursement records Quarterly and Annual project reports prepared by the Ministry of Planning Technical reviews and audits Supervision reports Mid-term and final project reviews</p>	<p>Elected local council are respected and competent to assist beneficiaries; Executing agency are able to operate sufficiently to affect decentralization; Reports recieved by the Ministry are reviewed and responded to in a timely manner Adequate availability of resources to provide matching grants to implement project</p>
<p>B. Support to Decentralization</p>	<p>B. USD 3.5</p>	<p>Bank Disbursement records Quarterly and Annual project reports prepared by the Ministry of Planning Technical reviews and audits Supervision reports Mid-term and final project reviews</p>	
<p>C. Local Investment Fund</p>	<p>C. USD 20.0</p>	<p>Bank Disbursement records Quarterly and Annual project reports prepared by the Ministry of Planning Supervision reports Mid-term and final project reviews</p>	

D. Poverty Monitoring	D. USD 1.5	Poverty assessments Project MIS	
E. Project Management	D. USD 3.5	Bank Disbursement records Quarterly and Annual project reports prepared by the Ministry of Planning Technical reviews and audits Supervision reports Mid-term and final project reviews	timely delivery of inputs full collaboration of all relevant implementing agencies Committed professionals to carry out each activity as scheduled Funding is secured

Annex 2: Detailed Project Description

NIGER: Community Action Program

By Component:

Project Component 1 - US\$5.50 million

The **Community Support** component is aimed at introducing decentralized and participatory planning procedures and to build the capacity of community-based associations (CBAs), and other local institutions to design, implement, and manage micro-projects. Strengthening capacity of CBAs will involve participatory appraisal (PA) and planning to facilitate needs assessments, local development planning, implementation, monitoring, and evaluation. The GEF resources will support i) the CBOs in the incorporation in the PAs of the analysis of the linkages between poverty reduction and integrated management of the natural resources as part of ecosystems such as relating to water availability, food production and nutritional value and availability of household energy, medicinal and veterinary products, ii) the identification and inclusion of the various types of primary stakeholders within communities having interest in the maintenance of the various type of production functions of the ecosystems (such as sedentary and non-sedentary livestock holders; croppers; collectors of household products such as food, water and energy; fishermen; hunters and traditional healers and nature conservationists and iii) the ability of the CBOs and communities to design and implement relevant micro-projects related to CBIEM.

Capacity-building efforts will operate on the principle that there exists substantial, yet latent, social capital, that hitherto lacked the institutional framework and resources with which to emerge. So rather than designing an extended preliminary phase of training on participatory appraisal and fiscal management, the CAP will quickly offer access to local development financing after a short period of PA, in the belief that communities will best learn by doing and will be encouraged by quick results. However, the CAP will recognize that certain communities require more capacity-building than others, and will focus efforts to match existing conditions. Also, in support to CBIEM, as mentioned above, the communities will be explicitly assisted in integrating the analyses of the condition of their natural resources base as part of local, national and regional ecosystems - in the community-participatory diagnoses applied to identify and prioritize needs to their social and economic development.

The hallmark of this component is the systematic use of PA techniques. This will require building consensus on such techniques among NGOs, who will assist communities to (i) conduct needs assessments, (ii) draft community development plans, and (iii) facilitate implementation of micro-projects. The needs assessments and development plans will be submitted for approval and assessed using transparent criteria known in advance to all stakeholders. The development plans will be implemented by the communities themselves, under the leadership of committees created for this purpose. Communities will be able to exercise choice over source of technical assistance, technology type, and investment design. Local government, NGOs, and sector specialists may give input, guidance, and training, but not interfere in implementation. This is essential to empower communities, ensure correspondence of investment to needs, and ensure accountability to the community.

Project Component 2 - US\$3.50 million

The **Support for Decentralization** component is aimed at strengthening administrative and fiscal dimensions of local governance. This will involve efforts at local and central levels within two sub-components:

Local governance: First, the CAP will work actively with a select set of new local governments to build capacity in administrative and fiscal management, and ensure that they work effectively with their constituents -- the local communities. Fiscal capacity would be enhanced by operating the matching grant facility (see component C). GEF funds may be used to assist the Secretariat of the Rural Code in the development of a local environmental governance framework promoting CBIEM. For example as defining the nature, composition and authority of local land tenure committees with inclusion of representatives of various socio-economic and occupational levels including non-sedentary livestockholders.

Policy and institutional reforms: Second, the CAP will work with the central government, notably the High Commission for Decentralization, to accelerate the process of decentralization. This component will also cover the establishment of legal and regulatory framework for decentralization, and strengthening the capacity of central Ministries responsible for decentralization. In addition, the legal and policy framework would need to be strengthened to support administrative and fiscal decentralization. Working with line ministries, the project will assist in deconcentrating staff and resources to the lowest possible level of local government. Such line agency staff must eventually be accountable to local government and communities, as opposed to receiving instructions and pay from Niamey. GEF funds will be earmarked to support the Secretariat of the Rural Code in the development of a national and local environmental governance framework promoting CBIEM for example through natural resources tenure policies covering the interest of non-sedentary livestockholders, discouraging cultivation of marginal lands and banks of surface waters and resolving conflicting interests and use of surface waters.

Project Component 3 - US\$ 20.00 million

The **Local Investment Fund** (LIF) is the financial facility that will channel small fungible capital grants to communities or local government for the financing of micro-projects. Initially, the LIF will flow from regional PMUs to communities. Eventually, the goal is to have the LIF flow through local governments to support fiscal decentralization once accountable and democratically elected are in place and have reached a level of capacity to serve their communities in this way (i.e. through component B). Such micro-projects will be proposed by communities as part of an approved local development plan, and providing that a participatory needs assessment has been successfully undertaken.

A central principle of the CAP is that communities may decide to use the LIF for any micro-project they deem important. These may include, but are not limited to, natural resource management (soil fertility control, erosion control, tree plantings and nurseries, fuelwood); production of crops, fish, and livestock (irrigation, gardening, seedling production, livestock fattening, cereal banks, fish farming, food processing, stockraising, beekeeping); water and sanitation (wells, boreholes); education (village schools, literacy programs); health (clinics, health posts, disease prevention); rural transport (rehabilitating local roads, bridges); etc.

The LIF is a matching grant. As such, communities are expected to contribute a certain percentage of the value of the investment, either in cash, or more likely in the form of labour or materials. The amount of the initial grant would be small. As a limited fund, the LIF would encourage priority-setting and avoid creation of "wish lists". Communities that effectively access and execute the LIF would be eligible in subsequent financing rounds for additional funding.

Half of the available GEF funds will be blended with the IDA funds, representing about eight percent of component financing. To promote and support in particular the global environmental interests of CBIEM related activities, the proportional community contribution required will be significantly lower for CBIEM related activities pertaining to a) community awareness raising activities relating to the interest of integrated ecosystem management such as determining the degree of importance of native natural rangelands species to poverty reduction, b) the maintenance of the productivity, biodiversity and soil cover of the natural rangelands, including the preservation and/or recovery of marginal lands and banks of surface waters, c) the introduction of valuable native species of the natural rangelands within the cropping systems and d) allocation of cultivated areas to fodder production by native fodder species.

Project Component 4 - US\$1.50 million

The **Poverty Monitoring** component is the CAP's M&E system. It will serve three purposes : (i) measure levels and trends of poverty; community access to social services and to local markets; and the state of natural resources; (ii) monitor the CAP in order to provide timely feedback to both communities and program management in terms of relevance, efficiency, effectiveness and impact of program interventions, in order that rapid corrective action can be taken if necessary; and (iii) enhance local communities' capacity to analyze and manage their own development process. The system may rely on a variety of survey instruments, including surveys on household income and expenditure, *ad hoc* studies, and routine administrative records on access to infrastructure and services. The component will finance data collection, analysis, training, workshops, and dissemination of results.

The poverty monitoring component will have two related sub-components:

National poverty monitoring system: The Government of Niger (GoN) and the donor community have set a number of *International Development Goals (IDGs)*. The goals are intended to accelerate progress on the human dimensions of poverty reduction as well as to improve the effectiveness of the relationship between national governments and international agencies. The GoN has a challenge, however, as the access, use and maintenance of socio-economic and natural resources data sets that currently exist in Niger is uncoordinated.

With the IDGs in mind, the national poverty monitoring system seeks to harmonize the access to and use and maintenance of several of Niger's socio-economic and natural resources data sets. The poverty monitoring system will first create a *data management system* for coordination of the disparate data sets. Its first product is a series of *maps or layers of maps* of different indicators. The poverty maps will provide an initial assessment of the multiple dimensions of poverty in Niger, providing a baseline against which to measure future development progress. The poverty maps, supporting data and analysis may also be used to prescribe possible development solutions. In short, the poverty maps will allow end-users at different levels (donors, government, NGOs and communities themselves) to better target and coordinate development investment within Niger. To support CBIEM fostering multiple global environmental benefits, GEF funds would ensure that this monitoring system would explicitly incorporate socio-economic and natural resources data relating to the use and condition of the existing ecosystems in their multiple function seen from a local, national and regional/global perspective. The geographical coverage of the first phase of the CAP will select 15 - 20 percent of the population of Niger, based on administratively defined (*communes*) and socially defined (village groupings) areas, which do not necessarily correspond to local ecosystems. However, based on prior identification of the territory of communes characterized by complex agro-ecological production systems comprising sedentary and non-sedentary livestock systems, cropping systems and/or substantial shared surface waters providing ample opportunity to benefit from

CBIEM, the selection of the target areas of the CAP will give weight to the selection of these areas in the first phase. A GEF financed PDF-B preparation study has identified ten such zones for priority attention: (i) *complexe de mares de Albarkaïzé*, (ii) *complexe Kokorou-Namga*, (iii) *Mare de Tabalak*, (iv) *forêt classée et réserve totale de faune de Gadabédji*, (v) *forêt de Marigouna-Bela*, (vi) *cuvette e Goned*, (vii) *lac de Madarounfa*, (viii) *forêt de Korap*, (ix) *forêt du lac Tchad*, (x) *complexe de Droum Malori*. All these sites are located in the two southern agro-pastoral agro-ecosystems. While the coverage of the CAP is expected to eventually be national, initial preference can be given to communes that include or border these zones.

The national poverty monitoring system, a form of *geographic information system (GIS)*, would tentatively be based within the Census Statistics Office. The coordinators of the data system would have two initial objectives : (i) to work with Niger's research institutes, government statistical bodies and NGOs to create the initial spatial assessment of poverty, and (ii) to develop a strategy for sharing, using and maintaining data within Niger, making data spatial and congruent with harmonized data sets as necessary. The sub-component would finance a small team (two or three people), hardware and software, training, and consultants.

Community-based M&E: The International Development Goals provide one means of accelerating progress towards poverty reduction. The GoN and the donor community have increasingly recognized that *community empowerment* plays a similar role. The CAP expands the scope for communities to articulate and modify their development vision through a *community-based monitoring and evaluation system*.

The CAP will develop a system for facilitating a community-wide reflection on their own development and the evolution of that development over time. On a theoretical level, the community-based M&E will engender a local system for learning and analysis, first reinforcing community members' abilities to induce change, its causes and effects and the importance of cause and effect relationships for community development.

On a more applied note, and within this process, a community-chosen Monitoring and Evaluation Committee will define the indicators that will be used to : (i) monitor CAP sub-projects; (ii) evaluate each sub-project at completion; and (iii) evaluate the CAP within the community on the basis of a locally-elaborated baseline. Community development agents will formally transmit a subset of these findings to the decentralized project implementation units.

This system will be developed by: (i) improving the participatory monitoring and evaluation/assessment methodology used by each (focusing on the development of an "agent as catalyst" training module, for community development agents and specific to the social and economic constraints of Niger's population), while using GEF funds to incorporate activities to raise the awareness of the communities towards their interest in CBIEM, (ii) establishing a system for culling the community-generated data needed by project management; and (iii) developing a mechanism for transmitting that data to project management at the regional and national levels. This system may also develop a mechanism for exchanging information on and from the poor between the CAP and the PRSP.

The community Monitoring and Evaluation Committee will be supported by a community development agent. The community development agent will in turn be supported by both the organization (NGO, government agency or consulting firm) for which s/he works as well as by a regional level training coordinator. The training coordinator's role will be to evaluate and support the

quality of community development agent work and to coordinate exchange and collaboration between the community development agents in his/her region.

The sub-component will finance data collection, analysis, training, workshops and dissemination of results.

Project Component 5 - US\$3.50 million

The **Support to Project Management** component will cover project coordination, field services, financial management, and establishment of a communication program. Project coordination will include support for coordination meetings, liaison with the World Bank and other donors, and exchange of experience at national fora. Field services include the training, personnel, equipment, and operating costs associated with the regional project implementation. Financial management includes operational planning and monitoring of the physical and financial execution of the CAP, procurement, accounting, internal audit, and personnel management. The communication program includes development and dissemination of information concerning program activities, approaches, results, and possibly education in schools, on radio, and on television. Most activities of this component will fall under the project management unit and project steering committee (see Section C4). GEF funds will support this component in all its aspects where it concerns the management of support to CBIEM related activities. In addition, the GEF funds would also support knowledge dissemination activities with a regional/ global reach, for example relating to the developments of a similar project in progress in Burkina Faso.

Annex 3: Incremental Cost Analysis

This annex summarizes or elaborates aspects of the PAD that relate to GEF financing in the CAP. It begins with (a) a review of the environmental situation in Niger, (b) GEF's OP12 and Integrated Ecosystem Management, (c) the baseline scenario without GEF financing, (d) the scenario with GEF financing, and (e) the incremental cost analysis.

a) The Environmental Situation in Niger

Based on rainfall patterns, Niger is subdivided in four main agro-ecological zones: i) a Saharan zone, covering 65 percent of the territory, receives less than 200 mm of rain annually, ii) a Sahelo-Saharan zone for pastoral use with annual rainfall ranging between 200 and 300 mm, iii) a Sahelo-Soudanian zone for agro-pastoral and agricultural use with annual rainfall ranging between 300 and 600 mm and iv) a Soudanien zone, largely for agricultural use with more than 600 mm annual rainfall, covers only about one percent of the national territory. As a result of both a decrease in annual rainfall during the last three decades and an increasing exploitation of the natural resources due to population growth, the overall productivity, biodiversity and soil cover of the vegetation in the country, covering both the natural rangelands and the cultivated areas, is in decline. This, in turn, through a loss of water retention capacity of vegetation, further accentuates the already reduced availability of surface waters, in particular during the dry season.

On a local and national level, this situation negatively affects animal productivity and biodiversity and human well-being through a reduced supply of water, fodder, food, household energy, medicinal and veterinary products. While of global environmental interest, the actual losses pertaining to terrestrial vegetation and its effects on surface water is leading to significant reduction of the carbon storage capacity of the soils and vegetation, loss of biodiversity and decline in condition of waters. The latter includes both international ones and ones of importance to globally valued migratory birds. Overall, one can say that the trends in the environmental situation of the country is increasing the vulnerability of the West African region as a whole to desertification. This poses a potential threat to all the global environmental assets contained in this region.

A major continuing human-induced threat to the maintenance and or recovery of the present terrestrial vegetation is the uncontrolled expansion of the cultivated areas in the two southern agro-pastoral - ecological zones at the expense of natural rangelands without replacing the lost functions of these resources and therefore increasing the pressure on the remaining areas. Maintenance and/or recovery of these areas is of particular interest since the natural vegetation used to be very well equipped with mechanisms of resistance and resilience to cope with the erratic and harsh climatic conditions in the area, while the less diverse and mostly annual agricultural species are much more vulnerable to the climatic forces. Unfortunately, the expansion of cultivated areas often includes marginal lands and banks or surface waters which are particular ecologically sensitive sites within the ecosystems. With regard to the socioeconomic values of the natural rangelands and the many surface water, or "mares, in the southern agro-pastoral zones, these used to represent important dry season grazing and water areas for migrating wildlife, presently mainly migratory birds, and livestock coming from the more northern pastoral zones. Currently the seasonal movements of pastoral peoples and their herds have difficulties passing through the agro-pastoral zones to reach the Nigerian markets, since access and availability of the grazing and water resources in this area has been reduced. The reduced condition of the remaining natural rangelands in these areas, has also seriously affected the availability of native food, fodder, household energy, medicinal and veterinary products. The maintenance of the "mares" in the southern areas, also appear to be threatened by unresolved conflicting interests and use for migratory birds, wildlife, livestock, cropping and fishing.

Table 1 summarizes the threats, root causes, and global implications of the current environmental situation, and how it relates to proposed project components.

Table 1: Linkages between the environmental situation in Niger, global environmental issues, and GEF-supported activities

Environmental Situation and Impact on Parameters of Poverty	Linkages with Global Environmental Issues	Threats	Root Causes	Project Components of Activities
<p>Overall decrease in productivity and biodiversity of the terrestrial vegetation affecting animal productivity and biodiversity, and human well-being through reduced sustainability of the supply of water, fodder, food, household energy, medicinal and veterinary products.</p>	<ul style="list-style-type: none"> • Increased vulnerability of the West African region to desertification. Nationwide decreasing carbon storage capacity of the biomass and loss of biodiversity • Decline in condition of waters, including international ones and those of importance to globally valued migratory birds. 	<ul style="list-style-type: none"> • Uncontrolled encroachment of cultivated areas on natural rangelands, including marginal lands and banks of surface waters, without replacing the ecological and socioeconomic functions of the vegetation of these natural rangelands within the cropping system. The vegetation of these natural rangelands are important barriers to land and water erosion, sources of carbon sequestration and providers of fodder, food, household energy, medicinal products, veterinary products, construction material and shelter. 	<ul style="list-style-type: none"> • Decline in annual rainfall • Over-exploitation of natural resources as related to population growth • Current institutional policy and legislative setting relating to environmental governance, such as relating to land tenure practices, allow and/or encourage uncontrolled extension of cultivated areas and over-exploitation of natural rangelands. • Limited awareness and coordination exist within and between various stakeholders on local, national and global level regarding the linkages between poverty reduction and the benefits of community-based integrated ecosystem management (CBIEM). CBIEM, as defined under this project, aims to harmonize the management of cultivated areas and natural rangelands through supporting the preservation and/or recovery of the multiple function of the natural rangelands, while, where applicable, incorporating some of these functions into the existing cropping systems. • On the short term, financial resources are lacking on local and national level to allow for the promotion and support of CBIEM. 	<ul style="list-style-type: none"> • Raising awareness and assisting the local communities in the design, implementation and management of CBIEM-related microprojects • Support the Government's decentralization efforts in the removal of policy and legislative barriers to the application of CBIEM. • Support the establishment of a decentralized financial mechanism and provide financial resources to allow for the implementation of CBIEM-related micro-project. • Support the establishment of two complementary M&E systems, a national multi-sectoral and a community-participatory one, to appraise linkages between poverty and the conditions of ecosystems.

b) Operational Program #12 (OP12) of the Global Environment Facility (GEF)

GEF's OP12 promotes Integrated Ecosystem Management (IEM). IEM provides a comprehensive framework to manage natural systems across sectors and administrative boundaries in the context of sustainable development, and facilitates intersectoral and participatory approaches to NRM on an ecosystem scale. IEM differs from conventional Natural Resource Management approaches mainly in its emphasis on the ecological system and the linkages within the system between ecological, economic, and social factors. IEM also places emphasis on common pool resources, such as rangelands, as opposed to privately managed cultivated areas. Within the context of the CAP, IEM will be implemented mainly at the community level, and is thus referred to as Community-based Integrated Ecosystem Management (CBIEM). In its holistic approach, OP12 brings synergy between three GEF focal areas (biodiversity, climate change, and international waters) and land degradation. Thus, eligible activities for GEF financing include investment in soil and water conservation, and management of forests, watersheds, and wetlands. GEF cannot finance activities related to, *inter alia*, introduction of alien species, forest plantations or monoculture, or establishment of agricultural systems that move communities to marginal lands. GEF will also finance technical assistance (for surveys, policy reforms, capacity-building, etc) and targeted research that promotes IEM. A preliminary and inexhaustive list of type of community-microprojects eligible for GEF co-financing is given in Table 2.

Table 2: Partial listing of community microprojects eligible for GEF cofinancing in the CAP

Community-participatory awareness raising activities	<ul style="list-style-type: none"> • Design of natural resources use plan for the community territory in context of the functioning of the local, national and global ecosystems. • Listing of function of native species of particular human and/or animal use - such as for food, fodder, medicinal, veterinary and household energy - and those of use as barriers against wind and/or water erosion, while indicating those of which the productivity is declining. • Appraisal of degree of importance of these native species in the identified uses for humans and/or animals.
Management of Natural Rangelands	<ul style="list-style-type: none"> • Identification and protection of marginal lands against cultivation with annual crops. • Allocation, maintenance and respectation of livestock corridors for nonresident livestock holders. • Protection and/or recovery of degraded lands. • Identification and protection and/or recovery of declining native plant species and/or habitats or portions of the community rangelands of particular human, animal or anti-erosive use. • Active implementation of anti-erosive measures.
Management of Waters	<ul style="list-style-type: none"> • Maintenance and/or recovery of riparian vegetation. • Identification and protection and/or recovery of declining native plants species and/or habitats or portions of riparian vegetation of particular human, animal or anti-erosive use. • Allocation, maintenance and respectation of livestock watering areas.
Management of Cultivated Land	<ul style="list-style-type: none"> • Take marginal lands under cultivation with annual crops out of production and/or recover. • Diversify cropping system through the introduction of native natural rangelands species of particular human, animal and/or anti-erosive use. • Allocate portion of cultivated land to production of fodder, with either native or introduced with mixed leguminous and/or perennial species • Maintain diversity in traditional crop species

c) Baseline Scenario

GEF finances *incremental* costs for technical assistance, investments, financial services and targeted research. These incremental costs may be viewed by comparing the baseline scenario (the IDA-financed CAP without GEF involvement), and GEF alternative scenarios. Under the baseline, the project would

aim to reduce poverty through empowering communities to prioritize, design, and implement micro-projects, facilitated by local authorities and NGOs. Only limited attention would be given to assist the communities in analyzing the linkages between poverty reduction and natural resource management in general and of integrated ecosystem management in particular. The institutional and legislative framework relating to environmental governance would continue to allow uncontrolled expansion of cultivated areas, including the cultivation of marginal lands and banks or surface waters, at the expense of the natural rangelands and availability and accessibility of surface waters. No nation-wide and community-participatory monitoring and evaluation systems would be established to guide geographic upscaling of the poverty activities within the context of integrated ecosystem management and no targeted financial support would be given to encourage the development of micro-activities related to natural resources management in general or to integrated ecosystem management in particular. With this approach, it is expected that only a small share of the CAP's local investment funds would be used for CBIEM since similar multi-sectoral, CDD, projects in the region show that priority issues for communities usually address short-term needs, i.e. the need for food security during droughts as through the establishment of cereal banks and income generating activities. As is, the current community-based natural resource management efforts in the region, tend to give priority to the maintenance and/or recovery of the cultivated areas without much attention for incorporation of lost functions of the rangelands within the cropping system. Simultaneous maintenance and recovery of the rangelands, including marginal lands and banks of and surface waters would be given only minor and random attention. As a result, under the baseline scenario, at least on the short term, further degradation of the land and water resources will take place, decreasing the local and national availability of water, fodder, food, household energy, medicinal and veterinary products while increasing the vulnerability of the West African region to desertification.

d) GEF Alternative Scenario

Under the GEF alternative scenario -- the IDA-financed CAP with co-financing by GEF-- the global environmental objective of the CAP is to promote community-based integrated management of the mainly arid and semi-arid (agro)ecosystems in Niger as a means to combat land and water degradation in West Africa, while fostering multiple global environmental benefits. CBIEM is defined for this project as harmonized management by communities of the cultivated areas, natural rangelands, and water resources in and around Nigerien communities by these communities in order to maintain or recover a balance in the multiple functions of these natural resources as seen from a local, national and global ecosystem perspectives. More concretely, for this Sahelian country, seeking this balance will involve the maintenance or recovery of the condition of the natural resources of ecosystems as a whole as they function as providers of cropping areas, water and fodder for sedentary and non-sedentary livestock and local and migratory wildlife, household energy, food, medicinal products, veterinary products, construction material, shelter, areas of cultural and social value, barriers to land and water degradation and as sources of carbon sequestration and biodiversity. Over the CAP's lifetime, CBIEM, through holistic management of the land and water resources, is expected to significantly enhance the carbon storage capacity of the soils and vegetation, to preserve globally-valued biodiversity and to maintain the condition of international waters in the country. The numerous scattered water bodies in Niger are of importance to migratory birds while some of the international water bodies, such as the river Niger and the Lake Chad Basin, also represent areas of relative high biodiversity. Since further degradation of the land and water resources in Niger would accelerate desertification and result in increased pressure on the ecologically richer areas to the south, the longer term impact of the project is expected to contribute to the preservation of the many globally important environmental assets encompassed in this region (Table 1).

The root causes behind the lack of community-based integrated ecosystem management (CBIEM) in the country: i) lack of awareness relating to the function and linkages between different subcomponents of

ecosystems, such as the cultivated areas, the natural rangelands and water resources, and their role in poverty reduction, ii) lack of human capacity and methodologies to analyze and monitor these roles and linkages, iii) lack of involvement of all the different type of stakeholders, including the vulnerable ones, in natural resources management planning and implementation, iv) lack of institutional and legislative backing conducive to integrated ecosystem management, such as the current land and water resources tenure practices, and v) lack of technologies and financial resources to apply integrated ecosystem management

The project's approach relies on removing barriers for successful mainstreaming of CBIEM through identifying constraints, indicating and demonstrating solutions, capacity building, enhancement of the information base for sound decision-making, policy development, and micro-investment. The global environmental objectives will be blended and realized through each of the five project activity components , which promote CBIEM in the following ways:

Component 1: Community support: The project will proactively support (i) community-based organizations (CBOs) in the incorporation in the participatory appraisal of the analysis of the linkages between poverty reduction and integrated management of ecosystems and related natural resources, (ii) the identification and inclusion of the various types of primary stakeholders within communities having interest in the maintenance of the various type of production functions of the natural resources (such as sedentary and non-sedentary livestock holders; croppers; collectors of household products such as food, water and energy; fishermen; hunters and traditional healers and nature conservationists) and (iii) the ability of the CBOs and communities to design and implement relevant micro-projects related to CBIEM.

Component 2: Local governance support: In support of the Governments decentralization efforts , GEF funds will be earmarked to support the Secretariat of the Rural Code in the development of a national and local environmental governance framework promoting CBIEM such as to discourage cultivation of marginal lands and banks of surface waters and resolve conflicting interests and use of surface waters. For example, through the establishment of natural resources tenure and use policies including the definition of the nature, composition and authority of local natural resources committees with inclusion of representatives of various socio-economic and occupational levels. The component will primarily finance targetted studies and capacity-building and awareness-building activities.

Component 3: Local Investment Fund: Half of the available GEF funds will be blended with the IDA funds in this component, representing about eight percent of component financing. To promote and support in particular the public and global good nature of CBIEM related activities, the proportional community contribution required will be significantly lower for CBIEM related activities, such as those indicated in Table 2.

Component 4: Monitoring: GEF will contribute to the cross-sectoral national poverty monitoring systems of the CAP providing feed back for rapid program adaptation through ensuring the incorporation of socio-economic and natural resources data relating to the use and condition of the ecosystems in their multiple function seen, from a local, national and regional/global perspective. Furthermore, local capacity will be developed to enable communities to participate in the development and implementation of this system, in conjunction with the larger, multi-sectoral CAP community-participatory M&E system. Baseline data, already collected in the preparation phase, will be completed in the first year of implementation, to provide a benchmark on which to measure progress.

Component 5: Project management: GEF will support project coordination, field services, financial management and establishment of a communication program there where it concerns the management of the support to CBIEM related activities. In addition, the GEF funds would also support knowledge dissemination activities with a regional/global reach, e.g. as relating to the developments of a similar project in progress in Burkina Faso and the Africa Land and Water Initiative.

The IDA-loan supported activities will be complemented by the GEF-supported activities through its immediate support to longer-term local, national and global environmental concern accelerating the longer term sustainability of the poverty reduction effort, which otherwise would only be addressed after the shorter term basic needs would be fulfilled. At that point the further degraded natural resources would be harder to recover and maintain. Within this context, reflecting the reality that the economic and financial situation of Niger is such that it barely allows to provide for the basic local needs, is the justification for allocating additional and catalytic GEF resources to ecosystem management activities.

Other GEF-supported initiative in the country, on-going or under development, tend to focus on specific focal areas of interest and/or are restricted to certain geographic areas, nature reserves or ecosystems. The nation-wide CAP, classified as a multiple focal area project, will therefore be complementary to all other projects. Furthermore, through its close coordination with the Africa Land and Water Initiative, the best practices and lessons learned from this project will have an impact on the natural resources management in Africa as a whole.

d) Incremental Cost Analysis

The incremental costs are calculated as the difference between the GEF alternative scenario and the CAP baseline scenario. The results are presented in the matrix below.

Table 3: Incremental cost matrix for GEF funding

Component	Cost Category	Cost US\$ M	Domestic Benefit	Global Benefit
1. Community Support	Baseline	4.5	Increased capacity of communities to design and implement community-based natural resources management activities which will primarily improve the management of the cultivated areas.	Modest improvement in the ability of communities to design and implement natural resources management activities which may lead to minor global environmental benefits.
	GEF Alternative	5.0	Significant capacity of communities developed to design CBIEM micro-projects leading to ecological sustainability and national socio-economic equity and growth.	Significant capacity of communities developed to design CBIEM micro-projects, leading to significant conservation of global environmental assets.
	Incremental	0.5		
2. Local Governance Support	Baseline	2.5	Capacity of local government and regional authorities strengthened to support decentralized natural resources management which would mainly improve the management of the cultivated areas.	Modest improvements in the ability of local governments and administrations to support communities in the management of natural resources, mostly pertaining to the cultivated areas, which may lead to minor global environmental benefits.
	GEF Alternative	3.0	Capacity of local government and regional authorities strengthened to support decentralized integrated ecosystem management leading to ecological sustainability and national socio-economic equity and growth.	Substantial improvement in the ability of central and local governments to support decentralized integrated ecosystem management leading to significant global environmental benefits.
	Incremental	0.5		
3. Local Investment Fund	Baseline	24.0	A limited number of micro-investments relating to natural resources management planned and implemented locally.	Possibly a very limited number of micro-investments planned and implemented relating to natural resources management leading to minor global environmental benefits.
	GEF Alternative	26.0	A significant number of CBIEM - related micro-projects implemented supporting ecological sustainability and national socio-economic equity and growth.	Substantial number of CBIEM - related micro-investments implemented leading to significant global environmental benefits.
	Incremental	2.0		
4. Poverty Monitoring	Baseline	0.5	Cross-sectoral M&E system in place assessing linkages between poverty and land degradation, primarily relating to the cropping areas, to guide natural resources management.	Modest assessment tool established to guide natural resources management generating minor global environmental benefits.
	GEF Alternative	1.0	Cross-sectoral M&E system in place assessing linkages between poverty and the condition of ecosystems as a whole, to guide integrated ecosystem management respecting	Substantial assessment tool established to guide integrated ecosystem management leading to significant global environmental benefits.

			national socio-economic and ecological interests.	
	Incremental	0.5		
5. Project management	Baseline	2.5	Efficient and capable staff in place to disseminate knowledge and manage issues related to natural resources management, mainly pertaining to the cultivated areas, on local and national level.	Natural resources management, mainly pertaining to the cultivated areas, on local and national level facilitated which may lead to minor global environmental benefits.
	GEF Alternative	3.0	Efficient and capable staff in place to disseminate knowledge and manage issues related to integrated ecosystem management on local, national and regional/global level.	Integrated ecosystem management on local, national and regional/global level facilitated leading to significant global environmental benefits.
	Incremental	0.5		
TOTALS	Baseline	34.0		
	GEF Alternative	38.0		
	Incremental	4.0		

Annex 4: STAP Review and Response

STAP REVIEW

Project Number: **P073011**
Country: **Niger**
Project Name: **Community Action Program**
STAP Reviewer: Dr. J. Michael Halderman, Independent Consultant, Berkeley, California.
Date: December 27, 2001

Key Issues

1) Scientific and technical soundness of the project.

The Niger Community Action Program (CAP) has been carefully and thoroughly designed following sound technical and scientific principles. The program aims to reduce poverty and improve governance by stimulating economic growth, improving natural resource management, raising levels of health, education and food security, and empowering communities and local governments. The CAP aims to achieve these goals by strengthening local level capacity and financing demand driven micro-projects. The CAP represents a major, long term effort with an indicative financing plan totaling US\$237 million over 12 years. The first four-year phase includes US\$30 million in IDA funds and US\$4 million from the GEF. An Adaptable Program Loan (APL) instrument is being used to provide flexible, long-term funding.

The CAP intends to establish and operationalize decentralized, participatory and transparent financing mechanisms that empower poor communities to take control of their own development with the support of their local governments. This approach reflects the response of the World Bank's Africa Region to the Bank's corporate priority of "community-driven development" (CDD). It also reflects widespread recognition among rural development professionals that decentralized, participatory approaches are much more effective and sustainable than other approaches.

The Community Action Program aims at national coverage and its performance will have a significant impact on the future of natural resource management in Niger. The funds provided by GEF will be "fully blended" into the CAP but will be tracked separately for accounting purposes. The activities under the CAP funded by GEF (the "project" for the purposes of this STAP Review and described below) are based on appropriate scientific principles and up-to-date analysis fully consistent with the GEF's Operational Program # 12, Integrated Ecosystem Management.

2) Identification of the global environmental benefits and/or drawbacks of the project.

Niger is a very poor country, and its already degraded natural resource base does not bode well for the future as the great majority of the population relies on agriculture and livestock production for food security, income and employment. The CAP alone will be a significant program in Niger, but without the GEF component it is extremely unrealistic to expect that poor people struggling with day-to-day problems will have the "luxury" to focus their own resources or those provided by the CAP on achieving long-term goals of sustainable natural resource management relevant to the global environmental. A key challenge of "blending" the GEF's objectives related to global environmental benefits into a community-driven development approach was that CDD must be demand-driven to be genuinely participatory and sustainable. The CAP's Project Appraisal Document has met the challenge.

With GEF financing, the CAP will pro-actively promote “community-based integrated ecosystem management” (CBIEM), defined for this project as “harmonized management of the cultivated areas, natural rangelands and water resources in and around Nigerien communities by these communities in order to maintain or recover a balance in the multiple functions of these natural resources.” A key project goal will be the maintenance or recovery of the condition of the natural resources in their capacity as providers of essential functions (as areas for crops; as water and fodder for sedentary and non-sedentary livestock, local and migratory wildlife; as well as household energy, food, medicinal products, veterinary products, construction material, shelter, areas of cultural and social value, etc.). In regard to global environmental benefits, the CBIEM activities are expected to significantly increase the carbon storage capacity of the soils and vegetation, and to maintain/preserve globally valued biodiversity and water resources.

3) Project fit within the context of GEF goals, operational strategies, programme priorities and relevant conventions.

The GEF funded project is fully blended into the CAP but fits well with the above criteria. The GEF funded elements of the CAP are soundly designed, and they incorporate the principles (and are clearly directed towards achieving the potential benefits) of Integrated Ecosystem Management set out in Operational Program # 12. Economic and social factors are integrated into ecosystem management, and the IEM systems at various levels are intended to be flexible and to incorporate lessons learned into on-going and future activities. (Significantly, the design of the CAP is based on lessons already learned in Niger from previous projects, pilot activities, and conclusions of poverty assessment field work.) Participatory approaches are central to the project’s approach to ecosystem management and sustainable development. The project aims to develop an enabling policy environment, strengthen relevant institutions, and make investments based on the principles of integrated ecosystem management.

4) Regional context.

Niger is the poorest country in the Sahel region. Two-thirds of Niger’s territory is classified as “Saharan Zone,” receiving less than 200mm of annual rainfall. Only about 01% of the country receives more than 600mm of annual rainfall. In 1965, one quarter of Niger was arable; today only one-eighth is considered arable. About 85% of Niger’s population is squeezed into a corridor 100-150 kilometers wide north of the border with Nigeria. Given the apparent downward trend in rainfall, perhaps no country is at greater risk of desertification than Niger – a factor with significant regional implications. By slowing and hopefully reversing the degradation of natural resources in Niger, the CBIEM activities supported by GEF through the CAP aim to prevent increased pressure on the ecologically richer areas to the south of Niger, thereby protecting globally important environmental assets in the wider West Africa region.

5) Replicability of the project.

Depending on the project’s performance, GEF will co-finance the first two of the CAP’s four phases. If the project is successful in developing effective and potentially sustainable community-based integrated ecosystem management approaches and techniques, there would be clear scope to replicate these approaches and techniques in other parts of Niger and neighboring countries. Through the CAP’s close coordination with the Africa Land and Water Initiative, best practices and lessons learned from the project may well have an impact on natural resource management in other parts of Africa. Given the need for long-term commitment to solving the problems, if the GEF supported elements of the CAP prove successful the GEF may wish to reconsider its decision to limit its support to the CAP’s first two phases.

6) (Anticipated Effectiveness and) Sustainability of the project.

When assessing sustainability, it is also useful to assess the likelihood of the project performing effectively. The CAP will pro-actively promote the GEF funded CBIEM approach in the following ways (the reviewer's comments are in italics):

- (a) Communities will be actively assisted to analyze the linkages between poverty reduction and the benefits of CBIEM. *Pilot activities in this regard did not sufficiently articulate these linkages, and the PAD recommends adequately training or otherwise supporting the facilitators or local development agents. Successfully overcoming this problem may well be important to achieving CBIEM objectives. In regard to Community Support (Component 1), the effective involvement of all primary stakeholders in CBIEM can be very challenging as there may well be conflicts of interest between and within various groups and, as the PAD notes, Nigerien society is highly stratified around age, kinship and gender;*
- (b) The project will emphasize support for the national decentralization process to create an enabling institutional and legislative environment conducive to CBIEM. The GEF financed a study as part of project preparation that, inter alia, highlighted the rights and interests of non-sedentary livestock holders in natural resource tenure policies and discouraged cultivation in marginal lands. *Both the general issues related to decentralization and the specific issues highlighted in the study deserve considerable attention if the project is to achieve its objectives. Effective devolution of the responsibility for NRM to local governments and communities will be necessary for the CAP/CBIEM to function as intended, but decentralization and devolution can be complicated and difficult processes. Additional support for the decentralization process, beyond what will be made available by the CAP, may well be necessary to enable the CAP/CBIEM to proceed as outlined in the PAD. This reviewer agrees with the conclusion discussed in the PAD on page 22 that the CAP itself should focus on creating demand for decentralization from the bottom up, but is concerned that the effective performance of the CAP/CBIEM could be jeopardized if the major issues of public sector reform are not adequately dealt with in good time by the Government, CAS, PRSP, UNDP et al. Given existing conditions, there might be a risk that what is currently intended under the CAP as a community based approach to NRM could be subverted into a top down exercise. The participation of communities in the design, implementation and monitoring of CBIEM activities is correctly viewed as critical to project success and sustainability.*
- (c) The project will favor interventions in areas of environmental vulnerability and measure project impact in these areas. *One particularly noteworthy aspect of the project relevant to adaptive management, project effectiveness and sustainability is the proposal to use two complementary M&E systems, a national multi-sectoral system (the national poverty monitoring system) and a community-level system. GEF funds will be used to incorporate information relevant to ecosystem function at both M&E levels.*
- (d) Communities will have access to a single Local Investment Fund which will represent blended IDA/GEF financing. *This is an interesting experiment that merits close monitoring. Two key points: (1) highly skilled, well trained individuals will be needed at the interface with communities, (2) every effort should be taken to identify communities with real (if latent) potential to successfully carry out community-based activities. The very small proportion of rural Nigeriens, particularly women, who have completed at least secondary school significantly reduces the pool of those available to carry out the fairly complicated (even when simplified) requirements of the micro-project cycle. This situation makes it more difficult to promote direct community involvement, and it increases the risk of elite capture at various levels.*

Secondary Issues

7) Linkages to other focal areas.

The project is multi-focal, covering biodiversity conservation, international waters, and land degradation.

8) Linkages to other programmes and action plans.

The Niger CAP has been developed (and anticipates being implemented) in coordination with a similar CDD project in Burkina Faso that also involves an OP 12 component. In Niger there are a number of relevant GEF supported projects that are on-going or being developed: (a) African Land and Water Management Initiative, (b) Enhancing conservation of the critical network of wetlands required by migratory water birds on the African/Eurasian flyways, (c) Desert margin program, (d) Reversing land and water degradation trends in the River Niger basin, (e) Reversal of land and water degradation trends in the Lake Chad basin ecosystem, (f) Integrated ecosystem management in the shared watersheds between Nigeria and Niger, (g) Buffer zone of the W Park management project, (h) Niger-Algeria: transboundary biodiversity conservation project, (I) strengthening of scientific and technical capacity relating to sustainable use and conservation of the biodiversity reserves in arid West Africa, (j) Tenere reserve biodiversity management project, (k) capacity needs assessment for the implementation of the Niger national biodiversity strategy and action plan. These projects focus on specific areas of GEF interest (biodiversity, international waters or mitigation of global warming) and/or are restricted to certain geographic areas. In contrast, the Niger CAP is multi-focal and is intended to eventually cover the entire country. For these reasons, the Niger CAP is complementary to the other GEF funded projects in Niger.

9) Other beneficial or damaging environmental effects.

The rationale for this GEF project is that it will add to the IDA-funded Niger Community Action Program the inclusion of environmental factors of local, national, regional and global importance through the introduction and promotion of a community-based integrated ecosystem approach. As explained above, the rationale is sound. No damaging environmental effects have been identified.

10) Stakeholder involvement.

The CAP will involve a large number of stakeholders from central government, local administration, community groups, NGOs and other donors. Project preparation appears to have actively involved stakeholders from the time of initial preparation. A considerable proportion of the PHRD grant was earmarked for client consultation. The community based M&E methodology was developed and tested in the field. A stakeholders' forum was reportedly held in late 2000 to publicize the project concept and receive input from various stakeholders. Project design makes community participation a center piece of project implementation and monitoring. GEF funds are to be used to identify and include various types of primary stakeholders within communities who have an interest in maintaining the various productive functions of the natural resources.

11) Capacity building.

The CAP clearly recognizes the need for and importance of capacity building and institutional strengthening as central to project success. For example, the Community Support component aims to introduce decentralized and participatory planning procedures and to build the capacity of community-based organizations and other local institutions to design, implement and manage micro-projects. Capacity will be strengthened to effectively carry out participatory appraisal and planning to facilitate needs assessments, local development planning, implementation, monitoring and evaluation. GEF funds will be used, inter alia, to support community-based organizations to incorporate into the participatory appraisals an analysis of the linkages between poverty reduction and harmonized management of natural resources.

12) Innovativeness of the Project

The CAP is an innovative effort to “fully blend” GEF financing into an IDA-funded Community-Driven Development program. This innovative, comprehensive and multi-sectoral approach well reflects the spirit and intent of the GEF’s recently established (April 2000) Operational Program #12.

RESPONSE TO STAP REVIEW:

The review represents a general endorsement of the project in terms of rationale, design principles, participatory approach, and innovativeness, and finds the approach consistent with the spirit and intent of Operational Program #12.

The reviewer draws attention to several aspects of the project that must receive special attention as the project design is finalized. These may be summarized as follows:

- The reviewer notes that there is much work to be done in articulating the linkages between poverty reduction and integrated ecosystem management as they exist at the community level. He correctly points out that pilot activities did not provide adequate input on this problem. The project team will therefore give more attention to this aspect in the design of component #1 prior to appraisal. The lessons from IDA’s Natural Resource Management project should be particularly illustrative.
- Given the complexity and challenge of implementing decentralization, additional support, beyond the CAP, may be needed to ensure that the objectives of component 2 are achieved. While the reviewer agrees with our focus on capacity-building and creating demand for decentralization, the PAD should better reflect the risks associated with this aspect.
- The reviewer highlights the capacity constraints in Niger and the need for highly trained community facilitators. If they cannot be found, true community involvement could be compromised and the project benefits captured by elites. Again, this should be better reflected in the risks. The reviewer apparently supports an approach where we target, in the first phase, communities that already demonstrate sufficient capacity – thus increasing the likelihood of success.
- The reviewer approves of our use of dual M&E system (at community and national levels). Prior to appraisal, the project team will be more specific on what information related to ecosystem function is to be collected and monitored, particularly during the first year.

Annex 5: Major Related GEF Supported Programs in the Nation

The following list represents GEF supported relevant on-going projects and projects under development in Niger.

African Land and Water Management Initiative: This Sub-Saharan Africa wide program, jointly implemented by all GEF implementing agencies (UNDP, UNEP and the World Bank) under the leadership of the World Bank, represents a global partnership which intends to contribute to food security and income generation through attaining global environmental benefits by a more sustainable use of the natural resources in Africa. For the first demonstration phase of the project, four initial sites for interventions were identified by the African Sub-Regional Organizations. These sites are Madagascar, the Limpopo River Basin (SADC), the Lake Chad Basin, Niger (CILSS), and the Atbara-Angereb Watersheds in Ethiopia (IGAD). The interventions in Niger strengthen the activities relating to community-based integrated ecosystem management (CBIEM) as incorporated in the underlying proposed CAP and the activities being developed for Niger within the below mentioned Lake Chad Basin project.

Enhancing conservation of the critical network of wetlands required by migratory water birds on the African/Eurasian flyways: This regional program, implemented by UNEP, aims to improve the conservation status of African/Eurasian migratory waterbirds, by enhancing and coordinating the measures taken by GEF-eligible countries to conserve the critical network of wetland areas that these birds require to complete their annual migratory cycle. The 11 participating countries are: Estonia, Hungary, Lithuania, Mauritania, Niger, Nigeria, Senegal, the Gambia, South Africa, Tanzania and Turkey. In Niger, the project promotes the sustainable use of the Kokorou and Namga wetlands, lying 10 km apart approximately 150 km NW of Niamey, through the development of a community participatory management plan.

Desert Margin Program: This regional program, being prepared by UNEP and UNDP, aims to conserve globally important biodiversity by halting land degradation in three African regions immediately threatened by desertification. The regions concerned are Western Africa (Burkina Faso, Mali, Niger and Senegal), Eastern Africa (Kenya) and Southern Africa (South Africa, Botswana, Namibia and Zimbabwe). On a secondary plan, this program would also preserve carbon sinks.

Reversing Land and Water Degradation Trends in the River Niger Basin: This program, implemented by UNDP and the World Bank, aims to secure sustainable socio-economic development of the 9 riparian countries (Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Guinea, Mali, Niger, Nigeria and Chad) while respecting the environment and the maintenance of the condition of this international water. During the current first phase of the project, a transboundary diagnostic analysis is being developed from the five countries that share the main stem of the Niger River (Benin, Guinea, Mali, Niger and Nigeria).

Reversal of Land and Water Degradation Trends in the Lake Chad Basin Ecosystem: This project, implemented by UNDP and the World Bank, aims to achieve global environmental benefits through concerted management of the naturally integrated land and water resources of the Lake Chad Basin involving 5 countries (Cameroon, Central African Republic, Chad, Niger and Nigeria). Presently, six pilot projects within the Lake Chad Basin are being developed, three of which entail the participation of Niger: (i) Piloting adaptive strategies to mitigate land and water degradation on the northern margin of Lake Chad (Chad and Niger), (ii) Lake Chad shoreline management plan definition (Cameroon, Chad, Niger and Nigeria), and (iii) Integrated Wetland Management in the Komadougou-Yobe Basin (Nigeria and Niger).

Integrated Ecosystem Management in shared Watersheds between Nigeria and Niger: This project, implemented by UNEP and UNDP, aims to secure multiple global environmental benefits by developing and implementing community-based integrated ecosystem management plans for the shared watersheds along the Niger-Nigeria border.

Buffer zone of the W Park Management Project: This project, being prepared by UNDP, supports community-based sustainable use and conservation of the biodiversity of the wildlife reserves of the W Park in Niger, the Arly Park in Burkina Faso and the Pendjari Park in Benin.

Niger-Algeria: Transboundary Biodiversity Conservation Project: This project, being prepared by UNEP, aims to conserve biodiversity in the transboundary area between Niger and Algeria.

Strengthening of scientific and technical capacity relating to a sustainable use and conservation of the biodiversity reserves in arid West Africa: This project, implemented by UNEP, supports the sustainable use and conservation of the six savanna type Biosphere Reserves in West Africa. Niger comprises two Biosphere Reserves, the "W" National Park and the Air and Tenere Reserve.

Tenere Reserve Biodiversity Management Project: Prepared by UNDP, the first phase of this project aims to develop a decentralized community-based management system of the Tenere Reserve.

Capacity needs Assessment for the implementation of the Niger National Biodiversity Strategy and Action Plan: This project, being prepared by UNEP and UNDP, identifies the needs to strengthen the capacity in the areas of: biodiversity conservation in situ and ex situ, taxonomy, preservation of traditional knowledge and biodiversity knowledge management in the context of CHM.

These projects tend to focus on specific focal areas of interest as distinguished by GEF- biodiversity, condition of international waters, or global warming mitigation- and/or are restricted to certain geographic areas, nature reserves or ecosystems. The nation-wide CAP, classified as a so-called multiple focal area project, will therefore be complementary to all other projects. Furthermore, through its close coordination with the Africa Land and Water Initiative, the best practices and lessons learned from this project will have an impact on the natural resources management in Africa as a whole.