

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: AB7037

Project Name	Agriculture Development and Food Price Response-Additional Financing
Region	AFRICA
Country	Mauritania
Sector	General agriculture, fishing and forestry sector (80%); Animal production (20%)
Project ID	P128994
Parent Project ID	P088828
Borrower(s)	ISLAMIC REPUBLIC OF MAURITANIA
Implementing Agency	<i>Ministère du Développement Rural</i>
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Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	May 25, 2012
Date of Appraisal Authorization	May 7, 2012
Date of Board Approval	July 12, 2012

1. Country Context

1. The Sahel is currently experiencing a drought situation, which is severe in Mauritania because of a rainfall deficit of 60 percent in 2011. According to the WFP¹, this is expected to result in a lower cereal production in the agro-pastoral and rain-fed agricultural zones by about 50 percent compared to average and losses of up to two-thirds of livestock. Furthermore, the increase in commodity world prices, notably for wheat, maize, sugar and oils (wheat and rice being the most important commodities for the majority of Mauritians) is eroding consumers' purchasing power.

2. A World Bank Disaster Risk Management team did a rapid assessment of the drought impact and formulated an initial drought recovery plan. The latest WFP report² indicates that about 25 percent of households are food insecure (severe and moderate) in rural areas, or nearly 700,000 people. The east and south part of the country are currently the most affected regions, namely *Hodh Chargui*, *Guidimaka*, *Gorgol* and *Assaba*. Acute food insecurity is expected in 2012, with a peak for emergency assistance probably between May and September 2012³.

3. As a response to this, the Government of Mauritania has prepared an Emergency Plan estimated at about US\$157 million, to be implemented during year 2012. The Government

¹ WFP latest FEWSNET data (April 20, 2012).

² WFP/Mauritania EMOP report No.1 (May 20, 2012)

³ The situation is further aggravated by the flux of Malian refugees (estimated at 63,000 as of May 11) due to the current political unrest in Mali and which will most likely result in additional challenges to the Government in delivering adequate humanitarian assistance.

expects to fund up to US\$83 million and raise US\$74 million from donors. This plan named EMEL 2012 includes three main components: (i) preventing human food insecurity through free food distribution and access to subsidized food, (ii) providing health care for vulnerable groups and children, and (iii) preserving livestock through imported feed supply, animal health measures and access to water points.

4. Technical and financial partners active in the country (including the WFP, UNICEF, WHO, FAO, IFAD, USAID, the EU and the Bank) meet under the umbrella of the “*Forum de coordination des urgences*” to provide support in a coordinated manner. The European Community Humanitarian Aid Office (ECHO), the United States Agency for International Development (USAID), the WFP and the Bank have so far formally committed to support this Plan⁴.

5. Besides the EMEL Plan, crop intensification on irrigated land is also considered by the Government, particularly for rice imports substitution which has shown sharp price increase on world markets. The PDIAIM and other projects have contributed to develop Mauritania’s irrigated acreage which has been equipped for about 40,000 hectares (ha) along the Senegal River over the years. There is a much larger irrigation potential of approximately 85,000 ha in the Senegal River valley according to the Senegal river basin organization (OMVS: *organisation pour la mise en valeur du fleuve Sénégal*). The national target for rice cultivation in 2012 in the *Trarza, Brakna, Gorgol and Guidimakha* regions is quite ambitiously set at 30,000 ha, with the expectation of high yields through a Government program to expand the use of subsidized urea as a nitrogen fertilizer.

2. Project Development Objectives

6. The objective of this Additional Financing to PDIAIM II is to improve availability of critical agricultural inputs and food staples for targeted beneficiaries.

7. The Project will intervene in ten administrative regions affected by the drought emergency situation, namely: *Trarza, Brakna, Gorgol, Guidimaka, Hodh Chargui, Hodh Gharbi, Assaba, Tagant, Adrar, Inchiri*. PDIAIM II is currently operating in the first four regions only.

3. Rationale for Bank Involvement

8. The support under the Additional Financing is consistent with the strategic framework of the Country Assistance Strategy for Mauritania (CAS FY08-11), and will specifically contribute to the strategic objective of fighting poverty and inequalities in rural areas. Furthermore, the planned activities will be coordinated closely with other emergency activities under consideration by donors, as well as with activities currently under implementation financed by the Government of Mauritania, the Bank and other donors in the rural development, agriculture/livestock, and food security sectors in general.

9. On January 16, 2012, the Government introduced a request by which it is seeking Bank support for a US\$10 million emergency assistance with US\$5 million IDA and US\$5 million GFRP, not only to contribute to the EMEL Plan through rural food banks and livestock health support, but also to provide fertilizer support for rice intensification. Shortly after, the

⁴ The WFP is currently implementing an emergency operation aiming to assist over 500,000 people. ECHO allocated €10 million for the Sahel region, out of which €2-3 million are earmarked for Mauritania. USAID agreed to provide an initial US\$10 million, through an NGO (World Vision) and through support to WFP emergency operation.

Government completed the Mauritania National Food Security Strategy (SNSA) and validated the National Agriculture and Food Security Investment Program (PNIA/SA) under the CAADP⁵. A Government request dated March 22, 2012, therefore sought Bank assistance for longer term investments in the irrigation sector.

10. The Bank was asked to combine short term emergency drought support, with the preparation of new investments for water development in agriculture and stronger drought resilience for the future. Because the PDIAIM II is already active in several regions of southern Mauritania and has adequate institutional and fiduciary capacities, this Project offers the most convenient opportunity to fast-track the Bank's emergency response in drought affected areas. The proposed Additional Financing will also be used to initiate the preparation of an agricultural investment operation taking into account the new national strategies established or under preparation for food security and rural development⁶. A US\$10 million IDA allocation is already earmarked for this purpose and it could be complemented from development partners such as the Global Environment Fund (GEF) and Arab funds that have shown an interest.

4. Project Description

11. The PDIAIM is a three-phase, 11-year program funded by an APL, with the current project being the second phase (approved on March 17, 2005). The total amount of PDIAIM II is US\$46.6 million over 5 years, of which US\$39 million is IDA credit.

12. The development objective of the overall PDIAIM is to increase the value-added of irrigated agriculture and related incomes and employment in the Senegal River Valley through the judicious use of the country's most precious natural assets: water and arable land. The development objectives of PDIAIM II are to: (i) consolidate key incentive measures for irrigated agriculture; (ii) increase sustainable irrigation schemes; and (iii) intensify agricultural diversification.

13. The PDIAIM II has three main components: (i) rural incentives and capacity building; (ii) infrastructure for irrigated agriculture; and (iii) support to agricultural supply chains.

14. For the purpose of this proposed AF, a new Component E "Emergency and Food Price Response"⁷ that is directly aimed at responding to the Government's request for emergency support will be added to the on-going PDIAIM II Project, while some resources will also be allocated to overall Project Administration and initiation of the preparation of future sector support under the existing Component D of PDIAIM II. This AF project will have a total duration of 18 months, but most activities will be carried out over the first year. The summary of the activities under each of these components are as follows.

15. **Component E - Emergency and Food Price Response (US\$9 million, of which IDA support is US\$4 million and GFRP support is US\$5 million)** is (i) to support Agricultural and Livestock Productivity Enhancement through the supply of agricultural inputs and livestock sanitation, and (ii) to support the existing Food Safety Net by providing critical management assistance as well as access to cereal for vulnerable rural beneficiaries.

⁵ Comprehensive Africa Agriculture Development Program

⁶ Including the existing SNSA and PNIA/SA, and the forthcoming National Rural Development Strategy (SNDR: *Stratégie Nationale de Développement Rural*) which is expected for September 2012

⁷ The structure and activities of the new component E are those that were endorsed by the GFRP Secretariat when the funding request was approved in December 2011

16. The project's activities will consist of: (i) supply and distribution of urea in the rice cultivation areas (*Trarza, Brakna, Gorgol and Guidimaka* regions), (ii) supply of veterinary products including treatments (vitamin and mineral nutritional complements, and/or antibiotics, and/or anti-parasites) and livestock vaccinations against drought induced diseases (Small Ruminants' Plague, Botulism and Pasteurellosis), and (iii) the provision of initial cereal stocks (or the replenishment of depleted existing cereal stocks) to targeted village food security banks (*Stocks Alimentaires Villageois de Sécurité*).

17. **Component D - Project Management and Coordination (IDA support of US\$1 million)** will build on institutional arrangements and trained management capacity already in place through the existing Project Coordination Unit of PDIAIM II; it will also allow for studies aimed at improving preparedness in dealing with food security issues.

18. An estimated number of 279,000 rural beneficiaries are expected to benefit from this operation of which approximately 40 percent will be female.

5. Closing date

19. A level 2 restructuring of PDIAIM II was processed in December 2011, to extend the closing date until June 30, 2012 and to do a reallocation of the credit proceeds. An additional request for extension until September 30, 2012 is currently being processed so as to ensure continuity until such time the additional financing is made effective.

20. The closing date of this new Additional Financing account will be December 31, 2014, which is well within three years of the current closing date of the original financing account.

6. Financing

Source:	(\$m.)
International Development Association (IDA)	5.00
Global Food Crisis Response Program	5.00
Total	10.00

7. Implementation

21. The Additional Financing will be implemented through the PCU of PDIAIM II, using the same institutional arrangements and building on management capacity already in place with trained staff and established procurement and financial management systems. In addition to the current institutions involved in the implementation of PDIAIM II, the PCU will work closely with new institutions engaged in the activities of Component E, such as the Agriculture Directorate and the Livestock Directorate of the MDR and the Food Security Commission. The Project will remain under the current tutelage of the Ministry of Rural Development (MDR). Whenever it is applicable the activities under the new Component E will be coordinated with the activities of other Bank projects and other donors.

22. All activities are part of ongoing Government programs and are implemented through experienced agencies according to already existing mechanisms and procedures (fertilizer distribution, veterinary treatments and support to the existing food safety net in rural areas).

8. Sustainability

23. Being an emergency response to a specific crisis, the proposed operation does not aim at establishing any sustainable outcome. The long term response to the current drought situation lies in structural measures to cope with climate variability. The PDIAIM program is one of the main Governmental instruments to foster this long term response, with a focus on irrigated rice and crop diversification in the Senegal River valley, where a large part of the significant irrigation potential of the country remains undeveloped to date. This priority is clearly reflected in the new National Food Security Strategy, with ambitious yet achievable objectives to be reached by 2020. In addition, the National Strategy for Rural Development is under preparation with PDIAIM's assistance and should be validated in the coming months. The Government and the World Bank agreed to take stock of these new strategies and of the results of the PDIAIM when engaging in the preparation of the next Bank supported irrigation development investment operation in Mauritania.

24. The critical aspects to be reviewed as part of the preparation of this forthcoming operation will be: (i) the strengthening of the cooperatives in charge of small scale irrigated schemes through the provision of necessary services and appropriate oversight, with a specific focus on responsibilities for operation and maintenance; (ii) the dialogue with the private sector to find more appropriate ways of supporting the development of environmentally sustainable, agribusiness based private irrigation; and (iii) the reform of the public irrigation sector with a view to improve its performance in terms of service and operation and maintenance cost recovery. Aspects linked to land tenure, agricultural intensification and diversification will also remain of prime importance as they are necessary for the sustainable success of the sector.

9. Lessons Learned from Past Operations in the Country/Sector

25. There was no recent emergency support operation for drought relief in Mauritania. PDIAIM II operational lessons are not directly relevant to new activities considered under this Additional Financing, but will be duly considered to initiate the preparation a of the forthcoming Bank supported investment operation in the agriculture sector. All lessons learnt from CSA and the WFP regarding stocking requirements and the sustainability of cereal food stocks at village level have been duly taken into consideration for project design.

10. Safeguard Policies (including public consultation)

26. The parent Project (PDIAIM II) has been classified category A due to the *Foum Gleita* Dam component, which activities have now been either completed or dropped. Through the distribution of agricultural inputs (fertilizers and veterinary drugs) the Additional Financing activities may induce indirect but manageable impacts due to inadequate handling and use of the products or their residues. As a result, the project is category B with two policies triggered: OP/BP 4.01 Environmental Assessment and OP 4.09 Pest Management. Thus, the Environmental and Social Management Framework (ESMF) and Pest and Pesticide Management Plan (PMP) that were prepared for PDIAIM II will be updated for the purpose of the AF. There will be no substantial responsibility change for the implementation of the revised safeguards instruments.

27. Furthermore, the envisaged nature of the activities to be supported under this Additional Financing entails no land expropriation or restriction of access to natural resources; therefore the OP4.12 is not triggered.

Safeguard and Exception to Policies	
Safeguard policies triggered:	
Environmental Assessment (OP/BP 4.01)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Forests (OP/BP 4.36)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Pest Management (OP 4.09)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Physical Cultural Resources (OP/BP 4.11)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indigenous Peoples (OP/BP 4.10)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Involuntary Resettlement (OP/BP 4.12)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Projects on International Waterways (OP/BP 7.50)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Projects in Disputed Areas (OP/BP 7.60)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the project require any waivers of Bank policies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Have these been endorsed or approved by Bank management?	<input type="checkbox"/> Yes <input type="checkbox"/> No

11. Contact point

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12. For more information contact

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