

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC13581

**Date ISDS Prepared/Updated:** 28-Jul-2015

**Date ISDS Approved/Disclosed:** 29-Jul-2015

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Niger	<b>Project ID:</b>	P148839
<b>Project Name:</b>	Niger Investment Climate Support (P148839)		
<b>Task Team Leader(s):</b>	Magueye Dia		
<b>Estimated Appraisal Date:</b>		<b>Estimated Board Date:</b>	28-Aug-2015
<b>Managing Unit:</b>	GTC07	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	SME Finance (50%), Other industry (50%)		
<b>Theme(s):</b>	Other Private Sector Development (100%)		
<b>Financing (In USD Million)</b>			
Total Project Cost:	18.28	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
Free-standing TFs Finance and Private Sector			18.28
Total			18.28
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The TF Project Development Objective (PDO) The objective of the Trust Fund is to improve critical elements of the Niger investment climate. Small and medium enterprises operating in the agricultural value chains with the greatest opportunity for growth in local value added will be targeted. Private sector enterprises operating in the agricultural value chains with the greatest opportunity for growth in local value added will be targeted.

In particular the Trust-Fund will contribute to the: i) development and enhancement of the competitiveness of agricultural value-chains in Diffa and Zinder, ii) improvement of selected aspect

of Niger investment climate through an enhanced PPD, iii) implementation reforms related to export promotion for agricultural products.

### **C. Project Description**

Component 1: Modernization of the Business Environment (DKK 19,7 million/US\$ 3, 55 million):

This component will contribute to the attainment of PECEA2 (Programme de Promotion de l'Emploi et de la Croissance Economique dans l'Agriculture) development objectives #1 and # 2: i) contribute to the improvement of the Business environment through a stronger involvement of the private sector in the reform process, ii) support the implementation of institutional reforms aiming to promote export of agricultural products.

This component will support the Government's efforts to implement key regulatory and Institutional reforms needed to create an enabling environment for private sector development.

#### Subcomponent 1.1. Implementing Investment climate reforms

The objective of this component is to improve targeted Doing Business indicators: i) starting a business; ii) trading across borders; and iii) Dealing with construction permits, iv) enforcing contracts. Under the latter, this activity seeks to help the Government alleviate the key investment constraints of slow and poor quality decision making with regard to commercial disputes, as recommended by the WAEMU council of Ministers in 2013. More specifically, this sub-component will support the creation and operationalization of a Commercial Court; and the development of alternative dispute resolution mechanisms.

In addition, it will support the implementation of the new OHADA "Entrepreneur regime" for micro and small informal firms to enhance formalization of the private sector in Niger. In particular, through provision of TA and equipment, this activity will: i) support the elaboration and implementation of tax incentives attractive enough to bring informal firms under the new regime; and (iii) provide business development services (i.e. consultancy services and training – this will not entail any works, or preparation of works) to firms willing to adopt the new Entrepreneur Regime.

#### Subcomponent 1.2. Enabling institutions for private sector development

The objective of this component is to help government put in place institutions and instruments that will enhance private sector development and foster investment in Niger.

##### i) Public-Private Dialogue

Support will be provided to improve Public-Private dialogue for Investment Climate reforms. This will entail financing the efforts of CNIP in implementing the Government's action plan to improve Niger business environment in the three key priority areas. This subcomponent will help facilitate the framework for both public-private sector and state-development partner dialogue to ensure adequate reforms are put in place. It will also support lobbying efforts by private sector organizations to enable them to anticipate, prepare for and participate in discussions of reforms with public authorities.

##### ii) Support to the operationalization of the export promotion agency (ANIPEX)

This subcomponent will focus on support to the development and implementation of the ANIPEX business plan. It will finance activities that will complement what is already being undertaken under PRACC. Created in 2004 for the promotion of exports in Niger including livestock and agriculture

products, ANIPEX remains a key partner in implementation of a successful reform on “Trading across borders”.

Component 2. Increase the competitiveness of selected agricultural value chains (US\$ 13.75 million):

This component will contribute development objective #1 of the Danish program: Improve the competitiveness of the SMEs along the agricultural value chains in Zinder and Diffa.

Sub-component 2.1 Support to the Maison de l’Entreprise (ME):

Support will be provided to build the capacity of the Maison de l’Entreprise (ME) as well as private sector organizations to offer a suite of services tailored to different types of businesses involved in agricultural value chains.

Sub-component 2.2 Provision of Financial and non-financial business development services

This sub-component will facilitate access to business development services to actors along the value chains with a view to improve their performance and competitiveness. To do so, the sub component will support the operationalization of two “matching grant” schemes: i) a fund to finance the provision of consultancy services to MSMEs operating in the identified value chains and ii) an investment fund to provide financial support for MSMEs investment projects. These facilities will be designed to be appropriate tools for the ME. An execution manual will be elaborated in close coordination with DANIDA and other stakeholders to outline the operating principles and procedures of the fund, as well as the governance and internal control mechanisms, and eligibility criteria. Beneficiaries should be located in the Diffa and Zinder area, and comply with safeguard requirements. The project will not finance the purchase of pesticides, or activities involving pest management.

Sub-component 2.3: Infrastructure Development

This sub-component will support the identification, financing and management of infrastructure to support the development of specified agricultural value chains in Zinder and Diffa areas. Possible infrastructure includes storage facilities, renewable energy infrastructure, access roads, and connections to sewage networks. The project will work closely with the regional chambers of agriculture, professional associations and local authorities to identify the infrastructures to be constructed and select a model of management

Sub-component 2.4: Improving the Business environment for selected agricultural value chains

This sub-component will provide support to address key business environment constraints specific to the targeted agricultural value-chains. The assistance could include the review of the applicable business regulation, investment policy, or the review of the certification process etc.

Component 3: Project Implementation Support (US\$ 2.18 million)

Implementation of the TF activities will be undertaken mainly through the Project Implementation Unit (PIU) of the IDA-financed Competitiveness and Growth Support Project through the on-going arrangements. Additional staff members, including an investment climate expert, a procurement specialist and a financial management specialist, a matching grant expert and an agriculture value

chain specialist will be added to the PIU team to ensure that proper attention is given to the additional activities. The TF will also finance additional operating costs of the PIU including: equipment; consultant compensation; organizational and systems development; training, capacity building; and technical assistance.

In addition, World Bank Group (WorldBank and IFC) teams will be mobilized to support the implementation of project activities. For instance IFC advisory teams will directly support the implementation of investment climate reforms, using its own experts or hiring external expertise.

As a consequence the TF will be implemented through two windows: i) Recipient executed window for which the Recipient (Government of Niger) has implementation Responsibility) and, ii) Bank-Executed window for which the World Banks has implementation responsibility including among other things management and financing of project activities and supervision of project activities by the Bank team.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

Diffa and Zinder areas

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

Capacity to manage safeguards has been developed with several Bank-financed projects in various sectors (agricultural and rural development, energy, transport, health, education and urban development). In addition, the ongoing Bank financed Competitiveness and Growth Support Project will help strengthen, as necessary, relevant stakeholders' capacity to meet its safeguard requirements.

The Government has an established institutional and regulatory framework for the management of environmental assessments (EAs). All projects with potential adverse impacts are subjected to EAs that must be reviewed by the Office for the Evaluation of Environmental Assessment Studies (Bureau d'Evaluation Environnementale et des Etudes d'Impact, BEEEI), subjected to public hearings, and resulting in a certificate of compliance issued by the Minister of Environment.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Abdoul Wahabi Seini (GSURR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	The potential environmental impacts of the proposed operation are related to the Sub-component 2.3 which will support financing of infrastructure to support the development of specified agricultural value chains. The ESMF for the ongoing Competitiveness and Growth Support Project (P127204) will be updated, consulted upon and re-disclosed before appraisal.
Natural Habitats OP/BP 4.04	No	The proposed operation does not affect or involve natural habitats.

Forests OP/BP 4.36	No	The proposed operation does not involve forests.
Pest Management OP 4.09	No	The proposed operation does not involve pest management.
Physical Cultural Resources OP/BP 4.11	Yes	Due to potential impacts on Physical Cultural Resources associated with civil works, the updated ESMF will formulate standard measures to be included in the companies' contracts, in case any chance finds occurs.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/ BP 4.12	Yes	Sub-component 2.3 may require some land acquisition related to the construction of infrastructures to support the development of specified agricultural value chains. The RPF for the ongoing Competitiveness and Growth Support Project (P127204) will be updated, consulted upon and re-disclosed before appraisal.
Safety of Dams OP/BP 4.37	No	N/A
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/ BP 7.60	No	N/A

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 17-Jun-2015

**B. Time frame for launching and completing the safeguard-related studies that may be needed.**

**The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

Environmental assessment is not required.

### IV. APPROVALS

Task Team Leader(s):	Name: Magueye Dia	
<b>Approved By:</b>		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 29-Jul-2015
Practice Manager/ Manager:	Name: John F. Speakman (PMGR)	Date: 29-Jul-2015

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.