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Report No: PAD804

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 26.1 MILLION
(US\$40 MILLION EQUIVALENT)

TO THE

REPUBLIC OF NIGER

FOR A

PUBLIC SECTOR CAPACITY AND PERFORMANCE FOR SERVICE DELIVERY
PROJECT

March 7, 2014

Poverty Reduction and Economic Management 4
Country Department AFCW3
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective 01/31/2014)

Currency Unit = CFA Franc (CFAF)

US\$1.00 = CFAF 479

SDR1.00 = US\$0.651

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AQIM	Al Qaeda in the Islamic Maghreb
CAP	Community Action Program
CAPCR	Community Action Project for Climate Resilience
CDD	Community Driven Development
CENTIF	National Unit for the Treatment of Financial Information <i>Cellule Nationale de Traitement des Informations Financiers</i>
CPS	Country Partnership Strategy
CT	Change Team
DEP	Directorate of Planning
DGB	General Directorate of the Budget
DGP	General Directorate of Planning
DGTCP	General Directorate of Treasury and Public Accounting
DLI	Disbursement Linked Indicator
DRFM	Directorate of Financial Resources
EEP	Eligible Expenditure Program
ENAM	National Training Institute for the Public Administration and the Judiciary - <i>Ecole National de l'Administration et de la Magistrature</i>
EU	European Union
GFRP2	Second Emergency Global Food Crisis Response Project
GDP	Gross Domestic Product
GIZ	German Society for International Cooperation
GPE	Global Partnership for Education Project
HCME	High Commission for the State Modernization Reform – <i>Haut Commissariat a la Modernisation de l'Etat</i>
IDA	International Development Association
IEG	Independent Evaluation Group
IPF	Investment Project Financing
INS	National Institute of Statistics – <i>Institut National de la Statistique</i>
L4D	Learning for Development
MoA	Ministry of Agriculture
MoCS	Ministry of Civil Service

MoF	Ministry of Finance
MoE	Ministry of Education
MoH	Ministry of Health
MoP	Ministry of Planning
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
MUJAO	Movement for Unity and Jihad in West Africa
MTEF	Medium Term Expenditure Framework
3N	Nigeriens Nourish Nigeriens Program - <i>les Nigériens Nourissent les Nigériens</i>
PCU	Project Coordination Unit
PDES	Economic and Social Development Plan – <i>Plan de Développement Economique et Social</i>
PDS	Health Sector Development Plan - <i>Plan de Développement Sanitaire</i>
PDO	Project Development Objective
PEFA	Public Expenditure and Financial Accountability Assessment
PER	Public Expenditure Review
PFM	Public Financial Management
PNME	State Modernization Program - <i>Politique Nationale de Modernisation de l'Etat</i>
POM	Project Operation Manual
PPP	Public Private Partnership
PSEF	Education Sector Plan - <i>Programme Sectoriel de l'Education et de la Formation</i>
PRGFP3	Third Public Financial Management Reform Program – <i>Programme des Reformes en matière de Gestion des Finances Publiques</i>
PRODEX	Development of Export and Agro-Sylvo-Pastoral Markets Project - <i>Projet de Développement des Exportations et des marchés Agro-Sylvo-Pastoraux</i>
RRI	Rapid Results Initiative
SCAC	French Cooperation
SDI	Service Delivery Indicators
SONIPHAR	Nigerien Society of Pharmaceutical Industries - <i>Société Nigérienne des Industries Pharmaceutiques</i>
SWAp	Sector-wide approach
UNDP	United Nations Development Program
WAEMU	West African Economic and Monetary Union

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NIGER

Public Sector Capacity and Performance for Service Delivery (P145261)

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PAD DATA SHEET*Niger**Public Sector Capacity and Performance for Service Delivery (P145261)***PROJECT APPRAISAL DOCUMENT***AFRICA - AFTP4*

Report No.: PAD804

Basic Information			
Project ID P145261	EA Category C - Not Required	Team Leader Robert A. Yungu	
Lending Instrument	Fragile and/or Capacity Constraints []		
Investment Project Financing	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 01-Jul-2014	Project Implementation End Date 30-Jun-2018		
Expected Effectiveness Date 01-Jul-2014	Expected Closing Date 31-Dec-2018		
Joint IFC No			
Sector Manager Miria A. Pigato	Sector Director Marcelo Giugale	Country Director Paul Noumba Um	Regional Vice President Makhtar Diop
Borrower: Ministry of Finance			
Responsible Agency: Ministry of Planning (to be confirmed)			
Contact:	Amadou Boubacar Cisse	Title:	State Minister
Telephone	22720723838	Email:	
No.:			
Project Financing Data(in USD Million)			
[]	Loan	[]	Grant
[]	Credit	[X]	IDA Grant
[]		[]	Guarantee
[]		[]	Other
Total Project Cost:	40.00	Total Bank Financing:	40.00
Financing Gap:	0.00		
Financing Source		Amount	
BORROWER/RECIPIENT		0.00	
International Development Association (IDA)		40.00	
Total		40.00	

Expected Disbursements (in USD Million)									
Fiscal Year	2015	2016	2017	2018	2019	0000	0000	0000	0000
Annual	13.83	12.98	8.59	4.60	0.00	0.00	0.00	0.00	0.00
Cumulative	13.83	26.81	35.40	40.00	40.00	0.00	0.00	0.00	0.00

Proposed Development Objective(s)	
The project development objective is to strengthen public investment management capacity and civil servant performance evaluation processes in targeted ministries in order to improve service delivery outcomes.	

Components	
Component Name	Cost (USD Millions)
Supporting Programs for Service Delivery Results	25.00
Technical Assistance for Capacity Development	15.00

Institutional Data				
Sector Board				
Public Sector Governance				

Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Public Administration, Law, and Justice	General public administration sector	60		
Education	General education sector	20		
Health and other social services	Health	20		
Total		100		

<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

Themes		
Theme (Maximum 5 and total % must equal 100)		
Major theme	Theme	%
Public sector governance	Other public sector governance	100
Total		100

Compliance			
Policy			
Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]	
Does the project require any waivers of Bank policies?	Yes []	No [X]	
Have these been approved by Bank management?	Yes []	No []	
Is approval for any policy waiver sought from the Board?	Yes []	No []	
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []	
Safeguard Policies Triggered by the Project	Yes	No	
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Submission of EEP spending reports		31-Mar-2015	Yearly
Description of Covenant			
The Recipient shall furnish to the Association on or about March 31 of each year, starting on the first such date after the Effective Date, regular reports (the "EEP Spending and Assessment Reports") prepared in accordance with the provisions of the Project Manuals			
Name	Recurrent	Due Date	Frequency
Evidence of budget lines and no change in the EEP and in underlying activities		31-Jan-2015	Yearly
Description of Covenant			
No later than January 31st, 2015 and on January 31st each year thereafter until the Closing Date, the Recipient shall provide documentary evidence to the Association: (a) that budget line for each of the EEPs is included in the Recipient's budget law (and maintained in the successive modifying budget laws); and (b) that there is no change in EEP and in underlying activities to be supported by IDA.			

Name	Recurrent	Due Date	Frequency
Project Coordination Unit		01-Aug-2014	
No later than one (1) month after the Effective Date, the Recipient shall establish within PS/PDES, and thereafter maintain the Project Coordination Unit (PCU), with mandate, composition and resources acceptable to the Association. In particular, the Recipient shall maintain at all times sufficient staff, each with terms of reference, qualifications and experience adequate for the Project and satisfactory to the Association.			
Recruitment of an audit firm for the verification of DLIs		01-Jan-2015	
Description of Covenant			
No later than six (6) months after the Effective Date, the Recipient shall recruit an independent audit firm for the purpose of carrying out an annual independent assessment, verification and validation of the performance of the Targeted Ministries towards achieving the DLIs.			
Name	Recurrent	Due Date	Frequency
Project Manuals		01-Sep-2014	
Description of Covenant			
No later than two (2) months after the Effective Date, the Recipient shall adopt the Project Manuals, each in form and substance acceptable to the Association, for the purpose of implementing the Project.			
Conditions			
Name			Type
Project Coordination Unit			Effectiveness
Description of Condition			
The Recipient has recruited on the basis of terms of reference, qualifications and experience satisfactory to the Association, the following specialists to work in the PCU: (i) a Project Coordinator; (ii) a Financial Management Specialist; and (iii) a Procurement Specialist.			
Name			Type
Disbursement of the funds allocated to Category 1 (EEPs)			Disbursement
Description of Condition			
(a) unless the relevant EEP Spending Report has been submitted; (ii) the applicable DLIs and DLRs have been met; (b) DLI formula if DLIs not fully satisfied; (c) IDA option to carry forward part of undisbursed amounts; and (d) Final disbursement under Category 1 at the option of the Association.			
Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
Benamina Randrianarivelo	Operations Officer	Operations Officer	WBILG
Amadou Alassane	Sr Agricultural Spec.	Sr Agricultural Spec.	AFTA1
Djibrilla Karamoko	Senior Health Specialist	Senior Health Specialist	AFTHW
Emanuela Di Gropello	Sector Leader	Sector Leader	AFTHD

Robert A. Yungu	Senior Public Sector Specialist	Team Lead	AFTP4
Ibrah Rahamane Sanoussi	Senior Procurement Specialist	Senior Procurement Specialist	AFTPW
Helene Bertaud	Senior Counsel	Senior Counsel	LEGAM
Christophe Rockmore	Economist	Economist	AFTHW
Ruxandra Costache	Counsel	Counsel	LEGAM
Andrew Osei Asibey	Senior Monitoring & Evaluation Specialist	Senior Monitoring & Evaluation Specialist	AFTDE
Alexandre Arrobbio	Sector Manager	Sector Manager	SASGP
Maimouna Mbow Fam	Sr Financial Management Specialist	Sr Financial Management Specialist	AFTMW
Bronwyn Grieve	Consultant	Consultant	AFTP4
Abdoulahi Garba	Economist	Economist	AFTP4
Immanuel Frank Steinhilper	Consultant	E T Consultant	SASGP
Paivi Koskinen-Lewis	Social Development Specialist	Social Development Specialist	AFTCS
Celestin Adjalou Niamien	Sr Financial Management Specialist	Sr Financial Management Specialist	AFTMW
Mayaki Jaime Ibrahim	E T Consultant	E T Consultant	AFMNE
Judite Fernandes	Program Assistant	Program Assistant	AFTP4
Pierre Lenaud	Program Assistant	Program Assistant	AFTP4

I. STRATEGIC CONTEXT

A. COUNTRY CONTEXT

1. **In recent years, Niger has experienced a return to relative political stability, improved economic growth and progress in poverty-reduction.** Following a severe political crisis and military coup in 2010, the country succeeded in returning to constitutional order with the adoption of a new constitution in November 2010 and a series of local, legislative, and presidential elections in early 2011. Niger's economic performance has also steadily improved, buoyed in large measure by uranium mining and the coming on-stream of an oil project. Over the period 2007-2012, annual economic growth was sustained at an average 6.4 percent, with an estimated growth rate of 11 percent for 2012. On the back of strong economic performance, the government has emphasized pro-poor spending and poverty declined from 64 percent in 2005 to 61 percent in 2007/08 and 56 percent in 2011.
2. **Nevertheless, Niger remains one of the poorest countries in the world and its political equilibrium rests on a fragile footing.** Around 75 percent of the Nigerien population still live on less than US\$2 per day and 43 percent live below US\$1.25 per day. Niger ranks last among the 187 countries on UNDP's 2012 Human Development Index and the country's Gross Domestic Product (GDP) per capita of US\$ 701 in 2012 (in Purchasing Power Parity (PPP) terms) is one of the lowest in the world. Despite generally favorable public expenditure trends and improvements in certain indicators in education, health and water sector, only three out of the seven Millennium Development Goal (MDG) targets appear likely to be met by 2015¹. Failure of the government to deliver tangible results could result quickly in the loss of popular support and a political stalemate. Recent internal dissensions in the coalition government, together with increased security threats from conflict and terrorist activities in the sub-region, notably in Mali and Nigeria, place a further potential strain on the country's political stability.
3. **To address Niger's extensive development challenges and precarious stability, the Government of Niger committed to an ambitious program for accelerated and sustainable economic development and poverty reduction.** Niger's Poverty Reduction Strategy - the Plan for Economic and Social Development (PDES) for 2012-15 – outlines an ambitious program of reforms including major public investment programs in energy, agriculture and the human development sectors. In order to address shortcomings in service delivery, improve development outcomes and restore citizen confidence in the State, the PDES places a particular emphasis on enhancing the credibility and efficacy of public institutions and improving governance. In this context, initiatives to strengthen the capacity of the public sector form an integral part of the sectoral programs developed under the PDES.
4. **With presidential elections scheduled for 2016 and only two years remaining for the implementation of the PDES, the Government of Niger is facing growing pressure to accelerate reform implementation and deliver measurable results to the population.** In order to reach the PDES objective of 8 to 10 percent annual growth by 2015, the government has recognized the need to execute large scale public investments swiftly and efficiently in priority economic sectors, particularly in the agriculture sector. The government has also prioritized the need to tangibly improve service delivery, specifically in the health and education sectors.

¹ For example, while the primary completion rate grew from 18 percent in 1990 to 52 percent in 2011, Niger's education indicators remain among the lowest in SSA. More than half of the adult population is illiterate – with literacy rates estimated at 43 percent for males and 15 percent for females. Also, though the child mortality MDG target is likely to be met. Niger has one of the highest maternal mortality rates (with a rate of over 500 per 100,000 live births) and access to health care, including the coverage of vaccines, remains inadequate especially in rural areas.

B. SECTORAL AND INSTITUTIONAL CONTEXT

Background

5. **Progress towards the achievement of the country's development objectives and the delivery of quality services in Niger is hampered by the limited absorptive capacity of the administration and correspondingly low execution rates.** The 2013 review of the PDES revealed that only 43.5 percent of major programs envisaged had been executed, and the execution rate of the 2012 national investment budget was only 49.5 percent. A Public Expenditure Review (PER) conducted in 2013 identified worryingly low levels of budget execution in certain priority sectors. In the agriculture and livestock sector, the overall budget execution rate fell to 28 percent in 2011, following an average rate of 62 percent in the period 2008-2011, due in large part to the low execution rate on capital expenditures. At the same time in the health and education sectors, budget execution rates averaged 67.7 percent and 85.4 percent respectively over the period 2008-10.

6. **Pervasive capacity deficits at all levels of the public administration lie at the heart of the absorptive capacity challenge in Niger.** Ministries and public entities are poorly equipped to conduct long term strategic planning, develop sector policies, secure adequate funding, ensure timely procurement processes, efficiently deliver goods and services or evaluate operational processes and deliveries. While Niger's score for government Effectiveness in the Worldwide Governance Indicators is above that of many neighboring countries and on a par with the sub-Saharan regional average, it remains low (twenty fifth percentile). Existing analytical work² indicates that shortcomings in civil service reform and public financial management systems, have contributed considerably to the administration's weak capacity in performing core public sector functions.

Civil service constraints

7. **Niger's comparatively small administration and its composition limit government capacity to provide adequate public services.** The proposed project will support the government through results-based capacity building activities including the development of a human resources performance evaluation system, rapid result initiatives, coaching, and training to carry out critical elements of the National Policy for State Modernization (PNME) and improve public administration performance. A freeze on hiring in the 1980s and staffing policies designed to limit the size of the civil service ultimately left the administration in a depleted state. Despite a growth in civil service employment of 43 percent between 2006 and 2012, the civil service remains small. Niger's wage bill to GDP ratio of less than 4.3 percent in 2011 is low by comparison with international standards and represents one of the lowest in West Africa, where the ratio averages 8 percent. The government wage bill claims less than 30 percent of domestic revenue and accounts for only about 16 percent of total expenditures (PER, 2013), as compared with the West African Economic and Monetary Union (WAEMU) benchmark of 35 percent. The 2013 PER concluded that the limited size of the public administration could have an impact on government effectiveness. At the same time, the composition of the civil service consists predominantly of aging higher level civil servants and relatively junior new entrant civil servants, which has resulted in a 'missing middle' of experienced technical staff. Vast regional disparities in staffing levels, together with government weaknesses in projecting and planning for human resource needs (including discrepancies

² Republic of Niger (2013) Premier Rapport Annuel de mise en œuvre du Plan de Développement Economique et Sociale (PDES); World Bank (2012) Programmatic Public Expenditure Review; UNDP (2008) Rapport Final: Mission Finale de Relecture du Programme Intégrée de Modernisation de l'Administration; World Bank (2012) Republic of Niger Governance Diagnostic and Action Plan (draft), IMF (2013) Aide-mémoire de la mission d'assistance technique du Département des finances publiques (FAD) du Fonds monétaire international (FMI) au Niger du 13 au 23 août 2013.

between the Ministry of Finance and the Ministry of Civil Service civil servant databases) further inhibits the optimal use of the country's small administration. Table 1: Wage bill indicators for selected West African Countries.

	Wage bill % GDP	Wage bill % domestic revenue	Wage bill % expenditures
Niger	4.3%	28.1%	16.2%
Guinea	4.2%	25.3%	21.3%
Mali	4.7%	35.7%	22.1%
Gambia	5.3%	28.5%	25.1%
Togo	5.4%	31.7%	34.9%
Benin	5.7%	29.7%	24.6%
Senegal	5.8%	30.7%	24.2%
Sierra Leone	5.8%	41.1%	27.3%
Mauritania	5.9%	27.2%	32.1%
Coted'Ivoire	8.6%	45.5%	40.8%
Liberia	8.7%	33.9%	34.5%
Ghana	11.3%	41.2%	27.6%
Average	6.2%	33.4%	27.5%

Source: Public Expenditure Review, 2013

8. **While the government has recognized the need to rejuvenate the public administration by bringing in bright and well-trained young people, it lacks appropriate processes to attract and motivate top performing civil servants.** Recent government efforts to recruit civil servants and contractors and increase salaries³ have contributed little to improving the performance of staff or to ensuring that appropriately qualified and experienced civil servants are placed and remain in relevant posts. The performance of the public administration is affected by multiple factors. First, remuneration and pension benefits are still comparatively low and vary between ministries. Second, the absence of an effective modern human resources systems for merit-based nomination and promotion and results-based performance management has resulted in the persistence of a civil service culture that lacks accountability and facilitates the evasion of responsibility. Finally, political economy factors, including the prevalence of patronage within the administration, have had the effect of politicizing the civil service and creating entrenched rent-seeking interests. This has in turn fostered resistance, including among senior management, to civil service reform efforts and it has also resulted in high staff mobility. A more detailed analysis of these factors is included in Annex 6.

9. **In addition, civil servants do not have access to quality in-service training or modern systems of public administration to enable them to work efficiently.** The absence of structured in-service training opportunities for core civil service functions limits the capacity of the existing, ageing civil servants to update their skills and also limits the capacity of new recruits to develop their skills. Training opportunities are not currently offered on the basis of an evaluation of the training needs of either individual civil servants or governmental institutions. The lack of a national accreditation system for training institutions has also jeopardized the standard of quality of training offered. While the government has made progress in introducing information systems to support planning, financial management and monitoring processes, there is a need to update and interconnect existing systems to ensure that

³ In 2011, salaries for all civil servants were increased by 10 percent while salaries for the military service were increased by 40 percent (PER, 2013).

administrators are equipped with the necessary information to efficiently mobilize revenues and manage public expenditures.

10. Efforts by the government to modernize the public administration instill a results-based culture and tackle capacity deficits are still nascent and require close coordination. In addition to the Ministry of Civil Service and Administrative Reform, the government has created two over-arching institutions responsible for the modernization of the public administration, notably the High Commission for State Modernization (Haut-commissariat à la Modernisation de l'Etat - HCME) in the Prime Minister's Office and the Inspector General for Administrative Governance (Inspection Générale chargée de la Gouvernance Administrative). A blurred division of responsibility between the ministry and these institutions has historically led to the absence of a shared national vision on public administration reform. In July 2013, the HCME led the development of an overarching State Modernization Program (Politique Nationale de Modernisation de l'Etat - PNME). Under this program, the Ministry of Civil Service and Administrative Reform is given primary responsibility for the sub-program related to the modernization of the public administration and has developed an Administrative Reform Program to this end. A key challenge moving forward will be to ensure inter-institutional collaboration and ministerial leadership in the reform process.

Public Financial Management system deficiencies

11. Public Financial Management system deficiencies significantly limit the administration's capacity to efficiently manage public investments and deliver services. The 2012 Public Expenditure and Financial Accountability Assessment (PEFA) reveals very limited progress achieved in public financial management (PFM) since 2008. Among 31 indicators, 21 were rated equal or inferior to the ratings given in the 2008 assessment. Several PFM diagnostics in Niger highlight the following shortcomings in particular:

- (a) *Poor capital budget execution.* A recent WAEMU study⁴ revealed that very few projects in Niger are executed and executable during a fiscal year, as evidenced by the low rate of execution of public investments in 2011 at 53.06 percent and in 2012 at 59.96 percent. Low execution rates are largely a result of the limited time available for implementing units to commit to and execute contracts. The budget year is shortened by five months due to delayed budget uploads and credit releases to line ministries, and early closure of commitment windows during the fiscal year. Poor procurement planning, the absence of advance procurement and the weak motivation of government departments in charge of planning and finance to promote collaboration and consistency between programming and budgeting further hamper execution.
- (b) *Weak financial management of public investments* resulting from: (i) poor planning including the failure to take into account the actual annual capacity of the State to engage public investments, the disconnect between annual budget cycle and the multi-year nature of some capital budget commitments and the limited technical and financial maturity of investment projects proposed for inclusion in the PDES; (ii) cash flow constraints resulting from the absence of commitment plans to assist the Treasury in developing reliable monthly cash flow projections to cover investment expenses; (iii) onerous, complex and superfluous procurement and payment procedures, controls and clearances; and (iv) variations in skill level, limited incentives and high turn-over of civil servants working on financial planning and budget execution in the administration.

12. The government is pursuing a third generation of PFM reform with the support of

⁴ World Bank (2013) 'Rapport Niger: Stimuler l'Execution de Budget d'Investissement des Pays de l'Union Economique et Monetaire Ouest Africain (UEMOA) pour un Meilleur Impact sur le Developpement' (draft).

development partners. One of the transition government's central objectives, following the coup d'état was to strengthen public financial management. Important reforms, such as the establishment of the Supreme Audit Institution (*Cour des Comptes*), the reorganization of the Treasury, procurement reform, and the validation of the PEMFAR II were carried out. The current government has maintained the emphasis on improving public financial management. A third Public Financial Management Reform Program 2013 - 2015 (Programme de Reformes en matiere de Gestion des Finances Publiques - PRGFP3) was developed with the support of the International Monetary Fund (IMF) in January 2013. The objective of the PRGFP3 is to establish an effective, efficient and transparent public financial management system capable of supporting the implementation of the PDES. The program focuses on the shortcomings identified in the 2012 PEFA evaluation and targets eight specific objectives through 14 sub-programs. Several development partners support the program, including the World Bank, the United Nations Development Program (UNDP), the African Development Bank (ADB), the French Cooperation (SCAC), the European Union (EU) and the German Cooperation (GIZ) (see Annex 7 for details).

Impact of capacity weaknesses on sectoral development outcomes

13. Weak horizontal capacities hamper the achievement of results in key economic and social sectors in Niger. At the sectoral level, weak capacity in the core areas of planning, budget management, procurement and monitoring and evaluation has jeopardized the efficient implementation of national development programs and has ultimately had a negative impact on service delivery and development outcome

1. Agriculture sector

14. Agriculture sector development, and, in particular, the implementation of the flagship 3N (Nigériens Nourish Nigériens) initiative is hindered by limited capacity in planning, monitoring and evaluation. The majority of the population in Niger depends upon agriculture for their livelihood, with the rural sector accounting for more than 40 percent of GDP. Yet the country has been characterized by persistent food insecurity, famine and malnutrition for the last 50 years. To prioritize this critical sector and definitively resolve the issue of food security and malnutrition, the government embarked on an ambitious Nigériens Nourish Nigériens program (3N) in 2012 and committed to invest two billion dollars (US) in the program. The 3N initiative aims to increase food production (crops, meat, fish) by at least 45 percent by 2015. It is structured around five pillars.⁵ The program receives the support of multiple development partners, including the EU, GIZ, LUX Development and the Belgian and Swiss Cooperation. The World Bank supports the supply of agricultural input and equipment, irrigation and post-harvest equipment and storage and agricultural planning at the decentralized level through multiple lending operations including the Niger Basin Water Resources Development project (WRDP-APL1 and APL2), the Third Project of the Community Action Program (CAP3), The Second Emergency Food Crisis Response Project (GFRP2), and the Agro-Pastoral Export and Market Development project (PRODEX). Yet, as reflected by the low budget execution rates in recent years, the ministries in charge of the rural sector lack the necessary tools, procedures and information to develop realistic investment programs and ensure their effective implementation and monitoring. These capacity deficits may jeopardize the 3N initiative.

15. Implementation of the 3N initiative needs to be further prioritized and accelerated. In addition to addressing the horizontal capacity weaknesses in the ministries in charge of the agriculture sector,

⁵ These are: (i) increasing and diversification of agro-forestry-pastoral and fishery productions; (ii) regular rural and urban markets provision of agro and agro alimentary products; (iii) strengthening of vulnerable people's resilience to climatic changes, crises, and catastrophes; (iv) improvement of nutritional state of Nigériens; and (v) steering and coordination of reforms.

specific bottlenecks at the sub-sectoral level need to be targeted. In the context of agricultural productivity, progress was generally satisfactory in 2012, mainly due to good rainfalls. However, insufficient state advisory support, capacity-building and training of farmers and their organizations (where these exist), and the lack or inadequacy of high grade seed, fertilizer and irrigation equipment continue to represent major challenges to increasing productivity.

2. Health sector

16. The health sector is characterized by low quality of basic health care, low utilization rates of health services by the poor and a limited coverage rate of 47.48 percent (2012). Niger has the highest fertility rate in the world, with an average of 7.6 children per woman and the country continues to register as having one of the most significant maternal mortality rates, with a rate of over 500 per 100,000 live births. While the resources allocated to the sector fall well below sectoral needs, development outcomes in health are also presently jeopardized by two functional factors. First, limited sectoral capacity for planning, budget management and monitoring and evaluation has resulted in low budget execution rates (which have averaged 67.7 percent over the period 2008-2010, with a peak of 88.6 percent in 2008 and a low of 54 percent in 2009). Second, poor strategic management of the sector, particularly with respect to human resource management and weak regulation of the pharmaceutical industry have had a significant impact on the sector's service delivery outcomes. The increase in health sector personnel in recent years⁶ and the sub-optimal management of human resources, particularly with respect to their deployment, has created glaring regional disparities in staff to patient ratios, with a high proportion of under-utilized staff concentrated in the capital city⁷. Slow progress in reforming and regulating the pharmaceutical industry has, simultaneously, negatively affected the availability, quality and affordability of medication and medical supplies.

17. Implementation of the Health Sector Development Plan (*Plan de Développement Sanitaire 2011 – 2015 - PDS*) is critical to the achievement of the MDGs related to the health sector. The PDS seeks to offer quality health services to the population in general, and to vulnerable groups in particular. The PDS consists of six sub-programs. State allocations to the sector have decreased in recent years⁸. However, development partner support, including World Bank support, for the PDS is significant and is centered around a Sector-wide approach (SWAp). The World Bank also provides indirect support to the program through the Niger Second HIV Aids Support Project. To date, limited focus has been directed to addressing the horizontal capacity issues in the sector. Successful implementation of the PDS requires further support in this area and effective solutions to the strategically pivotal issues of human resource management and reform of the pharmaceutical sector.

3. Education sector

18. The education sector has made substantial progress in terms of expanding access to schooling, but inefficiencies in the sector are negatively affecting system performance. The rapid expansion in access to primary schooling over the past decade has been possible due to considerable investment of public resources, in particular given the comparatively high unit costs in the sector.⁹ However, poor service delivery has led to some of the region's weakest learning outcomes. Teacher management is one of the key factors affecting service delivery. The 2010 Education Status Report found that the deployment

⁶ Sixteen percent increase in health sector civil servants and contractors between 2005 and 2010 (PER, 2013), with the recruitment of 1178 paramedics, 536 doctors and 226 support staff in 2012 alone.

⁷ Thirty three percent of health professionals, including 40 percent of midwives, were based in Niamey in 2012.

⁸ Government spending on the health sector as a share of total government expenditures dropped from 15 percent in 2006 to 7 percent in 2011 (PER, 2013).

⁹ World Bank (2010) Niger Country Education Status Report "*Le Système Éducatif Nigérien*".

of teachers to schools was becoming increasingly random, and tended to favor urban schools over rural (an index of the degree of “randomness” in teacher distribution grew from 15 percent in 1998 to 19 percent in 2003 and 22 percent in 2008). Other teacher management issues include teacher absenteeism and training enough teachers to match the needs of the sector. These inefficiencies are symptomatic of: (i) a lack of high-level managerial and technical capacity to provide a clear strategic and operational direction for the sector; (ii) a limited capacity for personnel planning, management and supervision, as well as overall M&E; and (iii) limited capacity (at all levels) for school management and planning. These factors are made worse by the lack of linkages between resources and outcomes resulting from the paucity of incentives to perform.

19. The new Education Sector Plan (*Programme Sectoriel de l’Education et de la Formation 2014 – 2024* - PSEF) will support access, quality and efficiency improvements. The PSEF states the following objectives for primary education: 1) improve access to basic education through increased supply of educational services yielding greater geographic coverage of educational services, 2) improve quality of teaching, and 3) improve sub-sector governance. The governance agenda includes a significant focus on management efficiency to enhance the quality of education and reach higher internal efficiency and equity in the education system. High priority is given to improving educational management, including human resource and school management. The government’s plan is supported by the World Bank and other donors through the Global Partnership for Education (GPE)/pooled fund project which will help develop many of the key strategies. The implementation of these strategies, particularly the strategy related to human resource management, will require additional support.

Government and donor responses to pervasive capacity deficits

20. Addressing the above-mentioned critical capacity limitations is expected to lead to a more rapid and effective implementation of the PDES. It is in this context that the government requested the development partners to lend their efforts to strengthening public sector capacity and performance, both horizontally and with respect to specific sectors. In response, the donor community has put in place a task-force led by the World Bank and the UNDP and involving the French Cooperation, the Swiss Cooperation Agency, USAID and the EU. The multi-donor task-force is developing a Global Capacity Building Program to support implementation of the PDES. A joint matrix of indicators is being developed and a tentative division of labor has been set based on donors’ specialization and competitive advantage.

21. The Global Capacity Building Program will galvanize donors’ efforts to enhance inter-institutional coordination and promote a results-based approach to capacity building support. The joint matrix will bring together all of the results and performance indicators targeted by existing and planned donor support for capacity building. It is intended to provide a global view of each donor’s contribution and the government’s progress towards reaching agreed-upon targets. Designed in tandem with the elaboration of the Global Capacity Building Program, this Project will feature as a foundational element of the program and it will help to lead the transition towards results-focused capacity building.

Rationale for Bank/IDA Engagement

22. The Bank has been a leading partner of the government on development reform since its re-engagement in Niger in April 2011. Through multi-sectoral programmatic development policy lending and targeted investment operations, the Bank has provided sustained support in the areas of public financial management, agriculture, primary education and health. The Bank has also played an important convening role within the development partner community and is currently the co-chair of the OED/DAC Committee on donor coordination. The project will leverage the Bank’s existing engagement and expertise in Niger and facilitate a transformative forging of synergies between sectors in which the Bank is engaged in order to support the delivery of key social and economic services.

23. **The Bank's engagement through the project is informed by robust analysis.** The Public Expenditure Reviews in 2013 and 2014, the recent WAEMU analysis of Public Investment Management systems in Niger and a plethora of other analyses developed by the government and development partners have contributed to the design of the project. As part of the preparation of the project, a series of working papers were commissioned to examine sectoral capacity-building needs and identify priority reform areas capable of being supported through a results-oriented operation. The review of Bank funded governance programs by the Independent Evaluation Group (IEG) of the World Bank in 2012, which called for broader engagement in public sector governance issues,¹⁰ has also influenced the direction of the operation.

24. **The project features as a cornerstone of the new Country Partnership Strategy (CPS) (2013-2016).** It is directly aligned with the third strategic objective: strengthening governance and capacity for public service delivery. The operation's focus on capacity development and discrete results in the key sectors of agriculture, health and education will also complement existing World Bank support in these sectors and contribute to the first and second strategic objectives of the CPS related to promoting resilient growth and reducing vulnerability.

C. HIGHER LEVEL OBJECTIVES TO WHICH THE PROJECT CONTRIBUTES

25. **This project will support the government of Niger's commitment to change the culture and enhance the credibility and efficacy of public institutions to improve service delivery, through results-oriented capacity building.** In so doing, it will directly support the first strategic objective of the PDES. It will also have an influence upon discrete but critical elements of the third and fifth strategic objectives of the PDES – to improve food security and achieve sustainable agricultural development and to enhance social development, respectively. More generally, the project is expected to contribute to accelerated implementation of the PDES through its support for core public sector implementation capacities and systems development.

II. PROJECT DEVELOPMENT OBJECTIVE

A. PDO

26. The project development objective is to strengthen public investment management capacity and civil servant performance evaluation processes in targeted ministries in order to improve service delivery outcomes.

27. The targeted ministries for the purposes of the project are: Ministry of Planning, Ministry of Finance, Ministry of Health, Ministry of Primary Education, Ministry of Civil Service and Administrative Reform and Ministry of Agriculture.

28. The project will focus on catalytic reforms and innovative approaches in change management, training, systems and procedures and performance-based funding to (i) strengthen core public investment capacities in strategic planning, financial management, procurement, human resource management and M&E in the selected central and line ministries; and (ii) tackle specific technical capacity deficits to achieve targeted results in the agriculture, health and education sectors. At the same time, it will create incentives, through performance-based rewards and reimbursement of part of eligible expenditures, to achieve the results targeted.

¹⁰ David de Groot, Antie Talvitie, Uktirjan Umarov (2012). World Bank Country Level Engagement on Governance and Anti-Corruption. IEG Working Paper 2011/8, Washington DC: The World Bank.

B. PROJECT BENEFICIARIES

29. **The beneficiary ministries and institutions include:** Planning, Finance, Civil Service, Agriculture, Health, Education and the Prime Minister's office. The general population will indirectly benefit from the improved service delivery outcomes triggered by the project.

C. PDO LEVEL RESULTS INDICATORS

30. **The expected key results of the program are as follows:**

Table 2: List of PDO Level Indicators

Type	Objective	Indicator
PDO Indicator 1	Improved investment budget execution	Investment budget execution rate (%)
PDO Indicator 2	Improved performance management of civil servants in targeted ministries	Proportion of civil servant managers appointed by Decree in the Ministries of Finance, Planning and Civil Service that are evaluated on the basis of results-based individual performance contracts (%)
PDO Indicator 3	Increased production of irrigated cereal crops	Total annual irrigated cereal crop production (tons)
PDO Indicator 4	Improved access to curative care	Utilization rates of curative care (%)
PDO Indicator 5	Increased proportion of children completing a full cycle of primary education, especially girls	Primary Completion Rate (PCR) (disaggregated for girls) (%)
PDO Indicator 6	Core Indicator	Direct project beneficiaries (number), of which female (%)

III. PROJECT DESCRIPTION

A. PROJECT APPROACH

31. **The proposed project will be financed by an Investment Project Financing (IPF) grant of US\$40.00 million.** The modality for project implementation will consist of a combination of results-based financing, which will be linked to the achievement of agreed-upon performance indicators (Disbursement Linked Indicators - DLIs) and the reimbursement of a portion of eligible expenditures, as well as technical assistance support, where disbursements will be based on inputs.

32. **The project supports the implementation of critical capacity-building aspects of five national programs developed under the overarching PDES:** the State Modernization Program (PNME), the 3rd Public Financial Management Reform Program (PRGFP3), the 3N Initiative, the National Health Sector Program (PDS) and the newly adopted Education Sector Program (PSEF) (details of these programs are provided in Annex 2). The project will particularly target twelve eligible expenditure programs (EEP) which are part of the five selected sector programs.

33. **The approach adopted by the project is support of government-identified solutions to core public sector capacity and systems deficits and their application in selected sectors to produce tangible development and service delivery results in the medium term.** The project's support for national programs facilitates a locally developed and owned and, therefore, feasible reform program. The

focus on results-based disbursements is intended to address the collective action problem and create direct incentives to encourage the different sector actors to perform.

34. **With respect to the selection of sectors, the project places emphasis on sectors of particular importance to the country's economic and social development.** It seeks to harness existing momentum in sectors in which reform efforts have advanced and in which existing Bank or other development partner support is available. In so doing, the project seeks to further catalyze results and fill the gap often identified in vertical sectoral support by (i) addressing systemic and cross-cutting public sector issues that affect sectoral performance; and (ii) introducing targeted rapid results initiatives and change management processes, as well as creating incentives to reward performance in achieving results. The selection of sectors has been guided by the government and takes into account the comparative advantage of the Bank and those of other donors engaged in supporting the Global Capacity Building Program.

35. **The project components will be phased to ensure that capacity-building support, technical assistance and coaching on change management and rapid results delivery will be available early during project implementation.** In a low-capacity environment this will help to ensure that implementing ministries receive the necessary support to assist them in achieving the DLIs.

B. PROJECT COMPONENTS¹¹

36. **There are two components.** The first will finance selected sub-programs (Eligible Expenditures Programs – EEPs) that support key government programs and the PDES. Funding of this component will be results-based and dependent on the achievement of agreed-upon DLIs. The second will provide technical assistance to facilitate the achievement of the program results included in the first component.

COMPONENT 1: Supporting Programs for Service Delivery Results

37. The project will carry out a program of activities identified in selected Eligible Expenditures Programs to address core public sector capacity and system deficits and apply improved capacity and systems to targeted ministries, including, *inter alia*:

1.1. Core Public Sector Reforms:

1.1.1. Provision of support to MoCS and HCME for the development of a human resource performance evaluation system.

1.1.2. Provision of support to MoF and MoP in the areas of coordination, public investment management systems, formulation, monitoring and evaluation of projects and programs and establishment of budget management tools.

1.2. Agriculture Sector:

Provision of support to MoA and HC3N to: (a) enhance agricultural productivity and revenue generation in irrigated areas and (b) improve productivity of rain-fed agriculture.

¹¹ Details of the activities planned under each component are provided in Annex 2.

1.3. Public Health:

Provision of support to MoH to improve human resource deployment, provision of medicines and key medical inputs and governance and leadership.

1.4. Education:

Provision of support to MoE to improve: (a) teacher deployment and management and (b) information system and monitoring and evaluation.

Table 3: Eligible Expenditure Programs (values in \$US)

Sector	Eligible Expenditure Programs (EEP)	Year 1	Year 2	Year 3	Year 4	Total
Public Administration	Total	1,300,770	1,317,030	1,333,492	1,350,161	5,301,453
	EEP 1. Development of Human Resources Performance Evaluation System	1,300,770	1,317,030	1,333,492	1,350,161	5,301,453
Public Financial & Investment Management	Total	18,587,213	18,819,553	19,054,798	19,292,983	75,754,546
	EEP 2. Establish coherent and realistic global and sector MTEFs	2,456,634	2,487,342	2,518,434	2,549,914	10,012,324
	EEP 3. Strengthen capacity for planning and execution of public procurement	617,739	625,461	633,279	641,195	2,517,674
	EEP 4. Rationalize and improve cash flow management	5,122,836	5,186,871	5,251,707	5,317,354	20,878,768
	EEP 5. Strengthen capacity for planning, programming, monitoring, and evaluation of development programs.	10,390,004	10,519,879	10,651,378	10,784,520	42,345,780
Agriculture	Total	30,426,812	30,807,147	31,192,236	31,582,139	124,008,335
	EEP 6. Improve productivity and revenue generation in irrigated areas	22,339,208	22,618,448	22,901,179	23,187,443	91,046,278
	EEP 7. Improve productivity of rain-fed agriculture	8,087,604	8,188,699	8,291,058	8,394,696	32,962,057
Health	Total	57,521,499	58,240,517	58,968,524	59,705,630	234,436,170
	EEP 8. Improve staff deployment across the country	8,150,887	8,252,773	8,355,932	8,460,382	33,219,973
	EEP 9. Improve provision of medicines and key medical inputs	47,385,135	47,977,449	48,577,167	49,184,382	193,124,133
	EEP 10. Governance and Leadership	1,985,477	2,010,295	2,035,424	2,060,867	8,092,064
Education (Primary)	Total	5,999,729	6,074,726	6,150,660	6,227,543	24,452,657
	EEP 11. Improve teacher deployment and management	1,261,551	1,277,320	1,293,287	1,309,453	5,141,611
	EEP 12. Information System and M&E	4,738,178	4,797,405	4,857,373	4,918,090	19,311,046
TOTAL - Eligible Expenditure Programs - EEP (million)		113,836,023	115,258,973	116,699,710	118,158,456	463,953,162
Bank Financing of Component 1 (million US\$)						25,000,000
% Bank Financing						5.39%

38. The project includes 13 DLI focus areas, which will regulate a large part of the IDA funding of eligible expenditures under the government expenditure program. These DLIs are shown in Table 4 below. DLIs will be monitored over the course of the four year implementation period.

Table 4: Disbursement Linked Indicators – Focus Areas

Sector	DLIs
Human Resource Management – Public Administration	DLI #1 Procedures for open, competitive and merit-based performance management have been designed by the Civil Service Ministry together with High Commission for State Modernization in accordance with the Civil Service Organic Law (Law 2007-26 dated July 23, 2007)
	DLI #2 Proportion of civil servant managers appointed by decree in the Ministries of Finance, Planning and Civil Service that are evaluated on the basis of results-based individual performance contracts
	DLI #3 Number of ministries in which results-based action plans (performance contracts) linked to the PDES have been developed.
Public Financial & Investment Management	DLI #4 A National Medium Term Expenditure Framework rated with a score of C or higher (using the PEFA PI-12 standards of the 2012 Public Expenditure and Financial Accountability Assessment) is included in the Budget Law adopted by the National Assembly.
	DLI # 5 Rate of execution of investment budget of the Ministry of Agriculture.
	DLI #6 Rate of execution of investment budget of the Ministry of Health
	DLI #7 Rate of execution of investment budget of the Ministry of Primary Education.
Agriculture	DLI #8 Proportion of cultivated land on which certified improved seeds are used.
	DLI #9 Area under small scale irrigation (additional hectares compared to previous year).
Health	DLI #10 Proportion of integrated health centers with staffing levels according to the established national norms.
	DLI #11 Frequency of stock outs based on the Reference List of the most essential medications at the level of the integrated health centers.
Education	DLI #12 Teacher/student ratio.
	DLI # 13 Proportion of qualified teachers.

Sub-component 1.1: Core Public Sector Reforms

39. **This sub-component seeks to strengthen the administration’s absorptive capacity to facilitate more rapid and efficient public investment management and service delivery.** It will target critical aspects of human resource management and financial management by supporting the government’s PRGF3 and State Modernization programs. As described below, Component 2 will provide complementary training and equipment to support the achievement of these reforms.

Sub-component 1.1.1: Human Resource Management

40. **The project will support the Ministry of Civil Service and Administrative Reform and the High Commission for State Modernization (HCME) to effectively carry out critical elements of the government’s National Policy for State Modernization (PNME), which includes the Program for Administrative Reform.** The objective of this new program is to promote improved performance and productivity of ministries and individual civil servants and to strengthen the accountability of ministries to the executive. The project will focus on Sub-Program Two of the PNME and will assist the government in improving and consolidating merit-based promotion and performance management processes.

41. **EEP 1: Development of Human Resources Performance Evaluation System.** Given the limited progress made to date in developing and applying a robust HR performance system, the ministry will first

focus on laying the regulatory and organizational framework needed to apply the Civil Service Organic Law 2007/26¹². The ministry will then focus on supporting the development, adoption and annual review of results-based performance contracts for civil servant managers in selected sectors.

Sub-component 1.1.2: Public Financial and Investment Management

42. **This sub-component will support budget execution and public investment reforms outlined in the government's ongoing PRGFP3 program.** The objective of this reform is to improve public investment management systems and strengthen budget formulation, monitoring and reporting processes. The project will assist the Ministries of Finance and Planning and will target multiple sub-programs of the PRGFP3: (i) Sub-Program five, strengthen public policy budgeting at the center and sector levels (MTEF); (ii) sub-program eight, improve capacity for planning and execution of public procurement; and (iii) sub-program nine, rationalize and improve treasury management.

43. **EEP 2: Establish coherent and realistic MTEFs (global and sector).** Main activities will focus on the strengthening the capacity of the Directorate of Budget (DGB) and the Directorate of Financial Reforms of the Ministry of Finance, as well as the Directorates in charge of Financial Resources (DRFM) and planning (DEP) in line ministries. Special attention will also be given to improving the relevant information systems to ensure swifter preparation and implementation of policy-based and multi-year programs.

44. **EEP 3: Strengthen capacity for public procurement.** This sub-program seeks to introduce procedural guidelines to simplify administrative, financial and procurement processes. It will focus in particular on: (i) mainstreaming the establishment of coherent and realistic procurement plans in line ministries, and (ii) strengthening the capacity of the General Directorate of Procurement (DGCMP) and public procurement directorates in line ministries. A key goal of this program is to ensure that all line ministries are able to execute at least 50% of planned activities by the year end.

45. **EEP 4: Rationalize and improve cash flow management.** This sub-program will help to ensure that treasury plans are based on the amount and flow of expenditures. The treasury plan of the DGTP will be established based on the commitment plan issued by the DGB. The sub-program will also facilitate the closure of bank accounts owned by public entities and the consolidation of remaining accounts.

46. **EEP 5: Strengthen capacity for planning, programming, monitoring and evaluation of development programs.** This sub-program will help to: (i) build the planning, programming, prioritization, budgeting and monitoring capacity of the planning staff in line ministries (DEP, DFRM); (ii) reorganize the structures in charge of public investment planning and equip them with tools to facilitate mandatory preliminary studies (technical feasibility, cost estimations and impact); (iii) create a hierarchical system of risk-based controls for public investments; (iv) establish a database of projects that are 'ready for execution'; and (v) strengthen the capacity of the Ministry of Planning to monitor specific reform processes and coordinate, monitor and evaluate the implementation of the PDES.

Sub-component 1.2: Agriculture Sector

47. **This sub-component will assist in accelerating the pace of implementation of the large-scale 3N program.** The project will specifically support the first and second sub-programs of the 3N initiative with the objectives of enhancing agricultural production and improving the coordination and implementation of the 3N initiative.

¹² Loi 2007-26 du 23 juillet 2007 portant Statut Général de la Fonction Publique de l'Etat.

48. **EEP 6: Improve agricultural productivity and revenue generation in irrigated areas.** The project will target improved agricultural production by supporting rapid results-driven processes to: (i) strengthen advisory and technical support to agricultural producers; and (ii) increase the availability of high grade seed and irrigation equipment.

49. **EEP 7: Improve productivity of rain-fed agriculture.** The project will improve productivity by providing advisory and technical support to agricultural producers.

50. **The agriculture sector sub-component will complement existing vertical World Bank support to the sector.** In particular, it will enhance sectoral capacity to execute public investments in irrigation, complementing the support for irrigation provided by the Niger Basin Water Resources Development project, the GFRP2 and the PRODEX. It will also focus on upstream issues of productivity to supplement the extensive support currently provided to downstream transformation and market-related activities through the PRODEX.

Sub-component 1.3: Public Health

51. **The objective of this sub-component is to improve the coordination, planning and human resource allocation associated with the implementation of the National Health Program.** The Program will target sub-programs three, four and six of the PSF. Sub-Program Three seeks to facilitate the sufficient provision of competent and motivated human resources across health facilities. Sub-Program Four targets the availability of quality pharmaceutical supplies and Sub-Program Six aims to enhance governance and leadership in the sector.

52. **EEP 8: Adequate human resources deployment.** The sub-program seeks to facilitate sufficient provision of competent and motivated human resources across health facilities. The project will support the application of a human resources planning and projection system, the introduction of regional competency pools and the elaboration and application of modern sectoral performance management and incentive systems.

53. **EEP 9: Good provision of medicines and key medical inputs.** The sub-program will help medical facilities to prevent stock-out of essential medical supplies. The reform of the pharmaceutical agency, the Nigerien Society of Pharmaceutical Industries (Société Nigérienne des Industries Pharmaceutiques – SONIPHAR), the streamlining of logistics processes and stronger accountability measures will be critical. The project will assist through: (i) improved regulatory arrangements in conformity with the WAEMU directives; (ii) the identification of reform options for the privatization/restructuring of SONIPHAR; (iii) the elaboration of a strategy to combat the illicit market for pharmaceuticals; and (iv) identifying tools to support the management of pharmaceuticals across the supply chain

54. **EEP 10: Governance and Leadership.** Under this sub-program, support will be given to enhancing the planning, FM and monitoring and evaluation functions of the Ministry of Health to strengthen governance and leadership in the implementation of the PDS. It will include support for the development of Service Delivery Indicators (SDI) on the performance of health facilities (see Annex 2 for details).

55. The support proposed through this sub-component will complement the World Bank's support of the health SWAp for PDS implementation which is expected to be extended through a new operation.

Sub-component 1.4: Education

56. **The objective of this sub-component is to improve primary school service delivery by incentivizing improvements in resource management.** This objective is in line with the new Education Sector Plan. The sub-component will be implemented in close coordination with the new World Bank-supervised basic education project/pooled fund (Global Partnership for Education Project).

57. **Specifically, the project will provide incentives for achieving a better teacher deployment, improving the proportion of qualified teachers in schools and monitoring qualitative education service delivery indicators.** Technical assistance will be financed under Component 2 to develop a teacher management strategy based on best international practices and to facilitate SDI data collection. In order to support investments of the government in primary education, and to provide rewards for the achievement of the above objectives, the sub-component will finance eligible expenditures of the Ministry of Primary Education in the following two programs:

58. **EEP 11: Improve teacher deployment and management.** The sub-component will finance eligible expenditures related to the implementation of the teacher management strategy, including the evaluation of teacher performance.

59. **EEP 12: Information system and M&E.** Eligible expenditures of the Ministry of Primary Education for information systems and M&E will be financed, as well as those related to the capitalization of SDI data by the Ministry of Primary Education and by non-governmental actors.

COMPONENT 2: Technical Assistance for Capacity Development

60. This component will complement the first component by financing selected inputs for which resources are not readily available in the national budget or for which the government has requested more intensive supervision support. Funding of this component will not be linked to DLIs. It will finance IT systems and equipment and technical assistance.

Sub-Component 2.1: Provision of Information Systems and Equipment

61. **The objective of this sub-component is to facilitate efficient and effective public expenditure and service delivery through the installation or upgrading of modern information systems.** The activities envisaged under this sub-component reflect the priorities identified by the government, and they complement the extensive assistance already provided by other partners including the French Cooperation, BAD, UNDP and EU. The project will specifically finance:

- (a) **Upgrading the planning and M&E systems in selected sector ministries.** Current planning systems lack dynamic decisional tools to allow for quick information updates about the project life cycle. Planners need to have ready access to reliable and current information in order to develop appropriate procurement plans and conduct effective monitoring and evaluation.
- (b) **Interconnection of planning and financial management systems.** Existing sectoral and investment planning systems are not adequately connected to financial management systems and this limits the ability of administrators to plan and manage procurement on the basis of reliable and up-to-date information about the availability of financial resources. Current advances in technology mean that dynamic dashboards can quickly be built, without significant financial investments, through the extraction of data across various information systems. The project will also support the interconnection of the central and de-concentrated services of the Ministry of Planning to accelerate the collection of information for improved programming, budget preparation and monitoring of the implementation of the PDES.

- (c) **Consolidation of the information systems managed by the National Statistical Institution.** The support will assist the National Institute for Statistics (Institut National des Statistiques - INS) to upgrade its systems and ensure better interconnections with sectoral information systems to enhance the centralization and capitalization of data on development outcomes.
- (d) **Support for the development of tailored one-stop customs and anti-money laundering information management systems.** In order to address critical upstream bottlenecks that affect public investment management, the project will provide support for the development of information management systems associated with the creation of a one stop shop for customs transactions and the anti-money laundering and financing of terrorism initiative led by the National Unit for the Treatment of Financial Information (Cellule Nationale de Traitement des Informations Financières – CENTIF).
- (e) **Support for the three Service Delivery Indicator surveys to provide timely facility-level data on service delivery in health and education.** SDI data will be widely disseminated to support a change in focus from monitoring inputs and outputs to being accountable for service delivery.

Sub-component 2.2: Change Management

62. **The objective of this sub-component is to cultivate a culture of collaboration for results and ownership of reform processes from within the administration.** Change management is an approach to transitioning individuals, teams, organizations or larger systems to a desired future state. While traditional change management often focuses on the changes within one organization, applying change management to complex reform efforts means working within and beyond organizations, and integrating the needs and behaviors of various stakeholders. To achieve these changes, an in-depth change management process is needed to focus on mobilizing various stakeholders, agreeing on a shared vision and guiding change teams through the day-to-day challenges of doing different things and doing things differently.

63. **Support will be given to the application of change management tools and targeted training supplemented by coaching in leadership, results-based management and rapid results initiatives.** The process will be built around:

- (a) a series of seminars engaging high-level leadership, as well as a series of sectoral workshops involving key decision-makers implicated in the project¹³, to improve leadership skills, agree on vision and main priorities, identify major challenges, build consensus, mobilize various levels of stakeholders, ensure high level political support and establish a favorable environment for implementation by the teams. These seminars will specifically support the Ministry of Planning, the Ministry of Finance, the Ministry of Civil Service and other government beneficiaries in creating: (i) a common framework of analysis; (ii) efficient daily communication processes and (iii) effective and efficient administrative procedures. They will also assist the Ministry of Planning to better mobilize the various stakeholders in the process of implementation of the PDES.
- (b) technical assistance to support the roll-out of successive cycles of rapid result initiatives (RRI) to achieve tangible, fast (100 days) results in the 5 sectors: agriculture, health and education, as well as public financial management and human resource management. These results will be aligned

¹³ Including the ministers, secretary generals and general directors in the ministries and agencies targeted by the project (Ministry of Planning, Finance, Civil Service, Agriculture, Health and Primary Education), representatives of the President's and Prime Minister's offices, regional governors, PCU representatives and, where necessary, development partners.

with high-level leadership priorities, which will initially be defined during the high-level seminars and will be achieved by teams composed of stakeholders and actors concerned with the underlying issues. The technical assistance will support the attainment of the sectoral DLIs under Component 1 whilst simultaneously reinforcing a performance-driven and results-oriented culture in the public administration.

- (c) a network of international coaches to support the progressive development of national coaches for national capacity building and the institutionalization of a results-oriented culture. National / local coaches will be selected on the basis of international standards, and trained and mentored by international coaches. They will support leaders and implementing teams at the central as well as regional levels for each sector according to targeted critical challenges.
- (d) a mechanism for sustaining the dynamics for results through institutionalizing effective changes, taking necessary policy measures resulting from experience (such as rationalizing processes and structure, adopting new orders, reviewing procedure) and reflecting on an institutional arrangement aiming at structuring a performance and accountability-based culture so the government can achieve better service delivery and advance the process of inclusive development.
- (e) peer exchanges with other countries on knowledge gained during similar change processes. The exchanges may cover different topics about substance (sectoral, technical), process (methodological), systems and tools (conceptual and practical), with countries preparing or undertaking similar approaches such as Burundi, DRC, Liberia, Madagascar, Mozambique, South Sudan.
- (f) communication activities highlighting achievements to raise awareness, and develop and maintain the mobilization of public officials and citizens on the new culture of performance and accountability.

Sub-component 2.3 Training

64. **This sub-component will focus on building the skill set of civil servants to undertake core public sector management functions through in-service training.** The project will facilitate large scale training of civil servants and young people by local institutions such as the ENAM and, on an exceptional basis, by foreign training institutions. It will strengthen national training institutions and establish possible partnerships with foreign institutions to upgrade the skills of current staff and build the skill base of new entrants to the civil service. In particular, support will be given to (a) ensure training on the coordination and implementation of the PDES; (b) improve upon, and scale up, modular training of civil servants in planning, budgeting, monitoring, procurement, tax management and customs administration; and (c) develop an accreditation program for trained civil servants. To complement the information coming from the Service Delivery Indicators and other sources, training will also be provided to technical staff in the Ministries of Planning, Health, and Education and the INS on the analysis of service delivery information for policy formulation and evaluation.

Sub-component 2.4: Technical assistance for coordination, planning, programming, monitoring and evaluation

65. **This sub-component will support improvements in the institutional coordination of the implementation of the PDES.** The Ministry of Planning plays a central role in this regard and is charged with overseeing the implementation of the national development strategy and measuring the impact of the policies and programs adopted by the government. Technical assistance will be provided to strengthen the

coordination capacity of the Ministry of Planning, with a particular emphasis on consolidating the Ministry's control over the management of information, dialogue, meetings and communications related to the implementation of the PDES. Technical assistance will also support the Ministry of Planning in coordinating with technical departments and regional levels of government and it will assist national authorities in harmonizing the framework for consultations with development partners.

66. The sub-component will also target bottlenecks in the planning and programming of public investments. It will provide high level technical assistance to the MP / AT / DC to improve the quality of the preparation phase of the project cycle (pre- identification, identification and feasibility). In particular, the project will assist in the establishment of a data base of "ready to be funded" programs that have been clearly and accurately identified and for which reliable feasibility studies have been conducted. Technical assistance will also be provided to help line ministries in the preparation of investment projects, with a focus on strengthening the capacity of ministerial directorates of planning. To improve programming, technical assistance will also assist in the implementation of tools and procedures that comply with international standards on the preparation of investment budgets.

67. Finally, the sub-component will support the implementation of the Ministry of Planning's reforms regarding the monitoring and evaluation of projects and programs. In particular, the support will include the establishment of an evaluation office, the completion of a monitoring and evaluation policy, the elaboration of monitoring and evaluation tools and manuals and the preparation of reviews of investments.

Sub-component 2.5: Project Implementation Support

68. Additional support will be provided to the Monitoring and Evaluation Unit in the Ministry of Planning to optimize coordination and swift implementation of the project. Given the added responsibilities that the unit will assume in implementing the project, extensive support will be required from both the government and the donors to strengthen the unit's operating capacity and shift the government-wide monitoring and evaluation system to one which is results-oriented. This sub-component will accordingly support: (i) the recruitment of and payment of qualified staff (not public servants), as well as the provision of technical assistance and other capacity building inputs; (ii) a monitoring and evaluation strategic review; and (iii) annual project external audits.

C. PROJECT COSTS AND FINANCING

Lending Instrument

69. The proposed project will be financed by a US \$40 million IPF grant, and will use a results-based financing model for the program expenditures under Component 1, and a Technical Assistance component (Component 2) using the traditional IPF modality to support project implementation. The adopted lending approach has three main features. First, disbursements under Component 1 will be made against selected (eligible) key budget line items of the Nigerien Government's annual budgets referred to as Eligible Expenditure Programs (EEPs), up to capped absolute amounts. Second, grant disbursements will be based on the achievement of pre-specified results, as measured by DLIs. DLIs establish a performance-based framework to measure progress in sector reform implementation and to identify the operation's contribution to the identified development objectives. Third, the TA component (Component 2) will complement the EEP and DLI part of the operation, by providing the necessary capacity and technology to achieve the identified development objectives.

70. The advantage of this approach is that not only will ensure sustained funding to priority programs and enable the achievement of identified policy objectives, but also will contribute to developing a

performance-based approach to public sector management in Niger. Details of the disbursement arrangements are contained in Annex 3.

Project Cost and Financing

71. IDA's financing will be limited to a total of US \$25.0 million under Component 1 and conditional to achievement of DLIs. This amount shall apply towards selected eligible government expenditures as follows: basic salaries and allowances; recruitment, training, and staff development; and other operating cost elements. Component 2 (TA) shall include professional fees/consultancies, IT equipment, monitoring and evaluation costs, and project coordination expenses.

Table 5: Project Costs and Financing by Component

Project Components	Total EEP and TA (US\$)	IDA Financing (US\$)	% Financing
1. Supporting Programs for Service Delivery Results	463,953,162	25,000,000	100% of amount spent by the Recipient and certified in the EEP Spending and the achievement of DLIs.
2. Technical Assistance	15,000,000	15,000,000	100%
Total Costs	478,953,162	40,000,000	8.4%

D. LESSONS LEARNED AND REFLECTED IN THE PROJECT DESIGN

72. **Political economy lessons from other public sector reform operations show that reforms are sustainable if governments deliver visible results within a predictable political horizon.** By selecting pivotal sectors as pilots for public sector reforms and by focusing on tangible results in service delivery, historically difficult horizontal public sectors reforms (particularly those related to civil service reform) have gained visibility, and government ownership for sustained reform efforts has developed over time. The project seeks to build momentum for public sector reform by creating linkages between reform efforts and specific service delivery results.

73. **In low capacity environments, ensuring that technical assistance is appropriately sequenced and efficiently delivered is essential to creating the appropriate conditions for achieving disbursement-linked results.** A lesson learned from similar IPF and SWAP operations is the need to provide technical assistance efficiently and up-front during project implementation. The project will address this by centralizing the implementation of the technical assistance component (Component 2) at the level of the Project Coordination Unit (PCU). This will allow for greater specialization of the unit's procurement team in Bank procurement procedures, reducing mistakes and accelerating implementation.

74. **Programmatic and multi-sectoral approaches have started to yield results in Niger.** Following the satisfactory implementation of two multi-donor programs for water and health as well as two successive phases of the Bank financed Community Driven Development (CDD) (CAP1 and CAP2), the Bank Group in Niger committed to further pursuing programmatic approaches. In this context, the project seeks to form an integral part of a broader global capacity building program that brings together sectors and focuses on capacity building for results in the delivery of key social and economic services.

IV. IMPLEMENTATION

A. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

75. **The project will be implemented through a PCU, which will be established within the existing Permanent Secretariat of the PDES (PS/PDES) within the Ministry of Planning.** The PS/PDES is responsible for the overall coordination and monitoring and evaluation of the PDES. The selection of the PS/PDES as the implementation unit of the project will ensure better coordination and swifter implementation of activities. It will also overcome the capacity shortcomings of individual ministries and will facilitate the timely resolution of current institutional and organization blockages, particularly in the context of an urgent political and social agenda. The unit will work closely with beneficiary institutions including the Prime Minister's Office, the central and line ministries and training institutions.

76. **Two other institutional arrangements are envisaged:**

- (a) **Steering Committee:** This committee, which will include representatives of the President's Office, the Prime Minister's office and the central and line ministries, will provide strategic guidance and oversight of the project to ensure that the objectives are achieved. It will be chaired by the Minister of Planning or his/her representative. Steering committee members will validate and authorize yearly activity plans submitted by the implementing agency, review in-year progress reports and recommend corrective measures
- (b) **Results Teams in the ministries:** At the ministerial level "Results Teams" (RT) headed by a ministerial focal point (preferably the Secretary General of the Ministry) will be established to lead reforms related to that implementing institution, under the guidance of the minister. The RTs will work closely with the PCU (in the Ministry of Planning) to ensure execution of project activities. They will monitor how the project is being carried out, implement work program activities, facilitate corrective measures and regularly report back to the PCU. The teams will be made up of various experts directly in charge of the implementation of activities supported by the project.

B. RESULTS MONITORING AND EVALUATION

77. **Monitoring and evaluation of outcomes / results will be undertaken by PS/PDES.** The project will not use a dedicated/stand-alone M&E system since it is closely aligned with the government's program. The PS/PDES is already charged with overall responsibility for the monitoring and evaluation of the national development program. Thus, the project will harness an existing government-wide M&E system that integrates data across government ministries and focuses on key overarching government development goals rather than discrete sectoral outcomes. The project will further strengthen the M&E capacity of the PS/PDES and will support a shift in focus to enable the PS/PDES to move towards a results-oriented M&E system. In particular, the project will support (under Component 2.4) the consolidation of reliable databases and reporting interface systems between the implementing agency, the Ministry of Planning and other ministries, as well as the recruitment of additional M&E expertise.

78. **Progress towards the achievement of the PDO will be measured through the six PDO level results indicators and the intermediate indicators.** Details of the Results Framework are outlined in Annex 1, together with a summary of DLI verification protocols (Table A.1.2). Independent verification and validation will also be undertaken through an independent firm. Results will be validated by the Steering Committee.

79. **A third party verifier will be recruited to verify achievement of the targets outlined in the verification protocol.** The verification team will annually assess the performance of the ministries *vis a*

vis the relevant DLIs through extensive interviews and review of available data in accordance with the relevant DLI verification protocols. The feedback and assessment of the verification team will be integrated through the E-ISR process, and fed into recalibrating further implementation efforts, including necessary mid-course corrections and project enhancements to improve results.

C. SUSTAINABILITY

80. **The sustainability of this project is underscored by the high levels of government commitment to the project and by the results-driven approach adopted.** The project's incorporation of government-identified development priorities has strengthened the counterpart's ownership of the targeted reforms. The project design also supports the testing of public sector governance reforms to achieve tangible results in sectors. The effect expected from this design is continuation and scaling up of public sector reform efforts. The project's focus on building the necessary operational systems for public investment management and strengthening the core capacities of civil servants within the administration will create the necessary foundation for sustained reform implementation.

V. KEY RISKS AND MITIGATION MEASURES

A. RISK RATINGS SUMMARY TABLE

Risk Category	Rating
Stakeholder Risk	Moderate
Implementing Agency Risk	
- Capacity	High
- Governance	High
Project Risk	
- Design	High
- Social and Environmental	Substantial
- Program and Donor	Moderate
- Delivery Monitoring and Sustainability	High
- Other (Optional)	
- Other (Optional)	
Overall Implementation Risk	High

B. OVERALL RISK RATING EXPLANATION

81. **Conflict in Mali, Libya, and Nigeria and the risk of external shocks could easily lead to the crowding out of government institutional capacity for managing the reform program.** In an environment of continued tensions over the mineral resources in the North and regional activities of terrorist groups, an intensification of conflict would divert resources and attention from the implementation of the reform program and potentially limit the Bank's ability to support and monitor the implementation of reforms on the ground. External shocks could also draw limited government capacity away from the reform program. To mitigate the security risk, the government has engaged in close security cooperation with regional and international partners, increased spending on security, and the designed and implemented a plan for development and security in the Sahelien-Saharan zone of the

country. Sustained capacity building efforts supported by the program will address the risks of overstretched capacities due to external shocks in the medium to long term. In the short term, the use of the existing PS/PDES as the central implementation unit will help to maintain the integrity of the reform effort, even during times of potential crisis.

82. Governance and corruption risks exist at all stages of the results chain that transforms policy and institutional changes into desired outcomes. These weaknesses can potentially undermine the achievement of the targeted results of this operation and result in resource leakages. To mitigate this risk, the project focuses on supporting change management processes and strengthening public finance and procurement processes. The Bank has also supported the government in the design and implementation of fiduciary reforms and provided technical assistance for the development of a governance and anti-corruption strategy to enhance public resource management and service delivery.

83. The multi-sectoral nature of the operation and the multitude of DLIs and results targeted by the operation may give rise to coordination and implementation challenges given the low capacity environment. Several aspects of the project design seek to mitigate this risk. First the institutional implementation arrangements are centered around a well-resourced Permanent Secretariat with high level political support. Second, the close engagement of World Bank sector specialists during design and implementation will ensure well-targeted support and sectoral follow-up. Finally, the combination of technical assistance and results-based disbursements will ensure that the various ministries are appropriately accompanied in undertaking reform efforts.

84. Given the fragility of the political setting and the evolving composition of the coalition government, sustaining high level government commitment to the targeted reform processes in the project represents an underlying challenge. The project's focus on supporting broadly owned existing government programs seeks to address this challenge. The Bank's close high level engagement with the government and its collaboration with other development partners in the country will facilitate careful monitoring of the level of government commitment, and correctional action if needed, throughout project implementation. The project design builds in a degree of flexibility with respect to the disbursement arrangements to allow for evolutions in the reform environment.

VI. APPRAISAL SUMMARY

A. ECONOMIC ANALYSIS

85. The proposed project will have a significant impact on the economic growth and social welfare of the country. As public institutions improve their capacity to prepare and execute their policies and development programs through adequate resource mobilization, cost-effective procurement, and monitoring, the probability of spurring economic growth and achieving development objectives is likely to increase. The project seeks to boost performance of priority sectors which have been identified as sources of growth and poverty reduction for Niger. Accordingly, the project will support the cornerstone of Niger's development program – the 3-N agriculture program – as well as the health and education sectors. Other critical sectors, including justice, social protection, mining, and energy, will be supported by other donors.

86. The focus on central ministries, notably the Ministry of Finance and Ministry of Planning, is expected to trigger cascading systemic changes and performance enhancements across the administration. Priority will then be given to improving the government's central planning functions. To this end, the Ministry of Planning will work with DEP (Planning and Studies Department) units in line

ministries to develop and monitor realistic and adapted investment plans. The Ministry of Finance will work with other ministries to ensure credible budget allocation, procurement plans, and accounting.

87. **Given the nature of the operation, quantifiable analysis of the direct and indirect financial, economic and social benefits of this capacity-building project and clear linkages between outcomes and the attribution to the project's interventions are not straightforward.** However, it is estimated that the following impact may be expected:

- **Considerable public resource savings are likely to be made from the rationalization and streamlining of public investment planning, budget, procurement, and treasury processes.** The PCU and the ministerial implementing units (RTs) should improve operational efficiency and result in greater savings for the Nigerien taxpayer.
- **Long term human capital enhancement in the public administration is anticipated.** The size and quality of the civil service will substantively improve as a result of the training and institution building envisaged by the project, and this will concomitantly foster the endurance of a positive authorizing environment for development reform in the country.
- **As public sector management improves and becomes more accountable, trust in the government and good governance will likely increase.** This will in turn create an attractive investment environment for private investors, whose investments will ultimately support job creation and economic growth.

88. **Positive results in similar Bank interventions provide a further compelling justification for the project.** The cause and effect documented in other capacity development programs of the same ilk have included the following: (i) efficient, transparent, and accountable fiscal and budget management has contributed to economic growth and poverty reduction; (ii) better program implementation and service delivery and additional benefits such as lower supplier prices have resulted in improved predictability; and (iii) results-based operations have resulted in the achievement of development outcomes and improved probity in the use of public resources.

B. TECHNICAL

89. **The project is technically viable and sound.** It incorporates the Government of Niger's development priorities as outlined in the PDES, the PGRF3, the PDS, the PSEF, the 3N and the PNME. The project is based upon an extensive body of analytical work on public sector reform and public investment management reform in particular. It has also been influenced by a number of lessons from World Bank experience around the world on governance and public sector management, as well as on results-based lending. The project builds on the achievements, and draws from the shortcomings, of existing vertical World Bank support to the sectors in Niger. Project preparation has relied heavily upon the active engagement of sectoral expertise both within the Bank and through the recruitment of experienced senior consultants. Development partners engaged in Niger have also positively reviewed the project from a technical perspective. The technical merits of the project design have been examined by World Bank staff over the course of project preparation and are considered sound and in line with international standards.

C. FINANCIAL MANAGEMENT

90. **The Bank performed a financial management assessment of the PS/PDES to assess its suitability for the financial management of the project, given its role as central implementing agency.** On the basis of the assessment, the PS/PDES will undertake the financial management functions of the project including budgeting, accounting, financial reporting, internal control, disbursements ad

external audit arrangements. Fiduciary risks have been rated as Substantial. Mitigation measures and technical assistance in the PFM area will mitigate this risk. A Financial Management Specialist will be appointed to coordinate all FM aspects of the project, including the relationship with all of the executing agents and the production and monitoring of FM reports. The PS/PDES will prepare FM reports reflecting EEP and TA expenditures.

91. **FM related covenants include:** (i) no later than six months after the end of each fiscal year of the Recipient, the Recipient shall furnish to the Bank the annual audited financial statements, audited by independent auditors under terms of reference to be agreed with the Bank within four months of project effectiveness; the terms of reference will include an audit opinion setting forth whether the EEPs are indeed eligible, and the government has complied with the spending requirement rules; (ii) no later than 45 days after the end of the calendar quarter, the Recipient shall furnish to the Bank semi-annual Interim Unaudited Financial Reports (IFRs) showing, at a minimum, the sources and uses of funds and in a format as would have been agreed with the Bank; (iii) prior to the commencement of each year during project implementation, the Recipient shall create, and thereafter maintain throughout each said fiscal year of project implementation, the specific budget line entries in respect of the selected EEPs in the state budget to keep track of the corresponding expenditures incurred during project implementation.

D. PROCUREMENT

92. **Each participant Ministry and Agency will be responsible for the procurement aspects of their respective EEPs and the managing of contracts under Component 1.** Procurement for the proposed project would be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated January 2011 and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011. The PS/PDES will be responsible for the procurement of goods and the selection of the consulting and non-consulting services of the TA component. The Ministries will provide the necessary technical inputs (Terms of Reference – TORs, technical specifications, etc.) to allow the PS/PDES to carry out the procurement process with due diligence. Procurement of Bank funded TA activities will be grouped into approximately five main contracts to ensure a 100 percent prior review by the Bank, as per the procurement plan.

93. **A procurement assessment of the capacity of each Ministry and the PS/PDES was carried out on February 10, 2014.** It reviewed the organizational structure for implementing the project and the interaction between the PCU and Ministries. It found that all ministries have limited procurement teams which need to be strengthened.

94. **The project includes several measures to mitigate the risk associated with the low procurement capacity.** The proposed mitigation measures include the hiring and training of procurement specialists to strengthen the capacity of the PS/PDES and the line ministries to implement the project. The assignment of procurement specialists will be primarily in the PCU given that procurement activities will be limited to just the technical assistance component which will be managed for the most part by the PCU, particularly the awarding and signing of contracts. In the line ministries, procurement specialists will still be involved, among other things, with the preparation of procurement plans, preparation of ToRs and requests for proposal, participation in commissions, etc. A workshop will be organized at the beginning of the project to train all key stakeholders involved in procurement on World Bank procurement procedures and policies and on drafting adequate terms of reference.

95. Per the agreed upon covenant, the PCU (acting for the Recipient) shall furnish to the Association on or about March 31 of each year, starting on the first such date after the Effective Date, regular reports (the "EEP Spending Reports") prepared in accordance with the provisions of the Project Manuals with input and certification by the independent audit firm referred to in Section I.B.5 of the Financing Agreement.

96. The PCU shall furnish to the Association on or about March 31 of each year, starting on the first such date after the Effective Date, regular reports (the “EEP Spending and Assessment Reports”) prepared in accordance with the provisions of the Project Manuals, which shall include, inter alia, the following:

- (a) Each EEP Spending and Assessment Report, submitted as supporting documentation for Applications for withdrawal claimed under Category 1, shall have been prepared or reviewed, and in each case certified, by the independent audit firm referred to in Section I, B. 5 of the Financing Agreement as acceptable in format and content and consistent with the provisions of the Project Manuals.
- (b) Each EEP Spending and Assessment Report will contain the following information:
 - (i) Calculation and demonstration of expenditures eligible for Association financing under the aggregate EEPs.
 - (ii) Compliance with each relevant Disbursement-Linked Indicator and relevant Disbursement-Linked Results.

97. No later than six (6) months after the Effective Date, the PCU shall recruit in accordance with the provision of Section III of the Financing Agreement and on the basis of terms of reference, qualifications and experience satisfactory to the Association, an independent audit firm for the purpose of carrying out an annual independent assessment, verification and validation of the performance of the Targeted Ministries towards achieving the DLIs.

98. Without limitation on the provisions of Article IV of the General Conditions, the PCU shall carry out the EEPs in accordance with financial management and procurement which are designed to ensure that the Financing proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability.

99. The PCU shall ensure that the EEPs exclude any activities which:

- (a) in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- (b) involve the procurement of: (1) works; or (2) goods, estimated to cost thirty million USD equivalent or more per contract; (3) information technology and non-consulting services, estimated to cost twenty million USD equivalent or more per contract; or (4) consultants’ services, estimated to cost fifteen million USD equivalent or more per contract.

100. Additional procurement details are provided in Annex 3.

E. SOCIAL

101. There is no specific social risk which may result from the implementation of this project. No staff redundancies are formally planned. Nevertheless, the rationalization of processes through rapid results initiatives and training may lead to staff redeployment and development of new skills.

F. ENVIRONMENT

102. The project category is C and warrants no particular environmental safeguard measure. The project activities will not include construction or utilization of materials that present any environmental risk.

G. OTHER SAFEGUARDS POLICIES TRIGGERED

103. **The environmental impact assessment has not identified any potential environment harm.** The project will focus on the soft activities of capacity building and advisory services to the sectors. No environmental safeguards are triggered by the project. The agreed lists of both EEPs and DLIs do not include the financing of investments and/or land related activities that might trigger Bank OP 4.12. For this reason, the project environmental category will likely be classified as C.

104. **No social safeguard policies are triggered.** Negative social impacts of the proposed project are not expected since project funds (both through EEPs and TA) will not be used to finance land acquisition or resettlement. No indigenous people, as defined by OP 4.10, are present in, or are collectively attached to, the project areas.

Annex 1: Results Framework and Monitoring

Country: Niger

Public Sector Capacity and Performance for Service Delivery (P145261)

Project Development Objectives											
PDO Statement											
The project development objective is to strengthen public investment management capacity and civil servant performance evaluation processes in targeted ministries in order to improve service delivery outcomes											
These results are at		Project Level									
Project Development Objective Indicators											
Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	End Target			
Investment budget execution rate	<input type="checkbox"/>	Percentage	49.50	55.00	65.00	70.00	75.00	75.00	Annual	Third party verification of ASTER accounting system-generated summary of year n (produced on 31 March year n+1) and Title V of the rectified General Budget in the last Loi Rectificative des Finances approved by the National Assembly for the fiscal year.	PCU M&E unit, third party verifier, DGRFP, DGP
Proportion of civil servant managers appointed by Decree in the Ministries of Finance, Planning and Civil Service	<input type="checkbox"/>	Percentage	0.00	0.00	10.00	20.00	30.00	30.00	Annual	Third party verifier (non-government) to verify (i) ministerial decrees for total number of defined civil servants and (ii)	MCSAR PCU M&E unit MoF, MoP, MoCS

that are evaluated on the basis of results-based individual performance contract										number of defined civil servants with both a results-based individual performance contract and a performance evaluation report for the year (sample of documents to be assessed to verify conformity with performance management framework).	
Increase in irrigated cereal crop production	<input type="checkbox"/>		70383.00	2000.00	2500.00	3000.00	4000.00	81883.00	Annual	PCU M&E unit to verify i3N Progress Reports, Annual Statistical Report of the Ministry of Agriculture and PDES progress reports.	PCU M&E unit, MoA, and 3N initiative
Utilization rates of curative care	<input type="checkbox"/>	Percentage	57.05	58.55	60.05	61.55	63.05	63.05	Annual	PCU M&E unit to verify Annual Statistical Report of the MoH (SNIS) and Annual PDS Execution Reports.	PCU M&E unit, MoH
Primary Completion Rate (disaggregated for girls)	<input type="checkbox"/>	Percentage	54.60	56.70	57.00	57.30	57.60	57.60	Annual	PCU M&E unit to verify Annual Statistical Report of Statistics the MoPE.	PCU M&E unit, MoPE
Primary completion rate for girls	<input type="checkbox"/>	Percentage Sub-Type Breakdown	49.10	49.40	49.70	50.00	50.30	50.30	Annual	PCU M&E unit to verify Annual Statistical Report of Statistics the MoPE.	PCU M&E unit, MoPE

Direct project beneficiaries (number), of which female (%)	<input type="checkbox"/>	Number	0.00	200.00	250.00	300.00	400.00	1150.00	Annual	PCU M&E unit to verify project records of training and change management /RRI coaching.	PCU and M&E unit
Direct project female beneficiaries	<input type="checkbox"/>	Number Sub-Type Breakdown	0.00	50.00	75.00	100.00	125.00	350.00			

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	End Target			
Procedures for open, competitive and merit-based performance management have been designed by the Civil Service Ministry together with HCME in accordance with the 2007 Civil Service Organic Law (Loi 2	<input type="checkbox"/>	Yes/No	No	Yes				Yes	Annual	PCU M&E unit to (i) review ministerial circular issued by the Ministry of Civil Service attaching validated and tested procedures and tools for performance evaluation, and (ii) verify compliance with Decree 2008-244/PRN/MFP/T 31 July 2008.	MCSAR, PCU M&E unit
Number of ministries in which results-based action plans (performance contracts) linked to the PDES have been developed.	<input type="checkbox"/>	Number	0.00	3.00	6.00	9.00	12.00	30.00	Annual	PCU M&E unit to review the ministerial action plans. Third party monitor to verify the quality of a sample of action plans by reference to results focus and	MCSAR, PCU M&E unit, Ministries

										alignment with the PDES.	
National MTEF of acceptable quality is included in the Finance Law and adopted by the National Assembly.	<input type="checkbox"/>	Yes/No	No	Yes				Yes	Annual	PCU M&E unit to verify inclusion of MTEF in the Finance Law adopted by the National Assembly. Third party verifier to assess the quality of the defined MTEF by reference to the PEFA 12 criteria.	DGP, DRFM, DEP
Adoption of sector MTEFs of acceptable quality in the Ministry of Health, the Ministry of Agriculture and the Ministry of Primary Education)	<input type="checkbox"/>	Yes/No	No	Yes				Yes	Annual	PCU M&E unit to verify MTEFs adopted by Ministerial Order. Third party verifier to assess the quality of each of the defined MTEFs by reference to the PEFA 12 criteria.	DGP, DRFM, DEP
Proportion of the National Investment Program included in the Investment Budget	<input type="checkbox"/>	Percentage	45.00	48.00	53.00	57.00	60.00	60.00	Annual	PCU M&E unit to verify National Investment Program as at (include date) with Title V of the national General Budget adopted by the National Assembly in the last Rectified Finance Law of the fiscal year.	MoF, DGP, PCU M&E unit
Average rate of execution of public	<input type="checkbox"/>	Percentage	40.00	44.00	48.00	53.00	55.00	55.00	Annual	PCU M&E unit to verify ministerial procurement	DGCMP MoF PCU M&E unit

procurement commitment plans in the Ministry of Planning, the Ministry of Finance, the Ministry of Civil Service, the Ministry of Agriculture, the Ministry of Health										commitment plans of each Ministry as at 30 June each year and actual disbursements against planned procured items in the relevant accounting system as at 31 December.	
Average rate of execution of the National Monthly Treasury Plan	<input type="checkbox"/>	Percentage	60.00	62.00	68.00	70.00	72.00	72.00	Annual	PCU M&E unit to verify Monthly Treasury Plans and accounting system.	DGCTP MoF PCU M&E unit
Rate of execution of investment budget of the Ministry of Agriculture	<input type="checkbox"/>	Percentage	55.00	58.00	61.00	64.00	66.00	66.00	Annual	Third party verification of ASTER accounting system-generated summary of Ministry of Agriculture capital spending in year n (produced on 31 March year n+1) and agriculture section of Title V of the rectified General Budget in the last Loi Rectificative des Finances approved by the National Assembly for the fiscal year n.	MoB MoF PCU M&E unit
Rate of execution of investment budget of the Ministry of Health	<input type="checkbox"/>	Percentage	55.00	58.00	61.00	64.00	66.00	66.00	Annual	Third party verification of ASTER accounting system-generated summary of	MoB MoF PCU M&E unit

										Ministry of Health capital spending in year n (produced on 31 March year n+1) and health section of Title V of the rectified General Budget in the last Loi Rectificative des Finances approved by the National Assembly for the fiscal year n.	
Rate of execution of investment budget of the Ministry of Primary Education	<input type="checkbox"/>	Percentage	55.00	58.00	61.00	64.00	66.00	66.00	Annual	Third party verification of ASTER accounting system-generated summary of Ministry of Primary Education capital spending in year n (produced on 31 March year n+1) and primary education section of Title V of the rectified General Budget in the last Loi Rectificative des Finances approved by the National Assembly for the fiscal year n.	MoB MoF PCU M&E unit
Proportion of cultivated land on which certified improved seeds are used	<input type="checkbox"/>	Percentage	2.40	2.48	7.32	10.00	12.00	12.00	Annual	Third party to verify triennial regional reports of the General Directorate of Agriculture and development partner reports on	MoA (Agriculture Statistics Directorate) PCU M&E unit

										certified seed production against annual report of the General Directorate of Agriculture.	
Area under small scale irrigation (additional hectares compared to previous year)	<input type="checkbox"/>	Hectare(Ha)	1910.00	200.00	300.00	400.00	500.00	3310.00	Annual	PCU M&E unit verifies Annual Report for the General Directorate of Agriculture. Third party to conduct sample field verifications.	MoA PCU M&E unit
Proportion of local health centres with staffing levels according to the established norms.	<input type="checkbox"/>	Percentage	29.00	30.00	31.00	32.00	33.00	33.00	Annual	PCU M&E unit to review Annual Health Statistical Report (SNIS), Annual PDS Execution Reports and monthly DRH Specific Reports.	MoH, PCU M&E unit
Frequency of stock outs based on the Reference List of the most essential medications at the level of the integrated health centers	<input type="checkbox"/>	Percentage	2.82	2.50	2.00	1.50	1.00	1.00	Annual	PCU M&E unit to review triennial regional activity reports and Annual PDS Execution Report. SDI data will be available every second year as alternate source of facility-level verification.	MoH, PCU, M&E unit
Teacher/Student ratio	<input type="checkbox"/>	Number	37.00	38.00	39.00	40.00	41.00	41.00	Annual	PCU M&E unit to verify Annual Statistical Records of Ministry of Education. Third party verifier to conduct surveys and site visits for	MoE, PCU M&E unit

										verification.	
Proportion of qualified teachers	<input type="checkbox"/>	Number	38.00	40.00	43.00	45.00	50.00	50.00	Annual	PCU M&E unit and third party verifier to review human resources records in Ministry of Primary Education to identify (i) total number of teachers and (ii) total number of qualified teachers. Third party monitor to review qualifications of a sample of teachers through interviews and ENI records.	MoET, PCU M&E unit
Publication of SDI results (Media reports)	<input type="checkbox"/>	Number	0.00	0.00	10.00	25.00	45.00	80.00	Every two years	PCU M&E unit to verify media reports.	MoET, MoP, PCU M&E unit
Percentage of ministries that have established dashboards	<input type="checkbox"/>	Percentage	0.00	5.00	15.00	25.00	40.00	40.00	Annual	Verification by the PCU of relevant ministerial computer systems and completion reports of IT consulting firms.	Ministries, PCU M&E unit
Proportion of planners, budget analysts, financial controllers, procurement specialists trained	<input type="checkbox"/>	Number	0.00	50.00	150.00	150.00	150.00	500.00	Annual	Verification of Project training records by the PCU M&E unit.	MCSRA, PCU M&E unit
High level seminars on Change Management for Development carried out	<input type="checkbox"/>	Number	0.00	1.00	1.00	1.00	1.00	4.00	Annual	PCU M&E unit verifies Annual Activity reports on Change management.	PCU M&E unit

Orders enacted as a result of High level seminars	<input type="checkbox"/>	Number	0.00	1.00	1.00	1.00	1.00	4.00	Annual	PCU M&E unit verifies annual activity reports on change management.	PCU M&E unit
Ministries implementing Rapid Results Initiatives (RRI) aligned with PDES	<input type="checkbox"/>	Number	0.00	3.00	4.00	5.00	6.00	18.00	Ministries, PCU M&E unit, Change Teams	Number of ministries achieving RRIs aligned with PDES priorities.	PCU M&E unit verifies annual reports based on RRI review reports
Average number of RRIs per ministry implementing RRIs aligned with PDES	<input type="checkbox"/>	Number	0.00	2.00	3.00	4.00	5.00	14.00	Annual	PCU M&E unit verifies annual reports based on RRI review reports.	Ministries, PCU M&E unit, Change Teams
Average rate of completion of RRIs per ministry implementing RRIs aligned with PDES	<input type="checkbox"/>	Percentage	0.00	70.00	75.00	80.00	90.00	90.00	Yearly	PCU M&E unit verifies annual reports based on RRI review reports.	Ministries, PCU M&E unit, Change Teams
Coaches supporting the implementation of RRIs all along.	<input type="checkbox"/>	Number	0.00	3.00	4.00	5.00	6.00	18.00	Annual	PCU M&E unit verifies Annual reports based on RRI review reports.	Ministries, PCU M&E unit, Change Teams

Table A.1.2: Disbursement Linked Indicators, Targets, and Verification Protocols

#	DLIs	Disbursement Targets ¹⁴				Protocol for verification / source of information
		1 (July 2015)	2 (July 2016)	3 (July 2017)	4 (July 2018)	
1	Procedures for open, competitive and merit-based performance management have been designed by the Civil Service Ministry together with High Commission for State Modernization in accordance with the Civil Service Organic Law (Law 2007-26 dated July 23, 2007) (Yes/No)	Yes				PCU M&E unit to (i) review ministerial circular issued by the Ministry of Civil Service and Administrative Reform attaching validated and tested procedures and tools for performance evaluation, and (ii) verify compliance with Decree 2008-244/PRN/MFP/T 31 July 2008.
2	Proportion of civil servant managers appointed by Decree in the Ministries of Finance, Planning and Civil Service that are evaluated on the basis of results-based individual performance contracts (%)	0	10%	20%	30%	Third party verifier (non-government) to verify (i) ministerial decrees for total number of defined civil servants and (ii) number of defined civil servants with both a results-based individual performance contract and a performance evaluation report for the year (sample of documents to be assessed to verify conformity with performance management framework).
3	Number of ministries in which results-based action plans (performance contracts) linked to the PDES have been developed (number)	3	6	9	12	PCU M&E unit to review the ministerial action plans outlined in officially issued Ministerial Orders. Third party monitor to verify the quality of a sample of action plans by reference to results focus and alignment with the PDES.
4	A National Medium Term Expenditure Framework rated with a score of C or higher (using the PEFA PI-12 standards of the 2012 Public Expenditure and Financial Accountability Assessment) is included in the Budget Law adopted by the National Assembly. (Yes/No)		Yes			PCU M&E unit to verify inclusion of MTEF in the Finance Law (<i>Loi de Finances</i>) adopted by the National Assembly. Third party verifier to assess the quality of the defined MTEF by reference to the PEFA PI-12 standards of the 2012 PEFA.
5	Rate of execution of investment budget of the Ministry of Agriculture (%)	55%	58%	61%	64%	Third party verification of ASTER accounting system-generated summary of Ministry of Agriculture capital spending in year n (produced on 31 March year n+1) and Agriculture of Title V of the rectified General Budget in the last Loi Rectificative des Finances approved by the National Assembly for the fiscal year n.

¹⁴ Disbursement targets for year n to be reviewed and disbursed against in July of year N+1.

6	Rate of execution of investment budget of the Ministry of Health (%)	55%	58%	61%	64%	Third party verification of ASTER accounting system-generated summary of Ministry of Health capital spending in year n (produced on 31 March year n+1) and health section of Title V of the rectified General Budget in the <i>last Loi Rectificative des Finances</i> approved by the National Assembly for the fiscal year n.
7	Rate of execution of investment budget of the Ministry of Primary Education (%)	55%	58%	61%	64%	Third party verification of ASTER accounting system-generated summary of Ministry of Primary Education capital spending in year n (produced on 31 March year n+1) and primary education section of Title V of the rectified General Budget in the last <i>Loi Rectificative des Finances</i> approved by the National Assembly for the fiscal year n.
8	Proportion of cultivated land on which certified improved seeds are used (%)	2.48%	7.32%	10%	12%	PCU M&E unit verifies annual report of the General Directorate of Agriculture. Third party to verify triennial regional reports of the General Directorate of Agriculture and development partner reports on certified seed production against annual report of the General Directorate of Agriculture.
9	Area under small scale irrigation (additional hectares compared to previous year)	200	300	400	500	PCU M&E unit verifies Annual Report for the General Directorate of Agriculture. Third party to conduct sample field verifications.
10	Proportion of integrated health centers with staffing levels according to the established national norms. (%)	30	31	32	33	PCU M&E unit to review Annual Health Statistical Report (SNIS), Annual PDS Execution Reports and monthly DRH Specific Reports (Rapports Spécifiques DRH) to verify (i) total number of Integrated Health Centres and (ii) staffing levels in each CSI. Third party to conduct on-site verifications of centre records and interviews in sample of CSIs.
11	Frequency of stock outs based on the Reference List of the most essential medications at the level of the integrated health centers. (%)	2,50	2,00	1,50	1,00	PCU M&E unit to review triennial regional activity reports and Annual PDS Execution Report. SDI data will be available every second year as alternate source of facility-level verification. Verification to be determined according to the list of medications defined by WHO and approved by the Ministry of Health for that year.
12	Teacher/student ratio	38	39	40	41	PCU M&E unit to verify Annual Statistical Report of the Ministry of Primary Education. Third party verifier to conduct surveys and sample spot checks and SDI to provide additional source of verification every two years.
13	Proportion of qualified teachers	40	43	45	50	PCU M&E unit and third party verifier to review human resources records in Ministry of Primary Education as at 31 December to identify (i) total number of teachers and (ii) total number of qualified teachers. Third party monitor to review qualifications of a sample of teachers through interviews and ENI records. SDI to provide additional verification every two years.

Annex 2: Detailed Project Description

Niger: Public Sector Capacity and Performance for Service Delivery (P145261)

1. **The project will consist of two components.** The first component will co-finance selected sub-programs (Eligible Expenditures Programs – EEPs) that support key government programs and the PDES. Funding of this component will be results-based and dependent on the achievement of agreed-upon DLIs. The second will provide technical assistance to facilitate the achievement of the program results included in the first component.

COMPONENT 1: Supporting Programs for Service Delivery Results

2. **Component One will support the achievement of results in twelve sub-programs (EEPs) within five selected sectors: civil service, public financial management, agriculture, health and education.** The twelve sub-programs are drawn from five national programs developed under the overarching PDES: the State Modernization Program (PNME), the 3rd Public Financial Management Reform Program (PRGFP3), the 3N Initiative, the National Health Sector Program (PDS) and the newly adopted Education Sector Program (PSEF). With respect to the selection of sectors, the project places the emphasis on sectors of particular importance to the country's economic and social development. It seeks to harness existing momentum in sectors in which reform efforts have advanced and in which existing Bank or other development partner support is available. In so doing, the project seeks to further catalyze results and fill the gap often identified in vertical sectoral support by (i) addressing systemic and cross-cutting public sector issues that affect sectoral performance; and (ii) introducing targeted rapid results initiatives and change management processes, as well as creating incentives to reward performance in achieving results.

3. **Specific budget lines will be monitored to keep track of the level of execution of expected eligible expenditures and thus ensure achievement of results, including DLIs.** Table A.2.1 below provides details on the annual World Bank financing available for reimbursement of eligible expenditures in the selected EEPs. In compliance with the fiscal rule constraint of a minimum 50 percent execution, the government would be required to spend at least double the amounts indicated and ensure the achievement of the DLIs for reimbursement of the expenditures to be made.

4. **Disbursement of a large part of the funding allocated to the EEPs under Component One will be dependent on the achievement of 13 DLIs.** DLIs will be monitored over the course of the four year implementation period to ensure achievement of the set targets, as shown in Table A.2.1 below:

Sub-component 1.1: Core Public Sector Reforms

5. **This sub-component seeks to strengthen the Administration's absorptive capacity to facilitate more rapid and efficient public investment management and service delivery.** It will target critical aspects of human resource management and financial management by supporting the government's PRGF3 and State Modernization programs. As described below, Component 2 will provide complementary training and equipment to support the achievement of these reforms.

Sub-component 1.1.1 Human Resource Management

6. **The project will support the Ministry of Civil Service and Administrative Reform and the High Commission for State Modernization (HCME) to effectively carry out critical elements of the government's National Policy for State Modernization (PNME) (see Box A.2.1), which includes the**

Program for Administrative Reform. The objective of this new program is to promote improved performance and productivity of ministries and individual civil servants and strengthen the accountability of ministries towards the Executive. The project will focus on sub-program two of the State Modernization program and will assist the government in improving and consolidating merit-based promotion and performance management processes.

Box A.2.1: State Modernization Program - *Politique Nationale de Modernisation de l'Etat* (PNME)

The PNME seeks to contribute to the development of a well-organized and well run state that effectively carries out its regulatory functions. The objective of the PNME is to improve the performance of state institutions by enhancing institutional capacity to deliver basic public services to citizens. The HCME within the Prime Minister's Office is responsible for steering and monitoring the strategic direction of the PNME, while the responsibility for operationalizing and implementing the individual strategic axes is conferred upon specific central and line ministries. The four strategic themes of the PNME are as follows:

Strategic Theme 1: Territorial planning and modernization of infrastructure (Ministry of Planning and Ministry of Territorial Administration): focuses on i) opening up territorial space, ii) ensuring access to basic public services through increased supply of infrastructure in key sectors, iii) security of persons and property, and iv) improving the working environment for public services. **Strategic Theme 2: The Modernization of the Public Administration** (Ministry of Civil Service): seeks to develop an efficient and effective administration capable of (i) coordinating the development process, (ii) strategically managing core state functions (legal, regulatory, financial management, monitoring and evaluation and control); and (iii) providing quality public services and ensuring the effective redistribution of resources. **Strategic Theme 3: The promotion of good governance** (HCME): focuses on decentralization and administrative deconcentration. **Strategic Theme 4: Behavioral change management of leaders and citizens** (HCME): seeks to stimulate a change in behavior and attitudes of leaders and citizens with an emphasis on civic duty and public accountability for results.

7. **EEP 1: Development of Human Resources Performance Evaluation System.** Given the limited progress made to date in developing and applying a robust HR performance system (see Box A.2.2 below), the Ministry will first focus on laying the regulatory and organizational framework needed to apply the Civil Service Organic Law 2007/26¹⁵. The Ministry will then focus on supporting the development and adoption of results-based performance contracts for ministries (plans d'actions) and civil servant managers (lettres de mission) in selected sectors. This will include the development of comprehensive guidelines for performance contract management. The guidelines will assist ministries in formulating and monitoring annual output-based performance targets and work plans for each department and will help the ministries to translate these into individual performance contracts for departmental managers. External assessments of the performance of civil service managers will be carried out by an appropriately staffed and trained unit within the Ministry of Civil Service in collaboration with the relevant line ministry.

¹⁵ Loi 2007-26 du 23 juillet 2007 portant Statut Général de la Fonction Publique de l'Etat.

Box A.2.2: Progress towards performance-based management in the civil service

Annual performance appraisals of all civil servants are in place in Niger, yet these tend to be highly subjective, with an emphasis on qualitative measures rather than results. In addition, over a twenty year career span, these performance appraisals only influence promotion opportunities on four occasions (in the first, 8th, 14th and 20th year of service). Given the shortcomings of the existing processes, several analytical reviews in the last decade have called for the introduction of a new system of performance evaluation for civil servants.

Article 94 of the Organic Law of the Civil Service 2007 provides for the application of this new system of evaluation of civil servants based on performance. In 2011, the Government of Niger committed to results-based management in the public administration, with the adoption of Law 2011-20,¹⁶ providing renewed impetus for the introduction of performance-based human resource management in the civil service. Notwithstanding the legal framework however, little has been achieved in developing, testing and applying a new performance-based management system.

Article 206 of a 2008 Decree to apply the 2007 Organic Law¹⁷ identified a set of principle performance evaluation tools necessary for the introduction of a modern evaluation system. These included: (i) the mission letter (cahier de charge or letter de mission), (ii) the program of activities, (iii) the evaluation meeting minutes, (iv) the evaluation form including clearly defined performance indicators and (iv) the activity report. Although the Civil Service Ministry produced a draft set of performance indicators and proposed a format for the evaluation form and evaluation meeting minutes in 2011, following consultation with other ministries, these tools have yet to be validated or tested.

During the preparation of the project, the design of the performance assessment tools will be finalized and validated. Training will then be provided to seven ministries to enable the pilot application of the tools during project implementation.

Sub-component 1.1.2: Public Financial and Investment Management

8. **This sub-component will support budget execution and public investment reforms outlined in the government's ongoing PRGFP3 program.** The objective of this reform is to improve public investment management systems and strengthen budget formulation, monitoring and reporting processes. The project will assist the Ministries of Finance and Planning and will target multiple sub-programs of the PRGFP3: (i) sub-program 5, strengthen public policy budgeting at the center and sector levels (MTEF); (ii) sub-program 8, improve capacity for planning and execution of public procurement; and (iii) sub-program 9, rationalize and improve treasury management.

¹⁶ Loi 2011-20 du 08 juillet 2011 déterminant l'organisation civile de l'Etat et fixant ses missions.

¹⁷ Décret d'application 2008-244/PRN/MFP/T du 31 juillet 2008 portant modalités d'application de la loi.

Box A.2.3: Third Public Financial Management Reform Program – *Programme des Reformes en matière de Gestion des Finances Publiques (PRGFP3)*

The PRGFP3 (2013 -2015) follows on from an earlier public finance reform program and seeks to establish an efficient and transparent system of effective public finance management through the consolidation of core functions.

Specific objective 1: Modernization of the legal and institutional framework to ensure consistency with the Finance Law

Program 1: Update and finalization of the legal framework for the management of public finances

Program 2: Revision of the organizational charts of the Ministries of Planning and Finance to conform with new PF framework and ensure supervision and monitoring of autonomous public agencies.

Specific Objective 2: Effective engagement of internal and external resources.

Program 3: Improve domestic revenue mobilization and strengthen tax compliance

Program 4: Increase mobilization of external resources, including the management of external debt

Specific Objective 3 : Development of effective, rigorous and transparent budgeting policy

Program 5: Strengthen the budgeting of public policies at central and sectoral levels

Program 6 : Implement fiscal decentralization

Specific Objective 4: Improve the procedures for budget execution

Program 7: Streamline the expenditure chain, including payroll management

Program 8: Improve capacity for procurement planning and execution

Program 9: Rationalize and improve treasury management

Specific Objective 5: Improved general and budgetary accounting and computerization of PFM

Program 10: Improved general and budgetary accounting

Program 11: Improve computerization of PFM processes

Specific Objective 6: Strengthen subsequent verification processes

Program 12: Strengthen verification processes including the implementation of the anti-corruption strategy.

Specific Objective 7: Strengthen public finance management capacity of administrators

Program 13 Capacity Development

Specific Objective 8: Improved reform implementation

Program 14: Strengthen the management of the reform process

9. **EEP 2: Establish coherent and realistic MTEFs (global and sector).** This sub-component will support the effective application of program budgeting through (i) the creation of a program budgeting road -map in line with the DGB's strategic plan; (ii) the elaboration of a guide for the review and validation of the global MTEF; (iii) the review of the methodological guide for the elaboration of sectoral MTEFs; (iv) the provision of technical support to sectoral ministries for the elaboration of sectoral MTEFs; (v) capacity-building of the Finance Committee of the National Assembly. The project will focus on strengthening of the capacity of the Directorate of Budget and the Directorate of Financial Reforms of the Ministry of Finance, as well as the Directorates in charge of financial resources (DRFM) and planning (DEP) in line ministries. Special attention will also be given to improving the relevant information systems to ensure swifter preparation and implementation of policy-based and multi-year programs.

10. **EEP 3: Strengthen capacity for planning and execution of public procurement.** This sub-program seeks to introduce procedural guidelines to simplify administrative, financial and procurement processes. It will focus in particular on: (i) mainstreaming the use of procurement plans in line ministries, and (ii) strengthening the capacity of the General Directorate of Procurement (DGCMP). The program aims to ensure that all line ministries are able execute at least 50 percent of the procurements planned in the year.

11. **EEP 4: Rationalize and improve cash flow management.** This sub-program will help to ensure that treasury plans are based on the amount and flow of expenditures. The treasury plan of the DGTP will be established based on the commitment plan issued by the DGB. The sub-program will also facilitate the closure of bank accounts owned by public entities and the consolidation of remaining accounts.

12. **EEP 5: Strengthen capacity for planning, programming, monitoring and evaluation of development programs.** This sub-program will help to: (i) build the planning, programming, prioritization, budgeting and monitoring capacity of the planning staff in line ministries (DEP, DFRM); (ii) reorganize the structures in charge of public investment planning and equip them with tools to facilitate mandatory preliminary studies (technical feasibility, cost estimations and impact); (iii) create a hierarchical system of risk-based controls for public investments; (iv) establish a database of projects 'ready for execution'; and (v) strengthen the capacity of the Ministry of Planning to monitor specific reform processes and coordinate, monitor and evaluate the implementation of the PDES.

Sub-component 1.2: Agriculture Sector

13. **This sub-component will assist in accelerating the pace of implementation of the large-scale 3N program (see Box A.2.4).** The project will specifically support the first and second sub-programs of the 3N initiative with the objectives of enhancing agricultural production and improving the coordination and implementation of the 3N initiative.

Box A.2.4: Program for the 3N Initiative

The 3N Initiative seeks to build national capacity for food production, supply and resilience to food crises and disasters. Coordinated by the High Commission for 3N, the Initiative incorporates five strategic programs: (i) Growth and diversification of agro-silvopastoral and fishing productions; (ii) Regular supply of rural and urban markets in agricultural and food products; (iii) Improving the population's resilience to climate change, crises and disasters; (iv) Improvement of Nigeriens' nutritional status; and (v) Carrying out, facilitating, and coordinating the Initiative Coordination and boosting reforms. The first strategic program, which is targeted by the project, includes the following operational programs and subprograms:

OP1 Increase of Irrigated Production

OSP1 Rehabilitation of irrigated land areas (AHA)

OSP2 Realization and development of new irrigated land areas

OSP3 Development of small scale irrigation at family, individual or collective level

OP2 Increase production of rain fed crops

OSP4 Producers accessibility to production factors

OSP5 Producers' accessibility to information and technology

OP3 Increased of original production

OSP6 Securing traditional livestock systems

OSP7 Development of intensive livestock systems

OP4 Increase of forest production

OSP8 Sustainable land and biodiversity management

OSP9 Valuation of timber and non-timber products

OSP10 Support to forest products development reforms

14. **EEP 6: Improve agricultural productivity and revenue generation in irrigated areas.** The project will target improved agricultural production by supporting rapid results-driven processes to (i) strengthen advisory and technical support to agricultural producers, and (ii) increase the availability of high grade seed and irrigation equipment.

15. **EEP 7: Improve productivity of rain-fed agriculture.** The project will improve productivity by providing advisory and technical support to agricultural producers.

16. **Activities under both EEPs will include:** (i) increased staffing and redeployment of staff in the field (at the level of departments and municipalities); (ii) training of agents and producers (Farmer Field School, micro doses, Integrated Management of Fertilizers, Pesticides and Pest, Treatment of Straw Urea manufacturing multi nutrient blocks etc.); (iii) enhancing the working environment (construction / rehabilitation of offices and housing priority to municipalities and departments); (iv) improving logistics, especially at the municipal level; and (v) strengthening the functional capacity of decentralized administrations (regions, departments, municipalities).

17. **The agriculture sector sub-component will complement existing vertical World Bank support to the sector.** In particular, it will enhance sectoral capacity to execute public investments in irrigation in complementarity to the support for irrigation provided by the Niger Basin Water Resources Development project, the GFRP2 and the PRODEX. It will also focus on upstream issues of productivity to supplement the extensive support currently provided to downstream transformation and market-related activities through the PRODEX.

Sub-component 1.3: Public Health

18. **The objective of this sub-component is to improve the coordination, planning and human resource allocation associated with the implementation of the National Health Sector Development Program (see Box A.2.5).** The Program will target sub-programs three, four and six of the PSF. Sub-program three seeks to facilitate the sufficient provision of competent and motivated human resources across health facilities. Sub-program four targets the availability of quality pharmaceutical supplies and sub-program six aims to enhance governance and leadership in the sector.

Box A.2.5: The Health Sector Development Plan - *Plan de Développement Sanitaire*

The PDS (2011 – 2015) seeks to contribute to improving the health of the Nigerien population and to the attainment of the MDGs related to health through the provision of quality health services, particularly vulnerable groups. The policy includes the following eight strategic programs:

1. **Improved access to health:** through the up-grade and expansion of infrastructure and mobile health services.
2. **Enhanced reproductive health services:** including family planning, adolescent and youth health services and the integrated management of maternal, newborn and child health.
3. **Sufficient provision of competent and motivated human resources across health facilities:** involves the implementation of a National Human Resources Policy and Plan to improve human resource management, strategic planning, training and skills development, career management and performance evaluation.
4. **Availability of quality pharmaceutical supplies:** through reform and regulation of the pharmaceutical sector, improved supply logistics, and the development of biological technologies.
5. **Intensified campaigns against diseases under surveillance:** through awareness-raising, integration of traditional medicine and improved efficiency of hospital responses.
6. **Improved governance and leadership at all levels of the health system:** through decentralization / deconcentration, improved financial management, supervision and monitoring and evaluation, better management of health information, capacity-building and communications.
7. **Effective health financing mechanisms:** through the creation of partnerships with development partners, insurance schemes and alternative financing arrangements.
8. **Promotion of health research:** through a strengthened legal and regulatory framework, capacity building and improved coordination.

19. **EEP 8: Adequate human resources deployment.** The sub-program seeks to facilitate the sufficient provision of competent and motivated human resources across health facilities. The project will support the application of a human resources planning and projection system, the introduction of regional competency pools and the elaboration and application of modern sectoral performance management and incentive systems.

20. **EEP 9: Good provision of medicines and key medical inputs.** The sub-program will help medical facilities to prevent stock-out of essential medical supplies. The reform of the pharmaceutical agency, the Nigerien Society of Pharmaceutical Industries (*Société Nigérienne des Industries Pharmaceutiques* – SONIPHAR), the streamlining of logistics processes and stronger accountability measures will be critical. The project will assist: (i) improved regulatory arrangements in conformity with the WAEMU directives; (ii) the identification of reform options for the privatization/ restructuring of SONIPHAR; (iii) the elaboration of a strategy to combat the illicit market for pharmaceuticals; and (iv) tools to support the management of pharmaceuticals across the supply chain.

21. **EEP 10: Governance and Leadership.** Under this sub-program, support will be given to enhancing the planning, FM and monitoring and evaluation functions of the Ministry of Health in order to strengthen governance and leadership in the implementation of the PDS. It will include support for the development of Service Delivery Indicators (SDI) on the performance of health facilities (see Box A.2.7 below for details).

22. The support proposed through this sub-component will complement the World Bank's support of the health SWAp for PDS implementation which is expected to be extended through a new operation.

Sub-component 1.3: Education

23. **The objective of this sub-component is to improve primary school service delivery by incentivizing improvements in resource management.** This objective is in line with the new Education Sector Plan (see Box A.2.6). The sub-component will be implemented in close coordination with the new World Bank-supervised basic education project/pooled fund (Global Partnership for Education project).

Box A.2.6: Education Sector Plan - *Programme Sectoriel de l'Education et de la Formation (PSEF)*

The PSEF (2014 – 2024) lays the policy framework for primary, secondary and tertiary education, together with technical, literacy and other informal training. With respect to basic education, the PSEF seeks to (i) improve access to basic education through increased supply of educational services yielding greater geographic coverage of educational services, (ii) improve quality of teaching, and (iii) improve sub-sector governance. The operational programs that cut across these objectives are:

Program 1: Teacher management: including the recruitment, training and deployment of teachers

Program 2: Construction of education facilities

Program 3: Capacity development and governance: including financial management, human resource management, pedagogical supervision, statistical information collection and sectoral coordination, planning, programming and monitoring and evaluation.

24. **Specifically, the project will provide incentives for achieving better teacher deployment, improving the proportion of qualified teachers in schools and monitoring qualitative education service delivery indicators.** Technical assistance will be financed under Component 2 to develop a teacher management strategy based on best international practices and to facilitate SDI data collection (see Box A.2.7 below for details). In order to support investments of the government in primary education, and to provide rewards for the achievement of the above objectives, the sub-component will finance eligible expenditures of the Ministry of Primary Education in the following two programs:

25. **EEP 11: Improve teacher deployment and management.** The sub-component will finance eligible expenditures related to the implementation of the teacher management strategy, including the evaluation of teacher performance.

26. **EEP 12: Information system and M&E.** Eligible expenditures of the Ministry of Primary Education for information systems and M&E will be financed, as well as those related to the capitalization of SDI data by the Ministry of Primary Education and by non-governmental actors.

Box A.2.7: Introducing Service Delivery Indicators in the Nigerien Health and Education Sectors

The Service Delivery Indicator initiative was developed in response to the observation that increased spending on access to education and health in Africa has not resulted in improved performance, indicating shortcomings in the quality of service delivery. In the health and education sectors in particular, service delivery quality relies heavily upon service providers. The SDI initiative seeks to establish reliable and regular quantitative data on service delivery at the school and health facility level through the roll-out of facility-level surveys. Data collected will include information on the availability of inputs, the competence of service providers and the actual effort employed by providers in service delivery. The triennial publication of SDIs will facilitate informed reflections on the effectiveness of public expenditures in the social sectors. It will assist policy makers in orienting, evaluating and adjusting sector policies, whilst also providing civil society and local populations with an informative tool to hold service providers and policy makers accountable. The multi-sectoral initiative, which is supported by the World Bank, the African Development Bank and the Economic Research Consortium for Africa, is the first attempt to standardize service delivery indicators in human development in Africa. The standardization will allow for comparisons to be made between countries and over time.

27. **Budget codes.** To monitor execution of eligible expenditures, the project will keep track of the budget codes figured in the following table.

Table A.2.1: Budget Codes for Eligible Expenditure Programs

Sector	Eligible Expenditure Programs (in US dollars)	Budget codes
Public Administration	Total	
	EEP 1. Development of Human Resources Performance Evaluation System	24146021400
		41346011400
	<i>Sub-total</i>	
Public Financial & Investment Management	Total	
		5133469413001034121910
	EEP 2. Establish coherent and realistic global and sector MTEFs	47316118700
		3473121100000011162995
		3473121100000011162320
	<i>Sub-total</i>	
	EEP 3.Strengthen capacity for planning and execution of public procurement	3473229000000011162111 à 3473229000000011162220 et 5473229000000011124111 à 5473229000000011124410
		4031152400000011163120
	<i>Sub-total</i>	
	EEP 4. Rationalize and improve cash flow management	47346901400
		47346331000
	<i>Sub-total</i>	
		5133161187000011121110
		PASEI
	EEP 5. Strengthen capacity for planning, programming, monitoring, and evaluation of development programs.	5133461013000011121910
		5133464913000011121911
		5137468906000014121910
	<i>Sub-total</i>	
Agriculture	Total	
		5548465306000011122410
	EEP 6. Improve productivity and revenue generation in irrigated areas	5548467411000014121110
		5548560513400014122410
		5548468808300014122410
		PROMOVARE
	<i>Sub-total</i>	
	EEP 7. Improve productivity of rain-fed agriculture	5548463310300014121910
		5548566209400014121910
		5548461813000011121110
	<i>Sub-total</i>	

Health	Total	
	EEP8. Improve staff deployment across the country	5646561114800011121910
		5646561214800011121910
		5646561314700011121910
	Sub-total	
	EEP 9. Improve provision of medicines and key medical inputs	3646121003009909962151
		3646121520000011162152
		3646121520000011162154
		4646110100000011164395
		4646110100000011164347
		4646110100000011164350
		4646110100000011164397
		4646110100009909964349
		4646121003000011164340
		4646121003000011164341
		4646133500000011163151
	Sub-total	
	EEP 10. Governance and Leadership	5646460314000011121910
		5646461310000011121910
		3051342800000011162111 à
		3051342800000011162990
		3646136300000011162320
		3646136400000011162141
		4646110100000011164344
		4646110100000011164391
	Sub-total	
		5646561114800011121910
Education (Primary)	Total	
	EEP 11. Improve teacher deployment and management	3614132201000011162320
		5646464309000014121920
		5614110200000011121991
		3614110200000011162991
	Sub-total	
	EEP 12. Information System and M&E	5614460214000011121910
		5614110200000011121995
		5614110200000011121996
		5614110200000011121999
		5614121301000011121110
	Sub-total	

COMPONENT 2: Technical Assistance for Capacity Development

28. This component will complement the first component by financing selected inputs for which resources are not readily available in the national budget or for which the government has requested more intensive supervision support. Funding of this component will not be linked to DLIs. It will finance IT systems and equipment and technical assistance.

Sub-Component 2.1 Provision of Information Systems and Equipment

29. **The objective of this sub-component is to facilitate efficient and effective public expenditure and service delivery through the installation or upgrading of modern information systems.** The activities envisaged under this sub-component reflect the priorities identified by the government and they complement the extensive assistance already provided by other partners including the French Cooperation, BAD, UNDP and EU. The project will specifically finance:

- (a) **Upgrading the planning and M&E systems in selected sector ministries.** Current planning systems lack dynamic decisional tools to allow for quick information updates about the project life cycle. Planners need to have ready access to reliable and current information in order to develop appropriate procurement plans and conduct effective monitoring and evaluation.
- (b) **Interconnection of planning and financial management systems.** Existing sectoral and investment planning systems are not adequately connected to financial management systems and this limits the ability of administrators to plan and manage procurement on the basis of reliable and up-to-date information on the availability of financial resources. Current advances in technology mean that dynamic dashboards can quickly be built, without significant financial investments, through the extraction of data across various information systems. The project will also support the interconnection of the central and de-concentrated services of the Ministry of Planning to accelerate the collection of information for improved programming, budget preparation and monitoring of the implementation of the PDES.
- (c) **Consolidation of the information systems managed by the National Statistical Institution.** The support will assist the National Institute for Statistics (*Institut National des Statistiques* - INS) to upgrade its systems and ensure better interconnections with sectoral information systems to enhance the centralization and capitalization of data on development outcomes.
- (d) **Support for the development of tailored one-stop customs and anti-money laundering information management systems.** In order to address critical upstream bottlenecks that affect public investment management, the project will provide support for the development of information management systems associated with two initiatives. First, as part of the AFRITAC Ouest regional initiative to enhance transparency and improve accountability in customs revenue collection, the Nigerien government has embarked upon the creation of a one stop shop for customs formalities. The project will support information systems and equipment associated with the one stop shop. Second, as part of the public financial management reform program outlined in the PDES, the government adopted the Strategy Against Money Laundering and the Financing of Terrorism¹⁸ in 2013 and established a National Unit for the Treatment of Financial Information (Cellule Nationale de Traitement des Informations Financiers – CENTIF) to implement the strategy. The project will provide support to CENTIF to ensure the roll-out of appropriate information systems for prevention amongst the principal actors in the finance sector.

¹⁸ Decret n°2013-226/PRN/MF du 14 juin 2013.

- (e) **Support for the three Service Delivery Indicator surveys to provide timely facility-level data on service delivery in health and education.** SDI data will be widely disseminated to support a change in focus from monitoring inputs and outputs to being accountable for service delivery. These surveys will also be used to monitor the achievement of some of the DLIs in the two sectors.

Sub-component 2.2: Change Management

30. **The objective of this sub-component is to cultivate a culture of collaboration for results and ownership of reform processes from within the administration.** As part of the State Modernization Program, the HCME is leading an initiative to analyze and better understand the driving motivations and specific leadership characteristics and potential of the Nigerien civil service. This in-depth analysis will form the basis of tailored support for the application of change management tools and targeted training in leadership, coaching, results-based management and rapid results initiatives. The process will be built around:

- (a) a series of seminars engaging high-level leadership, as well as a series of sectoral workshops involving key decision-makers implicated in the project¹⁹, to improve leadership skills, agree on vision and main priorities, identify major challenges, build consensus, mobilize various levels of stakeholders, ensure high level political support, and establish a favorable environment for implementation by the teams. These series will specifically support the Ministry Planning, the Ministry of Finance, the Ministry of Civil Service and other government beneficiaries in setting in place: (i) a common framework of analysis; (ii) efficient daily communication processes, and (iii) effective and efficient administrative procedures. They will also assist the Ministry of Planning in better mobilizing the various stakeholders in the process of implementation of the PDES.
- (b) technical assistance to support the roll-out of successive cycles of rapid result initiatives (RRI) to achieve tangible, fast (100 days) results in the agriculture, health and education sectors. These results will be aligned with high-level leadership priorities, which will be initially defined during the high-level seminars. The technical assistance will support the attainment of the sectoral DLIs under component one whilst simultaneously reinforcing a performance-driven and results-oriented culture in the public administration.
- (c) a network of international coaches will support the progressive development of national coaches to support national capacity building and the institutionalization of a results-oriented culture. National coaches will be selected on the basis of international standards and will be institutionally anchored in one or more training national institution (e.g. The National Administration and Magistrates School - ENAM).
- (d) a mechanism for sustaining the dynamics for results through institutionalizing effective changes, taking necessary policy measures resulting from experience (such as rationalizing processes and structure, adopting new orders, reviewing procedures), and reflecting on an institutional arrangement aiming at structuring a performance and accountability based culture so the government can achieve better service delivery and advance the process of inclusive development.

¹⁹ Including the Ministers, Secretary Generals and General Directors in the Ministries and Agencies targeted by the Project (Ministry of Planning, Finance, Civil Service, Agriculture, Health and Primary Education), representatives of the President's and Prime Minister's Offices, regional governors, PCU representatives and, where necessary, development partners.

- (e) peer exchanges with other countries on knowledge gained during similar change processes. The exchanges may cover different topics about substance (sectoral, technical), process (methodological), systems and tools (conceptual and practical), with countries preparing or undertaking similar approaches such as Burundi, DRC, Liberia, Madagascar, Mozambique, South Sudan.
- (f) communication activities highlighting achievements to raise awareness, and develop and maintain the mobilization of public officials and citizens on the new culture of performance and accountability.

Sub-component 2.3: Training

31. **This sub-component will focus on building the skill set of civil servants to undertake core public sector management functions through in-service training.** The project will facilitate large scale training of civil servants and young people by local institutions such as the ENAM and, on an exceptional basis, by foreign training institutions. It will strengthen national training institutions and establish possible partnerships with foreign institutions, in order to upgrade the skills of current staff and also build the skill base of new entrants to the civil service. In particular, support will be given to (a) ensure training on the coordination and implementation of the PDES; (b) improve upon, and scale up, modular training of civil servants in planning, budgeting, monitoring, procurement, tax management and customs administration; and (c) develop an accreditation program for trained civil servants. To complement the information coming from the Service Delivery Indicators and other sources, training will also be provided to technical staff in the Ministries of Planning, Health, and Education and the INS on the analysis of service delivery information for policy formulation and evaluation.

Sub-component 2.4: Technical assistance for coordination, planning and monitoring of national development

32. **This sub-component will support improvements in the institutional coordination of the implementation of the PDES.** The Ministry of Planning plays a central role in this regard and is charged with overseeing the implementation of the national development strategy and measuring the impact of the policies and programs adopted by the government. Technical assistance will be provided to strengthen the coordination capacity of the Ministry of Planning, with a particular emphasis on consolidating the Ministry's control over the management of information, dialogue, meetings and communications related to the implementation of the PDES. Technical assistance will also support the Ministry of Planning in coordinating with technical departments and regional levels of government and it will assist national authorities in harmonizing the framework for consultations with development partners.

33. **The sub-component will also target bottlenecks in the planning and programming of public investments.** It will provide high level technical assistance to the MP / AT / DC to improve the quality of the preparation phase (pre- identification, identification and feasibility) of the project cycle. In particular, the project will assist in the establishment of a data base of "ready to be funded" programs that have been clearly and accurately identified and for which reliable feasibility studies have been conducted. Technical assistance will also be provided to help line ministries in the preparation of investment projects, with a focus on strengthening the capacity of ministerial directorates of planning. To improve programming, technical assistance will also assist in the implementation of tools and procedures that comply with international standards on the preparation of investment budgets.

34. **Finally, the sub-component will support the implementation of the Ministry of Planning's reforms regarding the monitoring and evaluation of projects and programs.** In particular, the

support will include the establishment of an evaluation office, the completion of a monitoring and evaluation policy, the elaboration of monitoring and evaluation tools and manuals and the preparation of reviews of investments.

Sub-component 2.5: Project Implementation Support

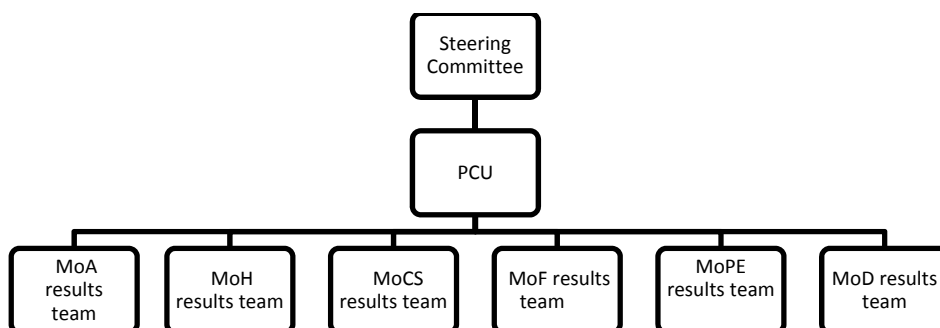
35. Additional support will be provided to the Monitoring and Evaluation Unit in the Ministry of Planning to optimize coordination and swift implementation of the project. Given the added responsibilities that the unit will assume with respect to the implementation of the project, extensive support will be required from both the government and the donors to strengthen the unit's operating capacity. This sub-component will accordingly support: (i) the recruitment of and payment of qualified staff (not public servants), as well as the provision of technical assistance and other capacity building inputs; (ii) a monitoring and evaluation review; and (iii) annual project external audits.

Annex 3: Implementation Arrangements

Project Institutional and Implementation Arrangements

1. **Given its multi-sector nature and its focus on PDES-related results, the project will be placed under the direction of the Ministry of Planning.** It will be jointly implemented by seven ministries with the support of associated agencies. The project will cover activities across five sectors: agriculture, health, education, civil service, and public financial management. The project implementation arrangements will involve the existing government institutional framework in place for coordinating, implementing and monitoring the national development programs associated with these sectors.
2. **Project implementation will be undertaken collaboratively through the:** (i) Steering Committee; (ii) the Project Coordination Unit led by the PS/PDES and (iii) results teams in participating ministries. These structures are represented below (figure A.3.1).

Figure A.3.1: Implementation and Governance Arrangements



3. **Steering Committee.** To ensure adequate coordination between the ministries involved in the project, a Steering Committee composed of representatives of all ministries and agencies involved in the project will be instituted to support overall project monitoring. This committee, which will include representatives of the President's Office, the Prime Minister's Office and the central and line ministries, will provide strategic guidance and oversight of the project to ensure that the objectives are achieved. It will be chaired by the Minister of Planning or his/her representative. Steering Committee members will have to validate and authorize yearly activity plans submitted by the implementing agency, review in-year progress reports and recommend corrective measures. The Steering Committee will meet quarterly and submit progress reports to the President. The project coordinator will provide secretariat support to the Steering Committee.
4. **Project Coordination Unit.** A PCU will be anchored in the PS/PDES to concentrate project management activities. The PCU would be staffed with a minimum of five professionals, with terms of reference and qualifications acceptable to the Bank. Professional staff will include a Project Coordinator, a Deputy Project Coordinator, a Procurement Specialist, a Financial Management Specialist, and a Monitoring and Evaluation Specialist. Among its duties, the PCU will be in charge of providing cross support to all other involved ministries. The Coordinator will be responsible for consolidating the annual work plans and budgets, mid-term reviews, and assessment reports for the Project, ensuring the work is properly scheduled across components, and convening project team meetings to review progress towards the agreed milestones (intermediate results indicators). The Project Coordinator will have a key role to

play in ensuring that the support of stakeholders is secured, and will be the secretary to the Steering Committee.

5. **Specific PCU responsibilities will include:** (i) being the primary liaison with the Bank; (ii) overseeing technical inputs from all involved ministries and, as such, consolidating the required documentation on EEPs, DLIs, and TA activities to report timely and comprehensively on the Bank's compliance; (iii) managing the TA component and preparing related FM and procurement TORs; (iv) consolidating project financial reports in a timely manner; (v) preparing the Interim Financial Reports (IFRs); (vi) reallocating unspent balances; (vii) reconciling amounts advanced by the Bank with those spent under the EEPs; and (viii) verifying the timely release of EEP budgeted resources.

6. **The other Ministry Result Teams (RT) will be responsible for ensuring timely implementation of their respective Eligible Expenditure Programs.** The EEPs will be implemented using the existing structures of these Ministries. However, technical focal points would be appointed for each of the EEPs. RTs will work closely with the PCU to ensure execution of project activities. They will monitor how the project is being carried out, implement work program activities, facilitate corrective measures and regularly report back to the PCU. The teams will be made up of various experts directly in charge of the implementation of activities supported by the Project. RTs will be provided with training and change management coaching to strengthen their capacity.

7. **Specific RT responsibilities will include:** (i) implementing the selected EEPs in a timely and efficient manner in order to ensure compliance with agreed project indicators, including DLIs; (ii) developing TORs and procurement documents for TA activities and submitting required documents for the PCU's review and submission to the Bank's non-objection; (iii) managing the resulting contracts under Component 1 for their respective Ministries to ensure satisfactory implementation and dissemination of results and recommendations; (iv) monitoring progress towards achievement of sector indicators and providing required information to the PCU; (v) maintaining technical dialogue with stakeholders, including any sector specific decision-making bodies, required for successful project implementation; (vi) participating in the Steering Committee and providing any required information in a timely manner to comply with the technical and legal obligations associated with the project; and (vii) ensuring that procurement is carried out following the World Bank's rules and procedures, including the preparation of procurement plans when applicable.

8. **Coordination with Development Partners:** Within the framework of the Global Capacity Building Program, regular joint government-Donor meetings are envisaged to review the progress of implementation of the overall program. The activities financed under the project shall be reviewed during these meetings. Also, joint donor partner implementation support missions will be carried out semi-annually to review implementation progress against key program milestones.

9. **Communications.** For this project, the PCU will develop a communications strategy and plan based on the information needs of different stakeholder groups. The messages will be tailored to the information needs of particular stakeholder groups and they will be delivered by their preferred "messengers" using appropriate media. Different tools will be considered including press releases, the internet, newsletters, workshops, discussion groups, radio and television.

10. **Project Operational Manual (POM).** The government shall with assistance of the participating ministries implement the project in accordance with a manual satisfactory to the Bank (the Operational Manual), which shall include, *inter alia*: (i) the Performance Indicators described in the Results Framework; (ii) the procedures for carrying out and monitoring of the project; (iii) the detailed criteria for the monitoring of the DLIs; (iv) the procurement and financial requirement of the project; (v) the roles and responsibilities of each ministry; (vi) the project chart of accounts and internal controls, reporting

procedures and the format of the Interim unaudited financial reports; (vii) model of Implementation Agreements; and (viii) the specific requirements and percentages for the Execution rules applicable to each withdrawal.

Financial Management, Disbursements and Procurement

Financial Management

11. **The Bank performed a financial management assessment of the PS/PDES** which is responsible for the overall coordination and FM implementation of the project e.g supervision of FM activities and preparation of FM reports reflecting EEP and TA expenditures. The objective of the assessment was to determine: (a) whether the PS/PDES has adequate FM arrangements in place to ensure that the funds will be used for the purposes intended in an efficient and economical manner and whether the entity is capable of correctly and completely recording all transactions and balances related to the project; (b) whether the project's financial reports are likely to be prepared in an accurate, reliable and timely manner; (c) whether project assets can be kept secure; and (d) whether the project will be subject to auditing arrangements acceptable to the Bank. The said assessment identified some capacity and internal control issues that need to be addressed to strengthen the internal control environment of the project. These related to the staffing, the procedures manual, the computerized accounting system and the external audit arrangements. An action plan was developed indicating the actions the PS/PDES needs to take to improve its financial management arrangements and reinforce the internal control system.

12. As a result of the above-mentioned constraints, it was required that: (i) a well-staffed Project Coordination Unit (PCU) that will be responsible for the day to day management of funds and accounting for the project; and (ii) an agreement is reached with the Bank on the format of the consolidated Interim Financial Reports (IFR), the IFR under the EEP and the audit terms of reference. To strengthen PCU capacity, additional measures are needed including: (i) the recruitment of a highly experienced Financial Management Officer to coordinate all FM aspects of the project including the relationship with all of the executing agents and the timely production and monitoring of consolidated FM reports; and (ii) the elaboration of the procedures manual including FM and disbursement arrangements. As additional dated covenants, the PS/PDES will: (i) appoint in the extent possible from the PS/PDES team a qualified accountant to complete the FM staffing of the FM units within the PCU; (ii) set up a multi-sites accounting software to ensure timely recording of financial information as well as timely production of quarterly and annual financial statements of the project (no later than three months after effectiveness); (iii) recruit an external auditor (no later than four months after effectiveness); and (iv) recruit an independent verifier (i.e. monitoring agent) of DLIs and EEP expenditures (no later than six months after effectiveness).

13. Inefficient service delivery is still perceived as the manifestation of corruption and poor governance in Niger and more specifically in the context of a results-based financing mechanism the national PFM environment is weak. There is also a risk that the RTs do not meet the DLIs and/or submit false information to comply with the said DLIs. Current capacities are limited and the multi-sectoral dimension of the project is another risk element. Mitigating measures have been incorporated in the grant to address this risk. In addition to regular Bank supervision during project implementation, the following additional mitigation measures are incorporated in the project design: (i) annual audit by a private audit firm; (ii) FM and Procurement training; and (iii) PFM technical assistance supported by the project.

14. **Budgeting.** All of the project's transactions will be ring-fenced and will not go through the Nigerien Public Accounts. The budgeting process will be clearly defined in the FM Manual and the budget will be reviewed and adopted by the Steering Committee before the beginning of the year. Annual draft budgets will be submitted to the Bank's non-objection before adoption and implementation. The

project does not foresee any counterpart funding. However, prior to the commencement of each year during project implementation, in regards to the implementation of EEP activities, the Recipient shall create, and thereafter maintain throughout each said calendar year of project implementation, a specific budget line entry in the state budget to keep track of the corresponding expenditures incurred during project implementation.

15. **Accounting.** SYSCOHADA is the assigned accounting system in West African Francophone countries. Project accounts will be maintained on a cash basis, supported with appropriate records and procedures to track commitments and to safeguard assets. Annual financial statements will be prepared by the PCU in accordance with the SYSCOHADA. The ROSC Accounting and Auditing identified some differences with the International Accounting Standards but they are not expected to impact the project. Accounting and control procedures will be documented in the updated FM Manual.

16. **Reporting.** The PCU will prepare consolidated IFRs including EEPs and TA activities. The format of IFRs includes the following: (i) reports on the sources and uses of funds (by EEP), cumulative (project-to-date; year-to-date) and for the period, showing budgeted amounts versus actual expenditures, including a variance analysis, by sector; (ii) forecast of sources and uses of funds (by EEP), by sector, schedule of DLIs; and (iii) reconciliation of advances to the Designated Account. The PCU will produce the IFRs on a quarterly basis reflecting operations of the designated account and submitted to the Bank within 45 days after the end of the calendar quarterly period. The PCU will prepare the consolidated IFRs along with the IFR under the EEP.

17. The PCU will also produce Annual Financial Statements for the project and these statements will comply with SYSCOHADA and World Bank requirements. These Financial Statements will be comprised of: (i) a statement of Sources and Uses of Funds which recognizes all cash receipts, cash payments and cash balances controlled by the PCU; (ii) a statement of commitments; (iii) accounting policies adopted and explanatory notes; and (iv) a management assertion that the project funds have been expended for the intended purposes as specified in the relevant financing agreements.

18. **Internal control and internal auditing arrangements.** *Internal Control Systems:* FM and administrative procedures will document the financial management and disbursement arrangements including internal controls, budget process, assets safeguards, and clarify roles and responsibilities of all the stakeholders. *Internal audit:* Internal audit function is not foreseen for the project at this stage. The need to rely on this function will be reconsidered during implementation, depending on risk levels assessed during review missions.

19. **Annual Financial Audit.** The Financing Agreement (FA) requires the submission of Audited Financial Statements for the project to IDA within six months after year-end. An external auditor with qualification and experience satisfactory to the World Bank will be recruited to conduct an annual audit of the project's financial statements. A single opinion on the Audited Project Financial Statements in compliance with International Federation of Accountant (IFAC) will be required. The external auditor will prepare a Management Letter giving observations and comments, and providing recommendations for improvements in accounting records, systems, controls and compliance with financial covenants in the Grant Agreement. The table below summarizes the auditing requirements.

Table A.3.1: FM Action Plan

No	Action	Due Date	Responsible
1	Agree on the IFRs format (Consolidated IFR and EEP IFR)	By Negotiation	PS/PDES
2	Recruitment a well experienced Financial Management Officer	Before effectiveness	PS/PDES
3	appoint in the extent possible from the PS/PDES team a qualified accountant	Three months after effectiveness	PS/PDES
4	Elaborate a procedures manual including FM and disbursement arrangements	Two months after effectiveness	PS/PDES
5	set up a multi-sites accounting software	Three months after effectiveness	PS/PDES
6	Recruit an external auditor	Four months after effectiveness	PS/PDES

20. **Funds Flow and Disbursement Arrangements.** One Designated Account (DA) will be opened in FCFA from which funds would flow to the treasury account under Component 1 and to service providers and suppliers under the TA Component 2. The DA will be managed by the PCU under the co-signature of the Project Coordinator and the FM officer according to the disbursement procedures described in the Administrative, Accounting and Financial Manual and Disbursement Letters which were discussed in detail with the relevant government officials. Disbursement will be report-based. Replenishment through Reimbursement and Direct Payment methods and special commitments will apply to the project.

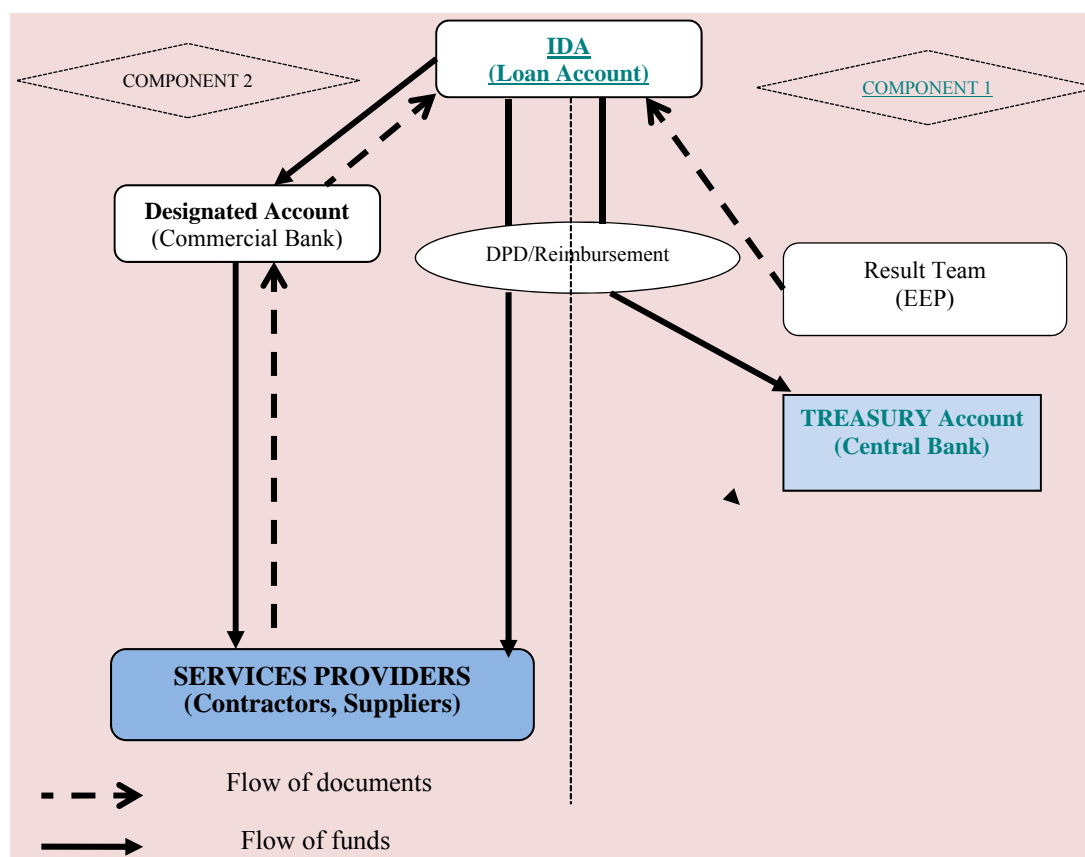
21. **The project has different disbursement arrangements for each one of its components.** Under Component 1, the project will finance the selected EEPs to the capped amounts based on the achievement of the DLIs and also conditional upon confirmation that the government expenditures are more than or at least equal to the value of the DLIs met. Under Component 2, the project will be dedicated to technical assistance that will follow the traditional investment approach to supporting public sector management and the design and implementation of key elements of the EEPs.

22. **For Component 1,** disbursements will be made against the identified EEPs, and the triggers will be (i) the DLIs and (ii) the sum total of the expenditures against the identified budget codes exceeds or at least equals the value of the DLIs. Disbursements against EEPs and DLIs will flow to a Designated Account (which will be a sub-account of the government's Treasury Account).

23. If any amount allocated to Category 1 remains to be withdrawn from the Financing Account after the fourth application for withdrawal under Category 1 due to partial evidence of compliance with the DLIs, the Association may, at its option, authorize such remaining amount to be disbursed as an exceptional disbursement, prior to the Closing Date, in accordance with the DLI Formula, provisions of the Project Manuals and additional instructions referred to in Section IV.A.1 of this Schedule.

24. **For Component 2,** disbursements will include direct payments for most payments, and advances. In the case of Direct Payments, funds will be transferred directly from the Bank to the supplier bank account for major technical assistance and supply contracts (thresholds will be indicated in the Disbursement Letter). For minor current expenditures, which the total budget is US\$200,000, disbursements will also be made against IFRs. Eligible expenditures for Component 2 comprise: (i)

consultant services; (ii) goods; (iii) workshops and training; and (iv) other operating costs. Bank account maintenance and commission charges for the designated and operating accounts will be financed by the grant.



Detailed disbursement arrangements

25. **Disbursement Linked Indicators and Related Reporting Requirements.** Decisions over compliance and disbursement against indicators will be made on the basis of reports prepared by the government and presented to the Bank with necessary documentation verifying that they have been satisfied. The Bank, will at its convenience and with assistance of the independent audit firm ('monitoring agent'), verify the findings presented in these reports.

26. **EEPs Execution and Disbursement reporting requirements.** It is important to note that for disbursement purposes, the project will use IFRs that provide: i) budgeted or estimated expenditure amounts for each EEP line item under each sector; and ii) summary actual expenditure information on each EEP line item made by the government. However, the annual audit of the project will confirm that the EEPs paid by the Bank were less than or equal to the government's total actual expenditure against each EEP line item.

27. **Carry forward of amounts not disbursed.** If the Bank has received only partial evidence of compliance under the DLIs, and/or the Recipient has not presented enough Eligible Expenditures under the EEPs to disburse the full planned disbursement amounts, only part of the full planned amount will be disbursed. The Bank may, at its option, authorize that the unwithdrawn portion of the Financing resulting

from this lack of evidence be carried forward to the subsequent withdrawals, provided that, if this occurs, the amount to be disbursed by the Bank, in the aggregate under all subsequent withdrawals, shall not exceed 100% of the sum of the total amounts of EEPs referred in the one before the last column of the table A.3.2 below for the years up to and including the one for which the withdrawal is made.

28. **Distribution of carried forward disbursements.** The amounts carried forward for subsequent withdrawals shall be disbursed as follows:

- the amounts carried forward due to the non-achievement of DLIs may be disbursed, only if at the time of the subsequent withdrawal: (i) the applicable DLIs have subsequently been achieved; and (ii) the Recipient has submitted documentation of Eligible Expenditures in the amount at least equal to the withdrawal amount requested; and the amounts carried forward due to lack of documentation of Eligible Expenditures in the amount at least equal to the amount requested for withdrawal, may be disbursed at the time of the subsequent withdrawal only if such amount of Eligible Expenditures is then submitted.

29. **Final disbursement.** If any amount allocated to Category 1 remains to be withdrawn from the Financing Account after the fourth application for withdrawal under Category 1 due to partial evidence of compliance with the DLIs and/or lack of documentation of Eligible Expenditures, the Association may, at its option, authorize such remaining amount to be disbursed as an exceptional disbursement, prior to the Closing Date, in accordance with the DLI Formula, and provided the Recipient has submitted documentation of Eligible Expenditures in the amount at least equal to the withdrawal amount requested.

30. A total of 45 DLIs will be financed from the US\$25 million allocated to EEPs; thus the price per DLI is US\$555,555. The tentative disbursement schedule is set out in the table below.

Table A.3.2: Tentative Disbursement Schedule

Category		Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Aggregate amount allocated to the DLI-financing of Eligible Expenditure Programs, under Part 1 of the project.		16,300,000	100% of amount spent by the Recipient and certified in the EEP Spending and Assessment Report
<i>This aggregate amount is allocated by Program Sectors and EEP as follows:</i>			
<i>Program Sector 1: Human Resource Management- Public Administration</i>			
<i>EEP 1: Development of Human Resources Performance Evaluation System</i>			
Disbursement Linked Indicator	Disbursement Linked Result		
(i) Procedures for open, competitive and merit-based performance management have been designed by the Civil Service Ministry together with High Commission for State Modernization in accordance with the Civil Service Organic Law (Law 2007-26 dated July 23, 2007)	Yes	362,222	

Category		Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(ii)	Proportion of civil servant managers appointed by Decree in the Ministries of Finance, Planning and Civil Service that are evaluated on the basis of results-based individual performance contracts	Year 1: 0 Year 2: 10% Year 3: 20% Year 4: 30%	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222
(iii)	Number of ministries in which results-based action plans (performance contracts) linked to the PDES have been developed	Year 1: 3 Year 2: 6 Year 3: 9 Year 4: 12	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222
<u>Program Sector 2: Public Financial and Investment Management</u> EEP 2: Establish coherent and realistic global and sector MTEFs EEP 3: Strengthen capacity for the planning and execution of public procurement EEP 4: Rationalize and improve cash flow management EEP5: Strengthen capacity for planning, programming, monitoring and evaluation of development programs			
Disbursement Linked Indicator		Disbursement Linked Result	
(iv)	A National Medium Term Expenditure Framework rated with a score of C or higher (using the PEFA PI-12 standards of the 2012 Public Expenditure and Financial Accountability Assessment) is included in the Budget Law adopted by the National Assembly.	Yes	362,222
(v)	Percentage rate of execution of investment budget of the MoA	Year 1: 55% Year 2: 58% Year 3: 61% Year 4: 64%	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222
(vi)	Percentage rate of execution of investment budget of the MoH	Year 1: 55% Year 2: 58% Year 3: 61% Year 4: 64%	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222
(vii)	Percentage rate of execution of investment budget of the MoE	Year 1: 55% Year 2: 58% Year 3: 61% Year 4: 64%	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222
<u>Program Sector 3: Agriculture</u> EEP 6: Improve productivity and revenue generation in irrigated areas EEP 7: Improve productivity of rain-fed agriculture			
Disbursement Linked Indicator		Disbursement Linked Result	
(viii)	Proportion of cultivated land on which certified improved seeds are used	Year 1: 2.48% Year 2: 7.32% Year 3: 10% Year 4: 12%	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222

Category		Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(ix) Area under small scale irrigation (additional hectares compared to previous year)	Year 1: 200 Year 2: 300 Year 3: 400 Year 4: 500	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222	
<u>Program Sector 4: Health</u> <i>EEP 8: Improve staff deployment across the country</i> <i>EEP 9: Improve provision of medicine and key medical inputs</i> <i>EEP 10: Governance and leadership</i>			
Disbursement Linked Indicator	Disbursement Linked Result		
(x) Proportion of integrated health centers with staffing levels according to the established national norms.	Year 1: 30% Year 2: 31% Year 3: 32% Year 4: 33%	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222	
(xi) Frequency of stock outs based on the Reference List of the most essential medications at the level of the integrated health centers	Year 1: 2.5% Year 2: 2.0% Year 3: 1.5% Year 4: 1.0%	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222	
<u>Program Sector 5: Education</u> <i>EEP 11: Improve teacher deployment and management</i> <i>EEP 12: Information systems and monitoring and evaluation</i>			
Disbursement Linked Indicator	Disbursement Linked Result		
(xii) Teacher/student ratio	Year 1: 38 Year 2: 39 Year 3: 40 Year 4: 41	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222	
(xiii) Proportion of qualified teachers	Year 1: 40% Year 2: 43% Year 3: 45% Year 4: 50%	Year 1: 362,222 Year 2: 362,222 Year 3: 362,222 Year 4: 362,222	
(2) Goods, non-consulting services, and consultants' services, including Training and Operating Costs, under Part 2 of the project		9,150,000	100%
(3) Refund of Preparation Advance		650,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT		26,100,000	

31. **Disbursement Linked Indicators and related reporting requirements.** Decisions over compliance and disbursement indicators will be made on the basis of reports prepared by the PCU and presented to the Bank with necessary documentation verifying that they have been satisfied.

32. With respect to Component 2, up to \$15 million of the proposed project would be dedicated for technical assistance that would be implemented using the traditional investment approach to support public sector strengthening activities. These funds would be advanced into a Designated Account (DA) and accounted for similar to normal IPF procedures. Disbursements under the component will be transaction-based (Statement of Expenditures).

33. The minimum application size will be \$500,000 and other conditions will be defined in the Disbursement Letter.

Table A.3.3: Disbursement Categories

Category	Amount of the Grant (in SDR)	Percentage of Expenditures to be financed
<ul style="list-style-type: none"> Support Program for service Delivery results under Part 1 of the project 	\$25m (equivalent)	100% of amount spent by the Recipient and certified in the EEP Spending and Assessment Report
<ul style="list-style-type: none"> Goods, consultants' services non-consulting services, training, workshops, and operating costs under Part 2 	\$15m (equivalent)	100
Total	\$40 m (equivalent)	100

Procurement

34. Procurement for the proposed project will be carried out in accordance with (i) the “Guidelines: Procurement under IBRD Loans and IDA Credits” dated January 2011; (ii) the Guidelines: “Selection and Employment of Consultants by World Bank Recipients dated January 2011; and (iii) the provisions stipulated in the Financing Agreement. The Bank’s Standard Bidding documents and evaluation forms will be used where applicable.

35. All procuring entities, as well as bidders, suppliers and contractors shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with the ‘World Bank Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants’ known as the ‘2006 Anti-Corruption Guidelines’, and updated in 2011.

36. **Procurement of Goods:** Goods procured under this project will include but are not limited to: vehicles, computer equipment and office equipment, interconnections equipment. Selection of Consultants: Consultants’ services procured under this project would include but are not limited to the following: financial audits, leadership and coaching, training. Short list of Consultant services estimated to cost less than less than US\$100 000 would be used in accordance with the provisions of the Guidelines, with IDA’s prior non objection.

37. **Requirements for National Competitive Bidding.** Goods and non-consulting services contracts will use NCB procurement methods in accordance with national procedures using Standard Bidding Document acceptable to IDA and subject to the additional requirements.

38. In accordance with paragraph 1.16 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that (a) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Association; and (b) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a)(v) of the Procurement Guidelines:

- Invitations to bid shall be advertised in national newspapers with wide circulation.
- The bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents.
- Bidders shall be given adequate response time (at least four weeks) to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later.
- Eligible bidders, including foreign bidders, shall be allowed to participate.
- No domestic preference shall be given to domestic contractors and to domestically manufactured goods.
- Bids are awarded to the lowest evaluated bidder proven this bidder is qualified.
- Fees charged for the bidding documents shall be reasonable and reflect only the cost of their printing and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders.

39. **Operational Costs.** Operating Costs financed by the project are incremental expenses arising under the project, and based on Annual Work Plans and Budgets approved by the Association. Such costs may include office rent and maintenance, utilities (including electricity, water and gas), communications (including telephone and internet charges), equipment rent, operation and maintenance; office materials and supplies (stationary and other consumables, but not the purchase of equipment), lease of vehicles, operation, maintenance and repair, and travel and transport cost of the staff associated with project implementation. These items will be procured by using the procedures detailed in the Manual of procedures, which was reviewed and found acceptable to the Bank.

40. **Advertising.** A comprehensive General Procurement Notice will be prepared by the Borrower and published in the United Nations Development Business online (UNDB online) following Board Approval, to announce major consulting assignments and any international competitive bidding (ICB). The General Procurement Notice shall include all ICB for goods, and non-consulting services contracts and all large consulting contracts (i.e., those estimated to cost US\$200,000 or more). In addition, a specific procurement notice is required for all goods to be procured under ICB in UNDB online. Requests for Expressions of Interest (EOI) for consulting services expected to cost more than US\$200,000 shall be advertised in UNDB online. An EOI is required in the national gazette, a national newspaper, or an electronic portal of free access for all consulting firm services regardless of the contract amount. In the case of NCB, a specific procurement notice will be published in the national gazette, a national newspaper, or an electronic portal of free access. Contract awards will also be published in UNDB, in accordance with the Bank's Procurement Guidelines (para. 2.60) and Consultants Guidelines (para. 2.28).

41. **Procurement responsibilities and accountabilities.** Each participant Ministry and Agency will be responsible for the procurement aspects of their respective EEPs and the managing of contracts under Component 1. Each participant Ministry and Agency will be responsible for the procurement aspects of their respective EEPs and the managing of contracts under Component 1.

Capacity Assessment and Remedial Actions

42. An assessment of the capacity of the implementing agencies (Ministry of Planning, sector ministries and other agencies) to implement procurement activities of the project was carried in January 2014 and finalized in February 2014. The assessment reviewed the organizational structure for the implementation of the project, the procurement capacities of the agencies and the interactions between the different agencies involved in the project. The assessment revealed that the Ministries and agencies have the required technical expertise but have limited procurement capacity that needs to be strengthened. The overall Project Risk for procurement is rated substantial.

43. Risk mitigation measures have been discussed and agreed with the agencies. The residual risk is assessed as moderate after adopting the following measures:

- Recruitment before effectiveness of a qualified Procurement Specialist to be based at the PCU level in the Ministry of Planning to support all the procurement activities of the project, notably controlling the quality of procurement documents prepared (bidding documents, RFP, evaluation reports, contracts) and ensuring overall compliance with World Bank procurement procedures;
- The government to appoint, to the satisfaction of the Bank, civil servants with a minimum qualification to act as focal points in charge of procurement at the level of selected ministries and agencies;
- Taking into account the number of agencies involved in the project and the necessity to ensure a better coordination of procurement activities, the procurement specialist will be supported by a qualified assistant;
- The number of contracts will be limited through grouping into appropriate packages in order to mitigate the potential lack of implementation capacity as well the risks of mis-procurement, fraud and corruption;
- A manual of administrative, financial and accounting procedures will be prepared to clarify the role of each team member involved in the procurement process of the project, the maximum delay for each procurement stage, specifically with regards to the review, approval system and signature of contracts;
- A workshop will be organized at the beginning of the project to train all key stakeholders involved in procurement on World Bank procurement procedures and policies;
- Develop and implement a permanent training program and a certification/qualification system for procurement staff;
- The PCU staff will be trained in using PROCYS at the beginning of the project;
- An adequate filing system in compliance with the WB procurement filing manual would be set up for the program records at the PCU I level. The project will finance appropriate equipment.

Procurement prior review thresholds

44. For Niger, International competitive bidding (ICB) thresholds have been set up at \$ 5 million for works and \$500 000 for goods. Therefore contracts for works and public works, estimated to cost above this ICB thresholds will be subject to prior review by IDA.

45. Consultancy services for firms estimated respectively, at the equivalent value of US \$200 000 and above per contract, consultant services for individual consultants at the equivalent of US\$100, 000 and above, and all single-source selection of consultants with firms and individuals will be subject to prior review by IDA.

46. However, since the overall procurement risk has been rated as substantial, it was agreed on the following additional mitigation measures:

- At least once a year, the Bank and the government will agree on a procurement plan which will detail the procurement methods to be used and specific contracts to be reviewed by the Bank;
- The Bank will perform prior review of selected NCB contracts and Consulting firms' contracts which will be identified and mentioned in the procurement plan; and
- All amendments of contracts raising the initial contract value by more than 15 percent of original amount or above the prior review thresholds will be subject to prior review by the Bank as determined mandatory in Paragraphs 2 and 3 of Annex 1 of the Bank's Procurement Guidelines.
- Post Review: for each contract for goods and public works not submitted to prior review, the procurement documents will be submitted to IDA post review in accordance with the provisions of Paragraph 4 of Annex 1 of the Bank's procurement Guidelines. The post review will be based on a ratio of at least 1 to 5 contracts.

47. The table below summarizes the procurement/ consultant selection methods and the prior review thresholds:

Table A.3.4: Thresholds for Procurement Methods and Prior Review

Expenditure Category	Contract Value Threshold (US\$)	Procurement / Selection Method	Contracts Subject to Prior Review
Goods and Non-Consulting Services	≥500,000	ICB	All
	<500,000	NCB	None (Post review) unless specified in the PP
	<50,000	Shopping	None (Post review)
	All values	Direct Contracting	All
Consulting Services - Firms	≥ 200,000	QCBS/ Other (QBS/FBS/LCS)	All
	< 200,000	QCBSS/ Other ²⁰ (CQS/QBS/FBS/LCS)	None (Post Review) unless specified in the PP
	All values	SSS	All
Consulting Services Individual Consultants (IC)	≥ 100,000	IC - Qualification	All
	<100 000	IC- Qualification	None (Post Review) unless specified in the PP
	All Values	IC – SSS	All
All TORs, regardless of the value of the contract and the selection method, are subject to prior review.			

ICB – International Competitive Bidding

QBS – Quality Based Selection

NCB – National Competitive Bidding

FBS – Fixed Budget Selection

QCBS – Quality and Cost-Based Selection method

CQS – Consultants' Qualification Selection(for Contracts below 100 000 USD)

IC – Individual Selection method

LCS – Least Cost Selection

SSS – Single Source Selection

48. **Revision.** The prior review thresholds and other measures to be taken to mitigate procurement risk should be re-evaluated once a year with a view to adjusting them to reflect changes in the procurement risk that may have taken place in the meantime and to adapt them to specific situations. In case of failure

²⁰ QBS, FBS, LCS, CQS for assignments meeting requirements of paragraphs 3.2, 3.5, and 3.6 respectively, of the Consultant Guidelines.

to comply with the agreed mitigation measures or Bank guidelines, a re-evaluation measure of both types of thresholds, ICB and prior review, may be required by IDA.

49. **Procurement Plan.** A procurement plan (PP) for the first 18 months of project implementation has been prepared and approved. During implementation the procurement plan will be updated in agreement with the project team as required - at least annually - to reflect actual project implementation needs and improvements in institutional capacity. It will be available in the project's database and a summary will be disclosed on the Bank's external website once the project is approved by the IDA's Board of Directors.

50. **Supervision.** In addition to prior reviews to be carried out from IDA offices, the capacity assessment recommended two field supervision missions and at least one procurement post review per year. The Procurement Specialist in the Niamey Country office will provide continuous support to implementing agencies. Independent procurement reviews will be carried if necessary.

Environmental and Social (including safeguards)

51. **The environmental impact assessment has not identified any potential environment harm.** The project will focus on the soft activities of capacity building and advisory services to the sectors. No environmental safeguards are triggered by the project. The agreed lists of both EEPs and DLIs do not include the financing of investments and/or land related activities that might trigger Bank OP 4.12. For this reason, the project environmental category will likely be classified as C.

52. **No social safeguard policies are triggered.** Negative social impacts of the proposed project are not expected since project funds (both through EEPs and TA) will not be used to finance land acquisition or resettlement. No indigenous people, as defined by OP 4.10, are present in, or are collectively attached to, the project areas.

Monitoring & Evaluation

53. The PCU, anchored in the Ministry of Planning, will assume principle responsibility for coordinating the M&E and reporting of project outcomes and results. All the ministries and agencies involved in this multi-sector project will be responsible for collecting and sharing data with the PCU.

54. Project Performance Monitoring reports, tailored to required results framework indicators, will be prepared and presented each year. They will include the following elements: (i) status of EEP performance for the period under review, which will essentially involve the gap analysis between actual results versus plan; and (ii) performance review of the Technical Component, which will mainly focus on implementation rate and assessment of the capacity building efforts for supporting achievement of the Component 1 expected results.

55. A mid-term review will be conducted after 18 months of Grant signing to evaluate project progress and eventually make corrective adjustments including refinement of DLIs.

Annex 4: Operational Risk Assessment Framework (ORAF)

Country: Niger

Public Sector Capacity and Performance for Service Delivery (P145261)

Project Stakeholder Risks						
Stakeholder Risk	Rating	Moderate				
Risk Description: The project’s inclusion of multiple beneficiaries (Prime Minister’s Office, Ministry of Planning, Ministry of Finance, Ministry of Civil Service, Ministry of Agriculture, Ministry of Health, etc.) could impose high transaction costs and dilute ownership of the project, thereby reducing the impact of the project.	Risk Management: The risk of weakened ownership is minimized through regular interactions between the Implementation Agency, the central and line ministries and the TTL and World Bank team members based in Niamey. Direct involvement and leadership of the Ministry of Planning, which has the overall leadership role of coordination the National Development Plan (PDES) shall bring more cohesion, urgency, and accountability to project implementation.					
	Resp: Both	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Implementing Agency (IA) Risks (including Fiduciary Risks)						
Capacity	Rating	High				
Risk Description: The limited capacity of the public administration negatively impacts the government's ability to implement reforms. Public administration is negatively affected, among other things, by a comparatively low number of civil servants, high turnover, politicization, low morale, weak productivity, and limited incentives.	Risk Management: The project’s main objective is to mitigate this risk by filling the capacity gap so as to ensure public service delivery. With significant contributions from other donors and the government, the project will enable the recruitment and payment of experts in the implementing agency. These experts will be selected based on their competence.					
	Resp: Both	Status: In Progress	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: continuous
Governance	Rating	High				
Risk Description:	Risk Management:					
The government has limited capacity to carry out the governance	To mitigate this risk, several of the reforms supported by this project, notably in with respect to the					

agenda. Most of the institutions in charge of governance, such as the State Inspector General (Inspection Générale d’État—I GE), the Chamber of Auditors (Cour des Comptes), the Anti-Corruption Commission, the Inspector General of Administrative Governance, and the Judiciary system, are not adequately funded, which undermines their effectiveness. The internal control mechanisms within the government are also weak, and there is limited participation of, or contribution from, non-state actors	Ministry of Finance and the State Modernization High Commission, aim to improve governance. The Bank is also supporting the government in the design and implementation of fiduciary reforms.					
	Resp: Client	Status: In Progress	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
	Risk Management: Institutions focused on preventing corruption and money laundering have recently been established. These institutions include the Anti-Corruption Agency (HALCIA), the National Unit for the Treatment of Financial Information (Cellule Nationale de Traitement des Informations Financières; CINTIF), the Bureau of Information-Claims, Anti-Corruption, and Influence Peddling (Bureau d’Information-Réclamations, Lutte Contre la Corruption, et le Trafic d’Influence; BIR/LCTI) with its hotline, and the Inspector General of Administrative Governance (IGGA). Asset declaration has also experienced a revival. While an asset declaration law had been in place for over ten years (Law no. 2001-034 of 31 December 2001), enforcement was limited. The current administration has recently set a new example by requiring government officials to submit asset declarations upon entry into office. The proposed operation will also contribute to strengthening transparency in public resource management.					
	Resp: Client	Status: In Progress	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Project Risks						
Design	Rating	High				
Risk Description:	Risk Management:					
The design is relatively complex, as it is multi-sectoral in nature and involves many beneficiaries, sub-components, activities, eligible programs, DLIs, etc.	Close monitoring and regular reporting by implementing should help to mitigate this risk.					
	Resp: Both	Status: In Progress	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Social and Environmental	Rating	Low				

<div>Risk Description:</div> <div>Certain activities supported by this project, particularly in the rural and energy sectors, might present social and environmental risks. But overall this is a category C project with virtually no social and environmental risks</div>	<div>Risk Management:</div> <div>As the project comes in the support of existing programs by providing needed capacity enhancement, any social and environmental risk that exists shall be handled not by the project, but through existing operations.</div> <table><tr><td>Resp:</td><td>Status:</td><td>Stage:</td><td>Recurrent:</td><td>Due Date:</td><td>Frequency:</td></tr><tr><td>Bank</td><td>In Progress</td><td>Implementation</td><td><input checked="" type="checkbox"/></td><td></td><td>Yearly</td></tr></table>						Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	Bank	In Progress	Implementation	<input checked="" type="checkbox"/>		Yearly
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:													
Bank	In Progress	Implementation	<input checked="" type="checkbox"/>		Yearly													
Program and Donor	Rating	High																
<div>Risk Description:</div> <div>The still nascent multi-donor capacity building program has some limitations in terms its operationalization, coordination, and monitoring of deliverables. Donors will continue to separately fund their operations.</div>	<div>Risk Management:</div> <div>Through regular meetings among donors and with the government, the Task Force will create the necessary arrangements to ensure the smooth and coordinated implementation of the multi-donor capacity building program</div> <table><tr><td>Resp:</td><td>Status:</td><td>Stage:</td><td>Recurrent:</td><td>Due Date:</td><td>Frequency:</td></tr><tr><td>Bank</td><td>In Progress</td><td>Both</td><td><input checked="" type="checkbox"/></td><td></td><td>Quarterly</td></tr></table>						Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	Bank	In Progress	Both	<input checked="" type="checkbox"/>		Quarterly
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Bank	In Progress	Both	<input checked="" type="checkbox"/>		Quarterly													
Delivery Monitoring and Sustainability	Rating	High																
<div>Risk Description:</div> <div>Project results and sustainability could be negatively affected by over-reliance on the implementing agency and the Ministry of Planning while the rest of the administration may remain relatively weak.</div>	<div>Risk Management:</div> <div>The project includes progressive transfer of competency from the implementing agency anchored in the Ministry of Planning to the administration. Furthermore, the fact that the project will be implemented under the leadership of the Ministry of Planning, where most of the civil servants are trained in planning and evaluation, gives some assurance of sound monitoring and sustainability.</div> <table><tr><td>Resp:</td><td>Status:</td><td>Stage:</td><td>Recurrent:</td><td>Due Date:</td><td>Frequency:</td></tr><tr><td>Both</td><td>In Progress</td><td>Implementation</td><td><input checked="" type="checkbox"/></td><td></td><td>CONTINUOUS</td></tr></table>						Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	Both	In Progress	Implementation	<input checked="" type="checkbox"/>		CONTINUOUS
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:													
Both	In Progress	Implementation	<input checked="" type="checkbox"/>		CONTINUOUS													
Overall Risk																		
Overall Implementation Risk:	Rating	High																
<div>Risk Description:</div> <div>Project results and sustainability could be negatively affected by over-reliance on the implementing agency and the Ministry of Planning while the rest of the administration may remain relatively weak.</div>																		

Annex 5: Implementation Support Plan

1. **The strategy and approach for Implementation Support has been tailored to strengthen existing structures and ongoing programs rather than creating *ex nihilo* new ones.** To this end, the project builds on current ministries' program implementation units for the execution of Component 1 and to, a limited extent, for the execution of Component 2, which will primarily be the responsibility of the PCU supported by the PS/PDES. A permanent dialogue has been established not only with the PS/PDES and ministerial departments in charge of the Eligible Expenditure Programs, but also with the donor community in the context of the multi-donor Global Capacity Building Program. The Implementation Support Plan (ISP) will specifically focus on the following areas and activities:
2. **Technical support.** The government was advised to group the procurement of TA services and IT equipment into approximately five contract processes, all submitted to Bank ex-ante control, and relying on transparent and competitive procedures. These contracts would also be executed through direct payment between the Bank and the contractor, hence reducing the fiduciary risk while improving efficiency. From the inception of the operation, the client project team will be coached and provided with the necessary training by the Bank project team.
3. **Procurement implementation support by the Bank will include:** (i) providing training to the PCU and RTs, (ii) providing detailed guidance on the Bank's Procurement Guidelines, (iii) reviewing procurement documents and providing timely feedback to the PCU and RTs, and (iv) monitoring procurement progress against the Procurement Plan.
4. **Financial Management implementation support by the Bank will include:** (i) providing training to the PCU's financial management unit and the project team, and (ii) reviewing the project's financial management system and its adherence to the Project Operations Manual, including but not limited to, accounting, reporting and internal controls.
5. **General Supervision inputs.** There will be two formal missions per year complemented by sector specialist as needed. In addition, team members based in the country office and at headquarters will provide day to day supervision of all operational aspects, as well as coordination with the client and among Bank team members. Where possible, missions will be conducted jointly with development partners supporting the Global Capacity Building Program.
6. **Mid-Term Review.** A mid-term review will be conducted 18 months after effectiveness of the project by the Bank team to assess the progress of the project and eventually adjust the project design and DLIs.
7. **Fiduciary requirements and inputs.** Training will be provided by the Bank's financial management and procurement specialists before commencement of project implementation. The Bank team will continue to support the PCU to identify capacity building needs to strengthen overall project implementation, with an emphasis on fiduciary aspects. Both the team's financial management and the procurement specialists are based in the country office allowing for timely support. Formal supervision of project implementation and financial management will be carried out semi-annually or as needed, while procurement supervision will be carried out on a timely basis as required by the client.
8. **Monitoring and Evaluation.** Implementation support to the PCU and implementing ministerial units will be required to ensure due diligence and technical quality of the M&E activities of the project components.

9. The main inputs and focus in terms of support to implementation is summarized in Table A.5.1 below:

Table A.5.1: Implementation Support Inputs

Time	Focus	Skills Needed	Staff weeks estimate
First twelve months	Procurement training (two sessions)	Procurement Specialist	2
	Technical and procurement review of the bidding documents	Procurement Specialist	1
		PFM Specialist	1
		Public Sector Specialist	2
		Agriculture Specialist	1
		Health Specialist	1
		Education Specialist	1
12-48 months	FM training and supervision	FM specialist	2
	Dialogue with Client & Team leadership	TTL	4
	Change Management	Change management Specialist	2
	Financial management disbursement and reporting	FM specialist Disbursement specialist	4 2
12-48 months	Change Management	Change management Specialist	1
	Project supervision coordination & technical and sector	TTL and Sector Specialists	12
	Change Management	Change management Specialist	1

Annex 6: Overview of Civil Service Constraints

1. Niger's public service is characterized by a relatively small administration. A freeze on hiring in the 1980s and staffing policies designed to limit the size of the administration ultimately left the administration in a depleted state. Despite a growth in civil service employment of 43 percent between 2006 and 2012, the civil service remains small. In June 2012, the civil service was comprised of 47,337 employees (excluding education, health, and security), of which 86 percent were regular civil servants, and 14 percent auxiliaries and contract workers. As a result, Niger's wage bill to GDP ratio of less than 4.3 percent in 2011 is small by comparison with international standards and is one of the smallest in West Africa, where the ratio averages 8 percent. The government wage bill claims less than 30 percent of domestic revenue and accounts for only about 16 percent of total expenditures (PER, 2013), as compared with the WAEMU benchmark of 30 percent.

2. At the same time, the composition of the civil service consists predominantly of aging higher level civil servants and new entrant civil servants. A 2008 UNDP Civil Service Review highlighted the 'missing middle' of experienced technical staff and vast regional disparities in staffing levels. It also indicated government weaknesses in projecting and planning for human resource needs, including discrepancies between the Ministry of Finance and the Ministry of Civil Service civil servant databases. The country's comparatively low wage bill and the composition of its public administration limit the government's capacity to provide adequate public services. In light of this, the 2013 PER recommended a detailed review of public sector staffing and wage policies.

Table A.6.1: Regular civil servants by grade, 2006-2012

	2006	2007	2008	2009	2010	2011	Jun-12	Change 2006- 2012	Share in Total (2012)	Share within category
Catégorie A Total	8403	9141	9708	10142	11185	11450	12917	54%	32%	
Men	6715	7305	7705	8041	8882	9025	10154	51%	25%	79%
Women	1688	1836	2003	2101	2303	2425	2763	64%	7%	21%
Catégorie B Total	8949	9398	9686	9514	10441	10577	12050	35%	30%	
Men	6156	6369	6538	6408	6915	6864	7397	20%	18%	61%
Women	2793	3029	3148	3106	3526	3713	4653	67%	11%	39%
Catégorie C Total	7620	7517	7237	7155	11045	10799	14034	84%	34%	
Men	4840	4746	4490	4427	6854	6609	8430	74%	21%	60%
Women	2780	2771	2747	2728	4191	4190	5604	102%	14%	40%
Catégorie D Total	1452	1460	1413	1375	1346	1387	1727	19%	4%	
Men	646	625	599	570	535	513	565	-13%	1%	33%
Women	806	835	814	805	811	874	1162	44%	3%	67%

Source: Public Expenditure Review, 2013

3. Notwithstanding recent salary increases, remuneration and pension benefits are still comparatively low and vary between ministries. Apart from the provision of indemnities to certain categories of civil servants, which are often politicized, there are no performance-based financial motivations.

4. A civil service culture of evasion of responsibility has become entrenched as a result of weak human resource management processes. The application of merit-based nomination and advancement processes has been slow to take hold, with patronage still underlying the placement of many personnel. Though recruitments are now based on civil service entrance exams²¹, specific posts are often filled by political appointees. Performance has limited influence over the evolution of a civil servant's career in Niger. While annual performance appraisals of all civil servants are in place, yet these tend to be highly subjective, with an emphasis on qualitative measures rather than results. In addition, over a twenty year career span, these performance appraisals only influence promotion opportunities on four occasions (in

²¹ Décret n°95/PRN/MF/T du 31 août 1995 définissant les conditions et les modalités d'organisation d'accès à la fonction publique

the first, 8th, 14th and 20th year of service). A new system for performance evaluation envisaged under the Organic Law for the Civil Service 2007 has yet to be fully developed or applied (see Box A.2.1).

5. Political economy factors also play a powerful role in limiting performance incentives in the civil service. Patronage in the administration has had the effect of politicizing the civil service and rendering many, including senior management, resistant to civil service reform efforts. The high mobility of staff resulting from ministerial changes has also had an impact on both the continuity of reform efforts and civil servant motivations to perform.

Annex 7: Existing Development Partners Support for the Public Financial Management Reform Program in Niger

1. **World Bank** The Capacity Building Project (PRC) provides support to the Ministry of Finance, the Ministry of Planning and national training institutions (FSEJ and ENAM) through training of civil servants, the interconnexion of Ministry of Finance computer systems with sectoral systems, the application and extension of the computer program CEGIB and a program to support the management and monitoring of procurement processes.
2. **European Union** finances technical assistance and equipment. It supports the application of the 'Centres de sous-ordonnement' and computerized information systems in the Ministry of Finance. It also supports the Court of Accounts and the monitoring and evaluation of the PRGFP3.
3. **African Development Bank** supports government efforts to conform with the WAEMU directives, dissemination and communication activities related to the new tax code, the implementation of the national strategy on increased revenue mobilization, the revision of the manual and guide on MTEFs, technical assistance to the MTEF committee, support for the elaboration of MTEFs in five ministries, support for deconcentration through the provision of equipment to regional and departmental teams and the interconnection of the DGI-DGE-DGTCTF.
4. **UNDP** supports the elaboration of a development program data management strategy, improvements to the Ayorou model, revision of the MTEF guide and the elaboration of sectoral MTEFs in pilot ministries, together with economic and financial guidance notes.
5. **French Cooperation (SCAC)** provides long term technical expertise to the Ministry of Finance. SCAC also supports the SISIC computer program application and a program of training, internships, seminars and scholarships to strengthen the capacity of customs and tax officials. It also provides assistance for the implementation of the internal control action plan.
6. **German Cooperation (GiZ)** supports the Ministry of Planning with technical assistance (including advice and training) to strengthen capacity to plan, implement and monitor development programs using participatory and results-based processes. The program supported the revision of the AYOROU software program.

NIGER

- SELECTED CITIES AND TOWNS
- ⊙ DEPARTMENT CAPITALS
- ⊛ NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- DEPARTMENT BOUNDARIES
- - - INTERNATIONAL BOUNDARIES



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