



CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

This Congressional Notification outlines the Millennium Challenge Corporation's intent to increase and extend assistance under the Millennium Challenge Compact with the Government of Niger. The increase and extension are needed to account for delays related to COVID-19.

We have also attached a report and justification that contains a detailed summary of the proposed increase in assistance under the Compact and a copy of the full text of the amendment to the Compact. In addition, we will publish a detailed summary, full text, and justification of the proposed increase in assistance under the Compact in the Federal Register and on MCC's website.

If you require a meeting to discuss the increase in assistance, or MCC at large, please contact Brian Forni at (202) 521-2631 or ForniBJ@mcc.gov.

The attached notification is being sent to the Congress on January 21, 2022. The assistance may be increased on or after 15 days from the date of this notification.

Sincerely,

/s/

Aysha House
Vice President
Congressional and Public Affairs

Enclosure: As stated

**MILLENNIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION**

January 21, 2022

PROGRAM: Eligible Countries

APPROPRIATIONS CATEGORY: Fiscal Year 2020 Program Funds

OBLIGATION AMOUNT: \$5,600,000

Pursuant to Division K, Title VII, section 9003 of the Consolidated Appropriations Act, 2021 (P.L. 116-260), Division G, Title III of the Further Consolidated Appropriations Act, 2020 (P.L. 116-94) and section 609(i) of the Millennium Challenge Act of 2003, as amended (the “Act”), this is to advise that the Millennium Challenge Corporation (“MCC”) intends to extend for a period of twelve months the Millennium Challenge Compact with the Government of Niger that was in effect as of January 29, 2020 (the “Compact”) and to amend the Compact to obligate an additional amount not to exceed \$5,600,000 under section 605 of the Act. The planned increase and extension are for the purpose of accounting for Compact delays related to COVID-19. The Compact would otherwise terminate in accordance with its original terms on January 26, 2023, but will be extended to January 26, 2024.

REPORT AND JUSTIFICATION OF THE PROPOSED EXTENSION OF AND INCREASE IN ASSISTANCE OF THE NIGER COMPACT DUE TO COVID-19

Background

The Millennium Challenge Corporation's (MCC) \$437,024,000 Compact with the Government of Niger invests in irrigation infrastructure and management systems, road upgrades to improve market access, climate-resilient agricultural production, and management of natural resources. The Compact entered into force on January 26, 2018, and targets lack of access to water for productive uses and physical access, institutional barriers to trade, and increasing rural incomes by improving sustainable use of natural resources for agricultural production. The Compact has the potential to benefit approximately 3.9 million people.

Justification of Assistance and Impact of COVID-19 on the Niger Compact

Niger registered its first COVID-19 case on March 19, 2020. Within weeks, the Government of Niger imposed a tight lock-down, closing international airports and land borders, restricting movements between cities, shuttering hotels, limiting gatherings to ten people or less, and enforcing a nightly curfew. Several Millennium Challenge Account-Niger (MCA-Niger) staff and contractors contracted COVID-19, and within two months of the lock-down, the U.S. Embassy evacuated over 400 Americans and placed in-country MCC staff on mandatory telework status.

As confirmed cases began to trend downward in May 2020, the Government of Niger eased restrictions on movement and gatherings and re-opened international air travel, however, travelers were still required to follow strict sanitary protocols including 14-day quarantines upon arrival in Niger. International flights to Niger did not resume until August and September 2020. Shortly after international travel resumed, Niger experienced a second and far bigger wave of cases starting in November 2020 and continued through February 2021. The average case count has remained minimal and steady since that time. However, the necessary safety protocols have continued to present challenges to the ongoing Compact related work.

Since the outbreak began in March 2020, COVID-19 has significantly delayed implementation of the Compact. Connectivity issues hampered the transition to telework. Contractors and MCC Niger Country Team members could not travel to Niger, delaying bid preparation, project work, and project oversight. Even when domestic travel restrictions eased, limits on gathering size often meant doubling or tripling the number of meetings necessary to accomplish the work.

COVID-19 also created new unplanned work for contractors, MCA-Niger, and the MCC Niger Country Team, including the development of numerous COVID-19 risk mitigation plans from the different contractors and MCA-Niger, dozens of procurements for COVID-19 related PPE and IT equipment, and a plethora of contract amendments to restructure deliverable timelines and extend contracts. Some potential contractors, wary of exposing their staff to COVID-19, delayed signing new contracts because they were reluctant to commit to a deliverable timeline amidst continued uncertainty about the trajectory of COVID-19 cases in Niger.

The following major projects, directly impacted and delayed by the COVID-19 pandemic, require additional time and funding to complete:

- **Procurement Delays.** Completion of procurements and signing contracts for many planned services and works. These include finalizing design work for the rehabilitation or new construction of up to 18 livestock markets; restoration of four major regional livestock corridors; launching of 12 rural veterinary clinics with their networks of technicians; finalizing and signing over 40 grants for the second and final round of the Climate-Resilient Agriculture Activity grants facility that the U.S. African Development Foundation (USADF) is managing; and designing and building 1,060 hectares of small-scale irrigation in the 16 communes covered by the Climate-Resilient Communities Project.
- **Access for Study Completion.** Completion of design studies and groundwater modeling necessary to confirm the sustainability of irrigation sites in the first tranche. Per the original workplan, tranche one designs and bid documents were to be completed by April 2021, whereas COVID-19-induced delays have pushed that back to November with procurement and installation planned well into 2022. Efforts will be made to fast track the remaining tranches, but in any case, there will be little or no time before the end of the Compact to work with farmers on the sustainable operations of these systems.
- **Construction Delays.** Completion of construction works for ongoing large-scale irrigation and road renovations. A major shipping and installation delay for the main concrete plant, as well numerous contractor and supervisory engineer staff testing positive delayed their arrival on-site and hampered efforts. While production rates are picking up, a ten-month delay is currently forecasted which would extend the defects notification period at least six months past the current Compact end date. On the roads, the advent of the pandemic forced MCA-Niger to carry out a virtual bidding process which was successful, however, it added about six months to the procurement period that compressed completion of works to four months for National Road 7 and two months for National Road 35 ahead of the Compact end date. Given continuing scheduling threats from COVID-19 and normal delays, this is an extremely limited float period, and as with irrigation, provides very little time to test, refine and train counterparts on the Compact's innovative performance-based maintenance regime.

The Compact includes the following two projects and associated activities:

- The **Irrigation and Market Access Project** is increasing rural incomes through improvements in agricultural productivity and sales increases resulting from modernized irrigated agriculture and flood management systems with sufficient trade and market access.
 - The **Irrigation Perimeter Development Activity** is rehabilitating the Konni irrigation system and developing new irrigated perimeters in the Dosso-Gaya area.
 - The **Management Services and Market Facilitation Activity** is establishing a suite of institutional and management support activities designed to ensure the

achievement of project objectives in the irrigated perimeters targeted by the Irrigation Perimeter Development Activity. The Management Services and Market Facilitation Activity is being implemented using a community-based approach to provide services that address the entire production chain, including the supply of agricultural inputs, the yields obtained by farming, the marketing of produce and the sustainable use of natural resources.

- The **Roads for Market Access Activity** is reducing trade barriers and improving physical market access through targeted improvements of National Road 35, National Road 7, and the Sambera Rural Road which serve the Dosso-Gaya perimeters and link them to the rest of the country.
- The **Policy Reform Activity** is promoting several major policy reforms directly linked to the success and sustainability of the Compact program. These reforms include developing and implementing a national water resources plan, reforming the fertilizer distribution market to increase competition, and developing statistical capacities within the National Institute of Statistics and key ministries.
- The **Climate-Resilient Communities Project** is increasing incomes for small-scale agricultural- and livestock-dependent families in eligible communes and livestock corridors in rural Niger by improving crop and livestock productivity, sustaining natural resources critical to production and increasing market sales of targeted commodities.
 - The **Regional Sahel Pastoralism Support Activity** is supporting pastoralist groups and enhancing regional integration by improving livestock health, upgrading water and rangeland resources along major transhumance livestock corridors and modernizing local livestock market infrastructure.
 - The **Climate-Resilient Agriculture Activity** is supporting sustainable increases in productivity and farm incomes in eligible communes by strengthening the resiliency of farmers and agro-pastoralists to the impacts of climate.

The additional MCC funding will be used to support oversight and other administrative functions during the additional twelve months of the Compact term.

As COVID-19 has disrupted program activities and timelines, this additional time will maximize long-term results and MCC's return on investment, by enabling MCC and MCA-Niger to complete and hand over all ongoing projects to the beneficiary institutions without compromising health, safety, or environmental standards, and will reduce sustainability risks through the necessary attention to training, commissioning of operators and technicians, and additional oversight.

Achievements to Date

Land inventories for the Sia small-scale perimeters within the **Irrigation Perimeter Development Activity** have identified over 300 hectares of potential land regrouped into approximately 5-

hectare blocks for small scale irrigation. Groundwater modeling efforts are underway and will inform the selection and management of sites to be developed. Detailed design studies for final site selection and irrigation design are currently under review. Meanwhile, project affected peoples, who missed agricultural production seasons due to construction works in the Konni perimeter, have received initial compensation payments. Additional payments are underway as works continue.

Applications for land titles on the Konni perimeter within the **Irrigation Perimeter Development Activity** are submitted to the relevant authorities. Once the regional director of the cadaster verifies the perimeter's geographical coordinates and boundary markers, parcel holders will be able to sign their land titles. The communes are currently achieving steady progress in organizing, scanning and entering information from existing paper-based land records into the new system.

The **Roads for Market Access Activity** has made significant progress. The contractor for rehabilitation works on National Road 7, National Road 35, and the Sambera Rural Road, has fully mobilized and physical works are progressing close to schedule. Compensation under the resettlement action plan is proceeding according to schedule, enabling works to continue. An initial training workshop on performance-based maintenance and management of these roads was held in June 2021. The Government of Niger continues to meet MCC's road maintenance reform requirements and the multi-year program for national road network maintenance is operational as of October 2020.

The **Regional Sahel Pastoralism Support Activity** continues to make significant progress. The Ministry of Agriculture and Livestock implemented the third and last vaccination campaign financed by the compact. These campaigns targeted the two priority animal diseases in Niger, successfully delivering millions of doses for bovine pleuropneumonia and small ruminant plague across the country.

Under the **Policy Reform Activity of the Irrigation and Market Access Project**, a ground water study identified three very large aquifers underlying over 2 million hectares of arable land as well as numerous smaller aquifers closer to the surface to support small scale irrigation. Detailed reporting of hydrogeologic volumetric modeling of large aquifers has been finalized and was validated through a workshop with key stakeholders. The results of these analyses will be used to support the Government of Niger in sustainable management of these resources.

As members of the Feed the Future initiative, we have brokered in an interagency agreement with the USADF, for \$4,481,268 to administer 47 grants to small, local groups that target women and youth, cooperatives, associations, and small and medium enterprises. Grantees are selected through a process managed by USADF. A second round of grants is being finalized. To date, \$1,460,085 has been awarded for the second round through 19 grants and \$1,639,915 remains to be awarded.