

PILOT PROGRAM FOR CLIMATE RESILIENCE

Project/Program Preparation Grant Request

1. Country/Region:	Niger	2. CIF Project ID#:	(Trustee will assign ID)
3. Project Name:	Private Sector Investment to Build Climate Resilience in Niger’s Agricultural Sector.		
4. Tentative Funding Request (in USD million total) for Project¹ at the time of SPCR submission (concept stage):	<i>Grant: 2.0</i>	<i>Loan: 10.0</i>	
5. Preparation Grant Request (in USD million):	<i>\$0.485</i>	<i>MDB: IFC</i>	
6. National Project Focal Point:	<i>Mr Malam Gata Zouladaini</i>		
7. National Implementing Agency (project/program):	<i>Ministry of Planning, Territorial Management and Community Development</i>		
8. MDB PPCR Focal Point and Project/Program Task Team Leader (TTL):	<i>Headquarters - PPCR Focal Point: Joyita Mukherjee (jmukherjee1@ifc.org)</i>	<i>TTL: Anthony Mills (amills@ifc.org) Noleen Dube (ndube@ifc.org)</i>	

9. Description of activities covered by the program preparation grant:

Background

In the context of the Niger SPCR, three investment projects (PROMOVARE, PDIPC and PACRC) have been identified by the government, multilateral development banks and other stakeholders for implementation in Phase 2 of the PPCR. The IFC is responsible for sub-components of the above projects that focus on engaging the private sector in the PPCR and catalyzing investment in climate change adaptation activities. The IFC interventions in Niger under the PPCR program have been grouped under the project titled: “Private Sector Investment to Build Climate Resilience in Niger’s Agricultural Sector” hereafter referred to as the private sector component of the Niger SPCR.

Objective

The private sector component of the Niger SPCR intends to build climate resilience in Niger’s agricultural sector by facilitating private sector investments. The selected investments will enhance the agriculture sector’s adaptive capacity and contribute to food security in Niger despite an increase in the frequency and intensity of climate change-induced hazards.

The private sector component of Niger SPCR will achieve this objective by:

1. increasing the use of improved irrigation systems and introducing climate resilient seeds to farmers;
2. creating a climate information platform for agricultural producers and other stakeholders such as insurance providers; and
3. developing insurance products suitable for small-scale farmers and livestock holders.

¹ Including the project preparation grant request.

Climate adaptation is a relatively new area for the private sector in Niger. Participation is limited mainly by insufficient and unreliable information on investment opportunities that build climate resilience, reduce damage costs from climate change impacts and mitigate climate change risks. Therefore, the preparation grant will fund the preparatory phase of the private sector component of Niger SPCR and will entail an assessment of private sector opportunities and barriers within each of the above components. Information gathered through the preparatory phase will be used to inform the design and implementation of the Niger private sector initiatives under the PPCR.

Preparatory phase activities will include:

Component 1: Improved irrigation systems and climate-resilient seeds.

1. Assess Niger’s agricultural production, including livestock, fodder production, cash crops and food crops.
2. Assess the market for improved irrigation systems suitable for Niger.
3. Assess climate-resilient seed markets in Niger.

Component 2: Climate information platform.

1. Assess private sector demand for climate information in Niger.
2. Assess existing climate information networks in Niger.
3. Provide recommendations for the piloting of a climate information platform in Niger.

Component 3: Agricultural insurance.

1. Assess existing agricultural insurance products in Niger.
2. Assess existing and potential users/buyers of agricultural insurance products in Niger.
3. Review global best practice weather index-based insurance for livestock and crops to identify the products most relevant to Niger.
4. Assess existing agricultural and climate data in Niger in relation to requirements for developing a weather index-based insurance product.
5. Recommend appropriate insurance models to build climate resilience in the agricultural sector in Niger.

10. Outputs:

Deliverable	Timeline
Three reports on the findings of the above activities, namely: <ul style="list-style-type: none"> • the market for improved irrigation systems and climate-resilient seeds; • the market for a climate information platform; and • the market for agricultural insurance. 	Hand-in: 30 June 2012

11. Budget (indicative):

Expenditures ²	Amount (USD) - estimates
Consultants (local and international)	\$325,000
Equipment	
Workshops/seminars/surveys	\$45,000
Travel/transportation	\$85,000
Others (admin costs/operational costs)	
Contingencies (max. 10%)	\$30,000
Total Cost	\$485,000

² These expenditure categories may be adjusted during project preparation according to emerging needs.

Other contributions:	
• Government	
• MDB	
• Private Sector	
• Others (please specify)	
<p>12. Timeframe (tentative):</p> <p>Submission of program preparation grant request: December 2011. Hiring of consultants and commencement of study: January 2011. Completion of the study: June 2012. Submission of pre-appraisal document for PPCR Sub-Committee Approval: September 2012. Expected Board/MDB Management³ approval date: October 2012.</p>	
<p>13. Other Partners involved in project design and implementation⁴:</p> <p>MDBs:</p> <ul style="list-style-type: none"> • World Bank; and • African Development Bank. <p>Local partners:</p> <ul style="list-style-type: none"> • Ministry of Planning, Territorial Management and Community Development; • Ministry of Water, Environment and Desertification; • Ministry of Agriculture; • Ministry of Livestock; and • Directorate of National Meteorology. 	
<p>14. If applicable, explanation for why the grant is MDB executed:</p> <p>The preparation grant will be used to identify opportunities for private sector engagement in the agricultural sector in Niger. The IFC has a comparative advantage in this regard given its focus on the private sector and its decades of experience in catalysing investments, often in agriculture, in the developing world. The IFC is participating in the PPCR in both Nepal and Bangladesh in the agribusiness sector and would use the experience from these regions in Niger. IFC has strong knowledge management and lessons learned components in their projects which will allow for the sharing of information.</p> <p>Furthermore, the IFC is a global player in the testing of climate resilient investments in the private sector and is therefore well positioned to undertake the following proposed studies: 1) the development of improved irrigation systems and climate resilient seed markets; 2) the establishment of a climate information platform; and 3) development of insurance products suitable for small-scale farmers and livestock holders.</p> <p>Given the above, IFC will implement the preparation grant using its own processes and procedures.</p>	

³ In some cases activities will not require MDB Board approval.

⁴ Other local, national and international partners expected to be involved in design and implementation of the project.

15. **Implementation Arrangements** (incl. procurement of goods and services):

This program will be implemented by the IFC in close collaboration with the World Bank, the African Development Bank, the Ministry of Planning, Territorial Management and Community Development, the Ministry of Water, Environment and Desertification, the Ministry of Agriculture, the Ministry of Livestock and the Directorate of National Meteorology. In addition, the program will form collaborations with private sector entities, government agencies and other relevant stakeholders as required.

The procurement of goods and services will follow IFC's procurement guidelines.