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RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
FOSTERING AGRICULTURAL PRODUCTIVITY PROJECT
CREDIT

JUNE 3, 2010

TO THE
REPUBLIC OF MALI

JUNE 14, 2013

Agricultural and Rural Development
Sustainable Development Department
Africa Region

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ABBREVIATIONS AND ACRONYMS

APCAM	<i>Assemblée Permanente des Chambres d'Agriculture du Mali</i> (Permanent Assembly of Mali Agricultural Chambers)
CPS	<i>Cellule de Planification et de Statistiques</i> (Statistics and Planning Unit)
CRA	<i>Chambre Régionale d'Agriculture</i> (Regional Chamber of Agriculture)
CTCE	<i>Comité Technique de Coordination et d'Exécution</i> (Technical Execution Coordination Committee)
EU / EC	European Union / European Commission
FCRRF TF	Food Crisis Rapid Response Facility Trust Fund
FM	Financial Management
FY	Fiscal Year
GEF	Global Environment Fund
GoM	Government of Mali
Ha	Hectare
IDA	International Development Association
IFAD	International Fund for Agricultural Development
MEP	Ministry of Livestock and Fisheries
MoA	Ministry of Agriculture
ON	Office du Niger
PDO	Project Development Objective
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PIV	Périmètre Irrigué Villageois (Village Irrigation Perimeter)
PO	Producer Organization
PPM	<i>Petit Périmètre Maraîcher</i> (Small Scale Irrigation Perimeter for vegetable production)
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SLWM	Sustainable Land and Water Management
TF	Trust Fund

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MALI
Fostering Agricultural Productivity Project

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MALI - Fostering Agricultural Productivity Project

RESTRUCTURING PAPER DATA SHEET Restructuring Type: Level two

1. Basic Information	
Project ID & Name	P095091: Mali - Agricultural Productivity (IDA)
Country	Mali
Task Team Leader	Bleoue Nicaise Ehoue
Sector Manager/Director	Martien Van Nieuwkoop
Country Director	Ousmane Diagana
Original Board Approval Date	06/03/2010
Original Closing Date:	09/30/2016
Current Closing Date	09/30/2016
Proposed Closing Date [if applicable]	
EA Category	A-Full Assessment
Revised EA Category	A-Full Assessment-Full Assessment
EA Completion Date	11/12/2009
Revised EA Completion Date	

2. Revised Financing Plan (US\$ m)		
Source	Original	Revised
BORR	23.70	23.70
GFCR	19.50	2.10
IDA	70.00	70.00
GEF/IDA	6.20	6.20
GEF/UN	1.90	1.90
IFAD	32.00	32.00
ZFAR	6.70	6.70
Total	160.00	142.60

3. Borrower		
Organization	Department	Location
Republic of Mali		Mali

4. Implementing Agency		
Organization	Department	Location
Office du Niger		Mali
APCAM		Mali
Ministry of Agriculture		Mali

5. Disbursement Estimates (US\$ m)		
Actual amount disbursed as of 06/16/2013		18.78
Fiscal Year	Annual	Cumulative
2011	4.24	4.24
2012	5.17	9.41
2013	9.37	18.78
2014*	17.11	35.89
2015*	20.00	55.89
2016*	14.11	70.00
	Total	70.00

*Projections

6. Policy Exceptions and Safeguard Policies	
Does the restructured project require any exceptions to Bank policies?	N
Does the restructured projects trigger any new safeguard policies? If yes, please select from the checklist below and update ISDS accordingly before submitting the package.	N

7a. Project Development Objectives/Outcomes
Original/Current Project Development Objectives/Outcomes
The Project Development Objective is to increase the productivity of smallholder agricultural and agribusiness producers in the targeted production systems and project areas.

7b. Revised Project Development Objectives/Outcomes [if applicable]

MALI - Fostering Agricultural Productivity Project

RESTRUCTURING PAPER

A. SUMMARY

1. The objective of the proposed Level II Restructuring Paper is to overhaul the project design, reduce its scope and reallocate the IDA credit (4751-ML) following the closing of the EU-TF which led to a loss of US\$ 16.5 million. Since its approval on June 3, 2010, the implementation of Mali-Fostering Agricultural Productivity Project (PAPAM) has been confronted with a series of implementation challenges and delays due to its fairly complex design and confusion about the operationalization of implementation arrangements. This situation has contributed to a marginally unsatisfactory rate of its development objectives and its implementation performance since September 2011. Restructuring PAPAM is needed to accelerate implementation and contribute to the operationalization of the Government irrigation strategy which is critical to food security in Mali. The major changes agreed on with the Government consist of: (i) streamlining the institutional set up to make it more efficient and foster effective coordination while empowering implementing agencies; (ii) reducing the project scope resulting from the loss of the EU-TF while ensuring that key project M&E indicators are well aligned with the development objective which is still relevant; and (iii) reallocating IDA Credit to ensure that remaining project activities are fully funded.

B. PROJECT STATUS

2. The Mali Fostering Agricultural Productivity Project (PAPAM) is financed by an IDA Credit in an amount of SDR 46.2 million, a Grant in an amount of US\$ 6.2 million from the Global Environment Facility and a Grant in an amount of € 14.64 million under the EU Food Crisis Rapid Response Facility; and IFAD co-financing in an amount of US\$ 32 million. Although the project had been approved by the World Bank Board on June 3, 2010 and the EU-TF approved on June 20, 2010, the project became effective six months later, on December 17, 2010. In 2011, the project had to face additional delays linked to the Government decision to apply national procurement procedures in addition to Bank procedures. Clarification to use Bank procedures only, as agreed originally, was reached during a supervision mission in June 2011, six months after effectiveness.

3. In early 2012, the project finally started to move quickly with the implementation of activities on the ground reflected in the increase of disbursement from 6.5 to 12.5% in February 2012. Unfortunately, the unexpected political turmoil which surfaced in Mali in March 2012 led to a temporary suspension of dialogue between the Government and the Bank and the upholding of disbursements, including the Trust Funds administered by the Bank, under the Bank's Operational Policy 7.30. As OP 7.30 was still in effect on April 30, 2012, the already initiated processing of the agreed second closing date extension of the EU-TF until June 30, 2012 was stopped and consequently the EU-TF was legally closed on April 30, 2012 leaving a financial gap of US\$ 16.5 million.

4. Following the lifting of the Bank's decision to uphold disbursements, the project activities resumed in August 2012 with Components 1 and 3 activities which started at a slow pace on the ground. The activities of sub-component 2.2 with respect to the first irrigation development phase at Sabalibougou 1&2 (2,200ha) restarted at a normal pace in the Office du Niger. They are underway and are expected to be completed by the end of June 2013. Moreover, all contracts for irrigation development work at the "Office du Niger", notably the M'Béwani irrigation development work (500 ha) and the Kalankorola and Tango Drains work, are underway to be procured. In this perspective, the disbursement rate which stood at 26.7 percent as of May 30, 2013 is expected to reach about 30 percent at end of June 2013 and 40 percent by December 2013 with the payment of advances.

C. PROPOSED CHANGES

Rationale for the Proposed PAPAM Restructuring

5. The Government of Mali and the Bank agreed during the last supervision mission from January 15 to February 15, 2013 on a proposal to restructure PAPAM with a view of simplifying its design to accelerate its implementation and reallocating resources between components and categories to ensure that most activities will be completed by the closing date on September 30, 2016 for the following reasons:

- The Government is committed to use PAPAM as an instrument: (i) to pave the way for a smooth transition towards a sector-wide approach sought after by all stakeholders in the agricultural and rural development sector in the perspective to move away from project implementation units and (ii) to pilot the Irrigation Financing Mechanism system to create a partnership between the banking system, the private sector and producers for the development of irrigation.
- The closing of the EU-TF on April 30, 2012 left a financing gap of US\$ 16.5 million which requires a reduction of the project scope through a smart cut of some project activities and scaling-back of agreed targets, while keeping the project development objective unchanged, relevant and achievable within the project implementation time frame.
- A sharpened focus on three key value chains (rice, cowpea; and milk) instead of fifteen as previously envisaged and reduction of production basins from 22 to 10 to ensure quick project outcome delivery in the remaining short timeframe.

6. **Results/Indicators:** The result matrix has been revised to better align the key indicators to the project development objective which is still relevant. As indicated in Annex 1, new indicators have been added and some previous ones have been modified or reformulated to reflect the changes. To make sure that productivity is the key outcomes indicator for the 3 main value chains, yields will be measured instead of production which combines yield and area extension. Production increase as indicator has therefore been dropped. In component 1, the intermediate outcome related to "the percentage of PO's sub-projects that are co-financed by a bank or MFI" has also been dropped as its achievement depends more on the involvement and the willingness of these institutions than on PAPAM. For component 2, the intermediate outcomes relative to the

“Targeted areas with improved drainage (number of hectares drained)” have been dropped due to the difficulty to measure these indicators during the project time frame. They have been replaced by “the number of water users associations exploiting the tertiary canal system (OERT) in the office du Niger newly developed areas using the “Traditional Office du Niger Approach”. For component 3, two intermediate outcomes indicators with respect to “the reduction in the number of stand-alone projects in the agricultural and livestock sector (MoA and MEP)” and the “increase of Government spending on SLWM” are beyond the project scope and have therefore been dropped and replaced by the “adoption of the Agricultural Development Strategy” and the “adoption of Land Tenure Strategy” by the Government. Both initiatives are being supported by the project.

7. Components: The number of project components remains the same. However, the scope of activities for components 1 and 2 will be reduced while some activities of components 3 will be dropped. These changes do not affect the formulation of the PDO formulation. Changes in the components are reflected as follows.

(a) Component 1: Technology transfer for service provision to agricultural producers.

The implementation approach for component 1 (Farming systems and supply chains modernization) will be modified. The demand-driven approach through micro-projects implementation will now account for 20 percent for this sub-component’s activities instead of 100 percent as previously envisaged. Hence, 80 percent of this sub-component’s activities will be carried out through service delivery (“the “thousand flowers bloom”) approach extensively discussed with project beneficiaries”. This approach will help to: (i) focus on activities along the 3 selected values chains and accelerate their implementation. It would also help to foster innovation adoption through the “mutli-actors platform” initiative that will be promoted. In fact, implementing this sub-component using a demand-driven approach only may lead to scattered and unfocused activities at 3 years of project closing. This will not ensure full delivery of project activities on time to warrant project objective achievement. Most of the activities for sub-component 2 (Capacity building for POs and services providers) have almost been completed these past two years so costs will be reduced. Activities of sub-component 3 (Facilitating rural credit development) which are funded by IFAD will not change either. The scope of sub-component 4 (Technology Generation and Research-Production linkage) will be reduced with strategic research activities entrusted to CNRA and be funded by the WAAPP 2 to be approved by the Board this fiscal year while the demand-driven research activities will be funded through PAPAM. Costs will therefore be reduced.

(b) Component 2: Irrigation Infrastructures. Since the Government is keen on keeping irrigation as the centerpiece of its current agriculture development strategy, there will be no modification of component 2. These activities previously under the Bank financing will be maintained: Sabalibougou 2 (1,000 ha); M’Béwani (500 ha), ON modernization and safeguards, and Safety of dams. However, financing of activities under the EU-TF will be taken up by IDA: Sabalibougou 1 (1,200 ha) and Kalankorola and Tango Drains. Moreover, the Government and the Bank have agreed to pilot the Irrigation Financing Mechanism that the Government is committed to promoting in the perspective of

accelerating irrigation development in the Office du Niger. The project will support this initiative through technical assistance provided to the Government to conduct feasibility studies of this mechanism and its creation. Sub-component 2.1 with respect to small scale irrigation will continue to be financed by the Bank (US\$ 2.2 million) and IFAD (US\$ 16.1 million).

- (c) **Component 3: Comprehensive Programmatic Approach, Sector Monitoring and Evaluation:** The four sub-components will be reduced to two. Sub-component 1 (Policy dialogue and coordination) and sub-component 3 (Delivery of core public services) have been merged and renamed “*Public service delivery*”. This sub-component will deal with activities linked to public service delivery and public institution capacity building. The new sub-component “Public Service Delivery” will support: (i) the elaboration and the implementation of the Agriculture development Strategy excluding the development of policy options or institutional reforms within key Ministries and public entities (e.g. ON modernization, cotton reforms) and the implementation of the CSIF as previously envisaged; (ii) restore the regular production of reliable statistical data; (iii) assess agricultural sector performance, based in particular on annual rural households surveys and production and yield assessment; (iv) elaboration of tools and instruments for policy decision (Agriculture sector public expenditure review). The new sub-component 2 (Sector monitoring and evaluation) and the sub-component 4 (Project coordination and monitoring and evaluation) have also been merged and renamed “Project coordination and monitoring and evaluation”. Overall, activities of this component have been reduced due to the reduction of financial resources previously allocated to this component which have now been reallocated to component 2 (Irrigation Infrastructure). Sub-component 2 will help; (i) monitor the evaluation of natural resources and the impact of agricultural investments on the environment; and (ii) project implementation, coordination of stakeholders, monitoring and evaluation.

8. Safeguards. The project category remains A. No new safeguards policies are triggered and mitigation measures in place remain unchanged. The latest supervision mission of January-February 2013 rated the safeguard implementation “moderately satisfactory” mainly because of weak safeguard coordination. Moreover, the safeguard specialist, although well qualified is overwhelmed by additional Office du Niger demands for safeguard interventions. The project coordination team has already started regular monthly meetings to improve coordination and information sharing. Office of Niger is in the process of training its own personal to take care of its own activities so to leave the safeguard specialist focusing on PAPAM

Institutional Arrangements

9. Under this restructuring the operationalization of the institutional architecture has been clarified and stream-lined. Overall project coordination will continue to be entrusted to CPS. In fact, the institutional arrangements which were put in place during the project design were consistent with the Government policy supported by donors to gradually phase out project coordination units in the Agriculture, Livestock, Fishery and Environment service in Mali by

piloting a sector-wide approach. However, in the course of action, the Government created unilaterally a project coordination unit within the CPS to accelerate project implementation. This undertaking created confusion, frustration and tension¹ between CPS, the coordination body and the implementations agencies (ON and APCAM) which affected project implementation. These misunderstanding have been dispelled by the new Government which has reaffirms its strongly support to this institutional setting.

10. The project will continue to be housed in the “*Cellule de Planification et des Statistiques*” (CPS) of the Ministry of Agriculture. A Technical Execution Coordination Committee² (TECC) will monitor project implementation, ensure coordination of field interventions and build synergies among project stakeholders. Operational activities on the ground would be coordinated by the Director General of CPS who has been newly appointed. He will be assisted by a team of technical staff whose roles have been clarified during the project mission. The implementation of activities in the field under component 1 will continue to be led by APCAM and its subsidiaries at the regional level (CRAs). The ON will be the executing agency for large scale irrigation investments under subcomponent 2.2 and the beneficiaries will coordinate the small-scale irrigation under subcomponent 2.1 with the assistance of the Ministry of Agriculture. Implementation of 2.1 on the ground will be contracted out with service providers. While coordinating overall project implementation, CPS will continue to carry out component 3 under the aegis of the Ministry of Agriculture.

11. Clarification has been made on the role of each institution and would be reflected in revised project implementation manual to avoid the confusion that prevailed between implementation agencies (ON and APCAM) and the coordination body (CPS) these past two years of project implementation.

12. In the perspective of making effective and efficient institutional set-up, an assessment of project staff performance will be carried out at national and regional level and the staff recruitment initiated earlier on will be completed. Appropriate capacity building and/or reinforcement activities will then be performed as needed. To accelerate implementation of project activities on the ground, the implementation, administrative; and financial manuals will be comprehensively revised. The PIM also will comprehensively elaborate on the design, implementation and follow up framework of subprojects.

Critical risks and possible controversial aspects

13. **The socio-political environment** in which the project is being implemented may have changed resulting from the conflict which could lead to insecurity in some of the project areas and disrupt supervision. Hence, the need to reassess the risk rating. However, it is noted, during the mission that with the intervention of foreign forces in Mali and the elections expected in end July,

¹ The Government, unilaterally, created a coordination unit within CPS to accelerate, according to him, disbursement rate. This Coordination unit overshadowed the coordination responsibility of CPS. During the restructuring mission, agreement was reached to phase out this project coordinating unit CPS to be fully in charge of coordinating the project implementation as agreed on and documented in the credit agreement

² TECC includes directors and heads of the main entities involved in project implementation: Divisions of sector Ministries, APCAM, CNRA and Office du Niger. It will meet once a month under the chairmanship of the CPS director.

2013, overall project risk rating will not change (see annex 2). So far, this new environment will not impact significantly project implementation.

14. **Financing.** Following the closing of the EU-TF and the loss of US\$ 16.5 million, reallocating the IDA resources to a number of expenditures within the project components f, including equipment, staffing and sector studies has been undertaken. Since the Government is keen to maintain the irrigation component of the project (small scale and the large scale irrigation development at the Office du Niger), resources from components 1 and 3 have been reduced and reallocated to component 2 to compensate for the loss of US\$ 16.5 million in EU-TF financing (details provided in Table 1 below). The main change consists of financing through IDA the Sabalibougou 1 irrigation scheme development and the Kalankorola and Tango drainage civil works.

15. **Project Costs (US\$ M):** In line with the proposed reallocation, project costs by components and subcomponents are modified as shown in the following table with respect to the Bank financing. The total project cost and financing plan by source can be seen in Annex 3.

Table 1: Project Cost and Bank Financing Plan (million US\$)

Components/Activities	Current	Proposed
Component 1 - Technology transfer and service provision to agricultural producers	27.8	21.1
SC1.1- Farming system and supply chain modernization	15.4	13.6
SC1.2- Capacity building for POs and service providers	6.9	5.0
SC1.3- Facilitating rural credit development	0.0	0.0
SC1.4- Technology generation and research/production Linkages	5.5	2.5
Component 2 – Irrigation Infrastructures	19.3	38.2
SC 2.1- Small scale irrigation	2.2	2.2
SC 2.2- Large scale irrigation	17.1	36.0
Component 3 – Comprehensive programmatic approach, sector monitoring, project coordination	15.9	9.75
SC 3.1- Policy dialogue and sector coordination	1.8	0.0
SC 3.2- Sector monitoring and evaluation	2.7	0.0
SC 3.3- Public Service Delivery	7.7	5.8
SC 3.4- Project coordination / Monitoring and evaluation	3.7	3.95
PPF refinancing	0.95	0.95
Unallocated	6.05	0.0
Total	70.0	70.0

16. **Reallocation of proceeds:** The reallocation will keep the same activities to be financed by the project. However, activities funded by the EU-TF, notably the Sabalibougou 1 development (1,200 ha) and the Kalankorola and Tango Drains, will be carried out under IDA funding by the Office du Niger. Moreover, an additional activity with respect to the feasibility studies of the

Irrigation Financing mechanism will also be carried out.

Table 2: Reallocation of Proceeds (SDR).

Category of Expenditure		Allocation		% of Financing (no change)
Current	Revised	Current	Revised	
IDA Financing Agreement				
(1) Goods, works, consultants' services and Operating Costs for Parts B.1 (a) and C.1 (a), C.2(a), C.3 (a) and C.4 of the Project For memory		11,950,000	3,352,732.79	100%
(2) Goods, works consultants' services, Operating Costs and Training for Parts A.1(a), A.2(a) and A.4 of the Project	Unchanged	18,350,000	13,900,000	100%
(3) (a) Goods, works, consultants' services, Operating Costs and Training for Part. B.2(b), B.3 and B.4 of the Project	Unchanged	7,700,000	7,700,000	100%
(b) Goods, works, consultants' services, Operating Costs and Training for Part. B.2(c) of the Project	Unchanged	3,550,000	3,550,000	100%
(c) Goods, works, consultants' services, Operating Costs and Training for Part. B.2(a) and B.2 (d) of the Project	New		12,500,000	100%
(4) Project Preparation Advance	(4) Project Preparation Advance	650,000	650,000	100%
(5) Unallocated	-	4,000,000	0.0	100%
(6) Goods, works, consultants' services, Operating Costs and Training for Part for B.1(a), C.3(a)	New		4,547,267.21	100%

and C.4 of the project				
Total	Total	46,200,000	46,200,000	100%

17. **Financing Plan:** Based on the proposed reallocation of activities and sources of funding, the financing plan presented in Annex 5 of the Project Appraisal Document is modified as presented in Annex 3 of this Restructuring Paper.

18. **Disbursement arrangements:** No new disbursement categories are created but the current ones are modified as indicated in Table 2 above.

19. **Closing date:** The closing date of the IDA Financing Agreement remains unchanged. The closing date of the EU Food Crisis Rapid Response Facility TF Grant Agreement was April 30, 2012 with a disbursement of 1,389,830 SDR (US\$ 2,105,800).

**Annex 1: Revised Result Framework
Arrangements for Results monitoring**

Intermediate Outcome Indicators	Target Values					Data Collection and Reporting		
	Baseline	2013	2014	2015	2016	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
PROJECT OUTCOME INDICATORS								
Rice yield increase - on small scale irrigation perimeters supported by the project - on large scale irrigation scheme	2.5t/ha (2009) 6.0t/ha	2.5t/ha 6.0t/ha	2.5t/ha 6.3t/ha	3.0t/ha 6.6t/ha	3.5t/ha 6.7t/ha	End of cropping season	Annual survey	DNA and CRAs
Cowpea yield increase in project areas	250kg/ha (2009)	250kg/ha	250/ha	350kg/ha	450kg/ha	End of cropping season	Annual survey	DNA and CRAs
Increase of milk production per milking cow	1.5l/d (DNPIA (2009)	1.5l/d	2.0l/d	2.5l/d	3.5/d	Daily record by producers	Bi-monthly	MEP / DNPIA
Direct project beneficiaries (number) of which female percentage	Farmer per year aggregate % female	10,000 20%	60,000 30%	180,000 40%	300.000 40%	Bi-annual	Progress reports	CPS
GLOBAL ENVIRONMENT INDICATORS								
Increase in areas under SLWM techniques in project production basins (against baseline)	<5% STP 2009 data	<5%	5%	15%	25%	Mid-cropping season	Annual survey	Office du Niger MoA / DNA and CRA
Percentage producers that have adopted SLWM practices	<5% STP 2009 data	5%	20%	40%	60%	Mid-cropping season	Annual survey	DNA and CRA

COMPONENT 1 - TECHNOLOGY TRANSFER AND SERVICE PROVISION TO PRODUCERS

		Target Values				Data Collection and Reporting		
Intermediate Outcome Indicators	Baseline	YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
ALL PRODUCTION SYSTEMS								
Share of producers that have adopted new cowpea varieties in the target production basins Bankass/Koro+Bla/Tominian	<%	5%	20%	40	50%	Bi-annual	Quarterly progress reports	CPS
Number of heifers with milk production potential	PASAOP data in 2009	300	5,300	10,300	16,300	Bi-annual	Quarterly progress report	CPS
Percentage of producers that have adopted the system of rice intensification	<1%	5%	15%	25%	30%		Quarterly progress report	APCAM / CRAs
Numbers of micro-project financed (% for women and vulnerable groups)	41 15%	150 30%	300 30%	400 30%	500 30%	Quarterly	Training reports	APCAM / CRAs
Number of service providers trained by project	0	0	10	20	30	Quarterly	Training reports	DNA / APCAM

IRRIGATION PRODUCTION SYSTEMS								
Intermediate Outcome Indicators	Baseline	2013	2014	2015	2016	Frequency and Reports	Data Collection Instruments	Responsibility for Data collection
Total irrigation area developed (hectares)	Accumulated (ha) Total/year	780	3,500	7,200	7,200	Annually, Mid-cropping season	Annual survey on a sample of producers	Office du Niger MEA
-Office du Niger (ha)	0	0	2,200	2,600	2,600			
-PIV (ha)	0	80	800	1,500	1,500			
-Shallows (ha)	0	500	2,000	2,500	2,500			
-PPM (ha)	20	200	500	600	600			
Numbers of producers benefitting from newly or improved irrigated land	0 Pers. ³ Farms	16,700 1,670	42,900 4,290	66,200 6,620	77,400 7,740	Annual	Progress reports	Office of Niger DNGR
-Office du Niger (5ha/exploitation agricole)	0	440	540	540	540			
-PIV+ Bas-fonds +PPM	0	1,230	2520 3,750	2,330 6,080	1,120 7,200			
Percentage of WUA exploiting the tertiary canal (OERT) at Office du Niger Newly developed area	ND	50%	60%	70%	80%	Annual	Progress report	ON

³ Baseline: 10 people per farm units.

COMPONENT 3 –PROGRAMMATIC APPROACH AND SECTOR MONITORING

		Target Values				Data Collection and Reporting		
Intermediate Outcome Indicators	Baseline	2013	2014	2015	2016	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Adoption by the Government of document of agricultural Development Strategy.	Na		Adopted			Annual	Progress report	CPS
Adoption by the Government of the Land Policy	Na		Adopted			Annual	Progress report	CPS
Household surveys conducted	0	1	1	1	1	Annual	Progress report	CPS
Number of result based convention with technical service satisfactorily implemented	0	80%	80%	80%	80%	Annual	GoM's budget	CPS

Annex 2: Critical risks and possible controversial aspects

Summary of Sector, Operational and Overall Risks:

Risks	Rating ⁴	Mitigation Measures	Residual before Restructuring	Residual after Restructuring
I. Sector Governance, Policies and Institutions				
<i>Weak sector coordination:</i> Limited ability for sector Ministries to coordinate.	H	⇒ Moving towards a sector programmatic approach is a key objective of the third component.	M	M
<i>Limited professional and private sector capacities:</i> Slow technology dissemination on a large scale.	S	⇒ The project will invest in capacity building for POs, private and public service providers.	M	M
<i>Natural Risks:</i> Mali remains vulnerable to droughts, crop and epizootic pests.	S	⇒ Investment in irrigation, intensification and diversification, as well as in ecosystem resilience through SLWM, will help producers mitigate natural risks.	M	M
<i>Overexploitation of natural resources:</i> Continued decline in soil fertility, aggravated by climate change, may hinder productivity.	S	⇒ Disseminating SLWM practices and techniques will help reduce and reverse land degradation.	M	M

⁴ Rating of risks on a four-point scale (High, Substantial, Moderate, and Low), according to the likelihood of occurrence and magnitude of potential adverse impact.

<i>Difficult Access to agricultural inputs:</i> Producers' progress towards system modernization threatened by high prices.	S	⇒Technology dissemination, including SLWM techniques and farm modernization, will help producers mitigate or reduce its potential impact.	M	M
II. Operation-specific Risks				
<i>Limited Implementation capacity:</i> Within Public institutions, professional organizations and private sector.	H	⇒ Strengthening implementation capacities is at the core of the proposed operation; build a sound, pluralistic and reliable network of agricultural service providers.	S	S
<i>Sustainability:</i> Poor management and maintenance of irrigation infrastructure.	H	⇒ Capacity strengthening of POs will ensure that physical infrastructures and other investments are well managed and maintained after project closure.	M	M
<i>Competition over project coordination:</i> Coordination may be subject to competition among public institutions involved.	M	⇒ The lead role of the MoA CPS is well recognized and project interventions under component 3 will confirm and empower the CPS.	L	M
<i>Financial Management:</i> Project is complex; multi-sectors; and large number of activities.	S	⇒ FM arrangements for this project will rely on national administrative and financial procedures agreed on during the FM assessment of the country system.	M	M
<i>Procurement:</i> Weak capacity may delay project implementation.	S	⇒ The project will include capacity strengthening in procurement, especially with producer organizations.	M	M
<i>Social and environmental safeguards (Category A):</i> Fragmented institutional environment and weak public and private capacities may slow down implementation.	H	⇒ Capacity building activities will be undertaken to ensure a sound monitoring of safeguards and close supervision of mitigation measures implementation.	M	M

III. Overall Risk (including Reputational Risks)				
<ul style="list-style-type: none"> • The project is an environmental Category A operation due to large scale investment in irrigation and risks associated with resettlement activities. • The fragmented institutional environment and the weak capacities of both public and private institutions may slow down implementation. • The proposed operation does not face any particular technical challenges or issues; it will build upon two predecessor projects that have been able to generate and test technologies ready for dissemination on a larger scale. 	S	<p>⇒ The Bank will ensure close supervision of this operation. The project will finance technical assistance to support national institutions in the implementation of project activities with a particular attention to safeguards issues and to the implementation of the resettlement plan.</p> <p>⇒ Under the PNISA elaboration process, the Bank along with other donors will pursue efforts to improve sector coordination and harmonization of field interventions.</p> <p>⇒ The project will be critical in piloting common national financing instruments for technology dissemination and service provision to producers.</p>	M	M

Annex 3: Project Cost and Financing Plan by Source (US\$ million)

	IDA	EU ⁵	GEF IDA	IFAD	GEF UNDP	Beneficiary	GoM	Total
Component 1. Technology transfer and service provision to agricultural producers	21.1		3.8	13.8		3.7	9.8	52.2
C1.1-Farming system and supply chain modernization.	13.6		3.8	8.6		3.0	6.0	35.0
C1.2-Capacity building for POs and service providers	5.0			2.6		0.7	2.1	10.4
C1.3-Facilitating rural credit development	0.0			2.6		-	0.5	3.1
C1.4-Technology generation and research/producer linkages	2.5			-		-	1.2	3.7
Components 2-Irrigation Infrastructures	38.2	2.1		16.1		3.0	9.1	68.5
SC 2.1-Small scale irrigation	2.2			16.1		1.0	3.7	23.0
SC 2.2-Large scale irrigation	36.0	2.1				2.0	5.4	45.5
Component 3. Comprehensive programmatic approach, sector monitoring project coordination	9.75		2.4	2.1	1.9		4.6	20.75
SC3.1- Delivery of core public services	5.8		0.6	2.1	1.9		2.9	13.3
SC3.2- Project coordination/monitoring and evaluation	3.95		1.8				1.7	7.45
PPF refinancing	0.95							0.95
Unallocated	-							
Total	70.0	2.1	6.2	32.0	1.9	6.7	23.7	142.6

⁵ Before closing, US\$ 2.1 million were disbursed to finance irrigation development activities at Office du Niger.

Annex 4: New Financing Plan by Implementing Agency and Sources of Funding (US\$ million)

Implementing Agencies	Legal Document	Project Activity	IDA	IFAD	GEF TF
APCAM	A.1 (a)	Agricultural technique modernization; livestock production system modernization, intensification and diversification	13.5		
	A.1 (b))	Small scale irrigation intensification techniques, post-harvest operation techniques; demand-driven and on-farm research;		8.6	
	A.1 (c)	Promote sustainable land and water management techniques			3.6
	A.2 (a)	Equip and improve management and functioning of APCAM/CRAs and POs			
	A.2 (b)	Carrying out of capacity building activities for APCAM, CRAs and POs	5.0	2.6	
	A.3	Facilitate rural credit development		2.6	
	A.4	Support CNRA to facilitate technology generation and strengthen linkages	2.5		
ON	B.2 (a)	Sabalibougou 1 (1,200 ha)	10.5		
	B.2 (b)	Sabalibougou 2 (1,000 ha)	6.5		
	B.2 (c)	M' Bévani (500 ha)	5.4		
	B.2 (d)	Kalankorola and Tango Drains	7.0		
	B.3	ON modernization and safeguards	3.4		
	B.4	Safety of dams	1.8		
MoA	B.1 (a)	Feasibility and Environment studies for irrigation investment mechanisms	3.7		
	B.1 (b)	Small scale irrigation constructions		16.1	
	C.1(b)	Elaboration of Agricultural policy		1.1	
	C.1(c)	Promotion of SLWM			0.6
	C.2	Monitoring of the evolution of natural resources and the impact of agricultural investments on the environment			1.8
	C.3 (a)	Delivery of Core services	5.8		
	C.3 (b)	Develop the national strategy for small scale irrigation development		1.0	
	C.3 (c)	Disseminate information and develop training on SLWM			
	C.4	Project Coordination and M&E	3.95		
		PPF Refinancing	0.95		
		Unallocated			
		Total	70	32.0	6.2

Annex 5: Targeted Production Areas and Priority Value chains

Production Systems		Agricultural Production and Livestock.	Production basins
Irrigated	Large irrigation scheme	<p>Prioritized value chain : Rice: Value chains diversification: vegetable, shallot, potatoes ; maize, fodder, livestock, rice and fish farming <i>SLWM: SRI, composting</i></p>	Office du Niger
	Small Scale Irrigation	<p>Prioritized value chain : Rice Diversification value chains: Fruits and vegetables, agroforestry, wheat livestock, phœniciculture <i>SLWM : SRI, composting</i></p>	Sikasso/Yanfolila/Bougouni + Kita/Bafoulabé/Kégnéba , low-land irrigation; Along the Niger river for PIV Diré/Tombouctou/Gao + Kidal
Rain-fed	Millet /Sorghum /Cowpeas	<p>Prioritized value chain : Cowpea Value chains diversification: Millet, sorghum, vegetables, livestock. <i>SLWM: live fences, assisted natural regeneration.</i></p>	Douentza/Bankass/Koro + Bla/Macina/Tominian
Livestock	Dairy production	<p>Prioritized value chain : Milk (semi- intensive and peri-urban) Value chains diversification : vegetables, sheep, goat fattening, <i>SLWM: Improved stables/compost production, leguminous fodder crop</i></p>	Bamako/Koulikoro Segou Mopti Kayes/Diéma/Nioro Sikasso