

Integrated Safeguards Data Sheet (ISDS)	
Section I – Basic Information	
Date ISDS Updated: November 30, 2004	Report No.:AC1067
<i>A. Basic Project Data</i>	
A.1. Project Statistics	
Country: Mali	Project ID: P081704
Project: Agricultural Competitiveness and Diversification Project	TTL: Patrick Labaste
Total project cost (by component): US\$40.00 million	
Appraisal Date: December 1 st , 2004	Loan/Credit amount(\$m): IDA: 35
Board Date: February 15, 2005	
Other financing amounts by source:	(\$m.)
Managing Unit: AFTS4	Sector: Agricultural marketing and trade (50%);Crops (20%);General agriculture, fishing and forestry sector (20%);Roads and highways (10%)
Lending Instruments: Specific Investment Loan	
Is this project processed under OP 8.50 (Emergency recovery)?	Yes? [] No? [x]
Environmental Category: B	
A.2. Project Objectives	
<p>The project aims at increasing and diversifying rural incomes and economic opportunities through improvements of performance of the supply chains for a range of agricultural and livestock products, for which Mali has strong comparative advantage. It will support the development of commercial agriculture as a means to move away from subsistence agriculture, which is often synonymous to poverty for a majority of rural households. The project will aim at reinforcing the competitiveness of both traditional (cotton, rice) and non-traditional (fruit, horticulture products, oil seeds, arabic gum, cashews, etc.) agricultural crops by targeted investment to remove critical bottlenecks, improve productivity and efficiency and build organizational and institutional capacities, both private and public, along the supply chains.</p>	
A.3. Project Description	
<p>The project consists of the following five components:</p> <p>Component 1: Innovation and dissemination of irrigation and value adding technologies. The project will support the testing and dissemination by private sector providers of low-cost, simple and adapted techniques and technologies to improve the production, productivity, processing and marketing of selected high value agricultural products.</p> <p>It will include three sub-components : (a) demonstration and promotion of technological innovations, particularly through a matching grant mechanism; (b) dissemination of techniques and technologies; and (c) development of private sector capacities to provide equipment, inputs and advisory services through the establishment and strengthening of private supply chains.</p>	

Promotion of innovative technologies will be supported in the three following areas: (i) use of small-scale irrigation technologies and low-cost adapted irrigation equipment; (ii) intensification of cropping systems and in-the-field productivity improvements for high value products; and (iii) dissemination of storage, post-harvest and agro-processing technologies and equipment, in order to improve the quality of products, their value-added and increase revenues for producers.

Component 2: Improvement of agricultural supply chains. The component aims at reinforcing private sector capacities to respond to market opportunities and improve the competitiveness of agricultural products, both traditional and high value products, for which Mali has comparative advantage. This would enable the country to diversify its export base and provide farmers with more diverse sources of income, thus reducing their exposure to risks. Although some high margin products are currently produced, exports are very low compared to that of other SSA countries such as Ghana or Senegal. The low level of productivity can be explained by a number of constraints including the high transport costs, low-quality of products, insufficient professionalism, use of rudimentary production techniques, lack of rural infrastructure such as storage, processing plants, and the lack of market information.

This component will support (i) training and institutional capacity-building (supply chain organization, inter-professional dialogue, etc.); (ii) provision of adapted business development services (market research, market information systems, private extension and advisory services, etc.); (iii) quality and food safety management and standards compliance; and (iv) market research and studies (business plan preparation, commercial and logistic tests, prospective surveys, etc.).

Component 3: Access to financing. This component aims at facilitating access to capital and financial services for the various private actors and operators of the agricultural supply chains. It also intends to induce local financial intermediaries (Banks, MFIs and existing guarantee funds) to increase their outreach and respond to the needs of the various actors in the marketing chain (producers, traders, processors, transporters etc), while strengthening the current agriculture credit market in Mali. The project will deliver resources to : (i) provide technical assistance and build the know-how and capacities in the financial institutions in order to improve the offer of financial services at competitive prices.; (ii) set up a partial guarantee fund to enable financial institutions to increase their operations in the sector; and (iii) address weaknesses in the range of financing instruments available to respond to the needs of agro-food supply chains (leasing, warehouse receipts, etc.).

The component will include three sub-components:

1. Technical assistance for financial institutions and reinforcement of capacities to appraise and supervise sub-projects and operations in the sector. The objective is to enable financial institutions to extend their offer of equity capital, agriculture related loans and other services, while improving their turn-over in this particular sector in a sustainable manner.
2. Initial endowment and support to the operation of a partial guarantee fund to help financial institutions engage more actively in the sector by providing partial guarantee coverage. This fund will in priority guarantee medium terms loan for capital goods destined to farmers, agro businesses and exporters.
3. Support to the creation and development of a range of financing instruments adapted to serve small farmers, rural entrepreneurs, agro-enterprises and agribusinesses, particularly for innovative projects in the chosen commodity marketing chains.

Component 4: Market-oriented infrastructure. This component will provide resources to carry out an investment program in basic commercial and communication infrastructure, in order to improve linkages to markets and reduce transaction costs. It will (i) facilitate the creation of collection centers, storage and processing facilities to support the development of agricultural supply chains and improve their competitiveness, and (ii) carry out an emergency feeder road rehabilitation program which is critical for post-harvest and marketing operations.

This component will include two sub-components for public/collective infrastructure:

1. construction of commercial infrastructure such as export facilities, cold chain, storage facilities, pack houses, wholesale markets, etc.;
2. rehabilitation/improvement of rural roads, particularly in cotton-growing areas and to secure access to post-harvest, processing and commercial infrastructure built with the assistance of the project.

Rehabilitation of feeder roads is key to improve the collection of cotton and other agricultural commodities and provide access to marketing infrastructure and to areas with high increase potential of agricultural production. Construction and maintenance of rural roads were part of the public service missions, which were transferred from the cotton company (CMDT) to the relevant ministries in the framework of the cotton sector restructuring program supported by the recent Bank's Structural Adjustment Credit (SAC III). However, during this transition period, maintenance of many roads has been neglected due to lack of resources and adequate funding mechanisms. Rehabilitation will entail essentially the treatment of hot spots.

Component 5: Project management and M&E. This component will provide the resources necessary to ensure adequate project management, particularly overall coordination, financial management and procurement of goods and services, as well as Monitoring and Evaluation (M&E) of results.

Component	Indicative Costs (US\$M)	% of Total	Bank- financing (US\$M)
1. Innovation and dissemination of irrigation and value-adding technologies	10.00	25.0	TBD
2. Improvement of agricultural supply chains	5.00	12.5	TBD
3. Access to financing	5.00	12.5	TBD
4. Market-oriented infrastructure	15.00	37.5	TBD
5. Project management and M&E	5.00	12.5	TBD
Total Project Costs	40.00		35.00
Total Financing Required	40.00	100	35.00

A.4. Project Location and salient physical characteristics relevant to the safeguard analysis:

Project activities will be undertaken in four regions (Koulikoro, Mopti, Segou and

Sikasso), where cotton and high-value diversification crops are cultivated. The project will ensure that the protected areas are not affected by the new activities.

Although there are culturally sensitive areas in Mali such as ancient burial sites and sacred groves, the proposed activities of the project will have no impact on cultural property. Where there is a possibility that project activities will encroach on these areas, project activities will be diverted to ensure that these culturally and socially sensitive areas are avoided.

B. Check Environmental Category A , B , C , FI

Comments:

C. Safeguard Policies Triggered

	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management (OP 4.09)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cultural Property (draft OP 4.11 - OPN 11.03-)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indigenous Peoples (OD 4.20)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP/GP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP/GP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

Section II – Key Safeguard Issues and Their Management
<i>D. Summary of Key Safeguard Issues</i>
<p>D.1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts.</p> <p>The project has been rated B since there are some adverse environmental impacts from construction/rehabilitation and other project-related activities, such as pesticides use for high value crops, waste water/residues disposal and treatment for processing units, particularly slaughterhouses. Collaboration with the EU-funded Pesticide Initiative Program will be enhanced. All these impacts have been thoroughly analyzed in the ESIA and addressed through the ESMP.</p>
<p>D.2 Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area.</p> <p>No such long term impacts are anticipated.</p>
<p>D.3. Describe the treatment of alternatives (if relevant)</p> <p>N.A.</p>
<p>D.4. Describe measures taken by the borrower to address safeguard issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p> <p>(1) A comprehensive Environmental and Social Impact Assessment (ESIA) has been carried out to analyze potential environmental and social impacts of project activities, particularly vis-à-vis safeguards that have been identified as triggered.</p> <p>(2) Mitigation measures will be implemented by the client in order to limit those impacts.</p> <p>(3) As far as Pest Management is concerned, the ESIA has analyzed potential risks in increased use of agro-chemicals in the intensified production systems and has recommended to manage these impacts in the framework of the EMP implemented through the ongoing Ag. Services Project (PASAOP), including an IPM initiative. In addition, it is worth pointing out that due to importing markets requirements for fresh agricultural produce like horticulture products, a collaboration has been established with the EU-funded Pesticide Initiative Program, which aims at ensuring compliance with the Maximum Residue Limit (MRL) legislation.</p> <p>(4) A Resettlement Policy Framework that covers the areas affected by the construction/rehabilitation of rural roads and small warehouses has been prepared in the framework of a Mali Transport project and will also apply to this project. It has been published in the paper “L’indépendant” on December 10, 2004.</p> <p>(5) An Environmental and Social Management Framework (ESMF) is also being prepared and it will describe the process for screening, selection, clearance, implementation, monitoring and maintenance of sub-projects that could have environmental consequences but whose descriptions were not completed at the time of the ESIA such as the infrastructure and equipment for storage, conservation, processing</p>

and commercialization. The ESMF will be sent for clearance by the Africa Safeguards Enhancement team upon its completion.

D.5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. Stakeholders include farmers, traders, small agro processors, service providers, input suppliers and exporters involved at the various levels of the selected agricultural supply chains.

As far as the rural infrastructure component is concerned, support will be provided to local communities in the implementation of environmental and social mitigation plans, and the integration of the rural roads rehabilitation programs in the local/regional development plans

The ESIA\RPF have been disclosed at the WB Info Shop and in the country. The ESMF will be disclosed in the country and at the WB Info Shop after clearance from the Africa Safeguards Enhancement Team (ASPEN). Radio broadcasts and newspapers announcements have informed the population of the availability of the Report at the following ministries: Economy and Finances; Agriculture; Livestock and Fisheries; Environment; Commerce and Industry; Promotion of Investments and Small Businesses and at the National Archives.

<i>F. Disclosure Requirements</i>	<i>Date</i>
<i>Environmental Assessment/Audit/Management Plan/Other:</i>	
Date of receipt by the Bank	11/01/2004
Date of “in-country” disclosure	11/30/2004
Date of submission to InfoShop	11/19/2004
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors: Not Applicable	
<i>Resettlement Action Plan/Framework/Policy Process:</i>	
Date of receipt by the Bank	12/09/2004
Date of “in-country” disclosure	12/10/2004
Date of submission to InfoShop	12/13/2004
<i>Indigenous Peoples Development Plan/Framework:</i>	
Date of receipt by the Bank	Not Applicable
Date of “in-country” disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
<i>Pest Management Plan: (integrated in the Env. And Social Impact Assessment)</i>	
Date of receipt by the Bank	11/01/2004
Date of “in-country” disclosure	11/16/2004
Date of submission to InfoShop	11/19/2004
<i>Dam Safety Management Plan:</i>	
Date of receipt by the Bank	Not Applicable
Date of “in-country” disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
If in-country disclosure of any of the above documents is not expected, please explain	

why.		
Section III – Compliance Monitoring Indicators at the Corporate Level (To be filled in when the ISDS is finalized by the project decision meeting)		
<i>OP/BP 4.01 - Environment Assessment:</i>	<u>Yes</u>	<u>No</u>
Does the project require a stand-alone EA (including EMP) report?	X	
If yes, then did the Regional Environment Unit review and approve the EA report?	X	
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	X	
<i>OP/BP 4.04 - Natural Habitats:</i>	<u>Yes</u>	<u>No</u>
Would the project result in any significant conversion or degradation of critical natural habitats?		X
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?		
<i>OP 4.09 - Pest Management:</i>	<u>Yes</u>	<u>No</u>
Does the EA adequately address the pest management issues?	X	
Is a separate PMP required?		X
If yes, are PMP requirements included in project design?		
<i>Draft OP 4.11 (OPN 11.03) - Cultural Property:</i>	<u>Yes</u>	<u>No</u>
Does the EA include adequate measures?		N/A
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources?		
<i>OD 4.20 - Indigenous Peoples:</i>	<u>Yes</u>	<u>No</u>
Has a separate indigenous people development plan been prepared in consultation with the Indigenous People?		N/A
If yes, then did the Regional Social Development Unit review and approve the plan?		
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit?		
<i>OP/BP 4.12 - Involuntary Resettlement:</i>	<u>Yes</u>	<u>No</u>
Has a resettlement action plan, policy framework or policy process been prepared?	X	
If yes, then did the Regional Social Development Unit review and approve the plan / policy framework / policy process?	12/10/04	
<i>OP/BP 4.36 – Forests:</i>	<u>Yes</u>	<u>No</u>
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	N/A	
Does the project design include satisfactory measures to overcome these constraints?		
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?		
<i>OP/BP 4.37 - Safety of Dams:</i>	<u>Yes</u>	<u>No</u>
Have dam safety plans been prepared?		N/A
Have the TORs as well as composition for the independent Panel of		

Experts (POE) been reviewed and approved by the Bank?		
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?		
<i>OP 7.50 - Projects on International Waterways:</i>	<u>Yes</u>	<u>No</u>
Have the other riparians been notified of the project?		N/A
If the project falls under one of the exceptions to the notification requirement, then has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?		
What are the reasons for the exception?		
Please explain:		
Has the RVP approved such an exception?		
<i>OP 7.60 - Projects in Disputed Areas:</i>	<u>Yes</u>	<u>No</u>
Has the memo conveying all pertinent information on the international aspects of the project, including the procedures to be followed, and the recommendations for dealing with the issue, been prepared, cleared with the Legal Department and sent to the RVP?		N/A
Does the PAD/MOP include the standard disclaimer referred to in the OP?		
<i>BP 17.50 - Public Disclosure:</i>	<u>Yes</u>	<u>No</u>
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	X	
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	X	
<i>All Safeguard Policies:</i>	<u>Yes</u>	<u>No</u>
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of the safeguard measures?	X	
Have safeguard measures costs been included in project cost?	X	
Will the safeguard measures costs be funded as part of project implementation?	X	
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures?	X	
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	X	
<i>Signed and submitted by:</i>	<u>Name</u>	<u>Date</u>
Task Team Leader:	Patrick Labaste	12/10/2004
Project Safeguards Specialist 1:	Amadou Konare	12/10/2004
Project Safeguards Specialist 2:	Yvette Djachechi	12/10/2004
Project Safeguards Specialist 3:		

<i>Approved by:</i>	<u>Name</u>	<u>Date</u>
Regional Safeguards Coordinator: Comments:	Thomas Walton	12/10/2004
Sector Manager: Comments:	Mary Barton-Dock	12/10/2004