

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA13978**

**Date ISDS Prepared/Updated:** 29-Jul-2015

**Date ISDS Approved/Disclosed:** 30-Jul-2015

**I. BASIC INFORMATION**

**1. 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>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b> |  |                              | No                           |
| <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   |                              |                              |

**2. Project Development Objective(s)**

The objective of the Niger Investment Climate and Competiveness Support Project (NICCP) is to improve critical elements of investment climate for the private sector and enhance competitiveness of SMEs in selected agriculture value chain.

**3. Project Description**

Component 1: Modernization of the Business Environment (US\$2.43 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 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.

#### 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. As indicated in the appraisal document of the Danish program, 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\$2.1 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 (World Bank 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 Bank has implementation responsibility including among other things management and financing of project activities and supervision of project activities by the Bank team.

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

Diffa and Zinder areas

#### 5. Environmental and Social Safeguards Specialists

Abdoul Wahabi Seini (GSURR)

Medou Lo (GEN07)

| 6. Safeguard Policies                          | Triggered? | Explanation (Optional)   |
|--|------------|--|
| 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) has been updated, consulted upon and re-disclosed in-country and at the InfoShop prior to 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 formulates 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) has been updated, consulted upon and re-disclosed in-country and at the InfoShop prior to appraisal. During the project implementation specific RAPs will be prepared if needed and will also be disclose prior to the commencement of civil works. |
| Safety of Dams OP/BP 4.37                      | No         | The project does not involve any construction or rehabilitation of dams.   |
| Projects on International Waterways OP/BP 7.50 | No         | This project will not support activities that will impact international waterways.   |
| Projects in Disputed Areas OP/BP 7.60          | No         | This project will not take place in any disputed areas as defined under OP 7.60, and will not support activities that will impact disputed areas.  |

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

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|---|
| <p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p>  |
| <p>The Project is classified as environmental category B because activities funded under the Project are not expected to have a significant negative environmental or social impact. However, the Project triggers three safeguards policies: OP 4.01 on Environmental Assessment, OP 4.11 Physical Cultural Resources, and OP 4.12 on Involuntary Resettlement.</p>  |
| <p>The environmental and social adverse effects/impacts of the project are mainly related to the implementation of the sub-component 2.3 which will support financing of infrastructure to support the development of specified agricultural value chains. During the preparation process, the established tentative list of activities which could be financed by the project comprises storage facilities, renewable energy infrastructures, access roads rehabilitation, sewage networks, etc., which in nature could raise a concern of some safeguards policies.</p> |
| <p>The main potential negative environmental and social impacts of the project are expected to come from the construction work and could include: soil erosion, soil pollution, loss of vegetative (land clearing), inadequate disposal of construction site waste, noise and dust nuisances, and risks of accidents. It is expected that land acquisition cases will be limited and will result primarily from construction of infrastructures to support the development of specified agricultural value chains.</p>  |
| <p>In conformity with the World Bank' requirements and the Government's Environmental Impact Assessment legislation, the borrower has prepared and published an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) which identify the potential impacts of the project along with associated mitigation measures for each type of potential investment.</p>   |
| <p>No large-scale or irreversible adverse impact has been identified during the participatory ESMF and RPF analysis conducted and approved by stakeholders.</p>   |
| <p><b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b></p>   |
| <p>No direct or long term adverse impacts are anticipated. Emphasis will be put on screening procedures and the adequate implementation of the mitigation measures outlined in the safeguard instruments.</p>   |
| <p><b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b></p>  |
| <p>To avoid or minimize land acquisition, the Municipalities will aim at providing projects sites, free of claims, from the public land patrimony. Or the private investors will acquire their own land prior to the investments.</p>   |
| <p><b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b></p>   |
| <p>The ESMF and the RPF prepared by the borrower are in line with the national environment and social policies and they provide a transparent and standardized process for the identification and screening of potential environmental and social impacts associated with any infrastructure investments at the local level.</p>  |



The ESMF indicates the corresponding mitigation and enhancement measures for each type of environmental and social impact identified. This includes procedures and provisions for any physical cultural resources that might be discovered during investments activities (chance finds procedures for contractors will be included in bidding documents). Furthermore, the ESMF provides a screening mechanism of project activities to determine the need for an Environmental and Social Impact Assessment (ESIA) and/or Environmental Management Plan (EMP). In addition, all bidding documents for works contracts will have environmental and social clauses incorporated, in order to enable contractors to follow up on environmental and social due diligence and to mitigate the anticipated negative impacts.

The RPF specifies the basic principles and procedures to be followed in the event that investments would lead to involuntary land acquisition, loss of assets or access to assets.

The Borrower has experience with the World Bank Safeguards policies' requirements through several Bank funded projects (Kandadji Dam Program, CDD projects, water and sanitation projects, roads projects, health projects, etc.). In addition, this project will be implemented by the Project Implementation Unit the ongoing Competitiveness and Growth Support Project (P127204) which has an in-house environmental and social specialist who is been working for several years on Bank financed projects. As such, there is reasonable capacity and experience within the various sectors and among the various stakeholders involved in environmental and social issues. The ESMF and the RPF includes provision to further reinforce the capacity of the stakeholders involved in the implementation of the mitigation measures outlined in the safeguards instruments.

**5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.**

The key stakeholders identified are the Government of Niger and private sector agencies playing a key role in the interaction between government and private sector (ANIPEX, APEN, CNIP, and CCIAN/ME), the Chamber of Commerce, local authorities, the private sector (primarily private enterprises and investors mainly in the supported value chains in the Zinder and Diffa areas), civil society, and communities (beneficiaries and potential project affected people). Throughout the entire process of project preparation, consultations with stakeholders were held, and they were involved in the definition of the scope of activities and they will remain engaged during implementation, supervision and evaluation stages of the project.

As part of the preparation of the ESMF and the RPF, public consultation meetings were held to share the results of the studies, mainstream ownership and seek input in order to improve quality and soundness of these safeguards instruments. The key concerns raised by the local stakeholders includes (i) the involvement of beneficiaries and affected people at all stages of the sub-projects, (ii) the establishment of municipal monitoring committees, and (iii) the involvement of the deconcentrated services in the clearance process of the technical studies. These have been taken into account in the project implementation arrangement.

The final safeguards documents (ESMF and RPF) were disclosed in-country and at the InfoShop prior to appraisal. The ESMF describes a comprehensive consultation mechanism and disclosure during sub-projects preparation. Furthermore, comprehensive and inclusive Communication strategy and an Action Plan will be designed and implemented in order to help beneficiaries understand project objectives and intervention mechanisms, and to favor appropriate dissemination of all the information concerning approaches, processes, results and lessons learned to key

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| stakeholders. |
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### **B. Disclosure Requirements**

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|---|-------------|
| <b>Environmental Assessment/Audit/Management Plan/Other</b>   |             |
| Date of receipt by the Bank   | 24-Jul-2015 |
| Date of submission to InfoShop  | 28-Jul-2015 |
| For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors  | 00000000    |
| "In country" Disclosure   |             |
|   |             |
| <i>Comments:</i>  |             |
| <b>Resettlement Action Plan/Framework/Policy Process</b>  |             |
| Date of receipt by the Bank   | 24-Jul-2015 |
| Date of submission to InfoShop  | 28-Jul-2015 |
| "In country" Disclosure   |             |
| Niger   | 23-Jul-2015 |
| <i>Comments:</i>  |             |
| <b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b> |             |
| <b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>  |             |
|   |             |

### **C. Compliance Monitoring Indicators at the Corporate Level**

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|---|---|
| <b>OP/BP/GP 4.01 - Environment Assessment</b>   |   |
| Does the project require a stand-alone EA (including EMP) report?   | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?   | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| Are the cost and the accountabilities for the EMP incorporated in the credit/loan?                          | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| <b>OP/BP 4.11 - Physical Cultural Resources</b>   |   |
| Does the EA include adequate measures related to cultural property?   | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property? | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| <b>OP/BP 4.12 - Involuntary Resettlement</b>  |   |
| Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared? | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?          | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| <b>The World Bank Policy on Disclosure of Information</b>   |   |

|  |   |
|--|---|
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop?   | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| <b>All Safeguard Policies</b>  |   |
| Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?                  | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| Have costs related to safeguard policy measures been included in the project cost?   | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?                             | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?                           | Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ] |

### III. APPROVALS

|                               |                                |                   |
|-------------------------------|--------------------------------|-------------------|
| Task Team Leader(s):          | Name: Magueye Dia              |                   |
| <b><i>Approved By</i></b>     |                                |                   |
| Safeguards Advisor:           | Name: Johanna van Tilburg (SA) | Date: 30-Jul-2015 |
| Practice Manager/<br>Manager: | Name: John F. Speakman (PMGR)  | Date: 30-Jul-2015 |