

# MILLENNIUM CHALLENGE ACCOUNT-NIGER

## MCA-NIGER



### MINUTES OF THE NINTH ORDINARY MEETING OF THE BOARD OF DIRECTORS HELD IN NIAMEY ON SEPTEMBER 19<sup>th</sup>, 2019.

The Board of Directors of the Millennium Challenge Account Niger ("MCA-Niger") held its Ninth Ordinary Meeting on September 19<sup>th</sup>, 2019 at 9:45 a.m. at Hotel Soluxe, in accordance with the provisions:

- (i) The Rules of Procedure of MCA-Niger, in its final version of 04 July 2017;
- (ii) Decree N °2016-706 / PRN, dated 23 December 2016, on the creation, attributes, composition and functions of the Millennium Challenge Account-Niger ("MCA-Niger");
- (iii) The Millennium Challenge Compact between the Government of the United States of America, acting through the Millennium Challenge Corporation (hereinafter, "MCC"), and the Republic of Niger, acting through its Ministries and other government entities, as applicable (the "Government"), signed on July 29, 2016 (the "Compact"); and
- (iv) Programme Implementation Agreement signed on 29 July 2016 ("Programme Implementation Agreement"), between the United States of America, acting through MCC, and the Government.

The capitalized terms used but not defined herein shall have the meanings given in the Compact, the Program Implementation Agreement, and/or the MCA-Niger Rules of Procedure.

#### I. PERSONS PRESENT AT THE MEETING :

##### Members of the Council present:

1. Mr. OUHOUMODOU Mahamadou, Chief of Staff of the President of the Republic, Chairman of the Board of Directors, full member ;
2. Mr. KATAMBE Issoufou, Minister of Hydraulics and Sanitation, full member ;
3. Mrs. KANE Aichatou Boulama, Minister of Planning, full member;
4. Mr. BOUCHA Mohamed, Minister Delegate for Livestock, alternate member ;
5. Mrs ELBACK Zeinabou Tari Bako, Minister for the Promotion of Women and the Protection of Children, full member ;
6. Mr. ADAMOU SOULEY Hamadou, Chief of Staff of the Prime Minister, full member
7. Mr OUMA AHAMET Abdoulaye OUMA, Secretary General of the Ministry of Public Works, substitute member;

8. Mr DJARIRI Mahaman Salissou, Chief of Staff of the Minister of the Environment, Urban Sanitation and Sustainable Development, alternate member; 9;
9. Mr ABDOU Mahaman Sani, Secretary General of the High Commission for the 3N Initiative, alternate member ;
10. Mr DJADAH Abdoulaye DJADAH Abdoulaye, Vice-President of the Niger Chamber of Commerce, Industry and Handicrafts, Representative of the Private Sector, full member;
11. Mrs SOUMANA Ramatou, Representative of Women's Civil Society Organizations, substitute member;
12. Mrs PENN Kristin, Resident Director of the MCC in Niger, full member as observer without the right to vote ;
13. Mr. ANNOU Mamane, Director General of MCA-Niger, Secretary of the Board of Directors, full member as non-voting observer.

**Council members present by teleconference: None**

**Council members absent :**

- Mr DIOP Mamoudou, Minister of Finance, full member;
- Mr BAGNA Djibo, President of the Peasant Platform, Representative of Civil Society, full member;

**Other persons present:**

- Mrs. SAMAKE Aminata, Acting Programme Director, MCA Niger Management Services and Market Access Facilitation Manager,
- Mr. Soulemane KOUOTOU N'GAPOUT, Director of Legal Affairs, MCA-Niger
- Ms Hassana GOURO, Legal Specialist, MCA-Niger ;
- Mr. Julien TOUGOURI, Monitoring-Evaluation Director, MCA-Niger;
- Mr. Diafarou MOUMOUNI, Irrigation Infrastructure Manager, MCA-Niger;
- Mr. Daouda SEINI DIAKITE, Road Manager, MCA-Niger;
- Mr. Jonathan ABDOU, Manager PRAPS, MCA-Niger;
- Mr. Saidou LAMINO, Manager CRA, MCA-Niger;
- Mr. Saliou MAMADOU DIALLO, Manager Resettlement, MCA-Niger;
- Mr. Rodrigue BATIONO, Land Manager, MCA-Niger;
- Mrs. GAMBO ILLO DAOURA Halima, Manager Private Sector Mobilization and Engagement, MCA-Niger;
- Mr Hans MASRO, Manager Strategic Communication, MCA-Niger;
- Mr. Garba ILLO MOTA, Field Communication Manager, MCA-Niger;
- Mr. Abdel Kader SALISSOU IDI, Security Manager, MCA-Niger;
- Mr. Abdoul Nasser HADI GOURGOUDOU, Audit and Compliance Manager, MCA-Niger;
- Mr. Kamil AGALI, Senior Executive Assistant, MCA-Niger;
- Mr. IDE SIDDO Naji, Computer Graphics Specialist and Webmaster, MCA-Niger;
- Mrs. Ramatou ADAMOU OUSMANE, Communication Advisor, UNOPS;
- Mr. Moussa AMADOU, Coordinator of the Support Unit in charge of Monitoring Eligibility Indicators.

- Mrs. Alicia ROBINSON-MORGAN, Africa Director, MCC ;
- Ms. Katerina NTEP, Sector Operations Director, MCC.

**Chairman of the meeting:** Mr. OUHOUMOU DOU Mahamadou, Chairman of the Board of Directors.

**Secretary of the meeting :** Mr. ANNOU Mamane, Director General, MCA-Niger

## **II. PROCEDURE**

At the opening of the meeting at 9.45 a.m., the Chairman of the Board checked and confirmed:

- That the notices for convening this Meeting were delivered to the members of the Board within the deadlines as required by the provisions of Section 3.12 (b) (i) of the MCA-Niger By-Laws, namely September 11, 2019.
- That a quorum was achieved by the presence of a majority of the voting members of the Board, including at least one member who is not a representative of the Government as stipulated in Section 3.12 (b) (ii) of the Rules of Procedure of MCA-Niger.

He therefore declared the meeting open. He then indicated the presence during this meeting of Ms Alicia ROBINSON-MORGAN, Director Africa/MCC and Ms Katerina NTEP, Director of the Operations Sector /MCC, who was on mission in Niamey to monitor the activities of the Compact. They will attend the board meeting as observers, and will take the floor to provide information on certain issues.

Finally, he praised the staff of MCA-Niger for the progress made in the implementation of the Compact, which will be detailed during the meeting:

**A-** Reading of the Notice Convening the meeting and adoption of the Agenda

**B-** Adoption of the Minutes of the Eighth Ordinary Meeting of the Council held on June 25th, 2019

**C-** Approval of Addenda to the Agreements of Implementation Entities

**C-1.** Addendum N°01 to the Agreements concluded between MCA-Niger and the communes of Konni, Tsernaoua, Gaya, Tanda, Tounouga and the SPNCR (Irrigation and Market Access Project)

**C-2.** Addendum No. 01 to the Agreement concluded between MCA-Niger and the Ministry of Primary Education, Literacy, Promotion of National Languages and Civic Education (sub-activity Agricultural Support Services)

**D-** Approval of the Implementation Entity Agreement model between MCA-Niger and the 16 communes of the intervention zone of the CRA project

**E-** Approval of the Private Sector Partnership Fund Grant Facility Procedures Manual

### **1.2- Open Session: for information**

**F-** State of implementation of the recommendations of the Eighth Ordinary Meeting of the board held on 25 June 2019

**G-** State of progress of the Compact projects: Irrigation

**G-1.** Resettlement Action Plan (RAP) of the Konni Hydro-Agricultural Rehabilitation Project (KHRP)

**G-2.** Sia-Kouanza hydro-agricultural schemes: information on variants

**H-** State of progress of Compact projects: Roads

**H-1.** Resettlement Action Plans for the RN35/RRS and RN7 road projects

**H-2.** Update of the construction work on the RN35/RRS and RN7 roads

**I-** Status of the Compact projects: Sectorial Reforms

**I-1.** Road maintenance reform

**I-2.** Fertilizer Sector Reform

**2- Executive Session**

**2.1- Executive Session: for information**

**J-** Staff taxation (monitoring the implementation of the recommendations made by the board )

**2.2- Executive Session: for approval**

**K-** Approval of the Amendment N°01 to the Procurement Plan N°06 of MCA-Niger

**3-** Miscellaneous

**4-** Closure

## **B - Adoption of the Minutes of the Eighth Ordinary Meeting of the Board of Directors held on June 25, 2019**

**Summary of the debates :** The Board made some minor technical corrections to the minutes straight away.

The debates on this item having been covered, the President put to the vote the adoption of Resolution N°01.

**RESOLUTION N°01:** The Board of Directors approves and adopts, unanimously of the members present, the minutes of its eighth Ordinary Meeting held on 25 June 2019.

## **C - Approval of Addenda to Agreements of Implementation Entities**

**C-1. Addendum N°01 to the Agreements concluded between MCA-Niger and the communes of Konni, Tsernaoua, Gaya, Tanda, Tounouga and the SPNCR (Irrigation and Market Access Project)**

**Summary of the debates :** The General Director of MCA-Niger indicated that it is planned, within the framework of the Large Irrigation component of the Compact, MCA-Niger will assist the Communal Land Commissions of the communes in the project area, as well as the Permanent Secretariat of the Rural Code, in the conduct of their land security missions. To this end, a collaboration platform was set up through the signing of Implementing Entity Agreements between MCA-Niger and these structures on April 3, 2018. However, the implementation of these agreements in practice has proved problematic, due, among other things, to budgetary aspects: the agreements provide for pre-financing of expenses by communes that do not have sufficient financial capacity.

In order to overcome these shortcomings, MCA-Niger has drafted amendments to the Agreements and is submitting them to the board for approval.

**The debates on this item has covered, the President put to the vote the adoption of resolutions N°02 and N°03.**

**RESOLUTION N°02:** The Board of Directors approves and adopts, unanimously of the present voting members , the Amendments N°01 to the Implementing Entity

**Agreements concluded between MCA-Niger and the Communes of Konni, Tsernaoua, Gaya, Tanda, Tounouga.**

**RESOLUTION N°03: The Board of Directors approves and adopts, unanimously of the present voting members, the Amendments n°01 to the Implementing Entity Agreement concluded between MCA-Niger and the SPNCR.**

**C-2. Addendum No. 01 to the Agreement concluded between MCA-Niger and the Ministry of Primary Education, Literacy, Promotion of National Languages and Civic Education (sub-activity Agricultural Support Services)**

**Summary of the debates :** The General Director of MCA-Niger indicated that within the framework of the Konni Irrigated Perimeter Rehabilitation Project, producers will benefit from Agricultural Support Services including adult Literacy and health component with the assistance of the MEP/A/PLN/EC. It is for the conduct of this activity that an Implementing Entity Agreement was signed between MCA-Niger and the MEP/A/PLN/EC on April 3, 2018.

**The Acting Program Director of MCA-Niger then clarified the purpose of the proposed Addendum No. 01 to this Agreement.** On one hand, it is a question of modifying the budget to integrate the scales applicable at the national level in terms of perdiems. On the other hand, clarifications were made on the role of the focal point designated by the MEP/A/PLN/EC but also the responsibilities of the MCA-Niger and all the actors of the MEP/A/PLN/EC at the national and regional levels.

**The Minister for the Advancement of Women and Protection of the Child** asked to which extent the health aspect of the activity concerned was covered in the Agreement. The Director of Programmes a.i. of MCA-Niger indicated that actors from the Ministry of Health are involved in the preparation of the modules which include courses on hygiene, health, promotion of women, etc. The Director of Programmes a.i. of MCA-Niger indicated that the Ministry of Health is involved in the preparation of the modules which include courses on hygiene, health, promotion of women, etc.

**The Minister of Planning** praised this initiative and expressed the hope that women would be fully taken into account among the beneficiaries, depending on the activities they carry out in the area of functional literacy. She stressed that hygiene courses should be addressed to all, not just women, since this subject concerns society as a whole. She also suggested that the MCA-Niger integrate digital communication tools into its approach to this activity, in the age of digitalization, following the example of the programmes conducted by PASEC or CRS.

**The acting Program Director of MCA-Niger** replied that women's participation is a central issue in the activity. Literacy courses will be addressed to producers within the perimeter, but also to women and youth groups outside the perimeter, for a wider impact because women's education benefits the whole society. Similarly, emphasis will be placed on digitalization, it being specified that it is already planned to develop models accessible from telephones.

**The Director General of MCA-Niger** also indicated that MCA-Niger noted with satisfaction the recommendation of the Minister of Planning concerning digitization. He added that a meeting was planned between MCA-Niger and the National Agency for the Information

Society (ANSI), to discuss the interest of the Compact in the digital innovations they are developing.

**MCC's Country Director in Niger** added that MCC's interest in the CRS approach to digital mainstreaming has been very strong, and this model inspired the design of the adult Literacy and Health activity while developing the Compact.

**The Secretary General of the Office of the High Commissioner** for the 3N Initiative concluded by suggesting that the title of the activity be replaced by "Functional Literacy" to ensure that the content of the activity is better understood by the actors and in particular that health and other aspects are taken into account.

The debates on this point of information item has covered , the Chairman put to the vote the adoption of Resolution No. 04.

**RESOLUTION N°04:** The Board of Directors approves and adopts, unanimously of the members present, the Addendum N°01 to the Agreement concluded between MCA-Niger and the Ministry of Primary Education, Literacy, Promotion of National Languages and Civic Education.

#### **D - Approval of the Agreements of Implementation Entities between MCA-Niger and the 16 communes of the intervention zone of the ARC project**

Summary of the debates : The ARC Manager of MCA-Niger introduced this point by recalling that the ARC project includes a component relating to the promotion of community development. MCA-Niger and these communes are committed to create an operational platform for the implementation of the ICRIPs activity, through the signature of Implementing Entity Agreements.

These Agreements define the roles and responsibilities of MCA-Niger and the communes in the consultation and planning process for the design and implementation of projects within the framework of the ICRIPs. These Agreements also define the roles and responsibilities of the communes in the implementation of the ICRIPs sub-activity.

**The Minister of Planning** asked for details on the modalities of choice of the sixteen (16) communes, having noted that the commune of Margou was not one of them.

**The President of the board** replied that the CRC component of the Compact, which includes the CRA project, was developed to extend the impact of the CRC initiative financed by the World Bank on the territory; and, the CRA/World Bank project already covers 44 other communes, including Margou.

**The debates on this point of information has been covered, the Chairman put to the vote the adoption of resolution No. 05.**

**RESOLUTION N°05 :** The board approves and adopts, by a majority of the voting members present, the Implementation Entity Agreement between MCA-Niger and the Commune of Dan Goulbi within the framework of the Climate Resilient Agriculture (CRA) project, and as a model for the Agreements to be concluded with the Communes of Tessa, Mokko, Tombo Koirey I, Tombo Koirey II, Kargui Bangou, Guidan Roudji, Chadakori, Sabon Machi, Birni N'Konni, Tsernaoua, Malbaza, Doguérawa, Kouré, Libore and N'Dounga.

#### **E - Approval of the Private Sector Partnership Fund (PSPSF) Procedures Manual**

**Summary of the debates :** The Managing Director of MCA-Niger recalled that the second objective of the CRA project is the promotion of private initiative, through the granting of a Grant Facility. The Grant Facility of the CRA is divided into two components: a US\$9 million component managed by USADF and a US\$2.5 million component managed by MCA-Niger, called Private Sector Partnership Fund (PSPF). The PSPF targets companies involved in agribusiness, specifically agro-processing and the fertilizer value chain, in order to encourage private sector investment in agriculture and to promote a broader and more sustainable impact of the Compact. This fund will thus support the Fertilizer Sector Reform initiated by the Government of Niger. A total of 3 to 4 grants will be awarded for amounts ranging from US\$ 500,000 to US\$ 1,000,000. For the management of the PPSF, MCA-Niger has developed a procedures manual that will serve as a guide for contractors in the preparation and submission of their applications following the call for proposals. The said manual is submitted to the Council for approval..

**The deputy-chairman of the Chamber of Commerce and Industry** noted that several administrative institutions are referred to in the section on governance, excluding the private sector whose representations such as the Employers' Organizations or the Chamber of Commerce and Industry should have been involved in the governance of the GPSF.

**The CRA Manager of MCA-Niger** replied that the governance aspect concerns rather the operationalization of the manual.

**The Chairman of the Board** added that the manual allows for the possibility of requesting the support of the Private Sector within the framework of the Technical Panel for the Evaluation of Applications, specifying that emphasis will be placed on the participation of the Private Sector at this level.

**The Minister of Planning** then noted the existence of several similar funds for the promotion of the private agricultural sector, housed in local banking institutions (e.g. FISAN). This raises the question of synergy between the PPSF and these different initiatives, for a wider **impact by preventing promoters from benefiting from several support funds at the same time.**

**The CRA Manager of MCA-Niger replied** that taking into account all the actors involved in the agricultural/rural sector is one of the concerns of the project. An identification of these actors is underway, as well as a reflection on measures to coordinate their activities and ensure synergy of initiatives for greater impact in the sector.

**The Secretary General of the High Commission for the 3N Initiative** also noted in the financial modalities of the PPSF support that a 50% contribution was required from the promoters, and suggested harmonization with the FISAN operating mode, which provides for a 10% contribution by the promoter and recourse to credit.

**The Minister for the Promotion of Women and Child Protection** also noted that the rate of contribution required from promoters was high.

**The PRAPS Manager of MCA-Niger**, a former collaborator of FISAN, replied that discussions had been held with MCC and UCPMC on the financial modalities of assistance, which the Compact adopted a different approach. The Compact aims at Climate Resilient Agriculture (CRA), therefore the level of inputs and subsidies are high, in order to achieve a wider impact. As for the FISAN approach, it aims at orienting agriculture towards markets.

**MCA-Niger's Private** Sector Mobilization and Engagement Manager added that the PSPSF was set up to finance large enterprises in the agro-food and fertilizer sector, that is why the required co-financing is very high.

**The Minister of Planning** further asked whether provisions were made for the sustainability of the selected projects, given that the manual provides for closure 18 months before the end of the Compact. The CRA Manager of MCA-Niger replied that for each project there will be a Disbursement Plan and depending on the nature (these are projects that do not take time), it is hoped that over 12-18 months they will be closed.

The debates on this point of information being concluded, the Chairman put to the vote the adoption of Resolution No. 06.

**RESOLUTION N°06:** The Board of Directors approves and adopts, by unanimity of the members present, the Procedures Manual for the Private Sector Partnership Fund.

## **1.2- OPEN SESSION: For information**

### **F - The state of implementation of the recommendations made by the Board at its meeting on 25 June 2019**

**Summary of the debates :** The Director General of MCA-Niger indicated that this item will be discussed in executive session.



## **G - State of progress of Compact projects: Irrigation**

### **G-1. Resettlement Action Plan (RAP) for the Konni Hydro-Agricultural Rehabilitation Project**

**Summary of the debates :** The Managing Director of MCA-Niger first presented the different zones delimited on the irrigated perimeter of Konni for the execution of the works. He then recalled that the mobilization of the company selected for the beginning of the works is planned for the month of October. This presupposes the release of the rights of way by the end of October at the latest, after payment of compensation to the Persons Affected by the Project, i.e. the implementation of the RAP. The census within the framework of the RAP shows 5,580 PAPs to be compensated, for a total amount of compensation amounting to two billion four hundred and twelve million two hundred and fifteen thousand nine hundred and twenty-two (2,412,215,922) CFA francs.

**The Chairman of the Council** requested details on the choice of zones 2 and 3 as first work zones. He also asked whether all the displaced PAPs would be resettled on the irrigated perimeter, whether the PAPs that had more than one plot of land would keep all of them, and finally the legal status of the land after redistribution.

**The Irrigation Manager of MCA-Niger** replied that zone 1 is dedicated to off-season crops; in order to reduce compensation for production losses in this zone during the first year of the works, it was decided to start with zones 2 and 3 which are not exploited at the beginning of the works. Partial acceptance of the work in Zones 2 and 3 will take place in the second year, allowing producers to farm these lands without the need for MCA-Niger to compensate for losses. MCA-Niger's Land Manager added, concerning the redistribution of land, that the exploitable surface remains unchanged after rehabilitation; thus, all displaced producers will keep their land. However, it should be specified that, following studies on the profitability of farms on the perimeter, redistribution will be based on a minimum 0.25 hectare parcel per producer. However, 509 smaller plots have been identified. A process of regrouping was then initiated, at the end of which some producers have conceded their plots and will be relocated to the land reserve consisting of land belonging to the civil prison, the former Wazir company premises, the gendarmerie and INRAN. Similarly, the PAPs that had more than 1.5 hectares of land had to give up the surplus as part of the land consolidation. The allocation of land to the resettled PAPs will be done through the signing of 10-year occupancy contracts renewable by tacit agreement.

**The Managing Director of MCA-Niger** took the floor again to refer to the case of the Tiérassa buffer reserve. It is an enclave of about 20 hectares, undeveloped, on the irrigated perimeter. The socio-economic surveys carried out within the framework of the resettlement on the perimeter did not concern this area; however, it is planned to carry out some, and the Tiérassa area will be developed in addition with the aim of allocating this land to vulnerable social groups.

The debates on this information point has been covered the chairman moved on the next section

**The Minister of Planning** then asked whether the Konni project was progressing according to plan, noting that the completion of the work was close to the end of the Compact. The Irrigation Manager of MCA-Niger replied that the deadlines are being met, and that partial acceptance of works is planned in order to cultivate the areas concerned and evaluate the

results of the works. The end of the work is scheduled for October 2021, and a 12-month guarantee period will follow.

**The MCC Country Resident Director in Niger** took the opportunity of this presentation to congratulate the Irrigation, Land and Resettlement teams of MCA-Niger for the achievements in the resettlement process on the irrigated perimeter, which set a standard for resettlement in Niger.

The Chairman of the Board concluded by also extending congratulations on behalf of the Board of Directors.

The debates on this point of information having been concluded, the President moved on to the next item.

## **G-2. Hydro-agrarian developments of Sia-Kouanza: information on variants**

**Summary of debates:** The managing director de MCA-Niger introduced this point by saying that Sia and Kouanza are villages at the edge of the river, in the department of Gaya, having a potential of lands suitable for conversion of 10 000 hectares. Studies APD / EIES for the building of hydro-agrarian developments in this zone started in October, 2017 with an European firm which attained its borders at the end of one year. The Tunisian research department International STUDI, recruited for the chase of these studies from January, 2019, issued reports EIES at the end of which the choices of variants of developments stand out.

**The Africa Director of MCC** then took the floor to present the situation related to the development of Sia-Kouanza. She first recalled the particular importance that MCC attaches to the Niger Compact. The Program is currently in a very critical phase, with the completion of most of the studies and the imminent start of works. This is particularly the case of the Konni irrigated perimeter rehabilitation project, for which she extends MCC's congratulations to all the stakeholders.

Concerning the new perimeter of Sia-Kouanza, there is unfortunately a delay of 18 months in the studies, mainly due to the failure of the initial consultant. MCA-Niger was able, however, to quickly adapt by engaging STUDI International to continue the studies, assess the options and propose practical solutions while respecting the requirements and constraints of the Compact. MCA-Niger, MCC and STUDI will meet soon to examine the three proposed development options. It should be noted that all of these options have surface areas that can be converted below the initial Compact forecasts. Likewise, these studies have revealed certain planning constraints which necessarily lead to the review of the initially formulated project

These constraints relate, firstly, to considerations of cost, economic profitability and profitability for farmers. Indeed, given the significant investment costs required by the project, the Internal Rate of Return (IRR) calculated did not reach, for certain areas, the only minimum IRR acceptable for MCC. This is all the more the case, when the choice of crop is focused on rice cultivation, which leads to a preference of MCC for polycultures, more remunerative. The profitability issue is important for MCC, since the objective of the Compact is to sustainably increase farmers' incomes

Second, there is a time challenge. In the current situation, and taking into account the duration of the Compact, we would only have a maximum of 14 months of construction with an optimistic schedule. This duration does not take into account the impact of the seasons, the

flooding of the river, and the time necessary for the commissioning of new irrigation systems and the carrying out of agricultural support activities (training of farmers and new Water User Associations). The constraint related to time means adapting the scope of the project to take into account a realistic schedule.

Third, among the areas that can be developed, several of them are already exploited for productive purposes, notably for grazing and fishing. Other areas, such as ponds, have an ecologically irreplaceable vocation. Social and environmental requirements lead to preserving these areas.

Fourth, since the Sia-Kouanza area is very populated, the development of a perimeter will involve significant displacement which, taking into account MCC's guidelines on resettlement, would impact the duration of the project and increase the overall budget, which would put the entire program at risk

**The Africa Director of MCC** recalled, in short, that the technical, economic, environmental and social standards of MCC are rigorously applied to all the investments they make within the framework of Compact programs, taking into account their objectives focused on quality and sustainability of results

She then clarified that MCC appreciates the efforts made so that the development activity of the Sia-Kouanza area impacts the greatest number of beneficiaries. It is time, however, to focus and concentrate joint efforts to achieve concrete, more secure and lasting results. The MCC Investment Council will soon be meeting to examine the question of Sia-Kouanza, for a final validation in November

**Finally, the Africa Director of MCC** reassured the Board of MCC's commitment to face these real challenges, while respecting its standards and the real constraints of the Compact. To conclude, she recalled that the validation of the Regional Compact will depend on the success of the implementation of the Compact in progress, including the sectorial reform project

**. The Chairman of the Board** observed that, given the timeframe and the various constraints, the development variant chosen would be that of a development of smaller area, which does not include the bowls. He then asked for details on the timing of the decision regarding Sia-Kouanza

**The Director General of MCA-Niger** made it clear that the decision to choose the variant is not confirmed at this stage. However, the elements available effectively converge towards a development profile over a smaller area (at most 1000 hectares), whose vocation would be polycultures and not rice cultivation exclusively. The question of the arrangement of bowls is indeed very problematic from an environmental point of view.

Regarding the decision-making process, the Africa Director of MCC indicated that her team will transmit to MCC headquarters this weekend, the recommendations following discussions held with MCA-Niger and STUDI International. The Investment Committee, chaired by the CEO of MCC, will meet in November and will have the final decision

**The Secretary General of the High Commission for the 3N Initiative** indicated that the initial forecasts for Sia-Kouanza (development of 2,600 hectares) prompted a project to increase the support program for the rice sector, notably with the construction of an additional hulling plant in Gaya

**The deputy-President of the Chamber of Commerce** added that the choice of polycultures at the expense of rice cultivation raised concerns, as the policy tending to improve rice production in Niger was called into question. Admittedly, the internal rate of return (IRR) of rice cultivation is low as indicated by the Africa Director of MCC. However, polycultures also presents similar constraints (production, processing, marketing).

**The Minister of Planning**, concerning the choice of crops, recalled that MCC and the Government had, during the Compact negotiations, strongly insisted on the free choice left to the beneficiaries. She therefore asked whether the polycultures option took into account the opinions of the beneficiaries, or only studies on profitability

**The Director of MCC Sector Operations** replied that the development of pits, dedicated exclusively to rice cultivation, is problematic from an environmental point of view. On low terraces, growing rice requires additional costs, particularly for pumping water, which reduce the already very low profit margin. Profitability studies must necessarily be taken into account, so as not to penalize producers, because the objective of the Compact is to reduce poverty through economic growth

The debates on this information point being covered, the President moved on to the next item

## **H – Etat d’avancement des projets du Compact : Routes**

### **H-1. Plans d’Action de Réinstallation (PAR) des projets de routes RN35/RRS et RN7**

#### **Summary of the debates :**

MCA-Niger's Land Manager indicated that the draft RAPs for the RN7 and RN35/RRS roads have been submitted to the technical review of MCA-Niger and MCC on August 23<sup>rd</sup>, 2019. The census of persons affected by the project (PAP) shows 247 PAP for the RN7 with a provisional budget of 101 506 380 F CFA, and 931 PAP for the RN35/RRS with a provisional budget of 338 700 119 F CFA.

It should be noted that the contract concluded with the EBRD consultant for the preparation of the RAPs did not include the base-life zones of the companies in charge of the work. It is planned to fill this gap by signing an amendment to the contract.

As the discussions on this item of information were concluded, the Chairman moved on to the next item.

### **H-2. Progress report on the construction work on the RN35/RRS and RN7 roads**

**Summary of the debates** : The Road Project Manager of MCA-Niger indicated that the APD/EIES/DAO studies respectively for the RN7 and RN35/RRS works are currently being finalized. All the engineering deliverables have been completed and approved by MCA-Niger and MCC. The validation workshop of the ESIA's by the BNEE is scheduled for mid-October 2019, and the draft Requests for Proposals (RFPs) are expected by 30 September 2019.

It should be noted, however, that the preliminary studies revealed a gap between the budget available for the work and the estimates made. This increase in the budget is due to the high level of traffic on the RN7, which requires the use of more resistant materials, and the large number of works to be carried out along the RN35/RRS (over 300) to take into account environmental requirements. It is therefore imperative to make a firm decision on the

budgetary reallocations to be made, in order to be better informed before the RFPs are finalized and launched.

After this presentation, the Minister of Planning asked whether the planned deadlines for this activity were being met. The Road Manager of MCA-Niger replied that the project is progressing according to the planned schedule, only the problem of the preconditions for the disbursement of the Compact funds for the works (Road Maintenance Reform) can cause a delay

The debates on this item of information having covered, the Chairman moved on to the next item.

## **I. Progress of Compact projects: Sectorial Reforms**

### **I-1. Road Maintenance Reform**

**Summary of the debates** : The Road Project Manager of MCA-Niger recalled that the reform of road maintenance, carried out by the Ministry of Public Works, accompanied by the TFPs (MCC, European Union, World Bank), results in the setting up of bodies such as the 2nd Generation Road Maintenance Fund (FER2G), the Delegated Road Maintenance Contracting Agency (AMODER) and the Road Maintenance Current Audit Unit (CACER). However, he indicated that the reform has made little progress since the last Council session held on 25 June 2019. Indeed, although FER2G had become operational, this was still not the case for AMODER and CACER, which risked seriously disrupting the reform roadmap. With regard to the Multi-Annual Road Maintenance Plan (2020-2022), a working tool for AMODER and CACER, required as a precondition for the disbursement of MCC funds for Compact works, a first part is available. However, it is essential that the second part be completed before the end of 2019. The General Director suggests an update of the reform roadmap and its implementation.

**The Secretary General of the Ministry of Public Works** reacted to this presentation, first of all indicating that the operationalization of the other organs of the reform is underway. The recruitment process of the Director General of AMODER, conducted by an external firm, is at its end; only the morality investigation by the Police services remains to be carried out. As regards the CACER, its establishment is led by the Ministry of Finance, and is also making good progress. As regards the Multi-Annual Road Maintenance Plan, the first part has been validated by the Ministry; the consolidation and finalization of the plan is being carried out after the rainy season to take into account the related damages.

**The President of the Board** noted that, within the framework of the reform, the Multi-Annual Road Maintenance Plan must obtain the approval of the Road Council, composed in particular of the reform bodies such as AMODER. He recalled that the 3 bodies of the reform should have been operational before the finalization of a 2019/2022 Maintenance Plan. In view of the delay, the Plan will only cover 2020/2022. The Chairman of the Board thus encouraged the Ministry of Public Works to speed up the process for the finalization of the Plan and its approval by the Roads Board.

**The General Director of MCA-Niger** concluded by also making an appeal to the Ministry of Equipment, recalling the importance of the Compact Roads activity for Niger. He reaffirmed the preparedness of MCA-Niger to collaborate with the Ministry in order to meet the preconditions for the disbursement of Compact funds for the works.

The debates on this point of information has been completed, the Chairman moved on to the next item.

## **I-2.Fertilizer sector reform**

**Summary of the debates :** The Director of Sector Operations of MCC introduced this item by stating that MCC takes note of the progress made in the reform, including the establishment and operationalization of OMEN and COTEN. However, MCC deplors the lack of commitment by CAIMA to meet the expectations of the reform plan, following the approach taken by the other stakeholders and by its parent ministry, MAG/EL. It appears, in fact, that CAIMA refuses to mobilize the government resources needed to launch the pilot programme for the targeting and effective management of subsidies for the most vulnerable producers.

As regards road maintenance reform, MCC also noted the progress made in the effective implementation of the FER2G and the imminent establishment of the CACER. However, two key stages of the reform under the responsibility of the Ministry of Public Works are behind schedule. These are: (i) the Pluri-Annual Road Maintenance Plan integrating the updated road network (including Compact roads), to be set up as of 2020 by the Directorate General of Road Maintenance; and (ii) the effective establishment of the AMODER which will manage road maintenance contracts. This delay has persisted for several months, despite the considerable support efforts of the European Union in terms of Technical Assistance and programming tools. As a result, MCC is no longer confident about the Ministry's commitment to fully play its role in the implementation of the reform. However, the operationalization of the reform bodies and its programming and management tools is a prerequisite for the disbursement of Compact funds for the Roads project, scheduled for early 2020.

In the light of these situations, MCC calls upon the Board of Directors to consider the concerns raised and to provide appropriate solutions as soon as possible.

**The Chairman of the Board** reassured the Director of Operations Sector of MCC that these concerns had been addressed and that the Board was committed to resolving these issues. He recalled that both reforms had been initiated by the Government. As such, stakeholders must ensure that they are implemented in this spirit. With regard to the reform of the fertilizer sector, he called on MAG/EL to ensure that the relevant budget entries are made, and that CAIMA fully collaborates.

**The Minister of Planning** suggested that the Council set specific deadlines for each recommendation in the implementation of the reforms. She then asked for clarification on the problem encountered with CAIMA.

**The MCC Country Resident Director** in Niger responded that CAIMA, which is responsible for advancing the reform as a member of OMEN and COTEN, is however running a programme in partnership with KfW, which does not follow the spirit of the reform. In spite of the discussions held between the TFPs for a harmonization of their interventions, there is a lack of willingness on the part of CAIMA for this harmonization. Similarly, CAIMA is not committed to supporting the pilot demonstration of the renovated fertilizer subsidy programme, in accordance with the reform plan, despite the express request to that effect by its supervisory Ministry, MAG/EL. It should be noted that this pilot programme is an important activity of the reform to be held in 7 months, the objective of which is to demonstrate to partners how the Government can manage a subsidy programme that targets vulnerable people

**The Minister Delegate for Livestock** raised the need, in order to harmonize the interventions of TFPs following the meeting held recently under the chairmanship of the Prime Minister, for a consensus to be reached on the roles of each in the establishment of the Common Fertilizer Fund (CFE) which will feed the reform activities. There is no doubt about the Government's commitment; however, the TFPs must agree on this issue. On the issue of the pilot demonstration, he indicated that the intended funds should be made available to CAIMA by MAG/EL and reassured that MAG/EL will take charge of and ensure the success of this activity.

**The President of the board** replied that the axis of reform had already been defined by the Government. At the meeting chaired by the Prime Minister, guidelines had been laid down to ensure that all TFPs fell within that framework, in particular KfW. CAIMA must therefore show commitment and comply with these guidelines, which do not prevent the continuation of the partnership concluded with KfW.

**The Minister Delegate for Livestock** has requested that MCA-Niger send by mail to MAG/EL, a road map of the actions precisely expected from CAIMA, with deadlines for their implementation.

**The Secretary General of the High Commission for the 3N Initiative** replied that there is already a reform roadmap that includes a study on the revision of CAIMA's procurement strategy, a study on the creation of the Common Fertilizer Fund, and a study on the institutional audit of CAIMA. The next actions to be carried out will focus on capacity building of OMEN and COTEN, to which CAIMA must commit itself.

The debates on this point information has been concluded, the chair moved on to the next item.

## **2. EXECUTIVE SESSION**

### **2.1- EXECUTIVE SESSION: for information**

#### **J - MCA Niger Staff taxation (follow-up of the Board's recommendations)**

**Summary of the debates** : The Chief Executive Officer of MCA-Niger recalled the issues submitted for consideration by the Council at previous sessions, in particular the difference in tax treatment among staff assigned to Compact activities, to the detriment of MCA-Niger's Nigerien staff, which has a strong impact on the retention of human capital and thus on the implementation of the Compact programme. He also recalled the recommendations made by the Council to resolve this issue, including the referral to the Minister of Finance in June 2018 for an exceptional exemption for MCA-Niger employees and, following the meeting of 25 June 2019, the commitment to take steps to amend the Compact Agreement to allow this exemption. As the implementation of the last recommendation proved to be complex, Executive Management asked the Board to re-examine the issue.

The Board members discussed the issue and concluded that the exemption of MCA-Niger employees would not be possible in the current context.

### **2.2- EXECUTIVE SESSION: for approval**

#### **K - Approval of Amendment N°01 to the Procurement Plan N°06 of MCA-Niger**

**Summary of the debates** : The Director of Procurement of MCA-Niger presented the modifications brought by Amendment N°01 to the Procurement Plan N°06 for the period from July 1st, 2019 to June 30th, 2020.

**The Minister of Planning** asked for clarification on the justification of some of these modifications, to which the Director of Procurement provided answers.

The discussions on this item having been concluded, the Chairman put to the vote the adoption of Resolution No. 07.

**RESOLUTION N°07:**

The Board of Directors approves and adopts, by unanimity of the present voting members, Amendment N°01 to the MCA-Niger Procurement Plan for the period from July 1<sup>st</sup>, 2019 to June 30<sup>th</sup>, 2020.

The agenda of the meeting being completely covered, the Chairman of the Board declare the meeting closed at 2.30 p.m.

**Signed by :**

<b>For MCA-Niger</b>	<b>For the Board of Directors</b>
<b>M. Mamane M. ANNOU</b> <b>Secretary of the meeting</b>	<b>M. Ouhoumoudou MAHAMADOU</b> <b>Chairman of the Board of Directors</b>