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EMERGENCY PROJECT PAPER

ON

A PROPOSED GRANT

FROM THE FOOD PRICE CRISIS RESPONSE CORE  
MULTI DONOR TRUST FUND (FPCR-MDTF)

IN THE AMOUNT OF US\$5 MILLION

AND

A PROPOSED ADDITIONAL GRANT

FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION

IN THE AMOUNT OF SDR 3.4 MILLION  
(US\$5 MILLION EQUIVALENT)

TO THE

ISLAMIC REPUBLIC OF MAURITANIA

FOR AN

INTEGRATED DEVELOPMENT PROGRAM FOR IRRIGATED  
AGRICULTURE (PHASE II) PROJECT – (PDIAIM II)

July 6, 2012

Agriculture and Rural Development Unit  
Sustainable Development Department  
Country Department AFCF1  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective May 31, 2012)

Currency Unit = Mauritanian Ouguiya  
MRO 293.00 = US\$ 1  
US\$1.51025 = SDR 1

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
APL	Adaptable Program Loan
BP	World Bank Policy
CAADP	Comprehensive Africa Agriculture Development Program
CAIE	Livestock inputs central procurement unit ( <i>Centrale d'Achat des Intrants d'Elevage</i> )
CAS	Country Assistance Strategy
CFAA	Country Financial Accountability Assessment
CDR	Regional Development Committee ( <i>Comité de Développement Régional</i> )
CPAR	Country Procurement Assessment Review
CRSCA	Regional Agriculture Committee ( <i>Comité Régional de Suivi de la Campagne Agricole</i> )
CSA	Food Security Commission ( <i>Commissariat à la Sécurité Alimentaire</i> )
ESMF	Environment and Social Management Framework
FAO	Food and Agriculture Organization of the United Nations
FCPMF	Food Crisis Prevention and Management Framework
FM	Financial Management
FPCR-TF	Food Price Crisis Response Trust Fund
GFRP	Global Food Crisis Response Program
IDA	International Development Association
ISN	Interim Strategy Note
M&E	Monitoring and Evaluation
MDR	Ministry for Rural Development ( <i>Ministère du Développement Rural</i> )
MDR-DA	Ministry for Rural Development-Agriculture Directorate
MDR-DE	Ministry for Rural Development-Livestock Directorate
MDR-DR	Ministry for Rural Development-Regional Delegation
MRO	Mauritanian Ouguiya
MT	Metric Ton
NGOs	Non-Governmental Organizations
OMVS	Organisation pour la Mise en Valeur du fleuve Sénégal
OP	Operational Policy
PCU	Project Coordination Unit

PDIAIM II	Second Phase of the Integrated Development Program for Irrigated Agriculture <i>(Deuxième Phase du Projet de Développement Intégré de l'Agriculture Irriguée)</i>
PDO	Project Development Objective
PEFA	Public Expenditure and Financial Accountability
PIM	Project Implementation Manual
PMP	Pest Management Plan
PNIA/SA	National Agriculture and Food Security Investment Program ( <i>Programme National d'Investissements Agricoles et de Sécurité Alimentaire</i> )
PPR	Small Ruminants' Plague ( <i>Peste des Petits Ruminants</i> )
PRECASP	Public Sector Capacity Building Project ( <i>Projet de Renforcement des Capacités du Secteur Public</i> )
SAVS	Village Level Food Security Stocks ( <i>Stocks Alimentaires Villageois de Sécurité</i> )
SONIMEX	National Import and Export Corporation ( <i>Société Nationale d'Importation et d'Exportation</i> )
SNDR	National Rural Development Strategy ( <i>Stratégie Nationale de Développement Rural</i> )
SNSA	National Food Security Strategy ( <i>Stratégie Nationale de Sécurité Alimentaire</i> )
TF	Trust Fund
UN	United Nations
UNDP	United Nations Development Program
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
VMC	SAVS - Village Management Committee
WFP	World Food Programme

Vice President:	Makhtar Diop
Country Director:	Vera Songwe
Country Manager	Moctar Thiam
Acting Sector Manager:	Martien van Nieuwkoop
Task Team Leader:	Christian Berger



**ISLAMIC REPUBLIC OF MAURITANIA**  
**INTEGRATED DEVELOPMENT PROGRAM FOR IRRIGATED**  
**AGRICULTURE (PHASE II) PROJECT (PDIAIM II)**  
**EMERGENCY AND FOOD PRICE RESPONSE COMPONENT**

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**ISLAMIC REPUBLIC OF MAURITANIA**

**INTEGRATED DEVELOPMENT PROGRAM FOR IRRIGATED  
AGRICULTURE (PHASE II) PROJECT (PDIAIM II)**

**ADDITIONAL FINANCING DATA SHEET**

<b>Basic Information - Additional Financing (AF)</b>	
Country Director: Vera Songwe Acting Sector Manager/Director: Martien van Nieuwkoop/Jamal Saghir Team Leader: Christian Berger Project ID: P128994 Expected Effectiveness Date: August 2012 Lending Instrument: ERL Additional Financing Type: Modified / New activities	Sectors: General Agriculture (80%), Animal Production (20%) Themes: Rural Services and Infrastructure (50%), Global Food Crisis Response (50%) Environmental category: B (partial assessment) Expected Closing Date: February 28, 2014
<b>Basic Information - Original Project</b>	
Project ID: P088828  Project Name: Integrated Development Program for Irrigated Agriculture (second phase) Lending Instrument: APL	Environmental category: A (full assessment) Expected Closing Date: September 30, 2012  Joint IFC: N/A Joint Level: N/A
<b>AF Project Financing Data</b>	
<input type="checkbox"/> Loan <input type="checkbox"/> Credit <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input checked="" type="checkbox"/> Other: FPCR-MDTF Proposed terms: N/A	
<b>AF Financing Plan (US\$m)</b>	
<b>Source</b>	<b>Total Amount (US \$m)</b>
Total Project Cost:	10.00
Cofinancing:	
• Global Food Price Response Program (FPCR-MDTF)	5.0
Borrower:	0.0
Total Bank Financing:	
IDA	5.0
New	5.0
Recommitted	0.0

<b>Client Information</b>		
<p><b>Recipient: Islamic Republic of Mauritania</b>  <b>Responsible Agency: Ministry of Rural Development</b>  Contact Person: Baba Ould Soufi  Telephone No.: +222 45 25 12 66  Fax No.: +222 45 29 10 43  Email: <a href="mailto:soufi_pdiaim@yahoo.fr">soufi_pdiaim@yahoo.fr</a></p>		
<b>AF Estimated Disbursements (Bank FY/US\$m)</b>		
Estimated Disbursements IDA (Bank FY/US\$m)		
FY	<b>2013</b>	<b>2014</b>
Annual	<b>4.75</b>	<b>0.25</b>
Cumulative	<b>4.75</b>	<b>5.00</b>
Estimated Disbursements GFRP (Bank FY/US\$m)		
FY	<b>2013</b>	<b>2014</b>
Annual	<b>5.00</b>	<b>0.00</b>
Cumulative	<b>5.00</b>	<b>5.00</b>
<b>Project Development Objective and Description</b>		
<p>The PDO of this Additional Financing to PDIAIM II is to improve availability of critical agricultural inputs and food staples for targeted beneficiaries.</p> <p>The Project will intervene in ten administrative regions affected by the drought emergency situation (<i>Trarza, Brakna, Gorgol, Guidimaka, Hodh Chargui, Hodh Gharbi, Assaba, Tagant, Adrar, Inchiri</i>).</p> <p>With the Additional Financing, a new Component E “Emergency and Food Price Response” will be added to the on-going PDIAIM II, and resources will also be added to the existing Component D of PDIAIM II for project management and coordination of this operation.</p> <p><b>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)</b> is (i) to support Agricultural and Livestock Productivity Enhancement through the supply of agricultural inputs and livestock sanitation against drought induced diseases, and (ii) to support the existing Food Safety Net by providing access to cereal for vulnerable rural beneficiaries.</p> <p><b>Component D - Project Administration (IDA support of US\$1 million)</b> 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.</p> <p>An estimated number of 279,000 rural people, among whom approximately 40 percent female are expected to benefit from the AF.</p>		
<b>Safeguard and Exception to Policies</b>		



Safeguard policies triggered: Environmental Assessment (OP/BP 4.01) Natural Habitats (OP/BP 4.04) Forests (OP/BP 4.36) Pest Management (OP 4.09) Physical Cultural Resources (OP/BP 4.11) Indigenous Peoples (OP/BP 4.10) Involuntary Resettlement (OP/BP 4.12) Safety of Dams (OP/BP 4.37) Projects on International Waterways (OP/BP 7.50) Projects in Disputed Areas (OP/BP 7.60)		[X]Yes [ ] No [ ]Yes [X] No [ ]Yes [X] No [X]Yes [ ] No [ ]Yes [X] No [ ]Yes [X] No [ ]Yes [X] No [ ]Yes [X] No [ ]Yes [X] No
Does the project require any waivers of Bank policies? Have these been endorsed or approved by Bank management?		[ ]Yes [X] No [ ]Yes [ ] No
<b>Conditions and Legal Covenants:</b>		
Financing Agreement Reference	Description of Condition/Covenant	Date Due
Article 4.01 (a)	The Recipient has adopted the revised Project Implementation Manual and the revised Administrative and Financial Management Manual	Prior to effectiveness
Article 4.01 (b)	The recipient has appointed a Procurement Specialist and an Environmental & Social Specialist at the PCU	Prior to effectiveness
Article 4.01 (c)	The GFRP Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled	Prior to effectiveness
Schedule 2, Section I.A.4	Appointment of an internal auditor	Not later than three (3) months after effectiveness

Schedule 2, Section I.D.1 & 2	The ESMF and the PMP have been updated and disclosed in-country and at the Bank's Infoshop	Before disbursement of corresponding funds and not later than three (3) months after effectiveness
Schedule 2, Section II.B.4	Appointment of an external auditor	Not later than four (4) months after effectiveness
Schedule 2, Section IV.B.1 (a)	Retroactive financing may apply to eligible expenditures for payments made prior to the date of the financing agreements but on or after January 1 <sup>st</sup> , 2012 up to an aggregate amount not to exceed forty percent of each grant	After effectiveness
Schedule 2, Section IV.B.1 (c)	A service agreement has been entered into with the CSA	Before disbursement of corresponding funds

**ISLAMIC REPUBLIC OF MAURITANIA**

**INTEGRATED DEVELOPMENT PROGRAM FOR IRRIGATED  
AGRICULTURE (PHASE II) PROJECT (PDIAIM II)**

**I. INTRODUCTION**

1. This Project Paper seeks the approval of the Executive Directors to provide an additional financing IDA Grant in the amount of SDR 3.40 million (US\$5 million equivalent) and a GFRP Grant<sup>1</sup> from the FPCR-MDTF in the amount of US\$5 million to the Integrated Development Program for Irrigated Agriculture (Phase II) Project (PDIAIM II—P088828-IDA credit number 4043 MAU). The PDIAIM is a three phase APL which started in 2005 and helped develop the irrigated agriculture in Senegal River valley with a focus on rice and horticulture. The second phase is currently been completed with a closing date of September 30, 2012. The PDIAIM II offers a convenient opportunity to fast-track the Bank's emergency response in drought affected areas.
2. The proposed Additional Financing (AF) is the Bank's response to the January 16, 2012 Government's request for assistance under the current drought situation in Mauritania. It will be used to finance the activities under a new Emergency and Food Price Response Component that will be added to the existing PDIAIM II Project. This new component will include two sub-components which are: (i) Agricultural and Livestock Productivity Enhancement; and (ii) Support to Food Safety Net.
3. Activities financed under this new component will be in the form of short-term emergency assistance, including: (i) provision of agricultural inputs (such as fertilizers, veterinary products and livestock vaccination) to targeted households of rice farmers and herders; (ii) provision of a safety net to food insecure households through support to a network of cereals stocks at village level; and (iii) increasing resources towards project management and coordination, including the undertaking of studies aimed at improving preparedness in dealing with food security issues.
4. The Project is seeking to address major adverse economic and social impacts resulting from the current crisis and supports part of the Government's programs to avert deterioration in economic and social services in the face of drought emergency. This is done in close coordination with other development partners including United Nations (UN) Agencies.
5. In addition, the proposed Additional Financing will be used to initiate the preparation of future agricultural investments with a view to continue developing the long term, supply side response to the recurring food shortages in Mauritania.

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<sup>1</sup> A request submitted by AFTAR unit to the GFRP Secretariat on October 27, 2011 for the amount of US\$5 million has been processed and approved on December 12, 2011.

## II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

### A. COUNTRY CONTEXT

6. 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 World Food Programme (WFP)<sup>2</sup>, 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.

7. A World Bank Disaster Risk Management team<sup>3</sup> did a rapid assessment of the drought impact and formulated an initial drought recovery plan. The latest WFP report<sup>4</sup> 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 between May and September 2012<sup>5</sup>.

8. 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 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. The following table gives an overview of current support to the Government emergency plan:

**Table 1: Synthesis of current support to EMEL Plan 2012 as of May 31, 2012 (in US\$ million)**

<i>EMEL Plan components</i>	<i>Total expected costs</i>	<i>Government contribution (expected)</i>	<i>Donor contributions (committed)</i>	<i>Remaining financing gap</i>
1 Preventing food insecurity	76	31	28.2	16.8
2 Providing health care for vulnerable groups & children	3		2	1
3 Preserving livestock	78	52		26
<b>TOTAL</b>	<b>157.0</b>	<b>83.0</b>	<b>30.2</b>	<b>43.8</b>

9. 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 Union,

<sup>2</sup> WFP latest FEWSNET data (May 17, 2012).

<sup>3</sup> A DRM mission was in Mauritania, from November 14 to 17, 2011.

<sup>4</sup> Sahel Crisis update No.18 (WFP Regional Bureau for West Africa, May 11, 2012) and WFP/Mauritania EMOP report No.1 (May 20, 2012)

<sup>5</sup> 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

the United States of America, the Qatar, Japan, the African Development Bank, the Islamic Development Bank and the World Food Programme (WFP) have so far formally committed to support this Plan<sup>6</sup>.

10. Besides the EMEL Plan, crop intensification on irrigated land is also considered by the Government, particularly for rice<sup>7</sup> imports substitution which has shown sharp price increase on world markets. The PDIAIM and a few 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.

11. On January 16, 2012, the Government introduced a request by which it is seeking Bank support for a US\$10 million emergency assistance, not only to contribute to the EMEL Plan through rural food safety stocks and livestock health support, but also to provide fertilizer support for rice intensification. Shortly after, the Government completed the Mauritania National Food Security Strategy (SNSA) and validated the National Agriculture and Food Security Investment Program (PNIA/SA) under the CAADP<sup>8</sup>. A Government request dated March 22, 2012, therefore sought Bank assistance for longer term investments in the irrigation sector.

12. 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 development<sup>9</sup>. 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.

## B. ORIGINAL PROJECT

13. **Background:** 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.

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<sup>6</sup> The WFP is currently implementing an emergency operation aiming to assist over 500,000 people; the European Community Humanitarian Aid Office (ECHO) allocated €10 million for the Sahel region, out of which €2-3 million are earmarked for Mauritania; the United States Agency for International Development (USAID) agreed to provide an initial US\$10 million, including support to the WFP emergency operation and to the United Nations Children's Fund (UNICEF); Qatar committed support for US\$10 million, Japan for US\$5.3 million, the African Development Bank for US\$1 million and the Islamic Development Bank for US\$0.4 million.

<sup>7</sup> Wheat and rice are the most important food commodities for the majority of Mauritians

<sup>8</sup> Comprehensive Africa Agriculture Development Program

<sup>9</sup> 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

14. 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.

15. 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.

16. **Status of Project Implementation:** the PDIAIM II (i) is in full compliance with its loan covenants; (ii) has no outstanding fiduciary, environmental, social or other safeguard issues; (iii) has no audit issues and all audits are current; and (iv) followed the Bank's procurement guidelines. The PDIAIM II overall risk is rated "substantial" before mitigations measures, with key identified risks being related to (i) poor contract management and (ii) weak financial management control<sup>10</sup>. The residual financial management risk rating for the Project is considered "Moderate" after implementation of corrective measures.

17. The ISR ratings of PDIAIM II over the most recent twelve months, including those for implementation progress (IP) and development objectives (DO) have been consistently rated as "moderately satisfactory". The main reason is that targets for irrigated acreage have not been met since irrigation investment costs have shown to be higher than initially expected. However, the outputs, outcomes and results recorded in the most recent ISR report for the Project reveal that its impact has been consistent with the expectations set out in the PAD. Most of the activities of the Project have now been completed. The project has disbursed 98 percent of the original amount of credit approved by the Board.

18. 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. It is critical to keep the PDIAIM II technical capacities and institutional structure, since the proposed Additional Financing for emergency drought and food price response will serve as a bridge to pursue further medium to long term irrigation development investments. 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.

### III. PROPOSED CHANGES

19. **Project Development Objective:** the PDO of this Additional Financing to PDIAIM II is to improve availability of critical agricultural inputs and food staples for targeted beneficiaries.

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<sup>10</sup> The Government is well aware of these weaknesses and has taken appropriate measures to mitigate them through a financial management action plan, including updating the Project Financial Manual for additional activities and new executive partners, recruiting an internal auditor and upgrading the accounting software to "multi-project".

20. 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.

21. **Proposed modification to the components' structure and activities:** for the purpose of this proposed AF, a new Component E "Emergency and Food Price Response"<sup>11</sup> that is directly aimed at responding to the Government's request for emergency support will be added to the ongoing PDIAIM II Project, while some resources will also be allocated to overall Project Administration and initiation of the preparation of future sector support under existing Component D of PDIAIM II.

22. This new Component E will have two sub-components, namely:

- (i) **Sub-component E.1 Agricultural and Livestock Productivity Enhancement (IDA Grant of US\$2 million equivalent and US\$3 million of GFRP Grant)** for the supply and distribution of subsidized urea for irrigated rice intensification, as well as the supply of veterinary products and the sanitary treatment of livestock, including vaccination; and
- (ii) **Sub-component E.2 Support to Food Safety Net (IDA Grant of US\$2 million equivalent and US\$2 million of GFRP Grant)** for the consolidation of the existing network of *Stocks Alimentaires Villageois de Sécurité* (SAVS), through the initial distribution or replenishment of cereal stocks for a selected number of SAVS serving vulnerable rural communities.

23. The main activities that will be financed under this new Component E are all to be undertaken in 2012:

- (i) Emergency supply and distribution of 4,400 MT of urea (GFRP Grant funding of US\$3 million) to an estimated 29,000 beneficiaries: this will cover about half of the country's needs for a targeted 30,000 hectares irrigated rice cultivation area in 2012 within the *Trarza, Brakna, Gorgol* and *Guidimakha* regions. Fertilizer will be procured, stored and sold at a 50 percent subsidy to targeted farmers, through mechanisms already experienced in the country under the supervision of the Agriculture Directorate of the Ministry for Rural Development (MDR-DA). Targeted beneficiaries are small size rice growers identified through the Regional Agriculture Committee (CRSCA), who are involved in farmers' organizations for irrigated land development in the Senegal River basin. Sales proceeds will be used for future fertilizer procurement by MDR. Rice crop intensification through additional use of nitrogen fertilizer is particularly well suited to make irrigation investments more profitable, as it is expected to boost rice yields in 2012. The additional production is part of the supply side response to drought; it will help maintain the rice retail price at reasonable level and mitigate the impact of the drought on consumers.
- (ii) Emergency supply of veterinary products and subsequent treatment of 800,000 domestic animals (IDA Grant funding equivalent to US\$0.9 million), and emergency livestock vaccination of 680,000 large ruminants (camel, cattle and

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<sup>11</sup> 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.

donkeys) and 1.45 million small ruminants (goats and sheep) against drought induced diseases (IDA Grant funding equivalent to US\$1.1 million) for an estimated 100,000 vulnerable beneficiary herders: selected animals/herds within the ten targeted regions will receive adequate vitamins and mineral treatment, and/or antibiotics, and/or anti-parasites treatment, depending on their sanitary status. Activities will also include the procurement of vaccines (against Small Ruminant's Plague, *Botulism* and *Pasteurellosis*) and livestock vaccination<sup>12</sup> of targeted herds. Veterinary products will be procured, stored and applied for free to targeted animals, through the usual mechanisms already experienced in the country in conducting country-wide vaccination campaigns against major epizootics and involving public and private zoo-sanitary intervention teams under the supervision of the Livestock Directorate of MDR (MDR-DE). Targeted beneficiaries are vulnerable pastoralists in the Project intervention area, making their living out of small size herds of domestic animals kept in village surroundings<sup>13</sup>. Maintaining adequate sanitary status of small domestic herds through vaccination and nutritional complementation is considered the most cost effective approach to increase survival rates in drought affected areas.

- (iii) Emergency support to the network of SAVS<sup>14</sup> (total funding of US\$4 million, including the equivalent of US\$2 million IDA Grant and US\$2 million GFRP Grant) for an estimated 150,000 vulnerable rural beneficiaries: this will be done under the supervision of the Mauritania Food Security Commission (CSA). Activities will focus on the provision of initial cereal stocks or the replenishment of depleted existing stocks for about 600 villages in the average monthly amount of 3 MT of cereals for a duration of 4 months. To this end, a total of 7,200 MT of wheat will be supplied by the Project. The selection of villages will be done by the CSA and the WFP, with advice from existing Regional Development Committees. The existence of revenue generating activities in communities commonly having a very low purchasing power (such as performing labor intensive works, for example, or cash transfer programs) will be among the SAVS selection criteria. Village food security stocks are managed by designated Village Management Committees (VMCs) and sold to beneficiaries with a subsidy rate of 50 to 80 percent depending on community vulnerability criteria. This revolving cash recovery mechanism allows paying for future cereal needs to cover the whole emergency period, including transportation fees. Criteria for the selection of direct household beneficiaries at village level will be defined by each VMC.

**24. Project Management and Coordination (IDA support of US\$1 million) will be under existing Component D**, for a total duration of 18 months. Activities will mainly be the continuation of support to the existing Project Coordination Unit (PCU) with a focus on the

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<sup>12</sup> In-kind beneficiary contribution is estimated about 25 percent of intervention costs, mainly through animal transportation to specific grouping areas and the construction of animal contention devices

<sup>13</sup> Large size herds are mainly belonging to urban dwellers and are transhumant animals currently kept outside the Project intervention area

<sup>14</sup> *Stocks Alimentaires Villageois de Sécurité*: the WFP set-up this Food Safety Net in 2004; the existing network is comprised of about 3,700 villages, out of which approximately 2,300 villages are within the 10 administrative regions of the Project intervention area. The WFP is currently assisting 1100 SAVS under the EMEL 2012 Plan



administration of new activities under Component E<sup>15</sup>, but funds will also be available to undertake studies aimed at assessing options to improve Mauritania's preparedness in dealing with food insecurity. The PCU will notably help implement project preparation activities under the oversight of MDR once an agreement will have been reached with the World Bank on the scope of the future irrigation project.

25. A detailed description of the Project's activities is given in Annex 3. PDIAIM's implementation manual (PIM) will be revised accordingly and agreed upon prior to effectiveness. The PIM will give full details on operational procedures, including criteria for the targeting of Project beneficiaries and specific M&E requirements for each main type of activity. Targeted beneficiaries will essentially be small producers in village communities, with due consideration to the female and young populations.

26. **Institutional set-up and implementation arrangements:** 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.

27. **Safeguards:** activities that triggered the environmental category A (full assessment) rating of PDIAIM II<sup>16</sup> have either been dropped or completed and the activities identified under the proposed Additional Financing are all category B (partial assessment) or C<sup>17</sup> (not required). 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. Also, the nature of the activities to be supported under this proposed Additional Financing entails no land acquisition or restrictions of access to natural resources and livelihoods. Therefore, the proposed AF will have a B rated environmental category (partial assessment) and the two only safeguard policies triggered are Environmental Assessment (OP/BP 4.01) and Pest Management (OP 4.09). The Environmental and Social Management Framework (ESMF) and Pest and Pesticide Management Plan (PMP) of PDIAIM II are being updated for the purpose of the AF. There will be no substantial responsibility change for the implementation of the revised safeguards instruments.

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<sup>15</sup> This comprises financing adequate staffing of the PCU (including the recruitment of a Procurement Specialist and of a Safeguards Specialist), regular operational expenses and institutional support to new technical partners for the implementation and supervision of Component E (such as the MDR-DA, the MDR-DE and the CSA)

<sup>16</sup> Safeguard policies triggered under PDIAIM II are: Environmental Assessment (OP/BP/GP 4.01), Pest Management (OP 4.09), Physical Cultural Resources (OP/BP 4.11), Involuntary Resettlement (OP/BP 4.12), Safety of Dams (OP/BP 4.37), Projects on International Waterways (OP/BP/GP 7.50)

<sup>17</sup> This classification of the PDIAIM was justified by the need to provide potable drinking water to vulnerable communities using irrigation canals, by the control of birds that devastate rice crops, and by the --then planned-- rehabilitation works on the *Foum Gleita* Dam, as well as large irrigation infrastructures works on the downstream irrigation schemes. Measures for potable drinking water and bird control have been successfully completed. Moreover, activities related to the *Foum Gleita* Dam and irrigation infrastructure works have since been dropped out of the PDIAIM II due to lack of financing. The proposed AF will not support any activities related to irrigation

28. **Closing date and updates to the results framework:** 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 extension of the closing date until September 30, 2012 has later been approved so as to finance the last activities to be carried out under the original financing, maintain the coordination team and ensure continuity until such time the additional financing is made effective.

29. The closing date of this new Additional Financing account will be February 28, 2014, which is well within three years of the current closing date of the original financing account.

30. The results framework and indicators of PDIAIM II have been adjusted to reflect the new activities under the AF. Furthermore, the newly introduced Bank core indicator on direct beneficiaries has been added to the results framework (refer to Annex 1 for the detailed Results Framework and Monitoring Indicators). Table 2 shows the PDO level indicator for the AF.

**Table 2: Summary of Project outcome indicators**

<i>Indicator</i>	<i>Original target*</i>	<i>Changes with AF</i>	<i>Revised target</i>
Number of direct Project beneficiaries (including percentage of females)	140,000 (40%)	279,000 (113,700 females or 40%)	279,000 (113,700 females or 40%)

\*At the time of the design of PDIAIM II, such a core indicator was not included in the PAD; the data is therefore actual.

31. **Proposed budget allocation:** Table 3 below summarizes the proposed allocation of the Additional Financing by source of financing. As stated earlier, some resources of the AF have been added to Component D of PDIAIM II for management and coordination of the AF activities and initiation of the preparation of the future sector investment operation.

**Table 3: Costs by component (US\$ million)**

<i>Component</i>	<i>Original cost</i>	<i>Changes with AF</i>		<i>Revised cost</i>
		IDA	GFRP	
Component D: Project Administration	7.34	1	-	8.34
Component E: Emergency and Food Price Response	-	4	5	9
- Sub-component E-1: Agricultural and Livestock Productivity Enhancement	-	2	3	5
- Sub-component E-2: Support to Food Safety Net	-	2	2	4
<b>Total</b>	<b>7.34</b>	<b>5</b>	<b>5</b>	<b>17.34*</b>

\*Out of which the Additional Financing is only US\$10 million.

32. In line with OP 13.20 and OP/BP 8.00, it is proposed that the Additional Financing includes retroactive financing of up to 40 percent of both grants amounts for payments made by the client after January 1, 2012 (i.e. not more than 12 months prior to the expected date of signing the legal documents) to tackle emergency needs as soon as necessary.

#### IV. APPRAISAL SUMMARY

33. The proposed structure of the AF is simple and focused, taking advantage of the existing Component D of PDIAIM II for swift Project implementation and longer term planning, while short-term assistance under the new Component E will target needy rural communities. The activities will be carried out in partnership with other donors and the Government who are to

provide complementary assistance (i.e. provide additional fertilizer supply, provide feed supply for livestock and assist the remaining SAVS).

34. **Project implementation arrangements:** the Project will continue to be implemented by the PCU of PDIAIM II. On-the-ground, execution of Component E will be carried through by new project partners, including the MDR-Directorate for Agriculture for fertilizer supply, the Directorate for Livestock for livestock support activities, and the CSA for support to the rural Food Safety Net (a service agreement will be signed with the CSA for this purpose). The two PDIAIM II Project manuals, i.e. the Project Implementation Manual (PIM) and the Administrative & Financial Procedure Manual will be updated prior to Project effectiveness to include the new activities and operational procedures, including the detailed criteria for selection of beneficiaries to be agreed upon.

35. **Financial management:** the financial management (FM) assessment carried out during project preparation determined that current arrangements satisfy the Bank's minimum requirements under OP/BP 10.02. The auditors have issued an unqualified opinion on the 2010 financial statements of the Project and the interim un-audited financial reports for the ongoing Project have also been submitted on time. FM capacity built under the ongoing PDIAIM II Project will be consolidated and used to manage the additional activities; the Project's FM arrangements will be strengthened through the implementation of a financial management action plan (refer to Annex 5 for the details). In order to strengthen the internal control and to take into account the specificities of additional activities and new partners, the FM manual will be updated, an internal auditor will be recruited, and the accounting software will be upgraded from "mono-project" to "multi-project".

36. **Procurement arrangements:** the procurement arrangement for the additional financing will be the same as for the initial financing. The procurement function of the Project has continued to be moderately satisfactory, and PDIAIM II contracts are being implemented by the PCU in accordance with the approved procurement plan. Procurement for the proposed project will be carried out in accordance with the World Bank's procurement guidelines<sup>18</sup>; the World Bank's guidelines on prevention and combating fraud and corruption<sup>19</sup> will also apply to the project. The procurement capacity assessment of the PCU has been based on the assessment done during the preparation of the second phase of PDIAIM (Credit 4043-MAU) and the successive updates of this initial assessment as part of the procurement supervision missions and procurement post reviews of the original project. In addition, a post-procurement review was conducted as part of the Bank's supervision mission of PDIAIM II in July 2011. During this review it was noted that the Procurement Specialist of the PCU has recently been appointed to another position and should be replaced. The selection process of his replacement is now well advanced and should be effective before Project effectiveness. The conclusion of the assessment is that procurement compliance is moderately satisfactory, the Project is complying with Bank's procedures and the PCU has enough capacity to handle the procurement for the new activities

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<sup>18</sup> "Guidelines for Procurement of Good and Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grant World Bank Borrowers" dated January 2011 and "Guidelines for Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011

<sup>19</sup> "Guidelines on Prevention and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and updated January 2011

under Component E<sup>20</sup> and a Procurement Implementation Support Plan has been developed. The Project procurement plan will be updated at least annually (or as required to reflect actual project implementation needs) and procurement supervision will also be done at least once a year.

37. **Environmental and Social safeguards:** as earlier stated, PDIAIM II environmental category under the proposed AF is Category B (partial assessment). The ESMF and PMP for the current Project are being updated to cover the environmental and social impacts that would result from the implementation of the new component. The current Safeguards Specialist of the PCU will be replaced before Project effectiveness. The communication strategy developed during PDIAIM II to address environmental management issues will continue to be used. On the social side, the proposed activities will have more positive impacts on vulnerable rural beneficiaries than adverse ones, since they will improve the well being and social cohesion of targeted groups and communities. Activities will not lead to any appropriation of land or loss of access to resources or livelihoods for the population; as a consequence of this, the involuntary resettlement policy OP/BP 4.12 is not triggered. Approved updated versions of the ESMF and of the PMP will be a Project disbursement condition.

38. **Economic and Financial Analysis:** because of the emergency nature of activities, no financial or economic analysis was carried out for this Additional Financing. Urea application on rice crops is usually considered a good investment to boost yields and make irrigation more profitable; similarly, keeping domestic animals adequately fed (this is part of the Government direct support to the EMEL Plan) and maintaining their sanitary status as they are faced with drought induced diseases is key for survival rates and continued production. WFP's experience with subsidized food for vulnerable households in rural villages has recently been assessed and is globally considered satisfactory<sup>21</sup>.

39. Despite the general lack of detailed economic information in Mauritania, the Project will collect data that will permit ex-post computation of financial and economic returns at the end of the implementation period. This will help assess the returns associated with the broad categories of benefits that are expected to accrue from the project (i.e., household level improvements in food security or income, and public benefits from social protection offered through the safety net activities). As such, under Component D, the Project will undertake an independent post-review survey of the functioning of the village level cereal security stocks to learn lessons from Bank support to the SAVS network. A feasibility study will also be carried out for the design of possible future cash transfer/food voucher programs to provide options for efficient safety net programs that could support the food insecure and the most vulnerable people in Mauritania.

40. **Risk assessment:** the overall risk of the Additional Financing is rated "moderate" for implementation, with the key identified risk being related to governance issues with political interests possibly leading to poor targeting of beneficiaries (refer to Annex 2 for a detailed presentation of the Operational Risk Assessment Framework - ORAF).

41. **Technical analysis:** the technical design of the Project includes a new Component E for short-term assistance to vulnerable rural communities. It is simple and focused on emergency

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<sup>20</sup> Faced with an emergency situation, the procurement process for fertilizers and veterinary medicines started in early 2012 and concluded in May 2012

<sup>21</sup> In 2011, the WFP undertook a general audit of the SAVS network, based on a 7 percent random sample of villages; altogether and despite weaknesses, the SAVS network is considered to be an important tool to reduce food insecurity and enhance children nutrition in rural areas

relief. All new activities (such as the provision of agricultural fertilizer, the provision of veterinary products, the undertaking of a livestock vaccination campaign and assistance to SAVS) have already been experienced in the country and will therefore follow usual implementation mechanisms. Annex 3 gives a detailed description of new Project activities. The revised PDIAIM II Project manuals (the revised PIM and the revised Administrative and Financial Management Procedures Manual) will be agreed upon prior to effectiveness to give full details on operational procedures, including detailed criteria for adequate targeting of Project beneficiaries. Other donors and the Government are to provide complementary emergency assistance in support of the Government EMEL Plan. Project Component D will be available to undertake studies aimed at assessing options to improve Mauritania's preparedness in dealing with food insecurity beyond the current emergency assistance plan.

42. **Sustainability:** 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. Notably, the PDIAIM II 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 II'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 II when engaging in the preparation of the next Bank supported irrigation development investment operation in Mauritania.

43. 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.

**ANNEX 1: RESULTS FRAMEWORK AND MONITORING**

**ISLAMIC REPUBLIC OF MAURITANIA: Emergency and food price response  
Component of the 2<sup>nd</sup> Phase of the Integrated Development Program for Irrigated  
Agriculture**

**Agriculture Development and Food Price Response Project**

**Results Framework**

<b>Revisions to the Results Framework</b>		<b>Comments/ Rationale for Change</b>
<b>PDO</b>		
<i>Current (PAD)</i>	<i>Proposed</i>	
The development objectives of PDIAM II are to: (i) consolidate key incentive measures for irrigated agriculture; (ii) increase sustainable irrigation schemes; and (iii) intensify agricultural diversification.	The PDO of this Additional Financing to PDIAIM II will be to improve availability of critical agricultural inputs and food staples for targeted beneficiaries <sup>22</sup> .	The change is to reflect the emergency activities under the new Component E, including a larger intervention area
<b>PDO indicators</b>		
<i>Current (PAD)</i>	<i>Proposed change*</i>	
n/a <sup>23</sup>	Direct Project beneficiaries (number), of which female (percentage)  Direct Project beneficiaries disaggregated by type of benefit (fertilizer, livestock treatment, food staples) and by gender	Targeted beneficiaries will mainly be vulnerable small producers in village communities, with due consideration to the female and young populations
<b>Intermediate Results indicators</b>		
<i>Current (PAD)</i>	<i>Proposed change</i>	
n/a	Additional volume of fertilizer distributed to farmers	New activity under new Component E
n/a	Percentage of additional fertilizer distributed in time for the cropping season (delay of less than 10 days compared to plan)	New activity under new Component E. Fertilizer distribution to farmers is time sensitive
n/a	Additional number of livestock vaccinated (disaggregated by type of livestock/vaccines)	New activity under new Component E. Focus on number of vaccinated large ruminants (camel/cattle/donkey) and small ruminants (goats and sheep) against drought induced epizootics
n/a	Additional number of livestock benefitting from treatment with veterinary products	New activity under new Component E. Veterinary products

<sup>22</sup> In ten administrative regions: Trarza, Brakna, Gorgol, Guidimaka, Hodh Chargui, Hodh Gharbi, Assaba, Tagant, Adrar, Inchiri

<sup>23</sup> At the time of the design of PDIAIM II, such a core indicator was not included in the PAD

<b>Revisions to the Results Framework</b>		<b>Comments/ Rationale for Change</b>
		are either Multi-vitamin nutrient complements, and/or antibiotics and/or anti-parasites
n/a	Additional number of SAVS ( <i>Stock Alimentaires Villageois de Sécurité</i> ) stocked up to meet the food demand of beneficiaries during the period of food shortage	New activity under new Component E. A SAVS stocked up to meet the food demand of beneficiaries is defined as stocked up with cereals at 85% of its capacity. The period of food shortage is defined as 4 months in year 2012 (June to September is identified as the regular period of food shortage)

## REVISED PROJECT RESULTS FRAMEWORK

<b>Project Development Objective (PDO):</b> to improve availability of critical agricultural inputs and food staples for targeted beneficiaries <sup>24</sup>											
PDO Level Results Indicators	Core	UOM <sup>25</sup>	Baseline Original Project Start (2012)	Progress To Date (2011) <sup>26</sup>	Cumulative Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					2012	2013	2014				
<b>Beneficiaries</b>											
Direct Project beneficiaries	<input checked="" type="checkbox"/>	Number	0	0	279,000	279,000	279,000	Annual	Reports from MDR-DR	MDR and CSA/WFP	Activities under Component E of the Additional Financing are new to PDAIM II
Of which female		%	0	0	40	40	40				
Direct Project beneficiaries (disaggregated by type of benefit: fertilizer, livestock treatment, food staples)											
➤ Urea			0	0	29,000	29,000	29,000	Seasonal	SONIMEX records Reports from MDR-DR	MDR-DA	Average of 0.5 ha rice cultivation per farmer
➤ Livestock treatment	<input checked="" type="checkbox"/>	Number	0	0	100,000	100,000	100,000	Seasonal	Intervention teams records Reports from MDR-DR	MDR-DE	Livestock treatment includes provision of veterinary products and/or vaccination. Average 22 animal heads/beneficiary
➤ Cereals			0	0	150,000	150,000	150,000	Annual	Reports from SAVS-MC Reports from CSA/WFP	CSA	Average 50 households per village and 5 persons per HH
Of which female beneficiaries (disaggregated by type of benefit: fertilizer, livestock vaccination, food staples)	<input checked="" type="checkbox"/>		0	0	5,800	5,800	5,800	Seasonal			

<sup>24</sup> In ten administrative regions: *Trarza, Brakna, Gorgol, Guidimaka, Hodh Chargui, Hodh Gharbi, Assaba, Tagant, Adrar, Inchiri*

<sup>25</sup> UOM = Unit of Measurement

<sup>26</sup> For new indicators introduced as part of the additional financing, the progress to date column is used to reflect the baseline value



➤ Urea		Number	0	0	30,000	30,000	30,000	Annual	Reports from MDR-DR	MDR-DA	20% female
➤ Livestock treatment			0	0	75,000	75,000	75,000	Annual	Reports from MDR-DR	MDR-DE	30% female
➤ Cereals									Reports from SAVS-MC Reports from CSA/WFP	CSA	50% female

### Intermediate Results and Indicators

Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2012)	Progress To Date (2011)	Target Values <sup>27</sup>			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					2012	2013	2014				
<b>Intermediate Result : Critical activities for delivery of inputs implemented</b>											
1. Additional fertilizer distributed to farmers	<input type="checkbox"/>	MT	0	0	4,400	4,400	4,400	Seasonal	SONIMEX records Reports from MDR-RD	MDR-DA	Fertilizer is urea, conditioned in bags of 50 kg. Three bags per beneficiary, on average (equivalent to needs for 0.5 ha rice <sup>28</sup> )
2. Percentage of additional fertilizer distributed in time for the cropping season (delay of less than 10 days compared to plan)	<input type="checkbox"/>	% (MT)	0	0	80	-	-	Seasonal	SONIMEX records Reports from MDR-RD	MDR-DA	Fertilizer distribution to farmers is time sensitive; some delays are expected, however all fertilizer procured is to be distributed in 2012
3. Additional number of livestock vaccinated (disaggregated by type of livestock/vaccines) ➤ Large ruminants (camel,	<input type="checkbox"/>	Head of			680,000	680,000	680,000				Vaccines come into vials; each vial contains several vaccine doses,

<sup>27</sup> Calendar years; cumulative data

<sup>28</sup> MDR-DA will also report on the additional rice acreage benefiting from urea

### Intermediate Results and Indicators

Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2012)	Progress To Date (2011)	Target Values <sup>27</sup>			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					2012	2013	2014				
cattle & donkey) ➤ Small ruminants (sheep & goats)			0	0	1,450,000	1,450,000	1,450,000	Annual	Intervention teams records Reports from MDR-RD	MDR-DE	depending on size of animal species. Camels and donkeys will be vaccinated against Pasteurellosis, and cattle will be vaccinated against Botulism and/or Pasteurellosis. Small ruminants will be vaccinated against Small Ruminant's Plague and/or Pasteurellosis
4. Additional number of livestock benefitting from treatment with veterinary products	<input type="checkbox"/>	Head of	0	0	800,000	800,000	800,000	Annual	Intervention teams records Reports from MDR-RD	MDR-DE	Veterinary products are multi-vitamin & mineral nutrient complements, antibiotics and anti-parasites drugs. Animals will benefit either from one or more or the procured veterinary products, depending on their sanitary status
5. Additional number of SAVS stocked up to meet the food demand of beneficiaries during the period of food shortage	<input type="checkbox"/>	Number of SAVS	0	0	600	600	600	Annual	Records from SAVS-MC + Reports from CSA/WFP	CSA	A SAVS stocked up to meet the food demand of beneficiaries is defined as stocked up at 85% of its capacity. The period of food shortage is defined as

**Intermediate Results and Indicators**

Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2012)	Progress To Date (2011)	Target Values <sup>27</sup>			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					2012	2013	2014				
											4 months in 2012 (June to September is identified as the regular period of food shortage). Average stock is 12 MT per village

**ANNEX 2: OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)**

**ISLAMIC REPUBLIC OF MAURITANIA: Emergency and food price response Component of the 2<sup>nd</sup> Phase of the Integrated Development Program for Irrigated Agriculture**

<b>Project Stakeholder Risks</b>	<b>Rating</b>	Moderate		
<b>Description:</b> The current number of women beneficiaries from the PDIAIM II project is low. Women access to the benefits of the project may be limited, since women may not have the initial resources to become beneficiaries of agricultural inputs.	<b>Risk Management:</b> The project will set the requirement that 20 percent of fertilizer beneficiaries at least have to be women and that small ruminants are included in vaccination campaigns			
	<b>Resp:</b> Recipient/Bank	<b>Stage:</b> Preparation / Implementation	<b>Due Date :</b> n/a	<b>Status:</b> ongoing
<b>Implementing Agency Risks (including fiduciary)</b>				
<b>Capacity</b>	<b>Rating:</b>	Low		
<b>Description:</b> Implementation capacity in Mauritania is limited, with few public entities possessing capacity to manage World Bank resources. Public agencies managing implementation of projects require significant levels of external technical assistance. The Additional Financing will require the existing PDIAIM II PCU to establish operational contacts with new partners such as the CSA. The Ministry for Rural Development has experience in PDIAIM II implementation through a seasoned Project Coordination Unit (PCU).	<b>Risk Management:</b> The project coordination unit is an experienced team composed of seasoned staff with robust project management experience This PCU is able to fast track emergency assistance. The project coordination unit will strengthen the capacity and support some of the implementers. A service agreement will be signed with the CSA as a withdrawal condition for Project support to SAVS.			
	<b>Resp:</b> Recipient	<b>Stage:</b> Implementation	<b>Due Date :</b> n/a	<b>Status:</b> ongoing
<b>Governance</b>	<b>Rating:</b>	Moderate		
<b>Description:</b> PDIAIM II has experienced weak financial management control and delays due to poor contract management. <b>Finance risk:</b> Risks remain in terms of effectiveness of internal controls, enforcement of procurement and payroll rules and procedures, quality and timeliness of in-year budget reports and annual financial statements and effectiveness of legislative scrutiny.	<b>Risk Management:</b> The Public Sector Capacity Building Project is addressing the issues arising out of the CFAA action plan. Also, the Government has adopted a new procurement code, which encourages hiring independent staff for procurement commissions at central level, and puts in place a new Procurement Regulation Authority.			
	<b>Resp:</b> Recipient/Bank	<b>Stage:</b> Preparation / Implementation	<b>Due Date :</b> n/a	<b>Status:</b> ongoing
<b>Project Risks</b>				
<b>Design</b>	<b>Rating:</b>	Moderate		
<b>Description:</b> Agricultural inputs (including veterinary products and vaccines) do not reach farmers (herders) in time for the	<b>Risk Management:</b> The procurement procedures for agricultural inputs (such as fertilizers, veterinary products and vaccines) have already been launched by the Government to make sure			

cropping (rearing) season. Food stocks are not available during the food shortage period. Agricultural inputs, as well as food stocks transferred to beneficiaries are delayed due to slow procurement and approval procedures.	products can be delivered in time, and the WFP monitors food availability in response to the Sahel drought situation. Project design includes up to 40 percent retroactive financing.			
	<b>Resp:</b> Recipient/Bank	<b>Stage:</b> Preparation / Implementation	<b>Due Date :</b> May 2012	<b>Status:</b> ongoing
<b>Social &amp; Environmental</b>	<b>Rating:</b>	Moderate		
<p><b>Description:</b> The PDIAIM II project encountered some difficulties with regard to social and environmental safeguards enforcement. However, the proposed Additional Financing only triggers two Safeguard policies, instead of six for the original PDIAIM II project. Indeed, all PDIAIM II activities that triggered an A environmental category (full assessment) are either dropped or completed, and activities that have been identified for the proposed Additional Financing are all category B (partial assessment) and C (not required). Therefore, the Additional Financing will be of environmental category B (partial assessment).</p> <p>An inadequate handling/utilization of fertilizers and veterinary drugs/vaccines could result in the pollution of water resources as direct impact, and threat to health as indirect impact. The occurrence of other type of adverse impacts is likely to be low.</p>	<p><b>Risk Management:</b> The project will update the PDIAIM II environmental safeguard instruments. On the social side, activities undertaken through this Additional Financing entails no land acquisition or restrictions of access to natural resources and livelihoods for the populations (OP/BP 4.12: Involuntary Resettlement Policy is not triggered).</p> <p>The PCU will have staff dedicated to social and environmental safeguards (as a condition of effectiveness) to ensure the effective implementation of the prevention and mitigation measures approved within the safeguards instruments. The Environmental and Social Management Framework (ESMF) as well as the Pest and Pesticide Management Plan (PPMP) of the PDIAIM II will be updated (as a disbursement condition) to integrate the risks which could arise from the Additional Financing activities. The communication strategy developed during the PDIAIM II to address environmental management issues will continue to be used to raise awareness among farmers, herders and other relevant stakeholders.</p>			
	<b>Resp:</b> Recipient/Bank	<b>Stage:</b> Preparation / Implementation	<b>Due Date :</b> legally, not later than 3 months after effectiveness	<b>Status:</b> ongoing
<b>Program &amp; Donor</b>	<b>Rating:</b>	Low		
<p><b>Description:</b> The overall drought emergency program impact depends on combined Government and Donor financial/technical support. The Government emergency program has been discussed and agreed upon with Donors. Donors other than the Bank might not deliver financial assistance and/or the Government might not have all the means to support the emergency situation.</p>	<p><b>Risk Management:</b> The ongoing drought in Mauritania is receiving strong Government attention and media coverage. Donors are organized to provide a coordinated answer to the Government emergency plan. The World Bank is part of this forum including all active Development Partners in Mauritania, in order to harmonize approaches and cooperate better to provide timely and adequate answers to the consequences of the drought situation.</p>			
	<b>Resp:</b> Recipient/Bank/DPs	<b>Stage:</b> Preparation / Implementation	<b>Due Date :</b> n/a	<b>Status:</b> ongoing
<b>Delivery Monitoring &amp; Sustainability</b>	<b>Rating:</b>	Moderate		
<p><b>Description:</b> There can be a distortion of performance in agricultural and/or food inputs delivery depending on the operator. The quality of agricultural inputs might differ depending on the contractor undertaking the supply/procurement. The same may also apply to the quality of cereals supplied to SAVS through the Project.</p>	<p><b>Risk Management:</b> The project will work with experienced partners in supplying agricultural inputs and cereals, who are to apply high business standards. The project is also planning close support and supervision from the coordination unit.</p>			
	<b>Resp:</b> Recipient/Bank	<b>Stage:</b> Implementation	<b>Due Date :</b> n/a	<b>Status:</b> ongoing
<b>Overall Risk Following Review</b>				
<b>Implementation Risk Rating:</b>		Moderate		

### ANNEX 3: DETAILED DESCRIPTION OF NEW PROJECT ACTIVITIES

1. The proposed Additional Financing (AF) is the Bank's response to the Government's request for assistance of January 16, 2012 under the current drought situation in Mauritania. It will be used to finance the activities of the new Component E (Emergency and Food Price Response) that will be added to the existing PDIAIM II Project. In addition, some resources will also be allocated to the current Component D of PDIAIM II for management and coordination of these new activities and for the preparation of a forthcoming longer term investment operation in the agriculture sector for Mauritania.

2. 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. Activities will be the continuation of support to the existing PCU, with a focus on the administration of new activities under Component E. This will include financing adequate staffing of the PCU (including the recruitment of a Procurement Specialist and of a Safeguards Specialist), regular operational expenses and institutional support to new Project partners for the implementation and supervision of Component E (MDR-DA, MDR-DE, CSA). Funds under this Component will also be available to undertake studies aimed at assessing options to improve Mauritania's preparedness in dealing with food insecurity; as such, the PCU will help implement activities for future project preparation under the oversight of MDR once an agreement will have been reached with the World Bank on the scope of forthcoming investments for irrigation development. The Project will also undertake an independent post-review survey of the functioning of the village level cereal security stocks to learn lessons from Bank support to the SAVS network and a feasibility study will be carried out for the design of possible future cash transfer/food voucher programs to provide alternatives for efficient safety net programs that could support the food insecure and the most vulnerable people in Mauritania.

3. This annex provides a detailed description of new Project activities which will all be undertaken under Component E (Emergency and Food Price Response: US\$9 million of which US\$4 million IDA funds and US\$5 million GFRP funds). This new component will include two sub-components.

4. **Sub-component E.1. Agricultural and Livestock Productivity Enhancement (US\$5 million of which US\$2 million IDA and US\$3 million GFRP).** The two main activities that will be financed under this sub-component are:

**(i) Emergency Supply and distribution of fertilizers (GFRP Grant of US\$3 million)**

5. Besides the EMEL Plan, crop intensification on irrigated land is also considered by the Government, particularly for rice<sup>29</sup> imports substitution which has shown sharp price increase on world markets. The PDIAIM and a few 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 set at 30,000 ha, and includes the

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<sup>29</sup> Wheat and rice are the most important food commodities for the majority of Mauritians

use of urea as a nitrogen fertilizer. These four regions are located along the Senegal River where PDIAIM has been operational for long.

6. Rice crop intensification through additional use of nitrogen fertilizer is particularly well suited to make irrigation investments more profitable, as it is expected to boost rice yields in 2012. The additional production is part of the supply side response to drought; it will help maintain the rice retail price at reasonable level and mitigate the impact of the drought on consumers.

7. On the basis of an average of 300 kg of Urea/ha, the total need for fertilizer for the 30,000 hectares is estimated at about 9,000 MT at an estimated cost of about MRO 1,764,954,000 (roughly US\$6.2 million), including transportation to the site and distribution. The Bank emergency allocation of US\$3 million GFRP Grant will cover the procurement and distribution of 4,400 MT Urea, or about 15,000 hectares which is half of the country's very ambitious target within the *Trarza*, *Brakna*, *Gorgol* and *Guidimaka* regions. The Project will target poor rural rice-farming households involved in irrigated farming cooperatives and/or other forms of recognized organization, in the four selected regions.

8. Procurement of the fertilizer (in bags of 50kg) will be done by the PCU<sup>30</sup> on the basis of the technical specifications provided by the Agriculture Directorate of MDR (MDR-DA) and delivered at the regional warehouses of the *Société Nationale d'Importation et d'Exportation* (SONIMEX-National Import and Export Corporation) located in *Rosso* (to serve *Trarza*), in *Boghé* (to serve *Brakna*) and in *Kaedi* (to serve *Gorgol* and *Guidimaka*).

9. The Project will use the fertilizer distribution procedures already in place under the overall responsibility of the MDR-DA, through the Regional Delegations of MDR (MDR-DR). Rice farming households, acting through their farming cooperative or other farming organizations, will submit requests for urea to the "*Comité Régional de Suivi de la Campagne Agricole*" (CRSCA). The latter will assess compliance against the eligibility criteria (the eligibility criteria will be detailed in the PIM), and submit these requests to the MDR-DR.

10. In this process the MDR-DR will then carry out two field visits to the farm of each eligible beneficiary. The first visit is to assess the intended rice acreage and confirm that this land is ploughed and offset and ready to be planted with rice. At the end of this first visit the MDR-DR will issue to the beneficiary a Certificate of Intended Rice Acreage. The latter will then present this certificate to the Head of the local Government representative (the "Hakem" or the Governor) or its delegate who will sign a nominative voucher indicating the quantity of fertilizer to be attributed. The beneficiary will take this voucher to SONIMEX to purchase half of the authorized quantity of fertilizer. SONIMEX will sell the fertilizer at a 50% subsidized price. Then MDR-DR will carry out a second visit to assess and confirm the area that is actually planted with rice by the eligible beneficiary and will issue him a Certificate of Planted Rice Acreage. The beneficiary will then receive a second voucher from the Head of the local government representative to purchase the remaining half of the quantity of fertilizer from SONIMEX.

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<sup>30</sup> The procurement process has already started at the beginning of 2012 so that the procured fertilizer can be distributed before June 2012

11. The quantity of fertilizer delivered by SONIMEX to a beneficiary will be for an average quantity of 3 bags per individual (i.e. 150 kg covering the needs of 0.5 ha rice cultivation). The expected number of beneficiaries is 29,000, with a specific 20 percent female target at least. The Project will directly monitor the additional quantities of urea distributed to rice farmers as an intermediate result indicator, but it will also track the additional rice acreage benefitting from urea through the Project for GFRP reporting purposes.

12. There is an existing Memorandum of Understanding between MDR and SONIMEX upon which SONIMEX will be directly in charge of storage, distribution and sales to beneficiaries. A 3 percent commission on sales proceeds will be retained by SONIMEX to cover fertilizer management costs. The remaining of sales proceeds (i.e. 97 percent) will be transferred from SONIMEX to Treasury and will thereafter be credited to MDR's budget for future fertilizer procurement by MDR.

**(ii) Emergency Livestock Sanitation Campaign (IDA Grant equivalent to US\$2 million)**

13. The current drought, which started in 2011, is estimated to lead to heavy losses of up to two-thirds of livestock in the most affected regions. It is for this reason that the Government, in its EMEL 2012 Plan, has allocated about half of the total budget of US\$157 million to the livestock sector. Mauritania is a typical country of the Sahel zone, where livestock contributes up to 44 percent to agricultural GDP and remains the main assurance of livelihood against economic shocks for an important part of the population.

14. The aim of Sub-component E.1 of the proposed AF that focuses on the livestock sector, is to safeguard animal health and prevent the development of major livestock diseases during the dry season. Maintaining adequate sanitary status of small domestic herds through vaccination and nutritional complementation is considered the most cost effective approach to increase survival rates and sustain production capacities in drought affected areas. Project support will therefore be geared at improving animal health, reducing mortality and enhancing livestock productivity. To this end the AF will finance: (i) the procurement and subsequent treatment of livestock with critical veterinary products such as antibiotics, anti-parasites and nutritional complements (vitamins and minerals) for an estimated amount of IDA Grant financing equivalent to US\$0.9 million, and (ii) the procurement of critical vaccines against major drought induced epizootics and the undertaking of an emergency vaccination campaign for an estimated amount of IDA Grant financing equivalent to US\$1.1 million.

15. The areas that will be covered under this sub-component are ten administrative regions identified as vulnerable zones in the south and south-east of the country which are: *Hodh Chargui, Hodh Gharbi, Assaba, Guidimaka, Gorgol, Brakna, Trarza, Tagant, Adrar and Inchiri*. These targeted regions cover 95 percent of the country's pastoral area, which account for about 80 percent of the national livestock population. The project will target poor rural households and livestock owners, livestock association groups and communities who face the biggest poverty and food security challenges in the targeted regions. Beneficiaries will be vulnerable pastoralists in the Project intervention area, making their living out of small size herds of domestic animals kept in village surroundings<sup>31</sup>. The selection of beneficiaries will be based on criteria that will be

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<sup>31</sup> Large size herds are mainly belonging to urban dwellers and are transhumant animals currently kept outside the Project intervention area



elaborated in the PIM. Emergency livestock activities are expected to reach 100,000 beneficiaries, including 30 percent female at least.

16. The livestock emergency activities are expected to be completed within the first few months of Project implementation and before the beginning of the livestock migration due to the start of the rainy season (around mid-August).

17. The PCU will be responsible for all procurement activities under Sub-component E.1, including the veterinary products, vaccines, small veterinary and protection equipment (such as syringes, gloves, etc), cold chain equipment and transportation (rehabilitation and/or hiring of vehicles), etc.<sup>32</sup>. All procurement will be done on the basis of the technical specifications prepared by the MDR-DE. The procured vaccines will be stored in the regional warehouses of the *Centrale d'Achat des Intrants d'Elevage*<sup>33</sup> (CAIE-Livestock Inputs Central Procurement Unit) located on MDR-DR premises; other procured veterinary products and items will be stocked in the warehouses of MDR-DR.

18. There are existing zoo-sanitary intervention procedures and mechanisms already in place in the country and MDR-DE has experience in conducting country-wide prophylactic campaigns. The Project will use these same procedures.

19. The coordination of the activities under Sub-component E.1 will be assured by the MDR at the national level (with the overall supervision of the MDR-DE) and MDR-DR in partnership with the Regional Development Committees (CDR), the Livestock Associations and Private Veterinarians. MDR-DE will mobilize a total of 50 emergency zoo-sanitary intervention teams, consisting of 33 public and 17 private. Private teams will act through sub-contracting with MDR-DE who will also issue them a *Mandat Sanitaire*.

20. The zoo-sanitary teams will be given specific intervention areas and they will be allocated vaccines and other veterinary products according to an action plan validated by the CDR. Veterinary treatments will be applied for free to targeted animals of the selected beneficiary herders<sup>34</sup>.

21. With respect to application of the veterinary products a total of 800,000 animal heads will be selected within the ten targeted regions to receive adequate treatment including vitamins/mineral nutritional complements, and/or antibiotics (Oxytetracyclin), and/or anti-parasites (Albendazol, Ivermectin and Quinapyramin). Selected animals will benefit either from one or more of these drugs, depending on their sanitary status.

22. With regards to the emergency vaccination campaign, vaccination of the targeted animals of the selected beneficiary herders will be administered for free by the zoo-sanitary teams. A total of 680,000 large ruminants (camels, cattle and donkeys) will be vaccinated against Pasteurellosis and/or Botulism, and 1,450,000 small ruminants (goats and sheep) will be vaccinated against Small Ruminants Plague (PPR) and Pasteurellosis.

23. The implementation arrangements will be detailed in the PIM. Under the overall coordination of PDIAIM-PCU, the MDR-DE will be responsible for the implementation,

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<sup>32</sup> The relevant procurement processes started at the beginning of 2012 so that all necessary products will be available by June 2012

<sup>33</sup> This is because warehouses of CAIE are equipped to provide adequate temperature control

<sup>34</sup> In-kind beneficiary contribution is estimated about 25 percent of intervention costs, mainly through animal transportation to specific grouping areas and the construction of animal contention devices

monitoring and evaluation of all livestock operations. Quality control will be done by the MDR. Livestock inspectors at the Regional Delegation of MDR will be responsible for the field operations supervision within their region. Livestock associations and cooperatives will be closely associated with awareness raising activities, in conjunction with the regional technical services. The Government contribution will focus on (i) providing vehicles, (ii) ensuring the availability of the cold chain and (iii) providing staff salaries.

**24. Sub-Component E.2. Support to food safety net (US\$4 million of which US\$2 million IDA and US\$2 million GFRP)**

25. The Mauritania network of village level cereal security stocks, called SAVS, has been set-up by the Government with WFP support in 2004, with an aim to mitigate the impact of food crises in rural areas of the country. Since this date, SAVS have shown capacity to permit regular access to food for vulnerable households and to preserve villages from food price speculation by merchants, particularly within agricultural production areas. The last phase of WFP's IPSR Project<sup>35</sup> (2009-2010) confirmed the SAVS network as an efficient food security tool to contribute to the attenuation of external shocks and to positively assure food security at village level.

26. There has been more than 3,700 SAVS operating in the country under the general oversight of the CSA. In each village, a Management Committee (VMC) is designated by the General Assembly of villagers. It is responsible for the management of the cereal stock, for its sale to vulnerable households at a subsidized price and for the reinvestment of sales proceeds to replenish the cereal stock.

27. In 2011, the WFP undertook a general audit of the SAVS network, based on a 7 percent random sample of villages. Generally, this survey concluded that 80 percent of households are provided with cereals in vulnerable areas through SAVS and the frequency of sale is higher during drought periods due to cereal price affordability within the SAVS network. This is shown to have a positive impact against malnutrition in vulnerable areas, notably through the regularity of meals offered to children. The study also shows that SAVS contribute to financing social micro-projects in 30 percent of cases.

28. However, the survey also identified weaknesses at VMCs level, which are often not reporting adequately. Woman participation in Management Committees was also considered too low. The survey indicated that a large number of SAVS have a substantial financial capacity (64 percent of SAVS carry liquidities of more than MRO500,000, or roughly US\$2,000) which, in most cases, is not reinvested to buy additional cereal and to replenish the stock, due to procurement difficulties. Such liquid funds are usually managed by the Treasurer outside any financial institution.

29. Altogether and despite weaknesses, the SAVS network is considered to be an important tool to reduce food insecurity and enhance children nutrition in rural areas. As such, SAVS support is part of the Government Emergency Plan for 2012 (EMEL 2012).

30. There are 2,300 SAVS network within the 10 regions of the proposed Project. The Project support to food safety nets will consist of providing initial cereal stocks (and/or replenishing depleted existing stocks) to a selected number of SAVS.

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<sup>35</sup> *Intervention Prolongée pour le Secours et le Redressement*

31. The main activity the AF will finance under Sub-component E.2. is the procurement and distribution of 7,200 MT of cereal to about 600 SAVS (IDA Grant funding equivalent to US\$2 million and GFRP Grant funding of US\$2 million): the average allocation for each SAVS is 3 MT per month for a period of 4 months (i.e. the provision of an average 12 MT of cereal per SAVS<sup>36</sup>). The Project will target about 600 SAVS, equivalent to 150,000 vulnerable rural beneficiaries, half of which will be females.

32. The selection of villages will be done by the CSA and the WFP<sup>37</sup>, with advice from existing Regional Development Committees. The SAVS selection criteria will be detailed in the PIM. For example, the existence of revenue generating activities in communities commonly having a very low purchasing power (such as performing labor intensive works, for example), will be among the SAVS selection criteria. Also, criteria for the selection of direct household beneficiaries will be defined by each SAVS Management Committee. Marginal communities benefitting from SAVS should be able to get cash to afford paying the subsidized cereal price.

33. Coordination of the implementation of the Sub-component E.2. in all 10 administrative regions targeted by the Project, will be carried through by the PCU, in partnership with the CSA. A service agreement will be signed with the CSA as a withdrawal condition for Project support to the SAVS network. The PCU will be responsible for the procurement of the cereals. The latter will be handed over to the CSA on a basis of the service agreement signed with the CSA. Pending cereal procurement and due to the emergency nature of the activity, the CSA has agreed to service the required SAVS using its own readily available cereal stock to jumpstart the activity in June 2012. The corresponding cereal quantities will then be given back to the CSA by the PCU upon the completion of Project cereal procurement, which is expected in July 2012.

34. The CSA will be responsible for the distribution of individual cereal stocks to end villages. This will be done under the overall supervision of the PCU. The VMCs will be responsible for warehousing and for the sale of cereals to vulnerable households in the village at a subsidized price. Depending on villages and vulnerability, the sales price to individual households will typically vary from 50 percent to 20 percent of the original price (i.e. 50 to 80 percent subsidy) according to VMCs decision. The revolving mechanism of cash recovery will allow paying for future cereal needs to cover the whole emergency period, including transportation fees.

35. The whole distribution procedures, including the beneficiary selection criteria, will be detailed in the PIM and appropriate Memoranda of Understanding or performance contracts will be signed to focus on the responsibilities falling within each partner. Collaboration with active NGOs in the field will be encouraged wherever appropriate and the Project will also seek close coordination with other partners assisting the Government's EMEL 2012 plan.

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<sup>36</sup> SAVS will be stocked with an amount of cereals depending on the village population size

<sup>37</sup> The WFP is currently assisting 1100 SAVS under the EMEL 2012 Plan

**ANNEX 4: REVISED ESTIMATE OF PROJECT COSTS**

**Islamic Republic of Mauritania: Additional Financing to the Second Phase of the Integrated Development Program for Irrigated Agriculture**

**A) PROJECT COSTS SUMMARY**

	(US\$ million)				
	Local	Foreign	Total	IDA	GFRP
<b>COMPONENT D. Project Administration</b>					
Project Management	1.11	0.01	1.12	0.90	
Institutional Support	0.10	0.03	0.13	0.10	
<b>Subtotal</b>	<b>1.21</b>	<b>0.04</b>	<b>1.25</b>	<b>1.00</b>	
<b>COMPONENT E. Emergency and Food Price Response</b>					
<b>E.1. Agricultural and Livestock Productivity Enhancement</b>					
Supply of fertilizers	-	5.82	5.82		3.00
Supply of Veterinary Products and Vaccination campaign	0.93	1.61	2.54	2.00	
<b>Subtotal</b>	<b>0.93</b>	<b>7.43</b>	<b>8.36</b>	<b>2.00</b>	<b>3.00</b>
<b>E.2. Support to Food Safety Net</b>					
Network of Cereal Food Stocks at Village Level	0.59	4.05	4.64	2.00	2.00
<b>Subtotal</b>	<b>0.59</b>	<b>4.05</b>	<b>4.64</b>	<b>2.00</b>	<b>2.00</b>
<b>Total BASELINE COSTS</b>	<b>2.73</b>	<b>11.52</b>	<b>14.25</b>	<b>5.00</b>	<b>5.00</b>
Physical Contingencies	0.00	0.00	0.00		
Price Contingencies	0.37	0.34	0.71		
<b>Total PROJECT COSTS</b>	<b>3.11</b>	<b>11.86</b>	<b>14.97</b>		

**Note:** This detailed costs structure shows contributions to the Project by the Government of Mauritania and by the Project Beneficiaries. This reflects, for example, payments made by the Recipient for its civil services involved in Project implementation or for the regular maintenance of vehicles. Similarly, cash payments made by direct beneficiaries to purchase fertilizers (at 50% discount) or in kind contributions to cover transportation costs for livestock to receive veterinary treatment are included in the above table. However, since these are regular costs incurred by the Mauritania administration and/or beneficiaries, such contributions were not secured as “counterpart funds” to be paid into a project account on the basis of an agreed upon schedule of disbursement. Therefore, the financial scope of the Project is considered US\$10 million only (equally shared between IDA and GFRP Grants).

## B) FINANCING PLAN

Source	(US\$ million)			Percent
	Foreign	Local	Total	
Borrower	0.00	0.61	0.61	4.1
IDA	2.50	2.50	5.00	33.4
GFRP	5.00	0.00	5.00	33.4
Beneficiaries	4.36	0.00	4.36	29.1
<b>Total</b>	<b>11.86</b>	<b>3.11</b>	<b>14.97</b>	<b>100</b>

## C) ESTIMATED DISBURSEMENT

### Estimated Disbursement (IDA funds in US\$ million)

FY	FY 13	FY 14
Annual	4.75	0.25
Cumulative	4.75	5.00

### Estimated Disbursement (GFRP funds in US\$ million)

FY	FY 13	FY14
Annual	5.00	0.00
Cumulative	5.00	0.00

## ANNEX 5: REVISED IMPLEMENTATION ARRANGEMENTS AND SUPPORT

1. This annex details changes to fiduciary arrangements (procurement and financial management) and to environmental and social safeguards management.

### ➤ PROCUREMENT

#### 1. GENERAL

2. Procurement for the proposed project would be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services Under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" published by the Bank in January 2011; and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" published by the Bank in January 2011, and the provisions stipulated in the Legal Agreement<sup>38</sup>. The various items under different expenditure categories are described in general below. For each contract to be financed by the Grant, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the Bank in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. The Bank arranged the publication of the agreed initial procurement plan on the Bank's external website after loan negotiations and shall arrange all subsequent updates once it has provided a no objection.

3. **National procurement system and ongoing reforms:** The procurement environment in Mauritania has recently been improved (i) with a Public Procurement Code in July 2010, effectiveness in February 2012 and (ii) with the establishment of (1) an independent procurement regulatory body (*Autorité de Régulation des Marchés Publics* - ARMP) responsible for policy and handling complaints from bidders, (2) a procurement control body (*Commission Nationale du Contrôle des Marchés Publics* - CNCMP) responsible for the control of procurements transactions, and (3) Procurement Sector Committees among which the Procurement Committee for the Rural and Food Security Sector (*Commission de Passation des Marchés du Secteur Rural et de la Sécurité Alimentaire*). These three bodies are operational and in addition, the control Body has been decentralized at regional level inside the country. Compared to the initial PDIAIM-II project, the project under this Additional Financing will benefit from the existence of these three bodies which are expected to improve the procurement function in the country. Mauritania's procurement laws and regulations do not conflict with IDA guidelines. No special exceptions, permits, or licenses need to be specified in the Grant related documents since IDA procedures take precedence other those laws and regulations.

4. For the purpose of a possible use of the Procurement Code for National Competitive Bidding (NCB) method, the team has identified that the method described as "*Appel d'Offres*"

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<sup>38</sup> Including the "Guidelines on Prevention and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and updated January 2011

(i.e. Competitive Bidding) in reference to the provision 27 of the procurement Code, can be considered for NCB subject to the conditions described in the paragraph bellow.

5. In order that the Competitive Bidding procedure becomes acceptable to IDA for its use for NCB, the following special requirements will be taken into account : (1) the procedures will require that for small contracts, a competitive method be used (e.g. shopping/price comparison) ; (2) eligible firms, including foreign firms, will not be excluded from the competition in any case; (3) no preference margin will be granted to domestic bidders; (4) four weeks will be provided for preparation and submission of bids, after the issuance of the Invitation for Bids or the availability of the bidding documents, whichever is later; (5) the evaluation and award process of alternative bids will be revised to be concordant with the Bank's procurement Guidelines; (6) if the bid which results in the lowest Evaluated Bid Price is seriously unbalanced or front loaded in the opinion of the Employer, the evaluation process should be concordant as spelled out in the relevant Standard Bidding Documents published by the Bank; (7) for all procurement of goods and works, the Bank's Standard Bidding Documents (SBD) or National SDB if acceptable to the Bank, will be used and modified in order to meet the exceptions authorized under NCB.

6. Procurement will be carried using the Bank's Standard Bidding Documents (SBD) for all ICB if any, and National (SBD) for any NCB contracts deemed satisfactory to the Bank. Contracts estimated at less than US\$3,000,000 for works and contracts for goods available locally, or non-consulting services with a cost estimate less than US\$250,000, may be awarded through NCB procedures.

7. Contracts for small works if any, small goods such as office supplies, minor equipment and furniture available locally, or non-consulting services, with a cost estimate equal or bellow US\$50,000, may be procured under the shopping procedure in accordance with the provisions 3.5 of the Guidelines, and in accordance with the Memorandum "Guidance on Shopping" issued by the Bank, date June 9, 2000 provided this memorandum is not contradictory with the Procurement Guidelines.

8. Procurement of Works: No works contracts are foreseen under this additional financing. However, if any, they would be small contracts to be procured under shopping procedures as described in the paragraph 3.5 of the procurement Guidelines, based on requests for quotations obtained from several qualified contractors.

9. Procurement of Goods: The procurement of goods will be done using the Bank's standard bidding documents (SBD) for all international competitive bidding (ICB) and national SBD agreed with or satisfactory to the Bank. Contracts estimated to cost less than US\$250,000 equivalent for goods available locally would be procured under national competitive bidding (NCB) procedures. Small contracts for articles and office supplies as well as small equipment and furniture available locally and for which the cost estimate is equal or less than US\$50,000, may be awarded through shopping procedures as described in the paragraph 3.5 of the procurement Guidelines, based on requests for quotations obtained from several qualified suppliers.

10. Procurement of non-consulting services: No non-consulting services contracts are foreseen under this additional financing. However, if any, they would be small contracts to be procured under shopping procedures as described in the paragraph 3.5 of the procurement Guidelines, based on request for quotations obtained from several qualified service providers. In the event the cost estimate is higher than US\$50,000, NCB procedure as described above will be used.

11. Selection of Consultants: Consultants will be selected using the Quality and Cost-Based Selection (QCBS) method in most cases. In special cases specified in the Procurement Plan (PP) the following methods will be used: (1) Selection under a Fixed Budget (FBS); (2) Least Cost Selection (LCS); (3) Selection Based on the Consultants' Qualifications (CQS); (4) Single Source Selection (SSS) and (5) Individual Consultants (IC) Selection (either through competitive selection or single source). For competitive selection methods, the selection will be done (i) through requests for expressions of interest (REIs) except for the selection of individual consultants for which REIs are not mandatory, and (ii) using the Bank's Standard Request for Proposals where required.

12. Short lists of consultants for services estimated to cost less than \$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

13. Advertisement: the Borrower submitted to the Bank a General Procurement Notice (GPN), which is additional to the General Procurement Notice of the ongoing PDIAIM II. On May 29, 2012, the Borrower published this additional GPN in UNDB online with the Bank support, and in local newspapers of wide national circulation. The Bank arranged for its publication on the Bank's external website. Specific Procurement Notices for contracts for goods and for works (if any) to be procured under International Competitive Bidding (ICB) and Requests for Expressions of Interest for contracts for consulting services costing the equivalent of US\$100,000 and above will be published in UNDB and in the national press with wide circulation, in addition to other media with wide circulation. All other specific procurement notices and other requests for expressions of interest shall be published at least in the national press with wide circulation.

## **2. ASSESSMENT OF THE AGENCY'S CAPACITY TO IMPLEMENT PROCUREMENT**

14. The proposed AF will build on the experience accumulated with the implementation of the parent project. A participatory procurement capacity assessment of the existing implementing agency was conducted during program preparation of the second phase of the Integrated Development Program for Irrigated Agriculture (PDIAIM II / Credit 4043-MAU) in February 2005 and reassessed annually as part of the procurement supervision missions and procurement post reviews of this project. The agency has an acceptable capacity despite the absence of the procurement specialist who has recently been appointed for another position; the staff in the technical departments showed their commitment in their part of responsibility in the procurement process, but the need of a dedicated procurement for advice and internal control exists. In order to fill this gap, the PCU is on its way to select another procurement specialist with the relevant qualifications.



15. Therefore, the risks are the absence of a procurement specialist in the project implementing agency (PCU). The mitigation measures are the selection, by the PCU, of a qualified Procurement Specialist prior to Project effectiveness.

16. The overall project risk for procurement under this additional financing is substantial; it may be moderate once the mitigation measures are in place.

### 3. PROCUREMENT PLAN

17. The Borrower has drafted a procurement plan for the project implementation, which will provide the basis for the procurement methods. This plan has been sent by the PCU to the Bank for review. After approval by the Bank, it will be available at the respective offices of the PCU, the ARMP and the CNCMP. It will also be available in the project's database and in the Bank's external website. The Procurement Plan will be updated in agreement with the Project Team at least annually or as required, to reflect the actual project implementation needs and improvements in institutional capacity. All subsequent updates will be disclosed in the same way as mentioned above, once they are approved by the Bank.

### 4. FREQUENCY OF PROCUREMENT SUPERVISION

18. In addition to the prior review supervision to be carried out from Bank offices, the capacity assessment of the Project Implementation Unit (PCU) has recommended supervision missions every six months to visit the field and to carry out during one of these missions, post review of procurement actions.

### 5. THRESHOLDS FOR PROCUREMENT METHODS AND PRIOR REVIEW

Expenditure Category	Contract Value (Threshold) Amounts in US\$	Procurement Method	Contract Subject to Prior Review US\$
<b>1. Works</b>	≥ 3,000,000	ICB	All
	< 3,000,000	NCB	On a case by case basis
	<50,000	Shopping/price Comparison	On a case by case basis
	No threshold	Direct contracting	All
<b>2. Goods</b>	≥ 500,000	ICB	All
	< 500,000	NCB	On a case by case basis
	< 50,000	Shopping	On a case by case basis
	No threshold	Single Source Selection	All
<b>3. Consultants</b>			
<b>3.1 Firms</b>	No threshold	QCBS; LCS; FBS;	- All contracts with a cost estimate equal or above US\$100,000; and - all contracts for financial audit and for procurement audit
	<100,000	CQS	All short-lists under CQ

<b>3.2 Individuals</b>	No threshold	Selection of Individual Consultants (Comparison of at least 3 CVs)	- All contract with a cost estimate equal or above US\$50,000; - all contracts for financial assistance and for procurement assistance, and - all short-lists for individual Consultants Selection
	No threshold	Single Source Selection (Firms & Individuals)	All
All TORs regardless of the value of the contract and the selection method, are subject to prior review			

## 6. PROCUREMENT IMPLEMENTATION SUPPORT PLAN

19. In addition to the day-to-day review of procurement documents under prior review by the Bank, procurement supervision will be done at least once a year. This supervision will include (i) the review of the procurement plan to be updated from time to time by the PCU ensuring the necessary linkages with the procurement transactions under the existing financing; (ii) advice to the PCU on procurement documents under preparation; (iii) the procurement post-review of procurement transactions which have not been prior reviewed by the Bank; (iv) the review of the organization and the performance of the procurement function within the PCU (capacity of both procurement staff and other technical staff, including archiving); and (v) any other procurement-related matters.

### ➤ FINANCIAL MANAGEMENT

#### 1. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

20. The PCU will be responsible for the overall coordination of the FM and accounting activities. Contract management for the implementation of some components may be delegated to executive partners (such as MDR-DA, MDR-DE, SONIMEX or CSA) but these agencies will not have FM responsibility.

21. Under the supervision of the coordinator, the FM team will oversee the financial management aspects of the Project, including the preparation of the financial statements, providing quarterly Interim Financial Reports, monitoring financial transactions on the Project's accounts and making the necessary arrangements for the annual financial audit.

#### 2. FINANCIAL MANAGEMENT ARRANGEMENT

22. **Budgeting:** the PCU will continue to prepare an annual budget based on agreed annual work programs and annual procurement plans. The budget should be approved before the beginning of the year and monitored through the accounting software. The Project consolidated budget will be submitted to IDA's non-objection.

23. **Accounting policies and procedures:** the current accounting standards in use in Mauritania for on-going Bank-financed projects will be applied. The PCU will use the existing

computerized and integrated financial management system, but it will update the existing software from mono-project to multi-project to allow a segregate book-keeping for the additional financing. Project accounts will be on accrual basis, supported with appropriate records and procedures to track commitments. Annual financial statements will be prepared by the PCU.

24. **Internal Control and Internal Auditing:** the project Administrative and Financial Management procedures manual will be updated before project effectiveness and will provide a clear description of the approval and authorization processes in respect to the rule of separation of duties. Fiduciary agreement with new institutions which will be involved (such as MDR-DE, MDR-DA, and the CSA) will be taken into account in the updated manual. The project will support the recruitment of an internal auditor under terms of reference (ToR) satisfactory to the Bank. The internal auditor will be recruited no later than three months after project effectiveness. The internal auditor will carry out internal audits of the project and will issue quarterly reports.

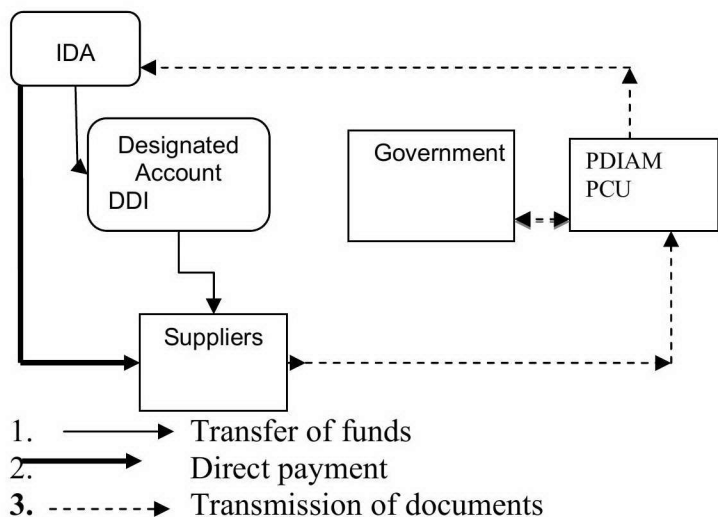
25. **Reporting:** the PCU will prepare quarterly un-audited Interim Financial Report (IFRs) in a format and content satisfactory to the Bank; these will be submitted to the Bank within 45 days after the end of the quarter to which they relate. The PCU agreed with the Bank on the format of the IFRs before negotiations.

26. **External Audit arrangements:** the Financial Agreement will require the submission of Audited Financial Statements for the additional financing. The audit report will reflect all the activities of the Project and be submitted to IDA within six months after the end of each fiscal year. The selection of an external auditor of project financial statements will be presented to IDA for non-objection. Appropriate terms of reference (ToR) for the external auditor will be provided to the project team and the hiring process will be completed by the PCU no later than four months after project effectiveness. The external auditor will prepare a Management Letter giving observations and comments, and providing recommendations for improvements in accounting records, systems, controls and compliance with financial covenants in the Financial Agreement.

<i>Audit Report</i>	<i>Due Date</i>
Annual audited financial statements (including Statements of Sources and Uses of Funds with appropriate notes and disclosures) and Management Letter	End of June

27. **Disbursement Arrangements and Funds of Flow:** the transaction based method for disbursement will continue to be used. Given that the AF will be funded with an IDA allocation complemented by an FPCR-MDTF Grant, two separated Designated Accounts (DA) will be opened at a commercial bank to facilitate payment for eligible expenditures under each fund. DAs will be managed on joint signature of both the project coordinator and the FM expert, according to the disbursement procedures described in the Administrative, Financial Management Manual and Disbursement Letters. Allocations of the Designated Accounts will cover approximately four months of expenditures and the flexibility allowed for rapid response operations will be applicable. DAs will be replenished through the submission of Withdrawal Applications on a monthly basis by the accounts unit and will include reconciled bank statements and other documents as may be required.

**Funds Flow Chart:**



**FM Implementation Support Plan:**

	<b>Frequency</b>
Based on the outcome of the FM risk assessment, the following implementation support plan is proposed. The objective of the implementation support plan is to ensure the project maintains a satisfactory financial management system throughout the project's life.	
<b>FM Activity</b>	
<b>Desk reviews</b>	
Interim financial reports review	Quarterly
Audit report review of the program	Annually
Review of other relevant information such as interim internal control systems reports.	Continuous as they become available
<b>On site visits</b>	
Review of overall operation of the FM system	Annual for additional financing (Implementation Support Mission)
Monitoring of actions taken on issues highlighted in audit reports, auditors' management letters, internal audit and other reports	As needed
Transaction reviews (if needed)	As needed
<b>Capacity building support</b>	
FM training sessions	During implementation and as and when needed.

28. **Financial Covenants:** the Borrower shall establish and maintain a financial management system including records, accounts and preparation of related financial statements in accordance with accounting standards acceptable to the Bank. The Borrower will be compliant with all the rules and procedures required for withdrawals from the Designated Accounts of the project.

29. **Financial Management Action Plan:** the Financial Management assessment carried out during project preparation determined that the financial management arrangements satisfy the Bank's minimum requirements under OP/BP 10.02. With the implementation of following the

financial management action plan, the financial management arrangements for the project will be further strengthened. The residual risk rating for PDIAIM's PCU will be Medium Low.

Action	Date due by	Responsible Unit
Update the existing FM manual to take into account the financial management arrangements of this additional financing	Prior to effectiveness	PDIAIM-PCU
Upgrade the accounting software for the project.	Not later than 1 month after effectiveness	PDIAIM-PCU
Selection of the project external auditor	Not later than 4 months after effectiveness	PDIAIM-PCU
Appointment of an internal auditor	Not later than 3 months after effectiveness	PDIAIM-PCU

### ➤ ENVIRONMENTAL AND SOCIAL SAFEGUARDS

30. The proposed operation is an Additional Financing to a category A (full assessment) project (PDIAIM II) which is being restructured and reclassified category B (partial assessment). In fact, this original classification of the PDIAIM II was justified by the need to provide potable drinking water to vulnerable communities using irrigation canals, by the control of birds that devastate rice crops, and by the --then planned-- rehabilitation works on the *Foum Gleita* Dam, as well as large irrigation infrastructures works on the downstream irrigation schemes. Measures for potable drinking water and bird control have been successfully completed. Moreover, activities related to the *Foum Gleita* Dam and irrigation infrastructure works have since been dropped out of the PDIAIM II due to lack of financing. Furthermore, it is worth noting that not only PDIAIM II is ending its activities (current closing date is September 30, 2012), but also the proposed AF will not support any activities related to irrigation. As a result, both the parent project and the additional financing are classified as category B (partial assessment). The two policies triggered by the proposed AF are OP/BP 4.01 on Environmental Assessment and OP 4.09 on Pest and Pesticides Management.

31. The proposed AF aims at improving the availability of critical agricultural inputs and food staples for targeted beneficiaries. It will intervene in ten administrative regions affected by the drought emergency situation. The activities to be supported and which may induce safeguards concerns will consist of: (i) the supply and distribution of fertilizers in the rice cultivation areas (*Trarza, Brakna, Gorgol* and *Guidimaka* regions), (ii) the 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 stocks (*Stocks Alimentaires Villageois de Sécurité*).

32. The project's activities will be undertaken in ten administrative regions of Mauritania (*Trarza, Brakna, Gorgol, Guidimaka, Hodh Chargui, Hodh Gharbi, Assaba, Tagant, Adrar, Inchiri*) affected by the current drought situation. Some of the project sites are located in the

Mauritania side of the Senegal River basin but the size and scale of the activities are not suspicious to generate a disturbance in water flow or any other dynamics in natural environment. The remaining sites stretch over typical Sahelian rangelands that are adapted to activities to be supported under the project. Thus, no salient physical characteristic is found critical to safeguard analysis. 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.

33. On the social side, the additional proposed activities will have more positive impacts on vulnerable rural beneficiaries than adverse ones. The agricultural and livestock activities envisaged will improve the well being and cohesion of social groups and communities, particularly through the SAVS networks. The activities linked to the AF will not lead to any land acquisition or restriction of access to natural resources and livelihoods for the populations; as a consequence of this, the Involuntary Resettlement Policy (OP/BP 4.12) will not be triggered.

34. The Environmental and Social Management Framework (ESMF) as well as the Pest and Pesticide Management Plan (PMP) of PDIAIM II will be updated as a Project disbursement condition to integrate the risks which could arise from the Additional Financing activities. The communication strategy developed during the PDIAIM II to address environmental management issues will continue to be used to raise the awareness of farmers, herders and other relevant stakeholders about Project activities. The renewed Safeguard Specialist of the PCU (recruitment will take place before effectiveness) will ensure the effective implementation of the prevention and mitigation measures approved under the safeguards instruments.

35. There are no substantial changes in the responsibilities for the implementation of the safeguards instruments. The PCU will continue to play a key role: (i) by updating the ESMF and the PMP; and ii) in ensuring that all environmental and social mitigation measures are duly executed by the three new key technical partners (MDR-DA, MDR-DE and CSA).

36. The ESMF will give guidance, tools and recommendations for adequate compliance to safeguards requirements and proper implementation of mitigation measures (screening prior to implementation, integration of concrete measures in the project global planning and costing).

37. **Screening process.** At the earliest stage of their implementation (site identification) activities under component E will systematically be processed through the environmental and social screening procedure detailed in the ESMP. The screening is executed by the PCU safeguard specialist. The screening process will result in the environmental classification of the subprojects in category B (partial assessment) or C (not required). No category A (full assessment) subproject will be funded. The screening results are shared with the National Directorate of Environmental Control and the PCU. For any category B activity/subproject, an Environmental and Social Impact Assessment (ESIA), including a concise and accurate Environmental and Social Management Plan (ESMP) will be prepared, processed according to the national EA procedure, submitted to the Bank's comment and then disclosed in-country and at the Bank's Infoshop; the ESMP's pertinent activities are integrated in the subproject planning, costing (bidding documents) and implementation (contracts, annual work plan and budget

structure, report). For category C that could raise minor concerns on environmental or social aspects, a simple ESMP will be prepared and integrated to the implementation activities.

38. **Follow up and reporting of the mitigation measures.** The environmental and social mitigations measures summarized in the ESMF and the PMP as well as the specific mitigation measures approved for the subprojects will be executed, monitored and reported in: (i) a specific Safeguard Monitoring Report; and (ii) the Environmental and Social Safeguards section of the overall project periodic report. The responsibility of the follow up is with the PCU, while the Ministry of Environment will be copied to all related reports.

39. A review of the institutional capacities of the implementing institutions revealed that there are some concerns about the regulatory framework for environmental and social management at national and local levels. The capacities of the national institution responsible for the enforcement of the safeguard procedures remain very weak for the implementation and supervision of current PDIAIM II mitigation measures. However, the proposed activities under new Component E are of an emergency nature, short term and do not lead to any significant environmental and social impact.

40. Summary of the critical safeguard implementation measures:

<b>Actions</b>	<b>Timeline</b>	<b>Responsible</b>
Replacement of the Safeguards Specialist	Before effectiveness	PCU
Dissemination of the safeguard documentation (ESMF, PMP)	Before first disbursement	PCU
Safeguard processing of any sub-project prior to its implementation	Far ahead to the starting of the activity	PCU
Implementation and follow up of the environment and social mitigation measures approved following the screening results	Implementation period	PCU
Mid-term and final audits of the implementation of environment and social recommendations and measures	Mid-term and last quarter of the calendar	Ministry of environment

41. The Environmental Screening is category B (partial assessment). The policies triggered are as follows:

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
<u>Environmental Assessment (OP/BP 4.01)</u>	[x]	[ ]
Natural Habitats (OP/BP 4.04)	[ ]	[x]
Pest Management (OP 4.09)	[x]	[ ]
Physical Cultural Resources (OP/BP 4.11)	[ ]	[x]
Involuntary Resettlement (OP/BP 4.12)	[ ]	[x]
Indigenous Peoples (OP/BP 4.10)	[ ]	[x]
Forests (OP/BP 4.36)	[ ]	[x]

Safety of Dams ( <u>OP/BP</u> 4.37)	[ ]	[x]
Projects in Disputed Areas ( <u>OP/BP</u> 7.60)	[ ]	[x]
Projects on International Waterways ( <u>OP/BP</u> 7.50)	[ ]	[x]

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