

**General Directives/ Project Outline**  
**Climate Resilient Agriculture Grants Facility**

within

**MCC NIGER COMPACT**

**CLIMATE RESILIENT COMMUNITIES PROJECT**  
**CLIMATE RESILIENT AGRICULTURE ACTIVITY**

*Version – Dec 6, 2016*

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## **1. COMPACT CONTEXT**

This document provides a description of the Grant Facility Sub-Activity of the Climate Resilient Agriculture Activity [MCC Niger Compact](#), within the Climate Resilient Communities Project of the MCC Niger Compact. The function of the document is to align definitions, objectives, structure, implementation, and financial modalities. This document will provide general context and framework to inform development and governance of the Facility, along with the CRA Facility Operations Manual (current in draft stage as of publication of this Directive General). Please note that all information in this document is subject to discussion and revision

The Millennium Challenge Corporation (“MCC”) is a United States government-owned corporation created under Title VI of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2004 and is responsible for the stewardship of the Millennium Challenge Account. MCC works with developing countries to promote sustainable economic growth to reduce poverty. Eligible countries develop specific investment programs to be funded by MCC through a grant agreement or compact over a five-year period and implemented by the country partner.

### **1.1 Process**

MCC’s Board of Directors selected Niger as eligible to develop a Millennium Challenge Compact in December 2012. The Nigeriens have demonstrated a strong commitment to governance reforms, economic growth and investing in their people. In 2015, Niger completed a \$16.9 million MCC threshold program focusing on strengthening girls’ education, reducing public corruption, streamlining business creation procedures and improving rights and access to land.

A 2014 Constraints Analysis (CA) identified the binding constraints to economic growth and investment in Niger as: i) access to water for agricultural and livestock productive uses; (ii) access to markets and barriers to cross-border trade; and (iii) an inefficient business regulatory system. The CA reveals that an effective compact investment response should incorporate investments in sustainable water supply, efficient agricultural production, empowering entrepreneurs & small business groups, and strengthening market access.

Throughout the Compact development process, the Government engaged in an inclusive and strategic consultative process to inform the Program’s focus and design including the local and national government, civil society and the private sector.

### **1.2 Program**

Over 90 percent of the population relies on a single, three-month, highly capricious rainy season for agriculture and livestock production. Roughly 80 percent of the population lives in rural areas and relies on agriculture and pastoral activities for their livelihood. Agricultural productivity has stagnated due to a lack of access to critical productive inputs such as improved seed, fertilizer, irrigation and extension services like technical production trainings. Frequent droughts and floods decimate crops and productive assets, undermining the population’s ability to build their resilience and economic security.

Sustainable natural resource management is lacking in this fragile environment and water and pasture resources are frequently over-utilized, causing severe erosion of once productive areas. Water resource management, community-based livestock and climate-resilient agriculture systems are critical to ensure

adaptability, improve agricultural and livestock productivity and to sustain water and land resources in Niger.

Women and youth are particularly disempowered, under-resourced, and at a disadvantage. Despite the fact that women actively participate in agriculture along various stages of the value chain, access to land, credit, agricultural inputs, and water is limited. Opportunities exist, however, with women's associations and youth groups. Village savings and loan associations have been particularly successful in Niger, offering rural women support, information, and guidance. The savings group model is a particularly important form of capacity building, as it leads to supporting new borrowers and enables vulnerable groups to save towards the funding of productive and other needs. Since women's groups and youth often don't have access to sufficient capital to acquire assets needed to grow agricultural enterprises, savings groups offer an entry point for interventions to improve the livelihood of women and youth.

The Program builds on the progress made by the Government's 3N Initiative (Nigériens Nourish Nigériens), which includes programs that seek to diversify agricultural production, use improved seed varieties, irrigate more land and improve nutrition. The Program also aligns with and supports USAID's regional resilience initiative, Resilience in the Sahel Enhanced (RISE), which is a set of USAID development and humanitarian assistance projects that focus on multi-sectoral resilience and specific agricultural value chains.

The Program will directly address the underlying causes of two binding constraints to economic growth and investment in Niger: lack of access to water for productive uses, which inhibits agricultural and livestock productivity and household food security; and, secondarily, barriers to trade, which create high transaction costs and lower sales volume.

The Program seeks to raise rural incomes by increasing agricultural and livestock productivity and sales through expanding land under cultivation and irrigation, improving yields, reducing prevalence of key livestock diseases and modernizing access to markets. The Program will achieve this through a combination of policy reforms, infrastructure investments, and access to finance and services targeting smallholder producers. The Program consists of two Projects:

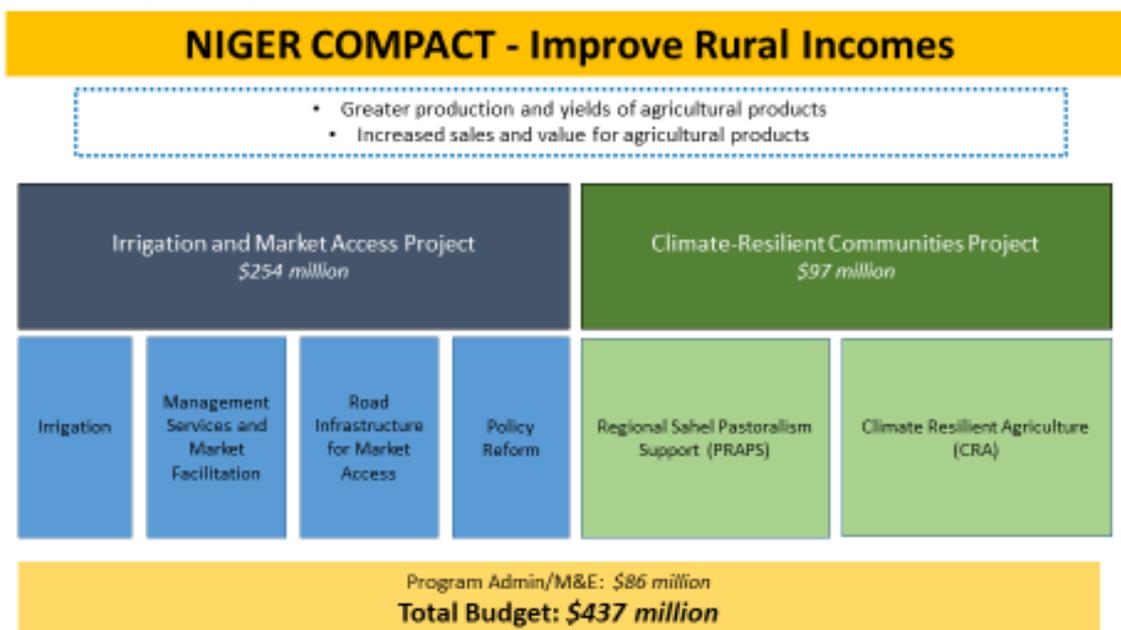
- i. **Irrigation and Market Access Project**, for which the Project Objective is to increase rural incomes through improvements in agricultural productivity and increases in sales resulting from modernized irrigated agriculture and flood management systems with sufficient trade and market access; and
- ii. **Climate-Resilient Communities Project (CRC)**, for which the Project Objective is to increase incomes for small-scale agricultural- and livestock-dependent families in Eligible Communes and livestock trade corridors in rural Niger by improving crop and livestock productivity, sustaining natural resources critical to production, supporting growth of agricultural enterprises, and increasing market sales of targeted commodities. The CRC Project consists of two activities, the Regional Pastoralist Support Project (PRAPs) Activity, which focuses on livestock development, and the Climate-Resilient Agriculture (CRA) Activity which focuses on agricultural development.

As a result of these interventions, farming, fishing and pastoral households in the intervention areas will be able to increase their agricultural and livestock production and in turn, raise their income through improved access to markets and increased trade. In addition, the beneficiaries will receive assistance to improve water resource management (including irrigation), strengthen community-based

livestock and climate-resilient agriculture systems, manage water resources and increase sustainability and resilience against climate risks and shocks. At a national level, this Compact will improve national water resource planning and management and expand private sector participation in fertilizer distribution.

The following diagram illustrates the projects and structure of the Niger Compact.

**Figure 1 – Niger Compact Structure**



The MCC Board approved the Niger Compact on June 20, 2016. On July 29, 2016, acting on behalf of the United States Government (“USG”), MCC signed the Compact with the Government of Niger (the “Government” or “GoN”). The Compact is comprised of a US \$437 million grant from the USG. The Niger Compact will be implemented within a five-year period and is anticipated to enter into force<sup>1</sup> in September 2017. A Millennium Challenge accountable entity, Millennium Challenge Account-Niger (“MCA-Niger” or “MCA”), will be established to implement the Compact program.

The Compact is available online at [www.mcc.gov](http://www.mcc.gov) [here](#)

### 1.3 Accountable Entity & Implementation Framework

Compact management arrangements are being tailored to the specific needs of operating in a high-risk environment and considering in-country management capacity. In addition to the formation of the MCA-Niger, which will be responsible for the implementation of the Compact, the Program will be supported as early as possible by a professional program and project management support organization with experience working in high-risk areas in the region. Two levels of support shall be provided to MCA-Niger for the overall Compact: (i) overall compact management, including planning, procedures, communications and reporting; and (ii) project management and engineering services for planning and executing the road and infrastructure projects.

#### MCA-Niger

The Government of Niger will create an accountable entity, MCA-Niger, as an independent legal entity with legal personality through the issuance of a Presidential decree. MCA-Niger will be the Government’s primary agent responsible for exercising the Government’s right and obligation to

<sup>1</sup> Entry into force is MCC’s Compact effectiveness period. For Niger, it is projected to be at Compact Signature (projected xxx) for a one-year period.

oversee, manage and implement the Program. MCA-Niger will not be under the control of any state controlling body and it will have operational and legal independence, including, *inter alia*, the ability to (i) enter into contracts in its own name (including with public international organizations for supply of services to MCA-Niger); (ii) sue and be sued; (iii) establish a bank account in its own name; (iv) expend MCC Funding; and (v) engage contractors, consultants and/or grantees, including, without limitation, a procurement and fiscal agent. MCA-Niger will be further governed by a set of regulations or bylaws setting forth the responsibilities of its governing board and management unit. The Government will include MCA-Niger with respect to the Government's coordination of bilateral or multilateral development assistance projects related to the Program.

MCA-Niger will be administered, managed and supported by the following bodies: (i) a board of directors (the "**Board of Directors**"); (ii) a management team; and (iii) one or more Stakeholders' Committees (as defined below).

- i. The Board of Directors will have ultimate responsibility for the oversight, direction and decisions of MCA-Niger, as well as the overall implementation of the Compact. The Board of Directors will be comprised of eleven voting members and one non-voting member.
- ii. The management team ("**Management Team**") will report to the Board and be primarily responsible for the day-to-day operations and management of MCA-Niger, including contracting, program management, financial management, reporting and monitoring and evaluation.

The Management Team will be led by a Director General and be composed of such other directors, officers and employees as necessary to enable the Management Team to execute its role and responsibilities.

- iii. MCA-Niger will have a stakeholders' committee ("**Stakeholders' Committee**") as an advisory body to continue the consultative process throughout implementation of the Program and provide advice and input to MCA-Niger. The Stakeholders' Committee, which will be composed of Program beneficiaries (including representatives for women and vulnerable groups), representatives of the Government, non-governmental organizations and the civil society, will act as a mechanism to inform stakeholders about Program implementation..

## **Implementing Entities**

The Government may engage one or more entities of the Government to implement and carry out any Project or Activity (or a component thereof) (each, an "*Implementing Entity*"). The CRA Activity and the PRAPS Activity will be each be implemented by a dedicated program implementation unit within the Ministry of Agriculture and Livestock (the "*AgPIU*" or "*CRA PIU*" for CRA and the "*LPIU*" for PRAPS) or a related mechanism acceptable to the Parties. MCA-Niger will execute an Inter-Agency Agreement with the Ministry of Agriculture and Livestock outlining the terms and conditions of MCA-Niger's funding of the AgPIU<sup>2</sup> (the "*CRA Inter-agency Agreement*"). The CRA Inter-agency Agreement will be consistent with this Compact and will be subject to MCC approval. In addition, the implementation of the CRA Activity by the AgPIU will be subject to an operations manual, in form and substance satisfactory to MCC, setting forth appropriate investment criteria (including an acceptable economic rate of return), legal, fiscal, procurement, environmental, social, gender, and monitoring and evaluation and other requirements for the Activity's execution ("*CRA Operations Manual*"). MCA

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<sup>2</sup> All references to the AgPIU or the CRA PIU shall be the equivalent to the CRA National PIU

Niger will also have integrated staff within each PIU performing key oversight and governance functions like M&E, Gender and Social Inclusion (GSI), Environmental and Social Performance (ESP), Land, and in the case of the grant facility, performing program management functions. The integrated staff will be MCA-Niger contractors, with a direct reporting line and accountability to MCA-Niger.

### **Fiscal Agent**

The Government, as part of its responsibility towards fiscal management and assuring appropriate fiscal accountability of MCC Funding, shall engage the duties of a Fiscal Agent. The Fiscal Agent will assign personnel to oversee the financial management by, and process payments with respect to, the LPIU and the AgPIU under the Community-Based Agriculture Project.

### **Procurement Agent**

The Government will engage one or more procurement agents (collectively, the “*Procurement Agent*”) to carry out and certify specified procurement activities in furtherance of this Compact. The Procurement Agent will adhere to the procurement standards set forth in the MCC Program Procurement Guidelines and ensure procurements are consistent with the procurement plan adopted by the Government pursuant to the Program Implementation Agreement, unless MCC agrees otherwise in writing. The Procurement Agent also will assign personnel to oversee the procurement activities of the LPIU and the AgPIU under the Community-Based Agriculture Project. For the avoidance of doubt, procurement actions by the LPIU and the AgPIU will follow the PRAPS and CRA Operations Manuals and any applicable MCC annexes, respectively, and such procurement processes will not be subject to ministerial review or validation (beyond any such approvals required under the PRAPS and CRA Operations Manuals).

## 2. CRA ACTIVITY CONTEXT

### 2.1 Activity Description

The Climate-Resilient Communities Project of the Compact consists of the following two Activities. The focus of this document is on Activity 2: Climate-Resilient Agriculture (CRA), **and specifically the CRA Grants Facility (Sub-Activity B)** (see figure 1 above).

#### **Activity 1: Regional Sahel Pastoralism Support (PRAPS)**

MCC Funding will be used to support pastoralist groups and enhance regional integration by improving livestock health, upgrading water and rangeland resources along major transhumance Livestock Corridors and modernizing local livestock market infrastructure (the *Project Regional d'Appui au Pastoralisme au Sahel/Niger* or “PRAPS Activity”).

#### **Activity 2: Climate-Resilient Agriculture**

MCC Funding will be used to increase incomes for small-scale agricultural families in Eligible Communes in rural Niger by improving agricultural productivity, sustaining natural resources critical to production, supporting growth of agricultural enterprises and increasing market sales of targeted commodities. The activity is intended to assist farmers in creating sustainable improvements that will withstand the impacts of climate (the “*Climate-Resilient Agriculture Activity*” or “CRA”).

MCC funding will support:

- a. Consultations to prepare, and the funding to implement, each Eligible Commune’s integrated climate-resilient investment plan (“ICRIP”). The ICRIP will integrate investments by communes, farmers’ groups and entrepreneurs in a range of areas (*e.g.*, efficient irrigation, erosion control measures and marketing infrastructure) to achieve one or more of the following objectives: (1) improving soil fertility and water management for rain fed crops; (2) improving water control and increases in small and medium scale irrigation schemes; (3) support for livestock integration; (4) value chain consolidation and improved market access, and (5) improved agroforestry and natural resource management.

ICRIPs will be developed for each of the 16 MCC-funded communes that ensure a critical level of investment is reached to obtain sizeable impact. NGOs will likely be recruited to support the development of the ICRIPs. It is planned for all ICRIPs to be prepared during the first twelve to eighteen months of the project. Initial estimates project that small-scale irrigation investments in these communes will exceed 2,600 hectares. CRA support to communes will require compliance with the provisions defined in the Project Implementation Manual as well as MCC’s Gender and Environmental Policies and Guidelines. ICRIPs will be reviewed and approved by a regional technical committee and meet economic rate of return targets.

- b. **A CRA Grants Facility (“Facility”)** to support productive assets and investment needs, integrated with provision of business development services to target beneficiaries in Eligible Communes and the Dosso-Gaya perimeters benefitting from the Irrigated Perimeter Development Activity. The Facility will target producer/processor groups, women’s groups, youth groups, and micro-, small- and medium-sized enterprises, and will focus on five categories for funding: (1) irrigation and irrigated production (including post-harvest and storage); (2) rain-fed production (including post-harvest and storage); (3) livestock integration; (4) agro-processing and sale; and (5) input supply. The business development services provided to applicants and grantees will support (i) initial outreach and demand targeting; (ii) business plan and grant proposal development; and (iii) business advisory support for grantees during grant implementation.

Both activities will first engage stakeholders in a comprehensive consultation process to identify, by

corridor or *commune*, investment priorities. Both activities, through the implementation process, will enhance the capacity of local governments, and involve farmers' organizations, national information systems, rural and agricultural advisory service providers and financial institutions to provide goods and services to meet the needs of communities, pastoralists and farmers.

Once the proposed CRA interventions and their locations are known the targeted sites will undergo detailed land tenure assessments to exhaustively identify existing users and occupants, including holders and types of land property rights. This baseline information will inform the CRA Activity's strategies for ensuring land tenure security throughout the intervention zones and mitigating the risk of land conflict.

## **2.2 Objective**

To increase incomes for small-scale agricultural families in Eligible Communes in rural Niger by improving agricultural productivity, sustaining natural resources critical to production, supporting growth of agricultural enterprises and increasing market sales of targeted commodities.

## **2.3 Implementation Areas**

MCC's investment in the CRA Activity will support farmers to apply and scale up climate resilient agriculture practices and technologies at both the commune and individual level, leading to increased agricultural productivity and income while building resilience to climate change in the project areas.

The project's activities will be concentrated in 16 of the 62 eligible CRA municipalities located in the bioclimatic zone between 400 mm and 600 mm of rainfall. MCC and the GoN's selection<sup>3</sup> of the 16 communes<sup>4</sup> was based on:

- Synergies with Large-Scale Irrigated Agriculture and Market Infrastructure Project investments;
- Synergies with PRAPS trade corridor investments; and
- Location in a cluster (contiguous).

Unless otherwise determined, the MCC Eligible CRA Communes include: Tessa, Mokko, Tombo Koirey I, Tombo Koirey II and Kargui Bangou in Dosso Department; Dan Goulbi and Sabon Machi in Dakoro Department; Chadakori and Guidan Roudji in Guidan Roudji Department; Konni and Tsernaoua in Birni N'Konni Department; Malbaza and Doguérawa in Malbaza Department; and Kouré, Liboré and N'Dounga in the Kollo Department.

In addition to the CRA communes, the Grant Facility will also be open to the communes of Tanda and Gaya in the Gaya Department, to accommodate beneficiaries in the area of MCC's Large-Scale Irrigation investments in Dosso-Gaya.

## **2.4 End State**

For crop producers, if common and private water and land resources are sustainably managed, protected from erosion, and upgraded to maintain soil moisture for pasture and forest regeneration, then long-term productivity of these resources can be achieved. Greater availability of water for small-scale irrigation will provide incentives to rural households to engage in agriculture, resulting in an increase in hectares under production. If equipment, inputs, savings and access to capital are available to producers and entrepreneurs to increase application of productive inputs and reduce costs of production and post-harvest losses, then incremental yield gains can be captured and greater volume of product

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<sup>3</sup> *Communes* in the Diffa and Zinder region were not considered.

<sup>4</sup> Refer to Annex B Project Description for PRAPS CRA for detail on the 16 *communes*

will be available to sell to end markets. When producers are organized and informed how to improve their negotiating position, then crop producers can obtain higher prices for their crops and thereby increase farm income. If crop income is increased, then investments in household welfare, livelihoods and incomes can be accomplished.

The ultimate goal of the compact is to increase incomes for farming, fishing and pastoral households in the intervention areas. To that end, expected long-term outcomes are:

- Increased incomes for beneficiary rural households
- Increased income from crop and livestock agricultural production

For the Community-Based Agriculture Project, the long-term outcomes are:

- a. Increased agricultural yields and productivity,
- b. Increased resilience to economic, political, climactic and other shocks,
- c. Increased sale and value for agricultural products,
- d. Increased profitability of agricultural enterprises

## **2.5 Structure of CRA Partnership with World Bank**

MCC and the World Bank are investing in parallel implementations of the CRA Activity (or CSA, as it is called on the Bank side), utilizing the same PIU and common operations manuals/program frameworks; however, they will operate in distinct geographic locations and will not co-mingle funds. While MCC and the World Bank have co-designed the Activity and shall harmonize procedures to the extent possible, they will administer investments in their respective *communes* separately, and MCC shall not have decision rights over investments in World Bank-funded locations and vice versa.

In addition, MCC is only funding one component of the overall CRA Activity – (1) Investments for Scaling up Climate Resilient Agriculture comprised of two subcomponents: (i) financing climate resilient-integrated subprojects at the *commune* level and (ii) inclusive enterprise development for sustainability of CRA. The Bank is funding three additional components: (1) Innovative practices and improved service delivery for mainstreaming climate-smart agriculture; (2) Contingency Emergency Response; (3) Project Coordination and Management. These three additional components will be implemented at a national level while the first component will be implemented in selected *communes*.

For the CRA Grant Facility sub-activity, the MCC-funded and World Bank-funded Grant Facilities will be implemented in parallel, funding grants in distinct geographic locations. The intention is to implement the grants applying similar procedures extent possible. MCC and the World Bank will both adopt a similar Facility Operations Manual governing the grants facility, but may have some procedures/criteria differ in their versions of the manual. MCC and the World Bank will each contract external grants managers following independent procurement practices. The MCC-funded and World Bank-funded sub-activities may launch at different times in their respective areas, and the grants selection process for each implementation will progress independently. During implementation, the World Bank-funded grants and the MCC-funded grants will also be managed separately. There may be some data-sharing and common reporting at each funding institution's discretion.

### **3. THE CRA GRANTS FACILITY (“Facility”)**

#### **3.1 Justification**

The crop and livestock agriculture sector in Niger is dominated by micro, small, and medium-sized enterprises (MSMEs), primarily informal. Producers and small enterprises in Niger’s agricultural sector face significant barriers to securing medium- and long- term investment capital (3-5 year period and beyond), severely constraining their ability to make investments and build productive assets to increase output and profitability. Despite the prominence of agricultural and pastoral employment and the fact that more than 80 percent of the population lives in rural areas, rural lending makes up only 2.15 percent of total credit to the private sector, and only 26 percent of microfinance lending in Niger. Lending is especially constrained for women and youth. Access to Finance was the leading constraint to private sector growth identified during the Investment Opportunity Assessment (IOA), both for the agriculture sector and for businesses in general. Compounding the difficulties accessing investment capital, an Agribusiness Commercial Legal and Institutional Reform (AgCLIR) assessment commissioned by MCC found that lack of services to businesses and poor organization within value chains also severely constrain agribusiness in Niger.

If equipment, inputs, savings and access to capital are available to producers and entrepreneurs to increase application of productive inputs and reduce costs of production and post-harvest losses, then incremental yield gains can be captured and greater volume of product will be available to sell to end markets. The need for productive assets, investment capital, and business development services among producers, cooperatives, and micro, small, and medium-sized enterprises (MSMEs) in the 16 CRA communes and linked to the Konni and Dosso-Gaya large-scale irrigation perimeters will be supported by a grants facility. The facility will focus on funding durable productive assets and business models that will enable climate adaption and will be accompanied by business development services to support grantees.

To verify demand for the Facility in the proposed project areas, the Core Team through FINTRAC conducted a targeted survey of 143 producers, cooperative heads, and MSMEs in 14 communes in the regions of MCC’s planned investment, as well as 8 NGOs and financial institutions. The survey found evidence of unmet demand for finance among both individual farmers and cooperatives. The average size of unmet demand for financing (defined as demand that respondents didn’t believe could be met by savings, credit, or other known sources) was around \$126,000 USD per cooperative and \$2600 USD per individual. As there are approximately 117,000 agricultural households in MCC’s CRA Communes and the Large-Scale Irrigation perimeters, even a conservative estimate would suggest that unmet demand for financing exceeds the planned grant budget. In addition, only 36 percent of respondents surveyed reported having sufficient credit. Fifty-five percent of those reporting insufficient credit or financing have never requested a loan, for reasons that include insufficient documentation and lack of access to financial institutions or lack of knowledge of how to apply. By using the Facility to reduce the risk to MFIs of providing credit to grant recipients and providing support to grant applicants to apply for supplemental credit, the activity design proposes to ease these barriers to accessing credit cited in the survey.

On the cooperative/group side, results from the survey along with triangulation from MFIs regarding the demand they encounter for group loans indicate there is unmet demand for financing. Even though a small sample of cooperatives was interviewed, the total unmet demand for financing was about \$1.5 million USD from just 12 cooperatives. MFIs report that they have difficulty making longer term loans for investment capital and are unable to service all the viable demand for capital that exists. ASUSU SI, the country’s largest MFI, notes that they have to turn away about 60 percent of viable loan applicants because of insufficient capital to lend. ASUSU also states that grants for investment capital

would supplement the sustainability of their credit products, because many of their credit recipients have difficulty securing capital for larger asset purchases. A final data point to support sufficient demand for the facility is the experience of PRODEX, a previous World-Bank funded project implemented by the Nigerien Ministry of Agriculture, which awarded approximately 3200 grants totaling \$20 million over the past 7 years and disbursed 96 percent of funds one year before its closing date.

The survey results also provide useful information about the value chains in which potential beneficiaries participate, their revenues, cost structures, investment needs, access to land, use of loans, and the size of their assets that will help inform the design of the component. For additional due diligence, the core team commissioned FINTRAC to analyze lessons learned from the World Bank-funded Ministry of Agriculture PRODEX project, as well as several other donor programs including LuxDev, SwissCorps, and other World Bank-funded projects. The design of the Facility incorporates lessons learned from each of these donor programs.

A copy of the FINTRAC report and demand survey will be provided to the contracted Grants Manager.

### **3.2 Objectives & Anticipated Results**

The objective of the CRA Grants Facility, which includes both the grants program and accompanying business development services, is to increase investment in productive assets and adoption of environmentally sustainable agricultural practices/technologies to support the sustainable growth of agricultural enterprises and increase income for smallholder agricultural households, focusing on inclusion of vulnerable populations<sup>5</sup>.

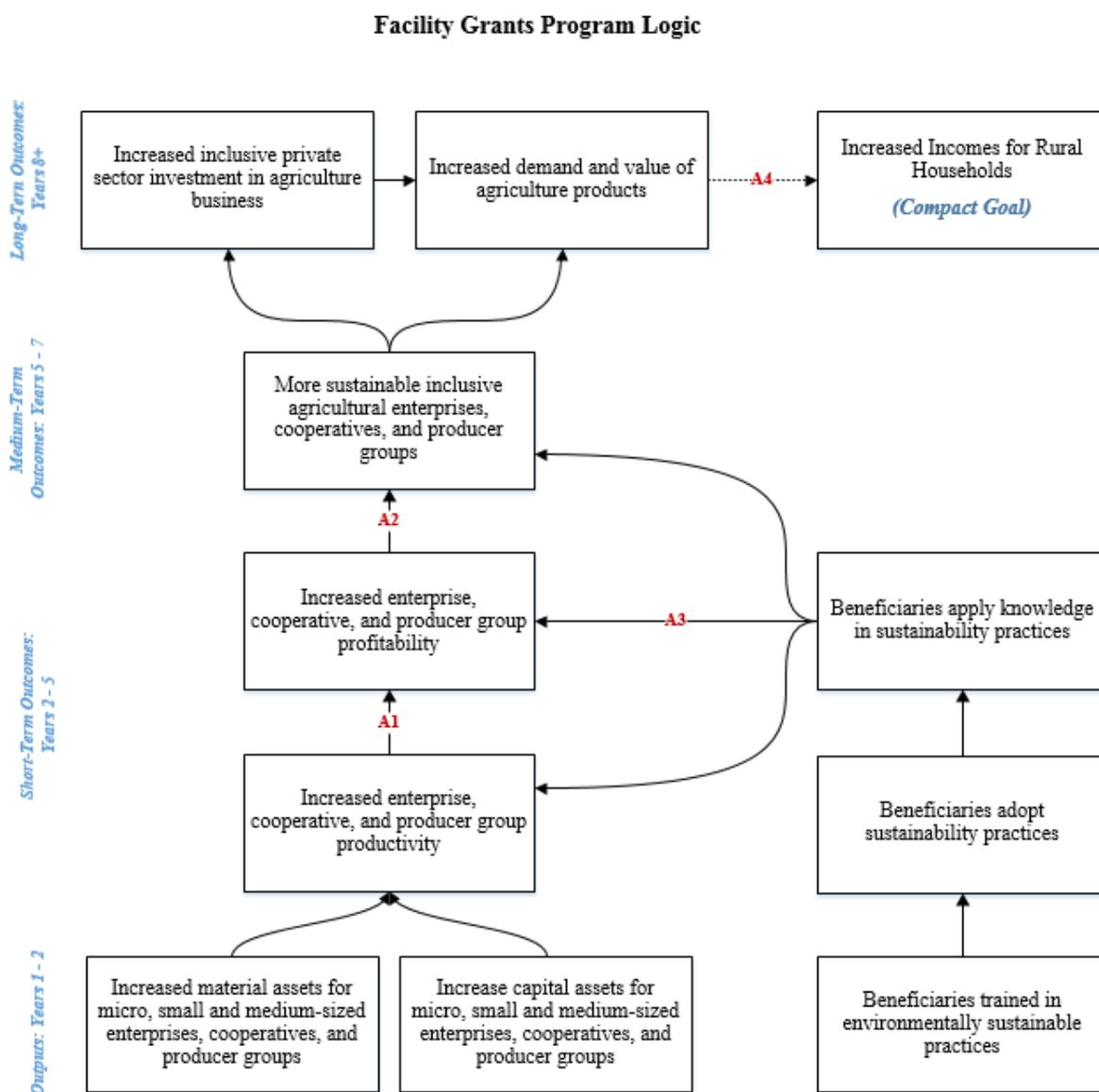
The Facility is intended to address (a) a market failure for Micro Small and Medium Enterprise-level agricultural investment financing options; (b) a need for productive assets, investment capital, and business development services among producers and Micro Small and Medium Enterprises (MSMEs), especially women and youth, in Niger; and (c) buying down the cost/risk for MSMEs to incorporate climate-resilient and innovative practices into their farms. By enabling small producers and processors to access capital for business plan investments along the entire agricultural value chain from inputs, to production, to transformation and sale, the Facility will help pave the way toward the sustainable and profitable commercialization of agriculture. The emphasis on inclusion of vulnerable groups including women and youth will also help to realize inclusive economic benefits and poverty reduction from compact investments. The Facility will help achieve the overall CRA objectives of increasing productivity, improving resilience to climate shocks, and mitigating climate-related livelihood threats.

The anticipated results include provision of investment capital to successful applicants for productive investments leading to increased profitability of these producers/enterprises. In addition, it is anticipated that the CRA Grants Facility will incentivize adoption of techniques and practices by agricultural enterprises that improve productivity, climate resilience/diversification, and climate risk mitigation through application of the selection criteria.

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<sup>5</sup> Vulnerable populations as used here primarily includes women, youth, the poor, and other groups that are systematically marginalized in a socio-economic context.

**Figure 2: CRA Grants Facility Draft Program Logic**



For the above high-level results logic<sup>6</sup>, some underlying assumptions have been made, including:

- **A1:** profitability is hindered by low productivity rates of producers and processors
- **A2:** poor profits cause producers and processors from vulnerable and underserved communities to go out of business
- **A3:** poor producer and processor capacity hinders quality of outputs, lowers demand, profits and productivity, as well as compromises sustainability
- **A4:** poor private sector investment in agriculture undermines long-term outcomes (of increasing rural households) by other agriculture-related projects.
- **A5:** micro, small and medium-sized agricultural enterprises as well as cooperatives/producer groups in Niger primarily consist of smallholder agricultural households

<sup>6</sup> A more complete program logic will be proposed as more details are known on the facility structure and potential grantees.

### 3.3 Description

The Facility will specifically address the lack of access to investment capital faced by producers and small agricultural enterprises in Niger, which is a barrier to the growth of sustainable commercial agriculture in MCC's investment areas. It seeks to support the inclusive, sustainable commercialization and growth of agriculture along the entire value chain from production through transformation and sale, enabling the realization of economic benefits and poverty reduction from compact investments. The component will also address the overall CRA objectives of increasing productivity, improving resilience to climate shocks, and mitigating climate-related livelihood threats.

The Facility will focus on funding durable assets and will be accompanied by business development services to support grantees. The Facility will have three windows:

- 1) Cooperatives and Producer/Processor Groups
- 2) Women's Groups and Youth Groups
- 3) MSMEs

The business development services will be structured in three phases:

- i. Initial outreach, demand targeting, and developing a strong project pipeline
- ii. Support for applicants to develop proposals and business plans
- iii. Support for grantees during grant implementation with training, advisory services, and targeted assistance to build sustainable capacity.

### 3.4 Facility Beneficiaries

Matching grants have in the past, provided a useful tool in Niger's context to allow poor households to accumulate productive assets. Consultations with donors and local financial institutions suggest that focusing heavily on groups, which play an important role in Niger's agricultural economy, lessens the risk and eases administrative burden associated with smaller grants to individuals. Grants would primarily provide productive assets and capital investments proposed in applicant business plans, most likely in-kind. Experience from MCC programs and other World Bank programs in Niger demonstrates that durable investments generate higher levels of sustainable return and are easier to monitor than cash. The use of a matching grants facility enables the investments to be demand-driven and awarded based on the quality and viability of applicant business plans. The Facility expects to provide matching grants to the following three categories of beneficiaries that will fall into separate windows of the facility:

- i. **Window 1: Cooperatives and Producer/Processor Groups** – These include registered cooperatives and groups engaged in some form of productive or value-addition activity in the agricultural sector. Groups who are not yet registered need to be registered in order to apply for and receive a grant, and need to demonstrate a history of economic activity undertaken as a group prior to the grant.
- ii. **Window 2: Women's Groups and Youth Groups** - These include groups of women and/or youth engaged in some form of productive or value-addition activity in the agricultural sector. These may include women's savings groups formed as part of MCC's Irrigation and Market Access Project and existing savings groups. Groups must either be registered with the GoN or other official body as a women's group or a youth group; obtain a letter of support from a reputable educational institution, financing institution, or NGO vouching for the group; or register during the application process and meet assessment of commitment to the project.
- iii. **Window 3: Micro, Small, and Medium-sized Enterprises** – These include formal or informal micro, small, or medium-sized enterprises in the agricultural sector that can provide proof of prior engagement in commercial activity. Enterprises determined to be opportunistically formed solely for the purpose of accessing grant funds will not be eligible.

In order to ensure that the provision of grants and other parts of the financial package are reaching their targets, particularly women's groups/youth groups, the project will have to address a number of challenges to ensure that the Facility maximizes its accessibility. Barriers include, but are not limited to: limited communication channels (women tend to get information from groups), low or nonexistent literacy levels, dispersion and difficulty in transportation in rural areas (women less likely to make visits to towns), limited asset accumulation (women/youth are less likely to hold assets and title, formal or otherwise, to land; youth and sometimes women are less likely to have access to credit; youth and women have limited formal registration or documentation of activities; youth interest in agriculture is waning.

The program will aim to give 40% of its grants to women or youth.<sup>7</sup> In order to reach this target, the Grants Manager, in consultation with MCA Niger and the CRA PIU will need to develop and implement a detailed outreach and community engagement plan informed by knowledge of local context in each region and partnerships with NGOs, associations, and local leaders/governments in order to make the facility as accessible as possible. The outreach and community engagement plan will include, but not be limited to: stakeholder identification and engagement in all geographic areas of Grants Facility implementation, identification of channels for communication, including attention to issues like low literacy and numeracy; sensitization and training of potential applicants in components that will prepare them to apply (eg. concept of proposing a "joint project," importance of saving, initial sensitization to concept of creating budgets and business plans, etc).

The number of total anticipated facility beneficiaries will be estimated once more information is collected during the Outreach and Market Intelligence phase of grant facility, as it will depend on both the number of grants awarded and the size of groups that receive grants. Members of groups who receive grants will be counted as direct beneficiaries.

Specific eligibility restrictions that comply with general MCC policies and also prevent conflict of interest will be defined in the CRA Facility Operations Manual, a draft of which has been written by MCA-Niger/MCC and will be finalized by the CRA Facility Grants Manager.

### **3.5 Business Development Support Services (BDS)**

Due diligence consultations emphasize that with the low baseline capacity in Niger's agricultural sector, providing appropriate support for applicants and grant recipients is critical to the success of the grant facility. The component will allocate funding to capacity-building and business development services, the design of which will be informed by the survey of nearly 150 potential beneficiaries and secondary institutions, which validated the need for basic business and management training and support. The services will support pre-grant due diligence and grant harmonization, business plan development and grant implementation support. The applicants and grantees will receive, among other things, training in technical and business management skills to enable the conversion of innovation into successful business.

BDS shall be provided across all phases of the grant lifecycle (See Section 4 of this document), and will vary in level of effort and shall include both technical support and general business development/management support services (the blend of which shall vary depending on need). In addition to coordination with the Grant Facility Needs, the scope of services should also be developed in coordination with the Management Services and Market Facilitation Activity within the Irrigation and Market Access Project in the Niger compact. The Management Services and Market Facilitation

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<sup>7</sup> This means that at least 40% of the grants will be awarded to either applicants in the "Women's Groups and Youth Group Window," or female or youth proprietors in the MSME window. "Young women" should not be double-counted.

Activity aims to strengthen the capacity of beneficiaries within MCC's large scale irrigation perimeters to: (1) develop cropping calendars that help grow commodities to market demand and pricing signals; (2) participate in savings groups to improve business skills and save capital to operationalize their cropping calendars; (3) increase use of appropriate fertilizers and improved seeds; (4) monitor and adapt to changing conditions in the environment to maximize benefits from ecosystem services; (5) participate in producer organizations to improve their negotiation position at the farm gate and in the market place; (6) invest in infrastructure to store, process and add value to their production; and (7) increase sales of commodities and processed products. There may be some beneficiary overlap between the Business Development Services that accompany the matching grant and the Management Services and Market Facilitation Activity, so the respective implementers of these services will be expected to coordinate their scopes for maximum effectiveness.

The Grants Manager ("GM") shall provide BDS services either directly or through subcontractors, likely working through local partners or international partners with significant local experience. The GM shall ensure that there is no conflict of interest between technical personnel used for BDS/grant development and those used within any appraisal/evaluation and approval panels.

**Phase 1 (Marketing, Due Diligence, and Demand Building) BDS support** shall be provided as a mix of both MCC driven support (via DC based personnel), MCA-Niger support (via the national and regional CRA PIU, PA and FA) and GM support. Intelligence gathered by FINTRAC and MCA-Niger shall be collected prior to GM award and shall be used by the GM to inform its deliverables. The GM shall create an overall Facility outreach plan for each phase of the Grant Lifecycle and begin implementation of Phase 1 activities, including but not limited to marketing and promotion of the Facility, gathering of market intelligence to assess potential / business ideas and potential grantees (individual or corporative groups per Facility windows), creating a targeted marketing plan informed by the intelligence gathered that should define the mediums and channels for outreach to potential applicants (including local community/social influence networks), building the pipeline of potentially viable proposals, technical and project management support needs, and assessing literacy/capacity levels for business engagement. The GM should also assess the need for and administer basic application preparation training and group strengthening/development to increase the number of high potential applicants at this stage. The purpose of this support shall be to maximize the number of quality grants that shall be received by the Facility and to ensure an efficient harmonization of processes and documentation for the Facility given the beneficiary types. The outreach plan should also address specific barriers that may prevent vulnerable groups from learning about and/or applying for the facility, and should include a gender and social inclusion strategy. This phase will require an understanding of local context and communities, capacity of potential applicants, social/political influence and information networks, the landscape of local agricultural enterprises, and experience doing grassroots group/cooperative strengthening, which the GM should either possess directly or leverage through resources like local partners and the CRA PIU. It is important to emphasize that successful completion of this phase will require significant grassroots outreach and field intelligence, and an ability to partner effectively with the CRA PIU, local community leaders, and other organizations/NGOs on the ground.

**Phase 2 (Grant Application and Business Plan Development) BDS support** by the GM either directly and/or via partner organizations/subcontractors and shall be based on an estimation of needs per Phase 1 intelligence as well as response to the initial call for applications. The BDS will assist applicants to develop/refine their initial applications. They will also assist those applications shortlisted to the next round to develop their detailed grant proposals and business plans, including facilitating the submission of proposals that require credit from partner financial institutions. Support shall include specific technical assistance (agricultural, value chains, etc.), business plan development, financial analysis/budget preparation support, and specific programmatic and technical support (i.e. SGA, M&E,

Economic, etc.) as appropriate. The support should also account for barriers to participation by low-income and vulnerable groups including women and youth, such as limited literacy, numeracy, and empowerment. The purpose of this support shall be to efficiently receive, assess, bolster and approve quality grant proposals within the Facility and to ensure an applicable and adequate level of technical support for Phase 3 given the specific needs of the awarded grants. This phase will require a detailed understanding of agricultural business models and risks, expertise in business plan preparation, financial analysis, and other business model dynamics.

If the grant advances to the detailed proposal stage, during this phase the GM will also assess the procurement needs and implementation support/technical assistance needs of each grant and present these proposals to the TEP, IC, and MCA Niger for approval. While the level of assistance required may vary based on the capacity of the grantee, for efficiency the GM should develop basic categories of BDS support for commonly seen business models. The BDS will work with beneficiaries in an independent capacity from the Grants Administration and Technical Experts so as to avoid conflicts of interest during the selection process.

**Phase 3 (Implementation) BDS support** shall be provided by the GM (whether directly, through subcontracted partners, or some combination) to ensure that all awarded grants successfully meet key milestones, receive payment and attain desired results, outputs and outcomes. This shall include in-field support at both the technical and business support/project management levels. This may involve providing grantee-specific advisory services, targeted management support, and business development support as well as administering business development/project implementation training to groups of grantees through existing CRA program mechanisms. The goal is to build *sustainable capacity* within the grantee that will persist even after the TA ends, not to implement the project on behalf of the grantee. As a result, MCC will expect that the proposed BDS support is more involved in the first few months of grant implementation, and then levels off. This support shall be critical to the GM's ability to successfully navigate the Facility to success.

The GM will assess and work with each grantee to propose an "implementation improvement plan" that will outline the specific capacity building areas, support required, and budget estimate during Phase Two, and this plan will need to be approved by the TEP, Investment Committee, and MCA-Niger/CRA PIU to ensure it is appropriately sized to the needs of the grantee. For efficiency given the number of grants anticipated, it may be appropriate for the GM to develop general "templates" for the support services required for general types of anticipated projects, and then adjust the specifics to each grantee.

More details of the specific BDS deliverables from the GM shall be provided in the GM Terms of Reference.

### **3.6 Grouped Procurement**

Based on GM market analysis in Phase 1, MCA Niger may begin as early as Phase 1 to set up procurement arrangements (including IDIQs) through the PA. The GM shall provide a detailed and categorized list of all goods, services, and works that will need to be externally procured on behalf of grantees after grant award, and shall work with MCA-Niger's Procurement Agent to procure these items following MCC Program Procurement Guidelines. This may involve providing the Procurement Agent the necessary inputs to set up Indefinite Delivery Indefinite Quantity procurement mechanisms. This procurement list is distinct from the "implementation support plan" outlining Phase 3 BDS needs for each grant that the GM will also need to submit; both proposals will need to be approved by the TEP, IC, and MCA-Niger/CRA PIU through the grants approval process. During Phase 3, the GM should work to ensure that procured goods and services are not only purchased or delivered to the right recipients, but that grantees have the technical capacity needed to set up and utilize procured purchases to ensure seamless implementation of the grants. The GM should provide any other specific technical

assistance needed to correctly utilized any goods that may be procured by the PA. As part of the monitoring plan, the GM should also ensure that applicants are actively using procured purchases for their intended and appropriate purpose.

### 3.7 Eligible Activities & Targeted Value Chains

The Facility will consider five categories of projects for funding:

1. Irrigation & irrigated production (including post-harvest and storage)
2. Rain-fed production (including post-harvest and storage)
3. Livestock integration
4. Agro-processing and sale
5. Input supply

Within these broad categories, eligible activities are categorized based on whether they comply with the PASEC program objectives as defined by the World Bank. This framework decomposes the overall concept of Climate Resilient Agriculture into 3 criteria that can be used to determine whether activities address the objective Climate Resilience – (1) Whether they augment **productivity** (or reduce productivity losses); (2) Whether they support **resilience** through income diversification; (3) whether they **mitigate** environmental or climate risk impact. Projects should meet at least one of the 3 CRA criteria to be eligible for a CRA Grant. At a portfolio level, projects should be distributed across the CRA criteria.

Table 1 below provides an illustrative list of activities that meet one or more CRA criteria of productivity, resilience and climate risk mitigation, and are informed by World Bank and MCC due diligence. Projects may integrate more than one eligible activity into a business plan.

The list is meant to be illustrative rather than exhaustive. Additionally, the following three activity categories are eligible for grant funding if they are integrated into business plans that fall into one of the five categories above.

- Productive partnerships that support agricultural sector growth
- R&D for productive inputs, climate resiliency practices and technologies
- Marketing, Promotion and Trade activities for groups and associations

**Table 1: Illustrative List of Eligible Activities for CRA Grant Funding**

Activity	Productivity	Resilience	Mitigation
<b>I. Rain-fed crop production</b>			
Drought-tolerant seed production	X	X	
Purchase of agricultural equipment and machinery	X		
Conservation agriculture and integrated soil fertility management (Zai, mulching, fertilizing trees, crop rotation etc.)	X	X	X
Devices preventing wind erosion (haie-vive, wind-breaks)	X	X	
Integrated pest management	X	X	
Compost production	X	X	X
Storage infrastructure and other technologies to reduce post-harvest losses		X	
<b>II. Small-scale irrigation</b>			
Irrigation sale and service/maintenance shops (drip irrigation, solar irrigation, treadle pumps, etc.)	X	X	
Purchase of individual pumps and pipes by farmers' group and enterprises	X	X	

Use of water conservation technologies for water distribution (drip irrigation and California system)	X	X	
Wells	X	X	
<b>III. Livestock integration</b>			
Fodder production and sale	X	X	X
Small ruminant rearing and fattening	X	X	X
Cattle rearing and fattening	X	X	X
Equipment for natural fodder harvesting	X	X	
Irrigated fodder production, processing, storage units	X	X	X
Nutritional block processing units, including storage facilities for raw material and blocks.	X	X	X
Village poultry production (initial stock, housing, feed storage)	X	X	
Intensive fish production	X	X	
Development of animal habitats	X	X	
<b>IV. Agro-processing</b>			
Processing and sale of non-timber forest products not prohibited by the IFC Exclusion List		X	
Sorghum transformation		X	
Rice processing		X	
Millet processing and sale		X	
Cowpea (niebe) processing and sale		X	
Meat and fish processing and sale		X	
Fruit and vegetable drying, storage, and processing		X	
Oilseed and legume processing		X	
Processing and sale of other cash crops – eg. moringa, gum arabic, etc.		X	
Dairy collection, cooling, storage and processing, central plant	X	X	
Secondary dairy cooling plants (small size in villages)	X	X	
Milk transportation equipment		X	
<b>V. Input delivery</b>			
Compost manufacturing and sale	X	X	X
Retail shops for seed and input sale	X	X	X
Seed production and sale	X	X	X
Small scale feed mills and feed storage	X	X	X
Retail shops for feed and veterinary medicine - Feed shop	X	X	X

The facility may fund the following value chains: (i) millet, (ii) sorghum, (iii) cowpeas (niebe), (iv) vegetable production, (v) rice, (vi) other cash crops (moringa, peanuts, other legumes and oil seeds), (vii) dairy, (viii) small ruminants, (iv) beef cattle, (v) poultry, and (vi) aquaculture/fisheries. These value chains were selected based on local prevalence, current and emerging market demand, commercial potential, and relevance to project objectives and are meant to be illustrative rather than exhaustive. Value chains may be prioritized and refined based on GM market intelligence and analysis.

The grant is meant to primarily fund productive assets and capital investments that may increase the productivity/returns to the grantees' activities, as opposed to expenses without direct productive value. It is proposed that a majority percentage of each grant be allocated for investment capital needs, with working capital limited to an approved list of expenses to prevent non-productive use of funds. The GM will need to develop more detailed criteria for assessing acceptable productive uses of the grant in the Facility Operations Manual.

### 3.8 Management Structure

MCA-Niger, serving as the Client, will hire a Grants Manager (the “GM”) to develop and implement the Facility. The GM shall be contracted via a competitively procured, independent process and MCC funding will finance the associated costs and fees, as applicable, of engaging the GM. The scope of services to be provided by the GM will be detailed further within the GM Terms of Reference. The external Grants Manager (GM) will be provided oversight from MCA-Niger staff integrated in the CRA PIU. In addition, there will be embedded oversight capacity for Facility management and for cross cutting functions like procurement, fiscal management, ESP, GSI, and M&E that will work closely with the PIU staff while reporting to MCA-Niger. The CRA PIU, via the Grants Manager, will handle general management of the Facility.

The Core Team has considered fiscal management, procurement, monitoring, and other operational issues early in program design. Detailed operational procedures will be set out in the Grants Operations Manual which shall be finalized by the Grants Manager based on a draft document and guidance provided by MCC and MCA Niger. For CRA overall, MCA-Niger will contract external procurement and fiscal agents to work with the CRA PIU for oversight and training and will have integrated MCA-Niger fiscal and procurement staff within the PIUs. In addition, MCA may contract for short-term program verification and monitoring support to supplement the capacity of the grants administrator and PIU to mitigate the risk of misuse of funds.

### 3.9 Implementation Approach

#### *MCC and World Bank Institutional Arrangement*

As discussed above, MCC and the World Bank will run separate, parallel implementations of the CRA Grants Facility in non-overlapping geographic areas. The relationship and obligations of MCA-Niger and the CRA-PIU will be governed by an Interagency Agreement signed between the two entities. Both implementations will be managed from the CRA PIU, but MCA will hire dedicated technical oversight staff in cross-cutting areas (M&E, GSI, ESP and Land Tenure) as well as two grants management specialists, all of whom will be integrated within the PIU but report to MCA-Niger to oversee the MCA-funded CRA activities. For more on this arrangement and details of integrated staff, please see the Grants Manager ToR. The below chart summarizes the elements of the institutional arrangement between the two organizations for implementation of the facility.

**Table 2: MCC and World Bank Implementing Arrangements**

Common/Harmonized Elements	Distinct Elements
<ul style="list-style-type: none"> <li>• Same general program structure and objectives</li> <li>• Same general design elements outlined in shared facility operations manual</li> <li>• Same implementing PIU</li> <li>• Common or similar ToR for Grants Manager and other contractors</li> <li>• Similar language in call for applications and external communications</li> </ul>	<ul style="list-style-type: none"> <li>• Some limited donor-specific procedural elements as outlined in annexes to facility manual</li> <li>• MCA will have dedicated integrated staff in the PIU that will work with the PIU staff but focus on oversight and programmatic support for MCC-funded activities</li> <li>• MCC and World-Bank funded Projects will follow distinct procurement processes and have separate contracts with Grants Manager(s) and other contractors</li> <li>• The MCC and funded Projects will follow the IFC Performance Standards while the World Bank funded Projects will follow the</li> </ul>

	<p>WB OP environmental and social safeguard policies</p> <ul style="list-style-type: none"> <li>• The MCC- and World Bank-funded facilities may follow independent selection processes. (Structurally, the processes may be similar, but there should be no timing dependency between the two processes). MCC/MCA-Niger and the World Bank will each only have No Objection on the grants from their respective geographic areas.</li> <li>• The MCC-funded projects will ensure adherence to established land rights and allocation principles</li> </ul>
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### 3.10 Role of Grant Manager and Key Facility Focused Entities

The Facility will be administered by an external Grants Manager (GM) with oversight from MCA-Niger staff integrated in the CRA National PIU. The GM shall also coordinate activities with the four (4) regional PIU's located in the Facility communes.

Critical to note is that the GM is not simply an administrator for the Facility grants, and rather shall be responsible for the prelaunch demand identification, marketing, and promotion, development of key documentation and processes, receipt of quality grants, grant due diligence, support assessment, award and implementation such that each grant is monitored and supported quickly and efficiently in order to meet its anticipated milestones, results, outputs and outcomes.

The GM shall be experienced in the management of Facilities and shall represent and report to MCA-Niger for the daily operations and financing modalities of the Grants Facility. The GM will be responsible for establishing all necessary tools and materials for the implementation of the Facility, including but not limited to, the operations and procedures manuals. The GM's role is set out in more detail in the Terms of Reference to the Grant Facility Manager RFP.

The administration of the Facility will be governed by documentation, including but not limited to, a Grant Operations Manual whose finalization is part of the GM's scope of work. The final manual should be satisfactory to MCA-Niger, National CRA PIU and MCC, setting forth, among others, eligibility and appraisal criteria for each grant funding window (including environmental, social, and gender considerations), requirements for economic rates of return, appropriate governance and implementation structures, selection process, and requirements relating to the use of Facility funding. Funded projects will comply with the MCC Environmental and Social Guidelines (including the IFC Performance Standards), relevant fiscal and procurement safeguards, MCC's Gender Policy and Operational Requirements for Social Inclusion and Gender Integration, and minimum acceptable ERR thresholds. A limited number of small, individual grants may not have a full ERR analysis but will still undergo cost-effectiveness analysis.

#### *Key Facility Focused Entities*

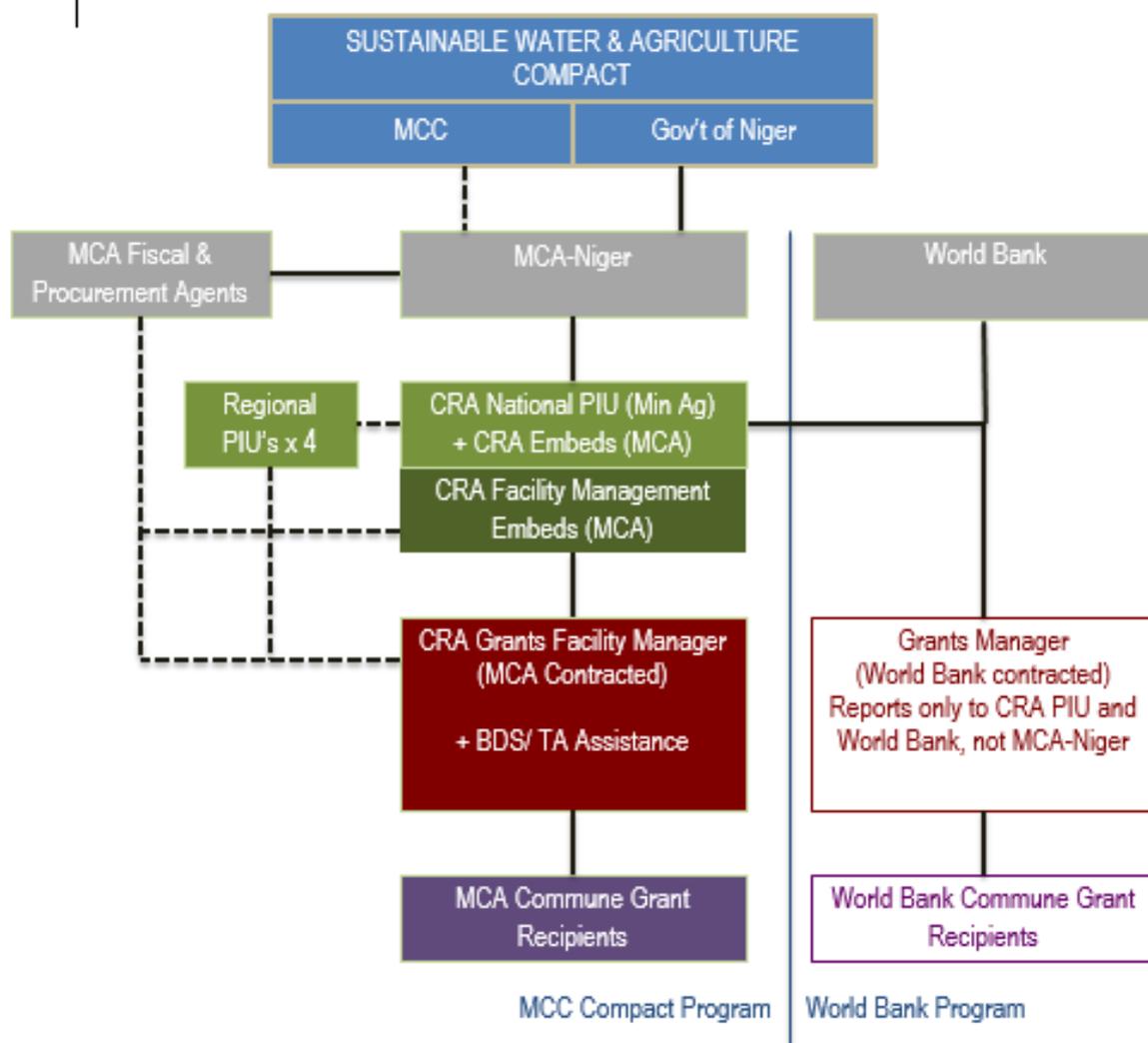
The roles and responsibilities of the key entities, in oversight, decision-making, management and implementation of the Facility are outlined below and in the GM ToR. They include:

- i. **MCC** – Responsible for overall funding of the sub-activity; provides oversight and guidance to MCA-Niger.
- ii. **MCA-Niger** – Responsible for overall success of the sub-activity and the Compact; works through the integrated grants management staff and has a direct line of oversight into the National CRA PIU; With assistance of Procurement Agent, CRA Director in MCA-Niger is

- responsible for procurement of Grants Manager; Signs contract with the Grants Manager and supervises GM activities; Has right of no objection on TEP Decisions and CRA Regional Approval and Financing Committee recommendations; Signs grants with grantees and manages grant funds.
- iii. **National CRA PIU** – Responsible for implementation of CRA Activity, including day-to-day support for management and operations of the CRA Grants Facility sub-activity. Responsibilities for CRA Grants Facility include providing subject matter expertise and sharing good practices, ensuring harmonization in procedures with World Bank implementation of Grants Facility, and providing operational support to GM and MCA Facility Management integrated staff.
  - iv. **Regional CRA PIU** – Supports the GM and National CRA PIU in conducting outreach and communications for the facility, liaising with local governments/community organizations, and monitoring grantees
  - v. **CRA Regional Approval and Financing Committee (CRAF)** – The CRAFs in each region are responsible for approving the CRA Integrated Commune Investment Plans (ICRIPs), which is a separate workstream from the Grants Facility. In addition, they will review a portfolio-level summary of the Grant Facility grants recommended for investment by the TEP from the communes in their region to ensure portfolio-level alignment with priorities and considerations of the Ministry of Agriculture. Review by the CRAFs should focus on portfolio-level characteristics such as geographic distribution of grants, alignment of the portfolio to Ministry of Agriculture and 3N priorities, achievement of the three CRA objectives across the portfolio, and achievement of the gender targets rather than technical characteristics of specific grants. The recommendations of the CRAF are reviewed by MCA Niger during the No Objection process.
  - vi. **Grants Manager** – Responsible for executing and supporting management of the CRA Grants Facility on behalf of MCA-Niger/CRA PIU, supporting grantees with capacity building/business development services, and delivering a successful program as outlined in the Terms of Reference for the facility management. GM consists of grants administration staff in charge of overall grants management and oversight/implementation of selection, reporting, and monitoring processes, as well as BDS staff who conduct grassroots outreach activities, provide specific application/proposal preparation support and implementation support to grantees. The grants administration staff will include, at minimum, a Team Lead, Deputy Team Lead, and a Grants Administrator. The Grants Manager will liaise between MCA Niger (the funder) and the grantees to manage disbursement requests and any requests for change in scope or modification of the grant (which need to be approved by MCA Niger).
  - vii. **Technical Evaluation Panel** – Independent body of experts constituted by Grants Manager to evaluate grant proposals and business plans from a technical perspective using a transparent evaluation system. The TEP is responsible for technical assessment of the grants and shall not be influenced by MCA-Niger or the CRAF during its evaluation process. After the TEP’s evaluation process is completed, their recommendations will inform the portfolio-level summary reviewed by the CRAF, and their recommendations will be subject to No Objection by MCA Niger.

The below table (and the Grants Lifecycle chart in Section 4) summarizes the key implementing entities and their relationships as described in more detail above.

**Figure 3: Management Structure of MCA-Niger CRA Grant Facility**



### 3.11 Implementing Entities

MCA-Niger may sign Implementing Entity Agreements (“IEAs”) with various entities both within and external to the GoN. These entities are referred to as Implementing Entities (“IEs”). The IEs will fulfill various roles and functions depending on the project and activity, some of which may include, but is not limited to, technical input, providing data, participating in reviews, and providing approvals.

### 3.12 Technical Evaluation Panel

The GM shall also be responsible for establishing all required Technical Evaluation Panels (TEP’s) to technically evaluate and assess all grant applications.

The TEP is an independent body responsible for the selection of projects submitted to the Grants Facility. The TEP is a technical committee and consists of members who are representatives of national and international institutions and the private sector with experience in the field of agriculture and related fields. At least 50% of the TEP members should be of independent affiliation and not employees of the GM. The TEP should also include at least one senior technical representative from the MFIs that are

partnered with the CRA grant facility. All members of the TEP are selected based on their profiles. The GM should ensure there is an appropriate mix of technical expertise represented on the TEP. This may entail having a core panel of experts, plus additional specialists who can be called upon as necessary based on the content of the grant proposals evaluated. The TEP is responsible for transparently and equitably vetting of the project ideas submitted to the Facility following the Call for Proposals and potential latter rounds. Profiles of TEP members and TEP composition will be approved by MCA-Niger, via the National CRA PIU, and MCC. The GM shall ensure that there is no conflict of interest between technical personnel used for grant development and those within the TEPs.

### **3.13 CRA Regional Approval and Financing Committees (CRAFs)**

CRA Regional Approval and Financing Committees (CRAFs) are bodies established under the GoN's 3N Initiative to provide input on some donor funded projects. With respect to the CRA Grants Facility, the CRAFs will primarily be responsible for conducting a portfolio-level review of the TEP-recommended CRA grants portfolio in their region of oversight, paying attention to portfolio-level and strategic considerations such as risk allocation and value chain distribution of grants; alignment of grants portfolio against CRA project objectives and national/regional priorities of the Ministry of Agriculture; geographic distribution of grants; performance of portfolio against social inclusion targets; total value of portfolio and planned disbursements; and application of social and environmental safeguards. They will only receive the recommended portfolio of grant awards after the TEP has reviewed and approved. The role of the CRAF is not to provide a detailed technical assessment of individual grants; that said, they shall note any major concerns or fatal flaws with the grants selection process.

### **3.14 Role of Microfinance Institutions (MFI's)**

As the FINTRAC Phase 2 report noted, the microfinance sector faces overall challenges due to superfluous non-performing loans and insufficient technology to connect to Niger's broader financial system.<sup>8</sup> Additionally, they face constraints due to scarcity of funds, including funds for longer-term lending; this leads to a limited deposit base. While MFIs have more exposure to agricultural lending than traditional banks, they are still less likely to invest in agriculture than in other sectors, despite the dominance of agricultural employment in Niger. MFIs offer more opportunity to reach women and youth through their flexible collateral approach on smaller loans, including group guarantees for loans to groups (this is relative to banks that primarily rely on land titles for loan security, which excludes women and youth).

MCA-Niger will establish relationships with select MFIs/Financial institutions to offer complementary credit to select grant applicants who are deemed in the initial screening process by the GM to require/be likely to qualify for credit. MCA Niger will issue a partnership solicitation/request for information to identify potential MFI partners and will begin negotiating these relationships before the GM is hired based on basic selection criteria like the size, stability, loan products, selection process, and rural lending focus of the MFIs. This will essentially be a pipeline partnership, and MCA-Niger and the MFI will offer grant and credit packages respectively to selected applicants that are coordinated but do not entail any intermingling of funds. These partnerships will be documented by an MOU between the MFIs, MCA Niger, and/or the CRA PIU. The GM will ensure that the application forms and application/screening process for the facility as outlined in the Facility Operations Manual are streamlined with the MFI application processes. The GM will also need to understand typical length of MFI credit screening process and ensure this aligns with evaluation period for the grant application, as they two processes should largely occur in parallel. The GM will also need to develop in the grants manual a standard procedure for addressing any delays in the MFI screening process. The MFIs will play the following roles at each phase of the process:

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<sup>8</sup> AgCLIR Niger, May 2015.

**Phase 1** – Partner MFIs will serve as a referral source for potential applicants and may also provide market intelligence to the CRA PIU and the GM to inform their outreach/targeting strategy.

**Phase 2** – After initial screening, the GM will refer select grantee applications to the MFIs to consider a loan to complement the grant they may be awarded. Before routing applications to the MFI, the GM will need to consult the applicant to ensure they are comfortable accepting credit and understand the basic risks/responsibilities they take on. Grantees will also receive further training about responsibly managing their loan through the MFI or the GM BDS if they are awarded credit. The GM will need to coordinate with each partner MFI (likely 2-3 total) on an efficient routing process that both aligns with the MFI's internal processes and ensures efficient progression of the grants cycle. The GM will also need to outline in the Facility Manual simple, objective rules for deciding which MFIs will review which applications to avoid confusion and delays. During this stage, the MFI will go through their normal loan assessment/credit risk evaluation process to determine award of credit. The MFI's recommendation/decision and accompanying analysis will be shared with the GM and included in the applicant file presented to the TEP/IC. This information will be considered by the TEP and the IC to inform grant award as well. Each MFI should also have representation on the TEP to facilitate alignment of the MFI and Grants selection process.

**Phase 3** – MFIs will monitor the credit portion of the packages per their normal processes. The GM/CRA PIU will not be responsible for directly monitoring any credit disbursed as compliment to the grant, but they will liaise with the MFIs on repayment status and may track repayment of the loans as a milestone for the grantee. The agreement between the Grants Facility and the partner MFIs should also specify how the grant program may leverage the MFIs' monitoring efforts and data sharing to inform grant monitoring (and vice versa). Coordination on monitoring activities, implementation risks, and open data/reporting exchange will be key at this stage.

### **3.15 Financing Modalities**

Agribusinesses will have different financing needs, which may comprise working and investment capital. The Facility itself will only provide grant capital (in-kind or direct), but it will partner with Nigerien microfinance institutions, to whom beneficiaries could apply for supplemental credit that would count towards their personal contribution requirements. Leveraging private sector financing alongside the matching grant addresses the need for working capital and facilitates entry of beneficiaries into the private finance market, addressing sustainability. It also aligns with the general direction of other donor approaches such as those of LuxDev, SwissCorps, and DANIDA, and guidelines from the incipient national strategy for agricultural financing (FISAN). The core team's consultations with MFIs and financial institutions validate that they have more difficulty providing longer term financing for asset purchases and would welcome grants alongside credit to increase sustainability of their products

The Facility will primarily finance investment capital (with limited working capital for specific pre-approved uses to be outlined in the Facility Operations Manual), providing a necessary complement to those financial institutions that offer working capital but have trouble coming up with long term financing. As such, Facility grants may stand alone or be complemented by credit provided by external sources including the partner MFIs/Financial institutions.

#### *Beneficiary Contributions and Complementary Credit from Financial Institutions*

Grant recipients will make cash or in-kind contributions towards the total cost of the proposed project, and will be supported to apply for credit from partner microfinance institutions that can supplement the grant. Any credit received will be counted towards the beneficiary contribution requirement. The amount of contribution required will depend on the type of beneficiary category (for example, women groups and youth groups are less likely to be able to afford the same level of financial contribution as a cooperative or MSME) and on the size of the grant requested (larger projects are expected to put forth higher levels of contribution). Both cash contributions and acceptable in-kind contributions should go

directly towards expenses/needs enumerated in the applicant business plan and needed to execute the project. Only select forms of in-kind contribution with documented valuation will be accepted. The GM will need to establish the levels and acceptable forms of contribution for each grant window in the Facility Operations Manual. Guidance on contributions will be developed in the draft Facility Operations Manual.

Grants for investment capital needs should be disbursed in-kind as procurement of goods/works/services when possible, especially above a certain dollar threshold. This approach reduces risk of fund misappropriation and difficulty tracking cash in such amounts. This is particularly true when a grantee has very little invested of their own in the project and where the client may find other uses for a disbursement in cash, especially if the grantee does not have a structured separation between the project and personal or other business activities.

Further, as a grassroots Facility, the resources of the Facility are targeted to beneficiaries who have difficulty accessing affordable finance options to meet all of their needs (such as women’s groups and youth groups) or to those who are attempting to transition to climate resilient agriculture activities, and may require grants to buy down the risk and the cost of making that transition.

#### *Triage framework*

The triage framework is a matrix to quickly categorize the grant proposals coming through the pipeline and establish the maximum and minimum grant-sizes and minimum beneficiary contribution requirements for each grant window. The first cut of the framework is by size of financial need (overall business/financial package of which a subset might be the grant portion), and the second cut is by type of beneficiary. The assumption is that the larger the overall grant request, the more the applicant should be required to contribute to the package and the more likely other non-grant financial options are available to the beneficiary category. See indicative Triage Framework below. Please note that any amounts and percentages are placeholders for illustrative purposes and will need to be determined and validated by MCA-Niger and the GM:

**Table 3: Draft Triage Framework for Grant Sizes and Contribution Requirements**

Grant Size Ranges by Window (with Grantee contribution requirements by level)			
	<b>Window 1</b>	<b>Window 2</b>	<b>Window 3</b>
	Producer Groups and Cooperatives <i>10 MM – 200 MM CFA</i>	Women’s Groups and Youth Groups <i>6 MM – 200 MM CFA</i>	Entrepreneurs/MSMEs <i>6 MM – 150 MM CFA</i>
Grant Size 5-15MM CFA	10 % Contribution	8 % Contribution	10 % Contribution
Grant Size 15 -50 MM CFA	20 % Contribution	10 % Contribution	20 % Contribution
Grant Size > 50 MM CFA	30 % Contribution	12 % Contribution	30 % Contribution

Contribution may include both grantee's own funds (cash or select in-kind contributions) and external cash or credit contributions

The triage committee, which would not be an external committee but would be composed of some combination of the GM, PIU, and/or BDS staff members, shall screen out applications based on preliminary criteria defined in the Facility Operations Manual. The triage committee will also use the triage framework and contribution requirements to determine whether the proposal will be routed to a partner MFI for consideration for financing (if the applicant is likely to be creditworthy and may need support to meet the contribution required), or whether the proposal can be financed by a grant alone. Standards indicating time necessary for each process will be established in the Facility Operations Manual.

MOU's will be negotiated and signed with partner financial institutions outlining the terms of the collaboration; initial identification of the partnerships will be done by MCA Niger and the PIU, while finalization of the partnerships/MOUs will be among the initial deliverables required of the Grants Manager.

The Facility is targeted toward small-scale grants, with a maximum estimation of 100 grants to be distributed across all Facility windows over two grant cycles.<sup>9</sup> However, this is an initial estimation for planning purposes and will need to be verified by the GM through completion of Phase 1 due diligence and will ultimately depend on the size of grants awarded. It is expected that each grant may range from 6 million CFA to 200 million CFA<sup>10</sup> (about \$10,000 to \$330,000 dollar equivalent). (with different minimum and maximum ranges within that specified for each grant window) and will require a percentage contribution, either in-cash or in-kind, from the grantee, at a level to be outlined in the triage framework and determined based upon the size of grant and beneficiary category.

Grants will be awarded utilizing a simple disbursement schedule that may be tied to performance milestones.

*Funding Conditions:*

Subject to the MCC cost principles for Accountable Entity operations, all project related costs (both those covered by MCA-Niger matching grant disbursements and those covered by co-funding contributions) shall have to meet the following criteria:

- be directly related to the grant objectives;
- be reasonable;
- be accounted for properly;
- be incurred within the grant period;
- be documented properly;
- not be used for expenses that are unallowable.

The GM will also need to build out additional guidelines in the Facility Operations manual about allowable project costs, keeping in mind the objective of the facility which is to primarily fund productive assets/investments that can be shown to directly improve the economic and financial returns to the grantee.

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<sup>9</sup> Actual rounds of windows and specific number of grantees are to be determined based on, among other things, 1<sup>st</sup> round intelligence gathered and funds available

<sup>10</sup> Tentative ranges – will be validated by Grants Manager and MCA.

*Exclusions:*

The following areas of support are excluded from Facility eligibility:

- Expenses related to personnel except as allowed under the 10% total allowance for working capital and essential to execution of activities outlined in the grantee business plan
- Working capital financing which exceeds 10% of the total requested funding amount (The draft Facility Operations Manual will elaborate acceptable/unacceptable uses of working capital. Approved working capital expenses must be documented and will be monitored by the grants manager)
- Purchase, distribution or promotion of pesticides and/or agrochemicals
- Entertainment representation, gifts, gratuities, donations, alcoholic beverages, tobacco products, fines and penalties.
- Activities involving physical violence by any individual, group, or government.
- Payments of any kind to politically affiliated organizations or parties, as well as costs related to campaigns for public office.
- Lobbying directed at influencing public policy decisions of local, State, or National governments.
- Costs related to education, training or informing audiences of any partisan policy or practice or candidate for office.
- Costs incurred before signing the grant agreement.
- Fines/bad debts/penalties
- Promotional items without a clear functional benefit to the project.
- Salary or honoraria payments for current employees of the Government of Niger or local officials to include excessive reimbursement of costs incurred for travel expenses or other allowances related to participation of employees of the Government of Niger or local officials in activities necessary for project completion.
- Direct tax payments or indirect support of implementer tax liability.
- Compensation to members of the media for services.
- Costs of advertising, which are not necessary for completion of the grant as a specific deliverable, including advertising and public relations, designed primarily to promote the implementer organization rather than complete the project.
- Miscellaneous and/or Contingency costs are not allowable.
- International travel expenses unless related to project team mobilization. All project related air travel should utilize economy class tickets.
- Grant provided under this agreement shall not be used to procure any goods or services furnished by any firm or individual whose name appears on the excluded parties lists as provided for in the eligibility verification procedures included in the MCC Program Procurement guidelines, and implementer checks must be conducted and documented by implementer for all significant contract awards and payments.
- Projects that are classified as Category A or D based on recommendations contained in the OECD Common Approaches, the Operation Policies of the World Bank, and MCC's Environmental Guidelines due to potential environmental and social impacts and the extent of environmental and social review required.
- Projects that are identified as Category B1 through the project categorization screening process which will be outlined in the annex of the Facility Operations Manual.
- Activities funded through this facility that are considered likely to cause a significant environmental, health, or safety hazard as outlined in Appendix A of MCC's [Environmental Guidelines](#).
- Grants that involve involuntary resettlement (as defined by [IFC Performance Standard 5](#) or World Bank's OP 4.12) of any project affected persons.
- Financing activities declared illegal under all laws applicable in Niger, as well as any prohibited activities under the MCC compact.
- Any other areas non-compliant with MCC or MCA standards and policies.

Further to the list above, the IFC Project Exclusion List (below) will be used.

## IFC Project Exclusion List

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions.<sup>1</sup>
- Production or trade in alcoholic beverages.<sup>1</sup>
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

Specific to Financial Institutions investing in Microfinance Activities, the following exclusions also apply in addition to the list above:

- Production or activities involving harmful or exploitative forms of forced labor<sup>11</sup>/harmful child labor.<sup>12</sup>
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.

A reasonableness test will be applied when the activities would have a significant development impact but circumstances of the country require adjustment to the Exclusion List.

Funding of the items listed below under the CRA Grants Facility is permissible. However, due to their potentially sensitive nature, procurement approval requires prior written authorization by MCA-Niger & MCC and may be subject to specific stipulations or verification. Used equipment is eligible for procurement but also requires prior written authorization by MCA-Niger & MCC. In general, project applicants will be encouraged to propose and procure new equipment. The goods subject to restricted procurement procedures are listed below:

- Veterinary Medications,
- Chemical fertilizers containing active ingredients that are not prohibited or restricted by Appendix A of the [MCC Environmental Guidelines](#) or by provisions in the Facility Operations Manual.
- Used equipment

### 3.16 Grant Selection Criteria

#### *Grant Level Criteria*

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<sup>11</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

<sup>12</sup> Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

There shall be two criteria sets within Phase 2 of the grant lifecycle – (1) screening criteria based on an initial application and (2) evaluation criteria based on a full business plan and grant proposal for applicants that pass the screening stage, all of which will be outlined in the Grants Manual by the GM.

Screening criteria will include basic requirements such as alignment to the CRA project objectives, alignment with portfolio targets, high level GSI and environmental factors, ability to meet the contribution requirement, evidence of legitimate prior activities, and viability of proposed activities. One function of the screening information would be to allow the project to assess where the agribusiness places in terms of the triage framework to determine the financing mix required and next steps for the proposal. While the basic criteria should be standalone to the CRA project, consideration should be given to the eligibility/selection criteria, which would pertain to leveraging any financial institution partners (collateral, personal contribution, etc.). These financial institution eligibility criteria may need to be modified from current policy, which may need to be negotiated with financial institutions.

Selection criteria will consider factors like quality of business plan, rate of projected return, sustainability of activities, risk assessment and technical feasibility, innovation and use of climate--resilient practices, and leveraging of private sector partnerships. The GM will provide inputs to MCC and MCA-Niger Econ to produce an Economic Rate of Return (ERR) as part of the business plan evaluation process based on inputs and financial projections from grantees, building upon the PRODEX pro forma models (see below). The rate of return will be used as a portfolio-level decision criteria for grants (the threshold for grant awards will be 10% for grants that are large enough to warrant an ERR. ERRs will be calculated where feasible; in the event that the grant In addition to individual criteria, the screening and evaluation process will also address portfolio level considerations as defined in the grants manual, including social and gender inclusion targets, geographic allocation of investments, overall portfolio rate of return, and distribution of risk among business model categories.

### *Economic Analysis*

The economic analysis is an important element of the application as it helps the CRA project allocate grants expected to reach a certain threshold of benefit vs. cost. The MCC economist will work with MCA and the Grants Manager to determine the standards and parameters of the economic analysis, which will be outlined in the Facility Operations Manual. The MCC and MCA Economic Analysis team will use initial inputs & assumptions supplied from the Grants Manager in the Market Intelligence and Outreach Phase (see Grant Cycle in section 4) prior to launch of the Grants Facility to develop economic analysis models for each of the anticipated project categories funded by the facility. The EA team will also work with the Grants Manager to develop data collection templates for the economic analysis that will be part of the proposal application process. Once grants applications are launched, only grants that advance past the initial screening stage will be asked to provide data for the Economic Analysis. At this point, the Grants Manager BDS staff will work with grant applicants to collect inputs to the economic analysis templates based on their final projections/business plan and may assist EA who will be primarily be responsible for performing the economic analyses.

The economic analyses will also consider probability with a sensitivity analysis as part of the risk assessment. A value threshold will be set above which projects will go through a full economic rate of return calculation, and below which projects will be subject to alternate analysis such as cost-effectiveness analysis.

A previous World Bank-funded project, PRODEX, developed basic pro forma financial models for standard business models in different value chains that they used to calculate rate of return on projects. The PRODEX implementing PIU will be responsible for helping to stand up the CRA PIU. The GM, MCA-Niger Econ, and CRA PIU should ensure appropriate knowledge transfer from the PRODEX

PIU, including transfer of templates and methodology for calculated ERRs/IRRs from funded projects. Any key business plan inputs required for economic analysis should be included in the Business Plan and Application Template in the draft Facility Operations Manual.

### *Portfolio-level Considerations*

Portfolio level guidance for grants selection will be developed along allocation guidelines, both to mitigate risk and also to encourage desirable characteristics such as social inclusion and adherence to the objectives of diversification/resilience, increase productivity, and climate risk mitigation. Therefore, there would be two types of portfolio level targets – risk allocation targets (eg. minimizing risk exposure to certain value chain categories) and desirability targets (eg. meeting the minimum benchmark for grants given to women’s and youth groups, general allocation guidance for percentage of funds awarded to each of the three grants windows, etc.) The risk allocation targets would be treated as guidance with discretion given to the TEP to apply as appropriate. The desirability targets could be treated as positive considerations with specified points awarded to the project’s screening score for meeting them. The application of the portfolio-level allocation guidelines will be further elaborated by the GM in the Facility Operations Manual.

### *Field Assessments*

To support the evaluation of applicant proposals and business plans, the Grants Manager, with support from the CRA PIU and regional offices and MCA technical staff, will be responsible for carrying out site visits of shortlisted applicants to verify the proposal and business plan contents and inputs, assess feasibility and technical specifications of the proposal, and carry out basic environmental, health and safety, gender and social inclusion assessments. MCA-integrated CRA staff will provide technical oversight of these assessments to ensure they are done in compliance with MCC’s standards and policies. Technical assessments in site visits will follow a common template/check list approved by MCA technical staff. Site visit reports will also be standardized and will inform the technical evaluation of proposals. Any fatal flaws found during site visits may eliminate an applicant from further consideration (if not remediable in a short term period). Onsite verification of business plan and economic analysis inputs should be integrated into the proposal preparation process as well, which supports the concept of the Grants Manager utilizing subcontracts with local partners to provide business plan and application preparation assistance to applicants.

In summary, the field assessments may include the following Technical Assessment components:

- Environmental and Social Performance Assessment
- Land Tenure and Land Access Assessment
- Gender and Social Inclusion Assessment
- Economic Analysis verification
- Technical Feasibility Assessment

The draft Facility Operations Manual will establish guidelines for grant selection criteria at the individual grant and portfolio level, economic analysis procedures, and field assessment procedures.

### *Environmental and Social Performance Assessment and Management*

The overall CRA Activity including the Grant Facility is classified as Category D under the [MCC Environmental guidelines](#), which means that the implementing unit of each activity will use MCC funding to finance projects that may potentially result in adverse environmental and social impacts.

MCC has the following environmental and social requirements for governance and management of any grant facility:

- Develop and operate an Environmental and Social Management System (ESMS) and procedures that are consistent with the principles of [IFC Performance Standard 1](#) and commensurate with the level of environmental and social risks in the portfolio of the grants program prior to formal call for applications; it may be sufficient for the Facility to adopt and comply with the ESMS established for the compact by the MCA (as opposed to developing its own stand-alone ESMS);
- Develop and apply an exclusion list consistent with the [MCC Environmental Guidelines](#) and appropriate to the nature and scale of project activities prior to formal call for applications;
- Train relevant staff on the application of the ESMS and procedures prior to formal call for applications; and
- Carry out any requisite environmental and social impact analyses of proposed grant activities that have not been excluded due to categorization, prior to consideration for award and, if selected for award, request grantee to integrate recommendations of analysis in a manner consistent with the [IFC Performance Standards](#).

In addition, the following criteria will apply to individual grant proposals:

- All proposed projects will be screened for their potential adverse environmental and social impacts using the project screening process outlined in the Environmental and Social Screening Form to Characterize and Classify Grant Subprojects in the ESP Annex to the MCA Grants Facility Operation Manual<sup>13</sup>. This form will identify appropriate categorization as either A, B1, B2, or C, consistent with the CRA implementation manual and the CGES (ESMF). The CGES and MCA ESP Supplementary Guidance are the governing procedure documents for Environmental and Social Management for the CRA activity overall. Environmental and Social Management procedures specifically applicable to the Grant Facility will be derived from the CGES and outlined in the CRA Grant Facility Operations Manual and associated annexes, which is the governing document specifically for the MCA CRA Grants Facility.
- Throughout the first years of the Compact, MCC will be conducting shallow aquifer water resource availability and sustainability analyses across project areas. The results of this activity will inform the screening and eligibility evaluation of proposed irrigation activities under CRA and PRAPS to ensure the viability and sustainability of irrigation investments.
- MCC will not finance any projects under the grant facility that are category A (projects that have significant environmental or social impacts that are sensitive, diverse or unprecedented). With the possible exception of small-scale irrigation investments (which may be subject to some sort of ESIA based on Nigerien regulations), the grant facility will also not finance projects that are classified B1 (projects that have potential site specific impacts that are sensitive, diverse or unprecedented related to harmful wastes, resettlement, sensitive habitat, or community health and safety, few if any of which are irreversible, and mitigation measures are available), requiring a separate detailed Environmental Social Impact Analysis - ESIA).
- Projects categorized as B2 (projects that have potential site specific environmental and social impacts, few if any of which are irreversible, and mitigation measures are readily available) are eligible for funding, and will require an Environmental and Social Management Plan (ESMP), to be approved by MCA Niger, that includes mitigation measures consistent with guidance in CGES that will be summarized in the Facility Operations Manual.
- Projects categorized as C (projects that are unlikely to have adverse environmental and social impacts) are eligible for funding. Per MCC's Environmental Guidelines, while MCC will generally not require environmental and social impact analysis for Category C projects, MCC reserves the right to require specific environmental and social impact studies, reporting, or training where relevant or where positive environmental and social impacts may be enhanced.

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<sup>13</sup> This document is not currently publicly available and will be shared with the Grants Manager after bid award.

- The grant facility will not finance any projects that will require involuntary resettlement<sup>14</sup> as defined by IFC Performance Standard (PS) 5.
- The grant facility will not finance any projects on the IFC Exclusion List, including the special provisions applying to microfinance projects  
MCA funds will not be used to fund purchase, distribution or promotion of pesticides and/or agrochemicals.

In addition to the screening process, the Grants Manager through consultants hired for BDS/TA and proposal screening will identify any additional social or environmental risks and mitigation measures required in the grant proposals during their independent proposal screening and evaluation process,.

These guidelines will be developed further in the body and annex of the Draft Facility Operations Manual.

#### *Land Tenure and Land Access Assessment*

For applicants requiring access to land for their proposals (e.g. for production, restoration of degraded land, or irrigation), there will be a process to evaluate land access and land tenure security applicant, and if the grant is approved, a strategy to address any issues raised will be designed and implemented. The strategy could include formalization of customary land rights (we anticipate that in most cases existing land rights are informal, customary rights) by having the land rights holder seek a land certificate from the local village- or commune-level Land Commission. The land securitization strategy should be supported by MCA embeds in CRA, and should not be overly complicated or costly or impose undue burden on beneficiaries of the credit facility.

#### *Gender and Social Inclusion Considerations*

Gender and social inclusion considerations will be embedded into the eligibility and target beneficiary criteria, as well as included in the evaluation criteria for grant proposals. The Grants Manager and CRA PIU should also be staffed with the necessary capacity in gender and social inclusion, and will work with applicants and grantees to ensure these considerations are implemented in grant proposals.

In an effort to reach groups and individuals that are typically marginalized, women and youth have been identified as key targets, with a goal that 40 percent of beneficiary groups are either women's groups or youth groups, or women or youth-owned MSMEs. In addition to this targeting, support will be offered through all phases, including assistance with the application itself, basic literacy and numeracy training, as well as BDS. Trainings will take place in culturally appropriate settings, such as separate trainings for males/females and seniors/youth when necessary. Additionally, a GSI representative/expert will participate in the TEP and proposal screening and evaluation process.

The GM will also create a Gender and Social Inclusion Plan, which will be informed by the broader Compact Social and Gender Integration Plan and MCC's Gender Policy and Gender and Social Inclusion Milestones and Operational Procedures. This GSI Plan will:

- Define the screening, assessment, and field assessment process with respect to Gender and Social Inclusion criteria.
- Address specific barriers to women, youth, and other vulnerable groups accessing the grant facility (eg. contribution requirements, literacy, access to savings accounts, etc.) and propose mitigation measures.
- Outline measures in BDS outreach, grantee support, and training that will account for the specific challenges and barriers faced by women, youth, and poor rural individuals.

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<sup>14</sup> The Facility Operations Manual environmental and social performance annex will develop further guidance on the definition of involuntary resettlement as it relates to the facility

- Contain indicators to monitor gender and social inclusion and the impact on poor and rural beneficiaries; ensure that these indicators are included in the Facility M&E plan.
- Consider other aspects not specifically mentioned above that may affect the gender and social inclusivity of the Facility and help achieve the objective of reaching vulnerable populations.

Gender and Social Inclusion considerations will be further built out in the body and annex of the draft Facility Operations Manual

### **3.17 Applicant Eligibility Criteria**

Primary applicants for the grant facility should be Nigerien-based and fall into one of the three specified beneficiary categories: (i) cooperatives and producer/processor groups; (ii) women’s and youth groups; (iii) micro, small, and medium-sized enterprises. Definitions of each of these categories, additional eligibility definitions and documentation required will be elaborated in the Facility Operations Manual. Where possible and in compliance with MCC standards, the manual shall reference applicable Niger government definitions and/or standard definitions used by international organizations such as the World Bank.

Other select categories of organizations, including but not limited to international and domestic not-for-profit organizations; professional organizations outside of cooperatives and producer/processor groups; and non-MSME commercial agribusiness firms with appropriate documentation/credentials may not apply as the sole or primary beneficiaries of a grant, but may participate as supporting partners in a grant application submitted by one of the target beneficiary categories, provided they bring a minimum monetary or in-kind leverage alongside the grant. Further guidance around the minimum leverage requirements and acceptable and unacceptable partnership arrangements will be described in the Facility Operations Manual.

#### **Specific Characteristics**

Overall, potential applicants must have documented experience in the area of their proposal and / or demonstrate good management of their business and agricultural operations.

Other eligibility criteria will likely include an age range, location of applicant activities (within CRA communes or MCC large scale perimeters), some upper limit on the “wealth”, income or assets which the MSME’s owner may have to prevent elite capture, ability to meet contribution requirements, and possession of a savings account with an accredited financial institution such as a bank or MFI (this could be something that the BDS provider facilitates as part of the application process). For projects involving agricultural production (farming), applicants will need documented access to land for some specified time period, but the project should not require the strictest form of ownership rights (*titre fonciere*) as that would eliminate the majority of target beneficiaries from consideration. The GM will work with MCA-Niger and the land security experts that will be integrated in the CRA PIU (as requested by MCC) to develop an appropriate set of criteria. The GM shall develop formal eligibility criteria to be adopted in more detail as the initial part of its scope of work.

Selection criteria will consider the economic analysis including rate of return on investment, quality of business plan, risk assessment, use of climate-resilient practices, and leveraging of private sector partnerships.

#### **General Exclusions**

In addition to those projects identified to be excluded from eligibility in the *Exclusion List* of section 4.15, including the IFC Exclusion List, the following individuals or organizations are not eligible for direct or indirect participation. These are all entities or individuals:

- Bankrupt or the subject of any claim or voluntary or involuntary procedure for liquidation, reorganization or other compensation or judicial remedy, under any domestic or foreign bankruptcy legislation or insolvency or similar laws or regulations in force now or forthcoming and such that any proceeding or application has not been rejected;
- Subject of legal proceedings following the violation of a law or regulation;
- Any person or entity that is prohibited by US law or regulation;
- Subject of a judgment, which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity.
- Any and all individuals and organizations deemed ineligible per the Compact
- Political parties, groups or institutions, or their subsidiaries and affiliates are not eligible to apply for funding;
- Organizations that advocate, promote or espouse anti-democratic policies or illegal activities under Government of Niger laws are not eligible to apply for funding;
- Entities in which Key Parties in the selection process, as well as members of their immediate families or their business partners (to include consultants or advisers to the applicant even if not necessarily part of the applicant's organization), has a financial interest are not eligible to apply for funding. For the purposes of this document Key Parties are defined as employees or former employees of MCA-Niger, MCC, or the staff or affiliates of the FACILITY, PSP Members, PA, FA and the Investment Committee. This restriction is applicable both during the determination of initial eligibility as well as during the entire implementation of the grant funded by MCA-Niger; and,
- Any entities that are blacklisted from participation in procurements funded with The World Bank assistance or debarred or suspended from participations in procurements funded by the U.S. federal government or otherwise prohibited by applicable United States law or Executive Order or United States policies including under any existing anti-terrorist policies shall be excluded from procurements awarded under the Compact.

MCA Niger (and MCC) reserves the right to immediately cease any Project operations and funding should the grantee not meet its contractual obligations, performance thresholds or other Project implementation failure. Where appropriate, the recipient entity may be required to repay part of the grant funding received. Funds repaid/ recollected will be reused for Facility related activities.

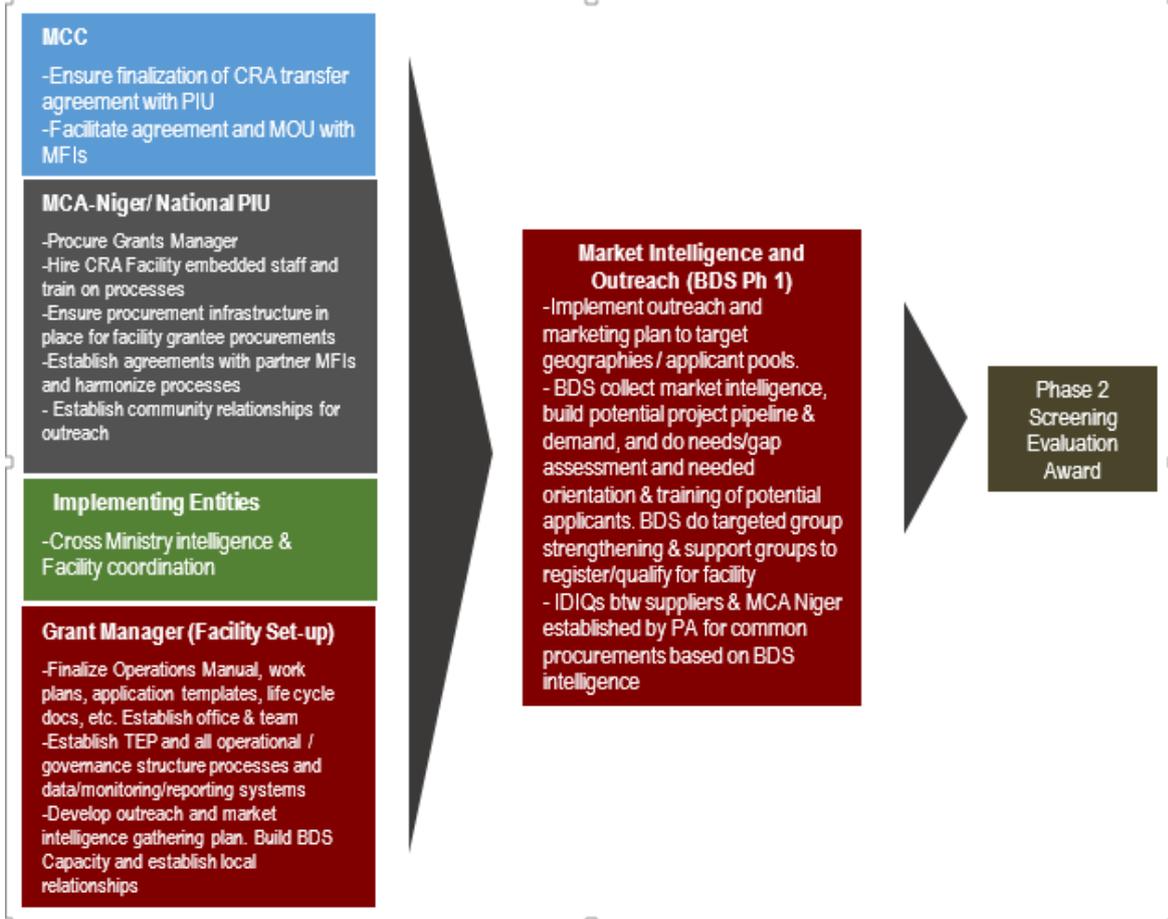
Further specific Applicant Eligibility Criteria will be developed in the draft Facility Operations Manual.

#### **4. GRANT LIFECYCLE**

The figures below offer an indicative illustration of the 3 Phases of the Grant Lifecycle that will form the basis of the GM's contracted activities: (1) Facility Setup Market Intelligence, Outreach and Marketing; (2) Grant Application Development, Screening, Evaluation & Award; (3) Implementation. Note that only those projects deemed to require credit alongside the loan will be routed in Phase 2 to the MFI/the financial institution.

## GRANT LIFECYCLE: Inception Period

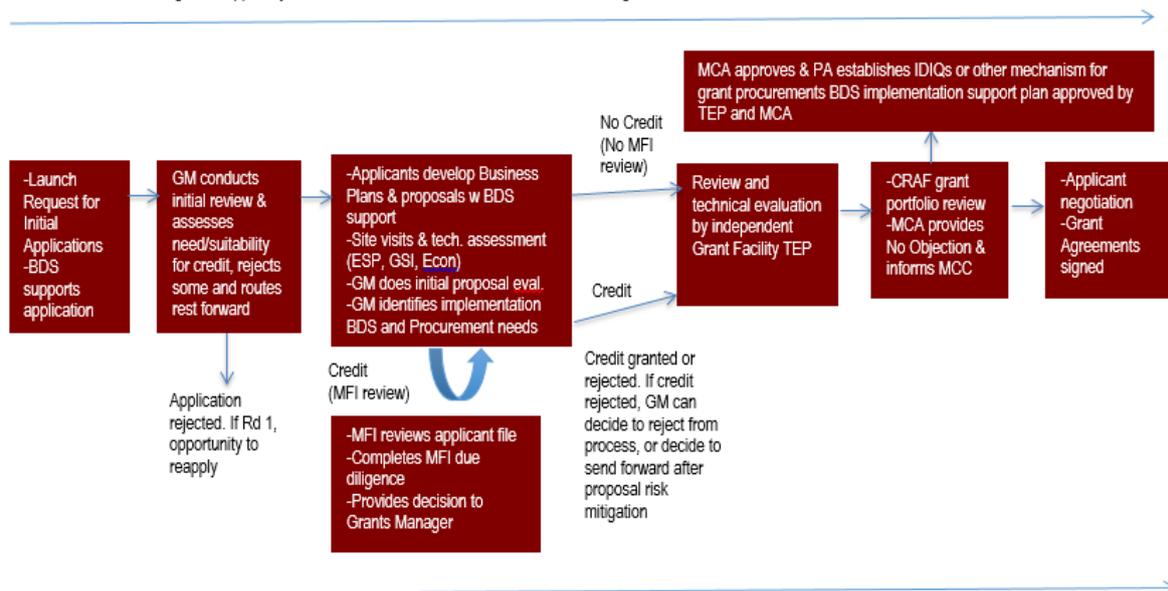
### Phase 1: Facility Setup, Market Intelligence, Outreach and Marketing



## GRANT LIFECYCLE: OPTION PERIOD

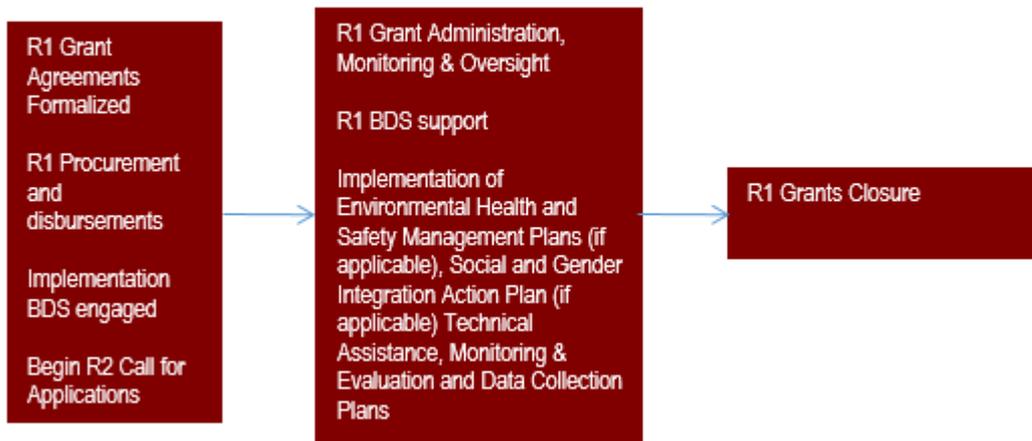
### Phase 2: Grant Screening, Evaluation & Award

Continual Monitoring and Support by CRA PIU, MCA Embedded Staff, and Grants Manager



BDS provides support to applicants; provides market intelligence and business plan analysis to GM, but not involved directly in proposal assessment or TEP

### Phase 3: Implementation



Note: Round 2 follows same process as Round 1 but without full Phase 1 execution.

#### Number of Cycles

There will be two cycles of grant award and implementation completed during the MCC compact implementation period. As soon as the first round of grants is successfully awarded, the grants manager should begin outreach/preparation for the second grant cycle. An illustrative timeline for the two grants cycles is included Terms of Reference for the Grants Manager and should be further refined by the GM.

## **5. GRANTS MANAGER SCOPE**

### **5.1 Overview**

#### **Inception (Base) Period (June 2017 – December 2017)**

- Grants Manager Setup + BDS Outreach/Prep (Phase 1)

#### **Option 1 (January/February 2018 – September/October 2020)**

- Grant Round 1 Selection/Award (Phase 2)
- Grand Round 1 Implementation & Closure (Phase 3)

#### **Option 2 (May 2019 – November 2021)**

- Grand Round 2 Outreach, Selection/Award (Phase 2)
- Grand Round 2 Implementation & Closure (Phase 3)

### **5.2 Base Period**

The GM shall be hired on an Inception (Base) plus Option Periods based on the scope of work as detailed on the GM TOR. The primary purpose of the Base Period is for the GM to establish a presence in Niger and to develop and put in place all of the necessary plans, processes, documents and governance required for the launch of the Facility's first Request for Project Proposals (RFPP) and for the BDS teams to do initial outreach/training and gather on-the-ground market intelligence about the demand and potential pipeline of grants to inform their preparation for facility implementation and their plans for implementation Phase 2 and 3 of BDS.

Further detailed within the GM TOR, the GM (as part of its Base Period of work) shall develop and attain approvals for Outreach, Environmental, Social, Health & Safety Management, Technical Assistance, Economic Analysis, M&E and Data Collection Plans which shall be used during the Option period of the GM scope of work.

### **5.3 Option Periods**

Based on the performance of the GM during the Base Period, the GM can be selected to exercise up to two Option Periods for the remaining years of the Compact. The primary purpose of the first Option Period is to carry forward the work from the Base Period by executing the Selection and Award of grants; followed by the Implementation and Closure of the first grant cycle. Each of those phases will comprise the following activities, among others:

#### **Selection and Award**

1. Call for initial grant applications (may be one or multiple windows)
2. Submission of grant applications (from applicants with support of BDS). Training on application preparation continued from base period and direct support provided as well.
3. Triage/screening of applications to eliminate those that will not be funded to reduce those that receive further screening.
4. Shortlisting of applicants by Triage Committee to develop into full grant proposals and business plans with BDS support.
5. BDS Phase 2 support provided to shortlisted applicants to develop full proposals including work plans, business plans, budgets, and financial projections/Economic analysis inputs. Site visits and technical assessments/due diligence of these proposals to produce proposal packages.
6. Convene Technical Evaluation Panel to assess and score proposal packages and produce recommended grants for funding. TEP report produced for review.

7. Attain necessary review and No Objection by CRAF, MCA-Niger, and MCC (if deemed necessary).
8. Notification letters sent, grant agreements negotiated and signed, and publication of awarded proposals. Finalization of overall grant portfolio disbursement schedule.
9. Procurement mechanisms for in-kind grantee procurement needs set up.
10. Summary Reports of Information Sessions held, documentation of questions received, responses sent to applicants and updated Facility database.

#### Implementation and Closure

1. Oversight, reporting, and monitoring of grant implementation
2. Disbursement management and grants administration/financial management
3. BDS Phase 3 – Implementation support & capacity building/technical advice and backstopping
4. Grants closure and evaluation (evaluation will be done by M&E and external evaluator)

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The purpose of the second Option period would be to implement a second, likely smaller grant round. The second grant round would include a compressed outreach and selection/award period as there would be fewer grants awarded and most of the preparatory work should already have been completed during round one.

## **6. CONDITIONS FOR FACILITY SUCCESS**

In order for the Facility to achieve the key results for grantees and beneficiaries, certain critical actors and conditions will need to be in place:

### **For the Facility**

- Design & implementation coordination with other Compact components
- Knowledge by Grants Manager of agricultural development in Niger and the Sahel Region and expertise implementing grassroots agricultural/agribusiness development programs in the region
- Local contextual knowledge, relationships with local communities and/or utilization of local partnerships with deep embedded understanding of community
- Availability of financial, material and human capital, sufficient to implement the planned activities – should again emphasize role of local partners
- Development & implementation of comprehensive grassroots outreach and communication plan, and provision of sufficient training/guidance to potential applicants even at outreach/identification stage to build robust proposal pipeline
- Clear identification of beneficiaries and knowledge of beneficiary need from the outset
- Understanding of accessibility barriers to potential applicants, who will likely be vulnerable, economically constrained with limited capacity and possibly limited literacy/numeracy. This should include understanding of unique gender and poverty context in Niger and proactive approach to address these barriers for potential applicants
- Appropriate flexibility to accommodate the changing needs and/or unforeseen needs at the beneficiary level without compromising Facility principles including but not limited to, transparency and fair competition
- Robust performance monitoring system for the Facility and at the beneficiary level
- Strong controls to monitor small to medium-sized grants, avoid elite capture and misuse of funds; flexible, scalable, yet robust procurement and financial management mechanisms in a context where written documentation and formal financial statements may be limited

- Engagement by MCC and MCA-Niger of a competent and responsive GM
- Appropriate tools and resources to monitor compliance of grantees to MCC Environmental and Social Guidelines (including IFC performance standards and the IFC Exclusion List), Gender Policy and Operational Requirements for Social Inclusion and Gender Integration

#### **For Grantees**

- Experience developing/promoting, designing, implementing and operating agricultural systems and assets
- Strong and active involvement in their projects and robust monitoring of project implementation
- Solid understanding of Facility procedures
- Compliance with MCC Environmental and Social Guidelines (including the IFC Performance Standards and the IFC Exclusion List), Gender Policy, Operational Requirements for Social Inclusion and Gender Integration
- Facility reaches target populations including low-income households, women, and youth and avoids elite capture
- Intimate knowledge of technological and technical realities and the environment of their industry sub-sector
- On-time and active release of the following:
  - Grant provision requirements
  - Financial and/or in kind resources
  - Monitoring reports
  - Active participation in evaluation process as necessary
- Demonstrate efforts to use local suppliers and resources
- Demonstrate knowledge and respect of Niger based mores and culture

#### **For MCA-Niger**

- Detailed and active supervision of Facility activities
- Robust collaboration between Facility and other MCA-Niger teams
- Immediate responsiveness to Facility program and administration requests for Facility reorientation
- Effective Environmental, Social and Gender inclusion monitoring
- Overall effective Monitoring & Evaluation

#### **For MCC**

- Appropriate flexibility in program implementation
- On time, responsive and appropriate technical support, including for contracting/legal support of markets and complex contracts
- Effective monitoring and evaluation
- Responsive administrative support and delivery

## **7. FACILITY MONITORING & EVALUATION**

Monitoring is the continuous, systematic collection of data on specified indicators to provide indications of progress toward objectives and the achievement of intermediate results along the way. While good

program monitoring is necessary for program management, it is not sufficient for assessing ultimate results. Therefore, different types of evaluations are used as a complementary tool to better understand the effectiveness of programs. Evaluation is the objective, systematic assessment of a program's design, implementation and results. Monitoring and evaluation are integrated into the entire life cycle of an activity from concept through implementation and beyond.

Monitoring & Evaluation activities for the Facility will be elaborated in the MCA-Niger M&E Plan, and shall be based on the following tenets and requirements:

(a) General M&E Requirements

- The GM, MCA-Niger, and CRA PIU project staff are expected to support and provide input into the MCA-Niger M&E Plan, which will detail program logics, monitoring strategies and indicators, and specify evaluation questions and approaches for the project.
- The GM, MCA-Niger, and CRA PIU project staff will be responsible for providing M&E information, data, and support to the MCA-Niger M&E team, including, but not limited to, ensuring the program logic is up to date, providing ITT data, and supporting the independent evaluators.
- Throughout the Compact period, the M&E Plan will be amended and updated as necessary. The GM, MCA-Niger, and CRA PIU project staff are expected to actively support these updates and the correction of any errors.

(b) Monitoring

- Project implementation is based on the principle of Managing for Results. Performance indicators should be used by the GM, MCA-Niger, and CRA PIU to ensure that the facility is going to meet its intended objective. Monitoring should include both basic program oversight components (eg. ensuring that grant awarded resources are used for their intended purposes) and program performance components (performance against milestones and indicators).
- Key performance indicators are likely to include (but are not limited to): (1) number of applications; (2) number of grant recipients; (3) value of grants disbursed; (4) number of employees of grant recipients (full/part-time); and (5) annual profits of the grant recipients. All of these indicators are expected to be disaggregated by gender, age, and location. The complete list of performance indicators will be included in the MCA-Niger M&E Plan.
- Reporting frequency (whether quarterly, annually, etc.) will be specified in the MCA-Niger M&E Plan and/or in the specific grant agreement.
- Data will be reviewed regularly to ensure the quality of data, particularly in regard to grantees' compliance with indicator definitions and data collection procedures. MCA-Niger may hire an independent Data Quality Reviewer (DQR) that would be responsible for reviewing the integrity and usefulness of any data reported under this activity to MCC. Grant recipients would be expected to participate in any such DQR.
- Specific Monitoring Requirements for the Facility:
  - Funding agreements with grant recipients will include periodic performance indicators to indicate progress in achieving objectives. An indicator tracking table (ITT) will be used to monitor and track progress. These performance indicators will follow applicant business plans. In other words, actual performance will be compared to the projections made in the applicant business plans.

- Key performance indicators will include a few *common indicators* applicable for all grant projects<sup>15</sup> to allow for uniformity and comparability across grant projects and to assure the overall consistency of the CRA Grant Facility with the overall Compact logic to which it is a component. These *common indicators* (and definition sheets) will be elaborated in the MCA-Niger M&E Plan.

Grant recipient entities working with BDS will be asked to submit a simple data collection plan and an indicator-monitoring table (like an ITT). This may be integrated with the recipient's business plan. BDS may assist in data collection and QC during implementation.

- Recipient entities will report regularly to the MCA and MCC, through the GM, on project financials, progress on the business plan, and any challenges they might encounter. They will report on Key Performance Indicators, including information like employees, revenue, expenses, and profits for their project. Frequency and format of reporting will be determined in the Facility Operations manual
- The Grant Manager shall be responsible for monitoring progress and performance of selected actions on the basis of performance indicators, project reports, and periodic site visits, in coordination with the MCA M&E Directorate, MCA Grants Facility integrated staff, and the CRA PIU national and regional offices. The GM is especially responsible for quality insurance and facilitating cross learning amongst grantees. Every quarter, the GM and his/her team will conduct a desktop review on the grantees' quarterly reports, which the M&E Team will have an opportunity to review.
- MCA Niger and the CRA PIU are responsible for monitoring the performance of the Grant Manager, which will include systematic monitoring of the grantees as a triangulation on the perspective/performance of the Grant Manager.
- MCC or MCA Niger may also chose to engage additional supplementary resources to assist with program oversight and performance monitoring, to include MCC technical oversight consultants, or MCA-engaged resources like UNOPS.
- Given the number of grants that are likely to be awarded and geographic dispersion of grants, the Grants Manager should plan for sufficient resources and an efficient process to enact proper monitoring of grantees, which should include rotating field visits/spot checks to each grantee. Working through the CRA PIU Regional Offices could help facilitate this process.

#### (c) Evaluation

- As stated in the MCC M&E Policy, "MCC advances the objectives of accountability and learning by selecting from a range of independent evaluation approaches. MCC currently distinguishes between two types of evaluations, impact and performance evaluations... At the minimum, each project should have an independent performance evaluation for accountability reasons."<sup>16</sup>
- Independent evaluators are procured and managed by MCC. However, MCA-Niger and the GM will provide input, support and feedback to the independent evaluators. This support includes, but is not limited to, input into evaluation design, access to data and grant information, facilitation of stakeholder meetings, and coordination of feedback on evaluation deliverables.

<sup>15</sup> Grantees might have a number of additional indicators specific to the nature of the activities concerned.

<sup>16</sup> MCC Policy for Monitoring and Evaluation of Compacts and Threshold Programs, 2005, p 18.

- The evaluation will cover a list of research questions, likely to include questions regarding the quality of project design, the soundness of the program logic, the fidelity of program implementation, whether or not the results are attained that are laid out in the applicant business plans, and lessons learned <sup>17</sup>
- MCC will make the determination on whether or not to conduct an interim evaluation based on the needs and learning objectives. This decision, along with its proposed methodology will be included in the M&E Plan. If an interim evaluation is deemed necessary, then the independent evaluator will propose a design in collaboration with MCC and MCA-Niger.
- The evaluation design is not currently defined. However, the approach and evaluation designs to be used will be defined by the independent evaluator in collaboration with MCC, MCA-Niger, and the GM, and will be documented in the M&E Plan. The Facility and the GM are expected to comply with any evaluation requirements, including sampling methods. If there are a large number of rejected applicants that are close to the acceptance threshold, then those rejected applicants may be used as a comparison group for the evaluation. All applicants shall consent to this stipulation.
- As part of the application process, grant applicants should agree to providing information and data to the independent evaluators even if the organization does not receive a grant.

## **8. DONOR COORDINATION**

The CRA Activities will be financed in coordination with the World Bank, which has issued a \$155 million loan to the Government to finance CRA and other activities. Both MCC and the World Bank are using the AgPIU and the LPIU to implement their respective funding, and each funding stream is expected to fully finance the investments by commune or Livestock Corridor. In addition, numerous donors are active in the PRAPS and CRA Activities areas, including the Food and Agriculture Organization of the UN, AFD, LuxDev, the Belgian Development Agency and USAID.

USAID has two regionally funded programs supporting agricultural sector-driven economic growth and the sector's resilience to climate change. Additionally, USAID's Food for Peace Program has a portfolio of projects implemented by various international NGOs focused on the humanitarian relief to development continuum. The depth of Niger-specific experience among these implementers includes experience forming productive assets among poor farmers, creating savings groups, changing farmer behavior through use of cropping calendars, and other experience that will be instrumental to utilize, to the extent appropriate, through the CRA Activity programming.

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<sup>17</sup> Refer to WSI Questions Annex for more details

## 9. Acronyms/Abbreviations

BDS	Business Development Services
CA	Constraints Analysis
CBA	Cost-Benefit Analysis
DG	<i>Directive General</i> (Guidance Document)
CGES	<i>CRA Cadre de Gestion Environnemental et Social</i>
CDF	Compact Development Funding
CP	Condition Precedent
CRA	Climate-Resilient Agriculture
EA	Economic Analysis Team
EIF	Entry Into Force
ESMP	Environmental and Social Management Plan
ERR	Economic Rate of Return
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMS	Environmental and Social Management System
ESP	Environmental and Social Performance
FA	Fiscal Agent
GIS	Geographic Information System
GoN	Government of Niger
GM	Grants Manager
GSI	Gender and Social Inclusion
IDIQ	Indefinite Delivery Indefinite Quantity Agreement
IEA	Implementing Entity Agreement
IFC	International Finance Corporation
IRP	Integrated Resource Plan
ITT	Indicator Tracking Table
KPI	Key Performance Indicator
M&E	Monitoring & Evaluation
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MFI	Microfinance Institution
MOU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprise
NGO	Nongovernmental Organization
PA	Procurement Agent
PIA	Program Implementation Agreement
PIU	Project Implementation Unit
PRAPS	Regional Pastoralist Support Project
RFIA	Request for Initial Applications
RFP	Request for Proposals
SME	Small and Medium Enterprise
ToR	Terms of Reference
UC-PMC	<i>Unité de Coordination des Programmes du Millennium Challenge</i>
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
USG	United States Government
WB	World Bank