



The World Bank

Additional Financing-Mali Drylands Development Project (P177323)

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Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 11-Oct-2022 | Report No: PIDISDSA33265

**BASIC INFORMATION****A. Basic Project Data**

Country Mali	Project ID P177323	Project Name Additional Financing-Mali Drylands Development Project	Parent Project ID (if any) P164052
Parent Project Name Mali Drylands Development Project	Region WESTERN AND CENTRAL AFRICA	Estimated Appraisal Date 14-Oct-2022	Estimated Board Date 08-Nov-2022
Practice Area (Lead) Agriculture and Food	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Agriculture

Proposed Development Objective(s) Parent

To improve agricultural productivity and strengthen resilience of rural households living in the targeted dryland areas

Proposed Development Objective(s) Additional Financing

To improve agricultural productivity and strengthen resilience of rural households living in the targeted dryland areas and to improve the Recipient's capacity to respond effectively to an Eligible Crisis or Emergency

Components

Improving the Productivity and Resilience of Beneficiary Populations

Productive Infrastructure at Community Level

Institutional Support, Crisis Management and Project Coordination

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	30.00
Total Financing	30.00
of which IBRD/IDA	30.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**



International Development Association (IDA)	30.00
IDA Credit	30.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Mali is a low-income, fragile country that has suffered significant setbacks in recent years.** It is a landlocked economy which is highly dependent on agriculture, and vulnerable to external shocks and adverse weather conditions. It is also a fragile state that has witnessed persistent difficulties in political coups and social tensions. With a per capita gross domestic product (GDP) of US\$ 875 in 2019, Mali is in the lower 15th percentile of the world's income distribution. Around 42 percent of the population live in extreme poverty and 8.7 million people—more than 45 percent of the population—live in crisis-affected areas where the basic service delivery has deteriorated. The security situation remains volatile and is deteriorating in the regions of Ménaka and Mopti with the multiplication of incidents resulting in the displacement of populations.

2. **The impact of ECOWAS economic sanctions and the Ukrainian crisis continues to negatively affect the overall economy of the country** through the drop in the level of economic activities, trade flows, and it generates food and non-food inflation. Poor households' access to markets is difficult due to this lean season because of the very high price level (high compared to the five-year average) and livestock and grain terms of trade unfavorable to breeders in a context of overall decline in income linked to the aftermath of ECOWAS sanctions and the COVID-19 and Ukraine crises.

3.

Sectoral and Institutional Context

4. **Agriculture plays a dominant role in Mali's economy and is key to eliminating poverty and boosting shared prosperity in the country.** The sector is a livelihood source for 70 percent of the country's workforce, a source of most of the country's food needs and the main source of economic linkages both in urban and rural areas. The sector's overall growth, however, continues to be suboptimal and volatile. It is also comparatively lower in the dryland areas, straddling the north and central parts of the country where it is weighed down by low productivity, climate change impacts (e.g., increasing drought) and land degradation. As a result, livelihoods in many parts of the country



continue to be vulnerable to various shocks (including food insecurity), frequently depend on emergency aid, and there need support to strengthen their resilience.

5. Compounding this vulnerability, is the deteriorating security situation in parts of the country which has led to displacement of people - mainly in the Ménaka and Mopti regions. Most recent statistics from WFP indicate that, by July 2022, over 396,000 people were internally displaced. Many more have lost their livelihood assets, especially food stocks to combatants, thus exposing them to food insecurity. In addition, due to area insecurity, many people are now unable to work to meet their daily food needs.

6. Furthermore, the lingering impacts of COVID-19 on food production and supply chains, together with the recent increases in fuel and fertilizer prices, driven in large part by the Ukraine war, have further aggravated the food security situation in the country. Fertilizer prices in the country increased by 50 percent in 2022 which reduced the amount of fertilizer used in the current cropping season and is in turn expected to lower agricultural output. This, combined with the increasing transportation costs as a result of increasing fuel prices, is expected to exert upward pressures on already rising food prices.¹ Compounding these challenges in food security, is the overall contraction of Mali's economy owing to the recently lifted West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS) sanctions – which has constricted the amount of food that households can access through trade.

7. As a result, at least 1.84 million people (8 percent of the population) were predicted to face Integrated Phase Classification (IPC3+) crisis or emergency food insecurity in the June to August 2022 period according to Cadre Harmonisé data. The World Food Program (WFP) hunger map also indicates that the prevalence of insufficient food consumption in the country is extremely high – with roughly 12.6 million people of 19.1 million (66 percent of the population) facing insufficient food consumption. At least 26.9 percent of children under age 5 are chronically malnourished of which 9 percent are acutely so.

8. **The proposed Additional financing** will cover a financing gap in the parent project resulting from diversion of resources, initially committed to specific project activities, towards an emergency food crisis response in the country in 2020 and emerging cost overruns arising from insecurity, and inflation – partly due to the Ukraine crisis.

C. Proposed Development Objective(s)

Original PDO

To improve agricultural productivity and strengthen resilience of rural households living in the targeted dryland areas.

Current PDO

To improve agricultural productivity and strengthen resilience of rural households living in the targeted dryland areas and to improve the Recipient's capacity to respond effectively to an Eligible Crisis or Emergency.

¹ Prices of cereals, livestock and other key commodities are more than 40 percent above the five-year average.



Key Results

1. **Project achievements:** The following are the key results:
 - (i) Yield increase of major crops in the project areas;
 - (ii) Proportion of cash transfer beneficiary households with food consumption score above 35;
 - (iii) Beneficiary satisfaction rate with services provided by the project; and
 - (iv) Number of direct beneficiary households of the project

Project Description

2. The **project** has three components, and these, together with their costs, are as summarized below:

- (i) ***Improving the productivity and resilience of beneficiary populations (US\$29million):*** This component seeks to: (a) enhance household resilience by providing combined interventions to poor and vulnerable households to raise their consumption and to cope with seasonal shocks and providing them with opportunities to achieve sustained improvement in their living conditions; and (b) increase agricultural productivity of farmers and groups of farmers. Specifically, support is provided for: (i) expanding of the social registry to strengthen social protection in the country; (ii) direct cash and productive transfers to poor and vulnerable households; and (iii) promoting emerging high-value crops value chains.
- (ii) ***Productive Infrastructure at the Community Level (US\$14.5 million):*** This component supports climate-resilient investments in community infrastructure that improve the environmental, physical, and socioeconomic context for dryland agriculture, and create synergies with activities to boost agricultural productivity and strengthen resilience under Component 1. Project support is provided for: (i) selection and preparation of climate-resilient investments; (ii) productive infrastructure investments; and (iii) commercialization infrastructure investments focusing on improving market access.
- (iii) ***Institutional Support, Crisis Management and Project Coordination (US\$21.0 million):*** This component seeks to improve the skills of local- and national-level policy makers involved in agricultural policy and planning formulation, and to provide support for agricultural policy development. It finances: (i) strengthening the capacity for evidence-based agricultural policy analysis; (ii) project coordination; and (iii) a CERC intended to support emergency responses and recovery in the event of natural disasters or crises.

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E. Implementation

Institutional and Implementation Arrangements

4. The project will be implemented by a Project Coordination Unit (PCU) that is embedded in the Land and Irrigation Management Agency (ATI), in MoA in collaboration with the existing Jigisemejiri Project Implementation Unit (UTGFS), under the Ministry of Economy and Finance (MEF). The PCU is staffed with a National Coordinator, an Economist, an Administrative and Financial Officer, an Accountant, a Procurement Officer, an Environmental Safeguards Specialist, a Social Safeguards Specialist, cash transfers facilitation officers, and support staff. At the regional level, the project will



be implemented through regional offices established in the respective Regional Rural Infrastructure Departments of the MoA. These regional offices will operate as field offices of the PCU and include a Regional Coordinator, technical/operations an environmental specialist, gender and social inclusion specialist, M&E assistant, accounting assistant, procurement assistant and support staff. Because of the persistent capacity weaknesses both at the central, regional and district levels, on-the-ground execution of project activities will continue to be supported by different types of operators such as companies, consulting firms, individual consultants, NGOs, and technical services, in the form of contracts, or agreements. Given the rapidly changing security situation, the proposal is to retain the flexibility to contract out some of the work to specialized United Nations agencies (e.g., WFP and FAO) - the only organizations in Mali with the demonstrated capacities to support project activities as designed and which have preferential access to areas that might not be secure.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

It is likely that the project activities will cover same parent project regions of Kayes, Koulikoro, Segou and Mopti. The regions suffer from high vulnerability to climate change and shocks. The selection of the implementation sites will be undertaken through a participatory approach.

G. Environmental and Social Safeguards Specialists on the Team

Mahamadou Ahmadou Maiga, Social Specialist
Tolidji Blaise Donou, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	Yes	
Pest Management OP 4.09	Yes	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	



Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The PIU has updated the parent project Environmental and Social Management Framework (ESMF) to cover any potential environmental and social risks that may arise from activities to be financed by the AF. The AF will be used to finance the same kind of activities in the same targeted regions of Kayes, Koulikoro, Segou and Mopti. These regions are highly vulnerable to climate change and shocks. Environmental and social performance of the parent project is Moderately Satisfactory, with some challenges related to security and Gender-based Violence (GBV) risks assessment.. A project GBV/SEA/SH screening will be conducted and a GBV/SEA/SH action plan will be developed accordingly within 3 months after project effectiveness. The updated ESMF has identified several challenges and issues including insecurity due to conflict and criminality leading to challenges in conducting field supervisions of implementation . Other environmental and social issues are related to, GBV risk, risk of soil degradation, fuels or other pollutants, decreased water quality, noise pollution near construction sites, dust and smoke generated by site work that affects air quality and constitutes risks to health, risk of accidents during civils works, risk of expropriation of financed infrastructure in case of installation on private land, and risk of increase of social conflicts (including agropastoral conflicts), poor pesticide management, . Relevant instruments to mitigate these risks have been prepared and disclosed for the parent project.

In addition, a Security Risk Assessment (SRA), together with the Security Management Plan (SMP) was prepared, reviewed and disclosed as part of the AF preparation. The SMP assesses the current security situation in project intervention zones and provides necessary and adequate measures to mitigate identified risks . Contractors in charge of civil works will also be required to prepare site-specific SMPs before works can begin. Partners (including UN Agencies) may implement some activities under this AF; and the team will ensure that this will be done in accordance with the ESMF requirements (as described in the ESMF instruments), including the security requirements.

Although physical displacement is not expected under this project, OP/BP 4.12 on Involuntary Resettlement is triggered for two main reasons: (i) as a precaution to ensure that all subprojects approved are sound and sustainable from a social safeguards point of view; and (ii) as a precaution against economic displacement of project-affected populations (PAPs) that may occur since the project is anticipated to have major social risks relating to land acquisition or loss of livelihoods. It was agreed that relevant measures will be taken to adequately address these main challenges. Just like the parent project, the AF will also be gender tagged and will comply with Citizen Engagement requirements. Since no changes are proposed to the project activities, climate co-benefits will be pro-rated based on the parent project. The World Bank's Safeguards Specialists for the project will work closely with the counterparts to ensure that the environmental and social due diligence is undertaken timely and in full compliance with the World Bank's safeguards policies and national regulations.



2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
The potential environmental and social impacts and risks of the project are expected to be substantial and mostly site specific, with no significant or long-term negative impacts.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Every subproject will undergo an environmental and social screening and any subproject activities that will result in involuntary resettlement as defined by the Bank will be assessed and the adverse impacts will be minimized through the ESMP prepared for that purpose.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The Borrower has already prepared an ESMF, Resettlement Policy Framework (RPF), Pest Management Plan (PMP) and SRA/SMP. These documents were reviewed by the Bank and were publicly disclosed in the country and at the World Bank's website. The ESMF and RPF provide guidelines that will be used to address environmental and social screening of each subprojects including resettlement concerns. Each subproject activity will be screened for social and environmental impacts and risks. The systematic environmental and social screening as well as the subproject classification procedures are detailed in the ESMF. The screening and classification process of eligible subprojects will be carried out by the PIU's Social and Environmental Safeguards Specialists and validated by the National Directorate for the Sanitation of Pollution and Nuisance Control (DNACPN). Under the parent project, Environmental and Social Impact Assessment (ESIA) was undertaken for construction of 242 commercialization (storage) and production infrastructures (shallows, pond, gardening perimeters development). Those ESIA were reviewed and approved by World Bank. The Environmental and Social Management Plans (ESMPs) arising from these ESIA are under implementation.

Institutional arrangement for safeguards implementation

While several stakeholders including the Ministry of Agriculture will be involved in implementing the Project, the main responsibility for safeguards screening, monitoring, and implementation will be with the PIU at the central level and regional office level. Both Environmental and Social Development Specialists currently working at the central level will be retained. Three additional specialists will be engaged to replace those who have left the project to support the environmental and social safeguards at the regional level and will operationalize the grievance mechanism of the project's safety net activities under Component 1. The environmental and social safeguards team will work closely with DNACPN to ensure that environmental and social safeguards are properly addressed during project implementation.

All sub projects will be systematically subjected to safeguards screening that will decide which safeguards instrument would be relevant for mitigating the impact of environmental and social risks for the projects. The Project Implementation Manual details the safeguards screening and mitigation process. The project will ensure that the teams in charge of completing technical feasibility studies, work closely with those working on the preparation of site environmental safeguards specific instruments to ensure that all measures are adequately reflected.

Geographical expansion. Given that the objective of this AF is to (i) cover the gap resulting from the activation of the CERC and (ii) cover emerging cost overruns under specific project activities, there won't be any geographic expansion. The AF proposes a flexible approach for the geographic scope of the project based on the combinations of activities (cash transfers, promotion of emerging high-value crops, productive infrastructure, etc.) implemented in a location



and the local circumstances. As a principle, support to emerging high-value crops and productive infrastructure which require longer gestation periods, would be provided only in areas deemed secure to guarantee the safety of investments, while the implementing agencies will make judgements on implementation of the cash transfers. There will be the flexibility to change implementation locations as the security situation evolves. The ongoing effort for engaging with citizens through the established Grievance Redress Mechanism (GRM) for the parent project will be sustained. The existing GRM ensures that the project beneficiaries are aware of the GRM and understand how they could reach out for resolution of their grievances. Efforts will be made to adjust modalities of the current system for an expanded scope of activities and further publicize the existence of the GRM, its procedures, details of those to whom grievances should be addressed through community outreach and public awareness raising. The project would use the feedback received from beneficiaries to better target interventions to improve the project's outcome.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

During the preparation of the ESMF, RPF, PMP, SRA and SMP, the main stakeholders were consulted in the targeted drylands areas, and in Bamako at the national level during the validation of the instruments. The preparation of safeguards instruments was undertaken in a fully participatory manner. The consultation of the main stakeholders will also continue over the project duration. Among others, the following stakeholders have been identified: Public administrations (Ministry of Agriculture, Ministry of Environment, Ministry of livestock, Ministry of Public health, etc.); DNACPN; National Pesticide Committee of Mali; Local Associations; NGOs. The ESMF also proposes the consultation processes that will be followed during implementation.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank	Date of submission for disclosure
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**"In country" Disclosure****Pest Management Plan**

Was the document disclosed prior to appraisal?

Yes

Date of receipt by the Bank

Date of submission for disclosure

"In country" Disclosure**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

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APPROVAL

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