

Project Name	Niger - Natural Resources Management Project
Region	Africa
Sector	Rural Development
Project ID	NEPA1967
Borrower	Niger
Implementing Agency	Ministry of Agriculture and Livestock (MAL) Contact Person: Mr. Ibrahim Issa, MAL, Cellule GRN, Tel. 227-752717
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#### Country/Sector Background

1. Niger is a country of about 8 million inhabitants with a per capita GDP estimated at US\$300 in 1993. Per capita income has declined by about 3.4 percent since 1980, and Niger's fast growing population (3.3 percent annual growth rate) is one of the poorest of the world. At present, 80 percent of the population lives in rural areas where food security and nutritional status are dependent on unreliable rainfall. Also, there is a mounting environmental threat because of deforestation and pressure on land. The social effects of Niger's economic problems are also visible in the urban areas, where population growth and a shrinking modern sector have caused rising unemployment and social instability. In 1994, the formal sector accounted for 22.7 percent of GDP. It comprises a relatively inefficient public sector and a small modern private sector in rapid decline owing to a lack of competitiveness of the Nigerien economy. The informal sector accounted for 77.3 percent of GDP, half of which is rural. Uranium exports amounted to 80 percent of merchandise exports until the end of the 1980s, 71.5 percent during 1990-93, and 64.8 percent in 1994. In 1994, about 40 percent of GDP came from agriculture; industry and construction contributed 9 percent and the share of services stood at 42 percent, of which 10 percent represents Government services.

2. Niger has recently emerged from a protracted period of political turbulence due to the breakdown of the political coalition governing the country. Since January 12, 1995, the country has a new National Assembly with a majority from the opposition. Since February 1995, after two changes of Prime Ministers, the new majority is also leading the government. The new Prime Minister is engaged in a difficult and fluctuating "cohabitation" with the President. The new Government has given priority to economic and social reforms, which augurs well for a revival of the reform program, albeit in an atmosphere of fiscal crisis. Past adjustment efforts by the Government have been uneven, and there have been problems in implementing the post-devaluation program agreed upon with the Bank and the IMF. (see 1/) The country has made progress in liberalizing trade and reforming agricultural and education policies. However, less success has been achieved with the stabilization program (poor revenue mobilization, ballooning wage bill) and with public enterprise and labor market reforms.

3. In 1994, the agriculture sector in Niger contributed about 85 percent of employment, 16 percent of total export earnings and 100 percent of non-uranium

export receipts. With the projected continuing decline of the uranium sector, the agricultural sector is expected to become a major source of foreign exchange in the future. However, because Nigerien agriculture is mainly rainfed, its performance has been as erratic as the climate. The use of inputs, such as fertilizers, to boost production is too costly and economically risky for the farmer, limiting the scope for increasing productivity. Throughout the 1970s and 1980s, the vagaries of the weather affected agricultural performance. Prospects for production increases from the present low-input-low-output type of rainfed agriculture seem limited.

4. Natural resources - water, soil and vegetation - that constitute the foundation for all agricultural production, are rather limited in Niger. Rainfall is very low (50-600 mm) and erratic with long periods of drought, often followed by devastating flash floods. Water resources are limited, unevenly distributed and not easily accessible. Soils are poor, temperatures high, and natural vegetation is sparse. As a result, a large part of the country (77 percent) is unsuitable for rainfed agriculture, natural pastures are being depleted, and fuelwood, which represents the main source of energy for rural (100 percent) and urban (90 percent) households, is scarce.

5. Some farmers have reacted to the cyclical droughts by increasingly shifting from rainfed farming to high-value off-season crops through a crop diversification strategy based on small-scale irrigated farming. Most farmers, however, have tried to maintain or increase their level of production by cultivating marginal land or reducing fallow periods without changing their traditional methods of cultivation. This has caused soil depletion, loss of fertility, lower yields, and environmental degradation. Lower productivity and declining per capita incomes are, in turn, leading to increasing rural poverty and hardship. Caught in this dangerous spiral, rural communities have to find ways of better managing their land and natural resources to achieve a more sustainable agricultural production and growth, or abandon their land and move to urban centers where very few jobs are available. The proposed Credit will directly support the formulation and implementation of a long-term National Natural Resource Management Program (NNRMP) for sustainable agriculture.

6. Niger's principal objective in its current development strategy is to achieve sustainable per capita income growth with equity. In 1992, as part of this strategy, the Government adopted a Rural Development Policy Framework (RDPF) that addresses four main areas: (i) natural resource management (NRM); (ii) food security; (iii) intensification and diversification of production; and (iv) decentralization and empowerment of rural communities. Land degradation is regarded as the most serious threat to Niger's development efforts under this strategy. Through the RDPF, the national policy on NRM adopted an integrated and holistic approach and placed the community at the center of the decision-making process. One of the objectives of the project is to assist the Government in further developing its NRM policy and implementing its NNRMP.

#### Project Description

7. Project Objectives. The NNRMP's long-term goal is to slow down, stop, and ultimately reverse the current trend of natural resource degradation to secure sustainable agricultural production and growth, alleviate poverty, and improve the living conditions of Niger's rural communities. The proposed Project constitutes an initial five-year time-slice of the long-term program expected to last 20-25 years and, ultimately, reach most of Niger's rural communities. The Project's two specific objectives are to: (i) assist about 380 rural communities in different agro-ecological zones in designing and implementing community-based natural resource management plans by providing them with the necessary skills, information, and technical and financial resources, as well as the proper institutional and legal framework; and (ii) improve the Government's capacity to promote, assist and coordinate current and future NRM

initiatives in Niger, as well as design comprehensive policies and strategies in the framework of the NNRMP.

#### Project Components

8. The principal project components are:

- (a) direct technical and financial assistance to communities (US\$28.4m) for the design and implementation of Community-Based Natural Resource Management (CBNRM) Plans involving about 280 selected communities in five districts, and assistance through ongoing NRM projects, to another 1000 communities in Niger;
- (b) provision of services (US\$8.0m) to help achieve the Project's objectives, namely: human resource development, national assessment of the state of natural resources, natural resource information networking, research and studies; and
- (c) assistance to decision-makers (US\$0.3m) in devising national NRM policies and strategies.

9. Under component (a), the 280 communities receiving assistance will be located in five of Niger's 31 districts, namely Boboye, Dogondoutchi, Goure, Say and Tessaoua, and will cover seven of Niger's thirteen ecological zones, namely Plateaux, River Valley, Dallols, Goulbis, Eastern Plains, Pastoral, Dunes and Basins. The seven ecological zones have been selected on the basis of their importance in terms of their contribution to total food production for the country, and their relatively large populations. Direct intervention in the zones where there are major on-going NRM projects is not planned, as the intent of the national NRM program is to have a network of several projects covering most of Niger's ecological zones. However, assistance will be provided, upon request, to ongoing NRM projects, in order to increase the number of communities reached and to accelerate the implementation of CBNRM plans. Such support would be in the form of services (information, data, maps, training, surveys and studies) and eventually investments that would be identified in the CBNRM plans but for which no other financial resources are available. It is expected that the Project will provide assistance to another 100 additional communities under this arrangement.

10. Under Component (b), support will be provided for the following:

- (i) Human Resource Development and Public Awareness: to support the innovative nature of the CBNRM approach, a solid training program is essential. Local communities, NNRMP staff, technical staff from government agencies, district officials and NGOs will benefit from training to facilitate project actions.
- (ii) Assessment of Natural Resources: to determine the real extent of natural resource degradation countrywide, examine its causes, dynamics and trends and measure its effects on agricultural production, sustainability and growth, on settlement and migration, and on the overall rural economy. This assessment will enable decision-makers in the country and donors to better define future strategic and plan and target appropriate interventions.
- (iii) Research and Studies: to identify implementation problems and develop, adapt, test and disseminate technologies to solve them.

11. Under component (c), support will be provided to national NRM policy-making. The information gathered by the Project staff during implementation,

particularly through the system of monitoring and evaluation and studies, will be utilized to assist the Government, notably the national Rural Development Sub Committee (RDSC), in updating and improving the national NRM policy adopted in 1992 as part of the rural development policy. This will be done by making the information produced or collected on NRM available to decision-makers in a treated form, carrying out special studies, issue papers and reports, helping draft strategy or policy documents, and organizing special meetings and workshops.

12. Project Financing. The project is estimated to cost US\$42.7 million of which IDA would finance US\$26.7 million. Cofinancing would be provided by Denmark (US\$5.0 million) and Norway (US\$3.7 million) through IDA-administered grants. Communities and the Government of Niger's contribution would be US\$6.3 million and US\$1.0 million equivalent, respectively.

13. Project Implementation.

14. The project will be implemented by the concerned communities, NGOs and government agencies. The Ministry of Agriculture and Livestock (MAL) will be responsible for the overall project implementation through its Natural Resource Management Unit (NRMU) which will also include staff from the Ministry of Finance and Planning (MFP) and the Ministry of Water and Environment (MWE). Other key agencies include the Niger National Geographic Institute (IGNN), and the Niger National Research Institute (INRAN). The Natural Resource Management Steering Committee (NRMSC), with representation from key ministries and communities, will oversee the implementation of the program and the project. An NRM Advisory Committee consisting of members of the NRMSC and donor representatives, will also be set up.

15. In each of the selected districts, a NRM District Team (DT) will be set up to assist communities in acquiring skills, getting organized, preparing NRM plans, obtaining financial and technical support, and implementing the plans. A NRM District Committee (NRMDC) comprising government representatives and elected community representatives will review and approve the assistance to be provided to communities to implement their management plans.

16. Communities will elect a Local Council for Natural Resource Management (LCNRM) which will receive support from the District Team, its mobile field units and Community Support Groups, as well as from Extension Agents to be provided through the IDA-supported Agricultural Services Project (Cr. 2355 - FY92) and other district-based public services. Communities will prepare NRM plans and submit them to the NRM District Committee for technical and financial support. If approved, the plans will be executed by the communities. No procurement or disbursement can be made under these plans by the project implementing agency at district or central level without prior approval of the community.

17. Human Resource Development and Public Awareness Campaigns will be contracted to local private firms or NGOs. Natural Resource Assessment will be carried out by the Technical Support Unit (UTA) of the environment department in the MWE and in cooperation with IGNN. The Natural Resource Information Network will be coordinated by the NRMU with the participation of INRAN, IGNN and UTA. Research will be carried out by INRAN in the framework of the ongoing IDA-funded Agricultural Research Project. Research activities not related to agriculture and studies will be contracted to competent institutions or firms.

18. The NRMU staff, assisted by occasional consultants, will prepare studies and reports and present to the RDSC recommendations on issues related to NRM policies and strategy.

19. Environmental Aspects. The objective of the program is to slow down, stop and ultimately reverse the current trend of land and natural resources degradation in order to secure sustainable agricultural production and growth and improve the living conditions of Niger's rural communities. As a result, the project, if successful, will clearly have a positive impact on the environment. It will improve soil, water and vegetation conditions as well as promote biodiversity development. However, any project aiming simultaneously at enhancing production and protecting the natural resource base can have potential negative impacts. CBNRM plans will anticipate these impacts and will make provision for their mitigation. Adequate provision has been made under the natural resource assessment and the monitoring and evaluation components of the Project to evaluate the state of the natural resources, assess the broader impact of the Project's intervention, and decide on corrective measures to be implemented. The project is classified as Category C.

20. Program Objective Categories. The project is in line with the Bank's environmentally sustainable development strategy. The project is also consistent with the Bank's poverty reduction and women in development strategies. Its field activities will concentrate in rural areas and will primarily benefit the poorest segments of the rural population. By strengthening their capacity to increase food production, the project will help enhance food security. The strategy focus on smallholder intensification of production, using low-cost low-risk techniques will allow the efficient and sustainable use of the water and land resources. This would have a positive impact on conserving the environment.

21. Poverty Category. The great majority of Niger's poor are concentrated in the rural areas. The actions financed under this Project would strengthen the capacity of smallholder farmers to expand the production of food crops. The support to rural microenterprises and the actions designed to facilitate small-farmer access to financial services and obtain land security would also improve the distribution of income and alleviate rural poverty. The project is part of the Program of Targeted Interventions.

#### Benefits

22. The project and the Government reforms that the project will help support would substantially improve the quality of life of about 200,000 people in five districts of Niger and another 70,000 people in other parts of the country. It would achieve this objective by: (i) empowering local communities and improving their management capabilities; (ii) enhancing the role of women in NRM; (iii) increasing land tenure security; and (iv) facilitating the adoption of more sustainable land use and production systems and practices -- which would balance production against resource consumption, promote restoration of ecological stability, and increase agriculture, forestry and livestock production. Environment and resource management experiences that would be acquired through this endeavor could be disseminated to other parts of Niger to benefit additional communities. The Government's ability to monitor, assess and promote short and long-term changes in the state of the natural resources would be greatly improved.

#### Risks

23. There is a risk that local communities will not fully commit to the project objectives and engage in long-term investments because environmental degradation is a long-term process, whose effects are not always well perceived as a serious threat, even by those directly affected. Furthermore, investments in certain types of natural resource management operations tend to have a long gestation period, thereby making it difficult for the rural population to undertake these operations without the appropriate level of incentives and subsidies. Also, occasionally favourable climatic conditions, such as repeated good years of rainfall may give a false sense of security to people and prevent their effective mobilization. These risks would be attenuated by an effective

training and extension-information-awareness program, as well as by providing grants to communities to help finance such investments. There is also a risk that the Government will hesitate to act diligently regarding the implementation of laws on land tenure, as well as decentralization and local community empowerment due to the adverse social and political effects these measures may have. These issues are being addressed in the Banks policy dialogue with the Government. Other risks will be averted by establishing a sound monitoring and evaluation mechanism that would rapidly alert project managers to emerging problems and changing conditions, and enable them to take timely actions to overcome them. The project design is intentionally flexible so as to allow for such corrective actions to be taken.

1/ The government, in close consultation with its CFA franc partners, decided on January 12, 1994, to realign the parity of the CFA franc from 50 CFA franc per French franc to 100 CFA franc per French franc.

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Note:                    This is information on an evolving project. Certain components may not necessarily be included in the final project.