

## PCR EVALUATION NOTE

### NIGER: POVERTY REDUCTION PROJECT

#### 1. The Project

Project Code: <b>P-NE-IE0-002</b>	Project Appraisal Date: <b>July 1998</b>	Borrower's Completion Report Ref:
Total Project Cost (UA): <b>UA 7.3 million</b>	Project Approval Date: <b>October 1998</b>	PCR Evaluation Note Date: <b>July 2009</b>
Loan Amount (UA): <b>UA 5.5 million</b>	Date of Effectiveness: <b>12 March 2001</b>	Evaluator Name: <b>Judith E. OFORI</b>
Grant Amount (UA): <b>UA 1.2 million</b>	Project Completion Date: <b>30 June 2007</b>	Reviewer(s) Name: <b>OPEV Panel</b>
Co-financed Amount (UA): <b>UA 600,000 (Government)</b>	PCR Date: <b>January 2009</b>	Manager Name: <b>Mr. Mohamed MANAI</b>

#### 1.1 Objectives and expected outcomes and outputs

The project had three objectives as follows: i) Increase the income of the poor people in the population through micro-credits; ii) Improve access of the poor to basic socio-community facilities; and iii) promote the development of civil society and build the institutional capacities of the decentralized administrative structures within the framework of poverty reduction analysis and monitoring.

Expected outcomes and outputs are: I) outputs i) Loans granted to about 30 000 households in the project area; ii) approximately 300 boxes (light equipment) and forms distributed to beneficiaries; iii) Construct or rehabilitate 17 dams and 68 wells and boreholes; iv) About 30 km of feeder roads built or rehabilitated; v) About 90 000 beneficiaries and 2400 CVEC directors and managers trained.; vi) Training of trainers and support equipment; and vii) Short-term training courses and workshops organized for the Plan services staff. II) Expected outcomes were: i) 15% improvement in the spending of households benefiting from the credits; ii) About 175 facilities (markets, cereal banks, feeder roads, etc.) established for the poor; iii) Training of NGO staff and signing of service contracts; iv) three light surveys completed and v) project impact assessment results.

#### 1.2 Project Components (activities )

The project had the following four components: (I) Information, Education and Communication; (II) Social Investment Fund; (III) Promotion of civil society and support to the poverty monitoring and analysis system; and (IV) Project Management Unit.

Project activities were: i) Conduct customized studies and those related to micro-credit activity; ii) Make a credit subsidy fund available to the poor; iii) Construct/rehabilitate the facilities; iv) Procurement of equipment and furniture; v) Training the project beneficiaries, NGO and Grassroots' community groups leaders; and vi) Support to project management.

The only major modification in activities is the change of approach in implementing the micro-credit component from the initial plan to select Decentralised Financial Structure (DFS) to which the project should allocate resources to a delegated contracting authority (DCA) to award credits directly to individuals, as the original arrangement through DFS was found to be too cumbersome.

#### 1.3 Project inputs and Financing

Project inputs include vehicles; equipment furniture and supplies; technical assistance; and training.

The actual cost at project completion was UA 5.37 million for the ADF loan, UA 0.88 million for the TAF grant and UA 600,000 for the Government counterpart due to reallocation of resources during the modification mentioned above.

Disbursements were suspended from August 1999 and February 2001 due to the Borrower's non-payment of arrears. The last disbursement date was March 2007; 27 months behind the Appraisal date of 31 December 2004. The loan and grant balances were cancelled and utilized for the Bank's response to the food crisis in Africa.

#### **1.4 Intended beneficiaries and Scope**

The primary beneficiaries of the project are the poor, underprivileged, marginalised people in the rural areas of the three regions of Tillaberi, Dosso and Maradi. Secondary beneficiaries include NGOs, civil society organisations and the regional decentralised institutions within the country's Poverty Reduction Programme..

## **2. PCR Conclusions and Success Ratings**

### **2.1 Main Conclusions**

The project had very positive impacts on targeted beneficiaries; its achievement of the planned physical outputs as follows: 100% achievement in community facilities built for the beneficiaries, in which about 175 facilities that included boreholes, well as well as dams were constructed to increase access to safe sources of water for people and livestock; as planned, approximately 30,000 households totaling some 67,000 people, 78% of whom are women received micro-credits for IGAs resulting in approximate 20% increase in their income and considerable lift from poverty; 37.4 km of feeder roads (against the planned 30 km) were rehabilitated to increase access to the very remote areas opening up markets for food crops, livestock and other social activities. The literacy campaign resulted 6508 learning to read and write, 3333 (55%) of whom are women. About 90 000 credit beneficiaries and 2400 CVEC managers were trained, a 75% achievement on planned activities. The sensitization exercise to raise awareness on health, environmental management, education, in particular the enrollment of girls that directly resulted in increase in enrollment of girls in the project areas in comparison to the rest of the country (Dosso region, 47%, and national average 37.1%).

Even though the project achieved the outputs listed above, the project implementation was unsatisfactory as there was slippage of two years on planed schedule, the cost schedule was not adhered to and monitoring and evaluation was poor; Bank performance was satisfactory and over-all project outcome was also satisfactory (see annex 2 for details and justification).

### **2.2 Performance Ratings**

The PCR rated the implementation performance of the project as **unsatisfactory**, the review note agrees with the rating The PCR rated the performance of the Bank as **satisfactory** the review note agrees with that rating too Both the PCR and review note rate the project outcomes as **satisfactory** has been very strict on its own ratings, even though both the review note and the PCR arrived at **satisfactory** rating for project outcomes, the review note actually increased three (3) of the component indicators (financial and integrated systems, including audit systems under Institutional Development and Financial viability under sustainability), and reduced one component rating (institutional framework including restructuring). Details of validation as well as disagreement with PCR ratings are given in annex 2 of the PCR EN.

### **2.3 Lessons Learned**

The PCR gave a summary of a number of valuable lessons learnt during project planning and implementation. Five main lessons were drawn, two of the most crucial being: i) the number of conditions that in the PCR's view are too many, making the fulfillment of the conditions difficult for the borrower; and ii) project sustainability plans should always consider the future of programmes and make provision for follow-on activities especially when the risk of falling back is high as is the case of post literacy activity where no provisions were made for follow-on activities and the risk of people sliding back is quite high, wiping out all the gains.

### **2.4 Recommendations**

The PCR made five (5) recommendations to the Borrower and ten (10) recommendations to the Bank. The two most appropriate recommendations to the Borrower being i) Ensure that an efficient monitoring-evaluation system has been envisaged to assess the project outcomes in relation to the indicators of the logical framework; and ii) Initiate the selection process of the local microfinance institutions that will benefit from the resources of the replenished project credit fund so as to pursue the microfinance activities initiated by the project. Of the ten recommendations made to the Bank To the Bank; two of the most pertinent ones are: i) the Bank should simplify the conditions and reduce

their number to avoid delays in project start up; and ii) Ensure that the composition of supervision missions is appropriate for the type of project activities or problems encountered by the project.

## **2.5 Future operational plan and potential benefits (and their sustainability, institutional development and overall success ratings)**

There was no operational plan presented.

### **3. Borrower's PCR (its inputs to Bank's PCR)**

The Borrower prepared its BPCR as required in the format prescribed by the Bank. The report covered project description and gave an analysis of implementation, project outputs and impact on beneficiaries. The report gave valuable recommendations on various aspects of the project, in particular on the provision of post literacy facilities to sustain the achievements of the literacy programme as was captured by the Bank's PCR. Other recommendations were given on development of partnerships to create synergies; choice of socio-economic infrastructure which should favour the priority needs of the population as well as the need to consolidate the achievements of the PRP among others.

### **4. PCR quality ratings**

**The overall analysis of the 8+ quality criteria rated PCR quality as satisfactory; the in-depth detailed analysis of the 8+ criteria are included in annex I of the PCR EN, the summaries of which is presented below.**

#### **4.1 Objectivity and soundness**

The PCR was sound in its analysis project goal, objectives and formulation. The PCR produced a retrospective matrix and updated the Appraisal log frame with project outputs and verifiable indicators at project completion. All project modifications and the reasons that necessitated the revisions were analysed and presented in the report.

#### **4.2 Project implementation**

The PCR adequately analysed project implementation; examining key implementation issues, in particular the causes of delay in meeting the planned schedule; project design issues and weaknesses were identified; The PCR's analysis of Borrower's reporting and M&E were also good.

#### **4.3 Project performance and results**

The PCR gave detailed accounts of project performance and results. The performance of all institutions was well covered. The PCR evaluated the performance of consultants, contractors and suppliers; those that performed well were acknowledged and weak ones were also noted.

#### **4.4 Social and environmental impacts**

The PCR's assessment of the project's social and environmental impact is good. A number of positive impacts on beneficiaries as well as the number of beneficiaries that have benefited from the each of the activities were well presented. The PCR highlighted some good practices of the project.

The PCR also covered environmental impact well.

#### **4.5 Project Sustainability**

The PCR's presentation of project sustainability is good. In-depth analysis can be seen in Annex 1.

#### **4.6 Bank, Borrower, and co-financiers performance**

The PCR gave a good analysis of the performance of the Bank and Borrower from project formulation stage to completion.

#### **4.7 Consistency of the PCR overall rating**

The PCR's rating were all sound. The Review note agreed with and validated all the PCRs ratings.

#### **4.8 Analysis and Clarity of conclusions, lessons learned and recommendations**

The PCR gave a good summary of project results, outcomes and impact on beneficiaries. The PCR gave valuable recommendation to both the Bank and the Borrower which if adhered to will improve the design and implementation of future projects, ensuring better results on efforts to reduce poverty on the continent.

**P.S. TO THE EVALUATION PANEL: Key data and supporting material are covered in the 8 criteria discussed above, without key data and supporting material there can be no analysis of the criteria above.**

**5. Priority of Project for an activity of Performance Evaluation Report**

A PPER is not recommended for this project, the project can be included in country/sector reviews or thematic evaluation studies.

## Annex 1

### PCR QUALITY ASSESSMENT AND RATING

Project Loan No: **2100150000759**  
Country: **NIGER**

Title: **POVERTY REDUCTION PROJECT**  
Sector: **SOCIAL**

PCR EVALUATION CRITERIA	RATING (4-point scale)	REMARKS
1. Adequacy of analysis of Project goals, objective and Formulation (including the verifiable indicators, consistency with appraisal and subsequent revisions)	3	The PCR clearly stated and analysed project goal, objectives and formulation. The PCR produced a retrospective matrix, updating the Appraisal log frame with project outputs and verifiable indicators at project completion. The PCR adequately covered the all project modifications and the reasons that necessitated the revisions.
2. Adequacy of analysis of Project execution (including procurement issues, disbursements, Borrower's reporting, and assessment of monitoring and evaluation achievements)	3	The analysis of project implementation was sound. The PCR examined key implementation issues, in particular the causes of delay in meeting the planned schedule; it explored the reasons behind the delays. The PCR stated all the procurement modes used; it evaluated the challenges faced by the project which was mainly due to the project not having a procurement expert, an omission during project design that has contributed to delays as well as lack of understanding of Bank procedures. The analysis of reporting and M&E were also good, noting the M&E system did not function well. It did state some weaknesses noted by the internal audit.
3. Soundness of judgments on Project Performance and Results (including operating results, economic and financial and related conditions/covenants and their fulfilment, institutional, performance of consultants, contractors, suppliers and other parties)	3	The PCR gave detailed accounts of project performance and results. All project outputs by component were listed, beneficiary coverage as well as gender dis-aggregation of project beneficiaries was well done. The PCR examined conditions/covenants and their fulfilment and concluded they were too many, and some cumbersome that might contributed to the delay in their fulfilment and project implementation. The performance of all institutions was well covered; such as some of the design weaknesses such as management committees and regional offices not properly resourced resulting in poor supervision and possible contribution to delays in implementation. The PCR evaluated the performance of consultants, contractors and suppliers; those that performed well were acknowledged and weak ones were also noted.
4. Adequacy of analysis of social and environmental impacts	3	The PCR's social and environmental impact assessment is sound. The PCR gives all the positive impacts the various aspects of the project has on beneficiaries as well as the number of beneficiaries that have benefited from each of the activities. The PCR even gave details of impact on livestock and subsequently the farmers. Details of project impact on women were highlighted as well as the positive community cohesion and empowerment brought about by the engagement of the communities from the onset and their continued participation throughout the implementation and post completion. The PCR also covered environmental impact well.
5. Soundness of judgments on project sustainability, plan for future project operation's phase and maintenance	3	The PCR's presentation of project sustainability is good. It stated that the sustainability of the project was considered through out project cycle. The participatory approach adopted through community involvement in deciding project activities and sites as well as management through committees selected by communities themselves ensure ownership and better guarantees project sustainability. It state the fact that government pays the salaries the health and education workers, gives a huge boost to the project, as the salaries of these key people will continue after project completion. The communities are reported to continue with activities.
6. Soundness of judgments on Performance of the Bank, Borrower and Co-financiers	3	The analysis of both the Bank and Borrower performance is good. The PCR presented the Bank's performance from project identification through implementation well. Where there are shortcomings such as weaknesses in project design as well as the length of time taken by the Bank in processing request, the PCR noted them. The PCR also analysed the performance of the Borrower, identifying its implementation challenges.

7. Consistency of Overall rating with individual rating components	3	The PCR's rating were all sound. It omitted seven (7) individual ratings under Project Results, the review note however thought three (3) needed rating which it rated. The Review note validated all the PCRs ratings.
8. Adequacy of analysis and clarity of conclusions, lessons learned and recommendations	3	The PCR gave a good summary of project results, outcomes and impact on beneficiaries. The lessons learnt stated were many, focusing mainly on loan conditions and fulfilment, project financing; lack of resources for regional offices for proper M&E, weaknesses in project design and the opportunities for complementarity not fully explored. The PCR gave valuable recommendation to both the Bank and the Borrower.
9. Other (Specify)	NA	
<b>Overall Rating</b>	<b>3</b>	<b>Satisfactory</b>

OPEV and Country Department agree/disagree on Project Performance Rating Y/N

**Borrower's PCR and inputs to Bank Staff PCR** (quality of Borrower's PCR, reviews of project implementation issues, future operation plan, Borrower's comments on PCR):

The BPCR covered all project implementation issues and gave sound recommendations for project sustainability. The Borrower commented on the Bank's PCR. It noted that the reference to suspension of project disbursements only occurred once and covered 22 months and not several times during the project implementation, as stated by the Bank PCR. State your assessment of the quality and usefulness of the borrower's PCR.

**Conclusion :**

This was a well thought through project that had a few design weaknesses. Project implementation had some challenges and weaknesses, despite that; the outcomes were satisfactory. The project achieved most of its objectives. Both Borrower and Bank performances were satisfactory.

**Priority of Project for Performance Evaluation Report, Impact Evaluation, Country/Sector reviews or Thematic Evaluation Studies:** ( x )

- Project is an adjustment operation
- Project is the first of its type in the sub-sector
- Project is part of series and suitable for cluster evaluation
- Project has innovative features, is large or complex
- Project highly successful or highly unsuccessful
- Project has high priority for impact evaluation
- PCR is incomplete/unsatisfactory
- Performance evaluation is required to sector/country reviews
- Thematic or special evaluation studies (Specify )

Major Issues of focus in the performance evaluation report:

- a)
- b)
- c)

**Follow Up Action/Decision:**

The Project can be included in a cluster study of poverty reduction projects and their impact on the beneficiary communities.

ANNEX 2				
ASSESSMENT OF IMPLEMENTATION AND BANK PERFORMANCE AND PROJECT RESULTS/OUTCOMES				
NIGER: POVERTY REDUCTION PROJECT				
	Component Indicator	PCR Rating (1-4)	Evaluation Rating	Comments
<b>1. IMPLEMENTATION PERFORMANCE ASSESSMENT</b>				
1.1	Adherence to implementation schedule	1	1	The review note agrees with the PCR rating and comments which is: The implementation schedule was not adhered to. There was slippage of over two years on the initial schedule.
1.2	Adherence to cost schedule	2	2	The review note agrees with the PCR rating and comments that certain project costs were not adhered to and reallocations were made to allow the implementation of the activities concerned. The most significant overrun was observed in the implementation of infrastructure.
1.3	Compliance with covenants and conditions	2	2	The review note agrees with the PCR rating and comments that the covenants were implemented by all the project stakeholders. It is particularly the case of the technical consulting firms and works contractors in the infrastructure component. The loan and grant conditions were fulfilled but belatedly.
1.4	Adequacy of monitoring evaluation and reporting	2	2	The review note agrees with the PCR rating. Activities' monitoring by the executing agency was satisfactory overall, but shortcomings were observed in the monitoring by the works contractors. Quarterly status reports and annual audit reports were submitted to the Bank, but often late. The quality of the reports is considered acceptable.
1.5	Satisfactory operations	NA	NA	
	<b>Total Scores</b>	<b>6</b>	<b>6</b>	
	<b>Average Rating</b>	<b>1.75</b>	<b>1.75</b>	<b>Unsatisfactory</b>
<b>2. PERFORMANCE OF THE BANK</b>				
	Component Indicator			Comments
2.1	Identification	3	3	The review note agrees with the PCR rating. The identification mission was carried out by a team of 3 experts; 2 socio-economists and one education expert for a period of 15 days which enabled the mission to collect the necessary information for the identification report.
2.2	Preparation	3	3	The review note agrees with the PCR rating. The preparation mission was also carried and the compositions of the team and duration in the country were as above.
2.3	Appraisal	2	2	The review note agrees with the PCR rating. Even though the mission was exactly as above and the mission met all the project stakeholders and collected information that helped prepare the appraisal report. However there were some shortcomings in the project design such as management committees and regional offices not properly resourced resulting in poor supervision and possible contribution to delays in implementation
2.4	Supervision	3	3	The review note agrees with the PCR rating. The Bank organized 18 supervision missions from 1999 to 2006, an average of 2.25 per annum, which is higher than the norm of 1.5. Even though the composition of all the missions was not appropriate, they nevertheless helped solve the key problems encountered in the implementation of the project; which enabled the project to achieve its principal objectives.
	<b>Total Scores</b>	<b>11</b>	<b>11</b>	
	<b>Average Rating</b>	<b>2.75</b>	<b>2.75</b>	<b>Satisfactory</b>
<b>3. PROJECT RESULTS/OUTCOMES</b>				

ANNEX 2				
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	Component Indicator	PCR Rating (1-4)	Evaluation Rating	Comments
	Component Indicator			Comments
1.	<b>Relevance and achievement of objectives</b>			
1.1	Macro-economic policy	-	NA	
1.2	Sector policy	-	4	The project was designed with the Borrower's National Poverty Alleviation Plan approved in March 1998. It is also in line with the Bank's 1996-98 strategy.
1.3	Physical (including production)	3	3	The review note agrees with the PCR rating.
1.4	Financial aspect	-	3	97.63% of the loan and 73.3% of the grant were disbursed. The balance were cancelled but used for the Bank's response to the food crisis in the country. The government met its financial obligations to the full and also pays the salaries of community workers from the President's Special Fund.
1.5	Poverty reduction, social impact and gender	4	4	The review note agrees with the PCR rating, the presentation of outputs and analysis as follows: The project improved the skills of about 200,000 people through sensitization and IEC activities and enabled 6500 people to learn how to read, write and count. The structures put up (95 wells and boreholes, 34 health huts and literacy centres, 14 rural markets and livestock markets, etc.) have improved the welfare of the beneficiaries, and the project micro-credit activities have benefited about 67000 people, whose incomes and social situation have been bettered.
1.6	Environment	3	3	The review note agrees with the PCR rating that the project had positive impacts on the environment. As a result of the sensitisation and IEC campaigns the population has improved its knowledge of, and behaviour in relation to the environment, environmental hygiene, sanitation and reforestation, etc. The population contributed to the construction of the erosion control structures to protect the facilities and, to the planting of trees along the feeder roads rehabilitated by the project. The project fostered the adoption of behaviour favourable to the protection and safeguarding of the environment.
1.7	Private sector development	2	2	The review note agrees with the PCR rating and its analysis as follows: With the income-generating activities (IGA), the project contributed to the development of the local private sector. But the activities implemented with project support are modest and their impact on the local economies is limited. Moreover, the viability of certain IGA financed by the project does not seem guaranteed
1.8	Other (Specify)	-	-	
	<b>Total Scores</b>	<b>12</b>	<b>19</b>	
	<b>Average Rating</b>	<b>3</b>	<b>3.1</b>	<b>Satisfactory</b>
2.	<b>Institutional Development</b>			
2.1	Institutional framework including restructuring	3	2	The institutional framework designed to manage the implementation was found wanting, CACS and CRACS became redundant; the regional offices were not well resourced to efficiently and effectively supervise the project. The framework has however been restructured.
2.2	Financial and integrated systems of management including audit systems	2	3	The project has a computerised accounting and financial management system as well as procedures manual. The PCR also reported that the internal audit revealed some weaknesses such as archiving of procurement documents etc; the systems are therefore working.
2.3	Transfer of Technology	-	2	The project activities had limited scope for technology transfer, but project trained staff and communities in many of

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	Component Indicator	PCR Rating (1-4)	Evaluation Rating	Comments
				Income Generating Activities (IGAs) and the building of infrastructure required transfer of technologies.
2.4	Staffing by qualified/skilled personnel (including turnover), training and counterpart staff.	3	3	In addition to building the capacities of administration officers, DFS managers and NGOs, the project has trained the communities and empowered them to manage, own and sustained the project.
	<b>Total Scores</b>	<b>8</b>	<b>10</b>	
	<b>Average Rating</b>	<b>2.6</b>	<b>2.5</b>	<b>Satisfactory</b>
<b>3.</b>	<b>Sustainability</b>			
3.1	Continued commitment of borrower	3	3	The fact that the Borrower was paying the community health and education personnel and the Borrower honouring all its financial commitment under the project, coupled with the fact that poverty reduction is a goal of the Borrower ensure continued commitment.
3.2	Environmental policy	-	-	
3.3	Institutional framework	3	3	The restructuring of the Institutional framework, coupled with the training and capacity building will ensure project sustainability.
3.4	Technical viability & staffing	3	3	The review note agrees with the PCR rating. The structures constructed by the project are on the whole viable, and the chairpersons of the management committees have been trained.
3.5	Financial viability (including cost-recovery)	2	3	With 97% repayment rate from micro finance beneficiaries and the cost recovery operation systems that have been introduced, the financial viability is better assured.
3.6	Economic viability	-	-	
3.7	Environmental viability	3	3	The review note agrees with the PCR rating. The sensitisation and information campaigns organized by the project have created awareness and the various environmental management activities will ensure the project's environmental viability.
3.8	O & M facilitation (foreign exchange and recurrent cost financing availability, etc)	3	3	The review note agrees with the PCR rating. The operating cost of the structures is ensured by the revenues generated by their operation
	<b>Total Scores</b>	<b>17</b>	<b>18</b>	
	<b>Average Rating</b>	<b>2.8</b>	<b>3</b>	<b>Satisfactory</b>
<b>4.</b>	<b>Economic rate of return</b>			
	<b>OVERALL TOTAL</b>	<b>37</b>	<b>47</b>	
	<b>OVERALL RATING (1-4 above)</b>	<b>2.84</b>	<b>2.94</b>	<b>Satisfactory</b>

#### Sources of Information.

1. Bank PCR January 2009
2. Borrower PCR June 2007
3. ADB Operations Manual. 1999
4. Appraisal Report July 1998
5. The Bank's Project Supervision Reports
6. Supervision Summary Report
7. Country Strategy Paper 1996-98