



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 25-Jul-2016 | Report No: PIDISDSC19140



BASIC INFORMATION

A. Basic Project Data

Country Mali	Project ID P160505	Parent Project ID (if any)	Project Name RURAL MOBILITY PROJECT (P160505)
Region AFRICA	Estimated Appraisal Date Apr 10, 2017	Estimated Board Date Jun 15, 2017	Practice Area (Lead) Transport & ICT
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finances	Implementing Agency Minister of Equipment and Transports	

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Financing (in USD Million)

Financing Source	Amount
Borrower	15.00
International Development Association (IDA)	30.00
Total Project Cost	45.00

Environmental Assessment Category
B-Partial Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

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B. Introduction and Context

Country Context

1. Mali is a large landlocked country with a population of about 15.3 million growing at about 3 percent per annum and a land area of about 1,240,000 square km. The population is unevenly distributed, as 60 percent of its surface area is desert. Mali is also one of the world’s poorest countries, with a GDP per capita of only US\$670 in 2014, and a Human Development Index ranking 179th out of 187 countries in 2015. Life expectancy is low (57 years of age), malnutrition is high (28 percent of children under five are stunted)ⁱ, and most of its population is illiterate (69 percent of adults)ⁱⁱ. The economy is predominantly rural and informal: 64 percent of the population resides in rural areasⁱⁱⁱ and 80 percent of the jobs are in the informal sector.^{iv}

2. The incidence of poverty in Mali is high and predominantly rural. Prior to the 2012 political and



security crisis, Mali had succeeded in reducing poverty thanks to increased agricultural production and better functioning value chain,^v which led to a decline in the incidence of poverty from 60 percent in 2000 to 51 percent in 2010. In 2010, half the population lived below the poverty line (US\$1.9 a day) and 90 percent of the poor lived in rural areas. Geographically, poverty is concentrated in the south tier of the country, where around 90 percent of the country's population resides. For example, the Sikasso region has the highest incidence of poverty (83.2 percent) in the country.^{vi} Since 2010, poverty is likely to have worsened as drought (2012) and political instability (2012–13) have taken their toll.

3. The performance of the Malian economy remains dependent largely on the agricultural sector (40 percent of GDP). Between 1995 and 2010, the economy grew at approximately 5.0 percent per year. However, in 2012 Mali's GDP growth slowed dramatically to 1.2 percent because of the military coup, and the insurgency in the north of the country. Growth resumed in 2013 following the reestablishment of the constitutional order and improved security situation in the north, which triggered sizable financial support from Mali's development partners and better investment conditions. This has meant that growth has averaged about 4 percent since 2013, despite a more recent deterioration in the international terms of trade for Mali.

4. Improving Mali's long term growth potential will require a gradual expansion and diversification of the productive sectors of the economy. Mali's economy remains dominated by the primary sector, as reflected in the country's low ranking on the economic complexity^{vii} index – 102nd out of 128 countries,^{viii} which indicates that the economy is only capable of producing mostly basic products. Limited progress recorded in the structural economic transformation of Mali, and other sub-Saharan African countries, points to the need for some key pre-requisites such as: (a) significant productivity gains in agriculture; (b) flexible labor market; (c) improved education levels; and (d) more favorable structural and regulatory conditions to trade and investment. This means that in preparing the ground for medium-term structural transformation, Mali will need to focus on the prospects for growth within existing sectors and try expand the production of goods where it has a relative comparative advantage. In addition, Mali could capture a larger market share in specific value chains where it has the highest potential: production and export of cereals, tropical fruits, livestock, fish, cotton and gold.

Sectoral and Institutional Context

5. High transport costs and poor rural connectivity have weakened both the productivity and production potential of the agricultural sector in Mali. This has been detrimental to income and employment prospects in rural areas of the country. What follows is an assessment of the sectoral and institutional context for the sector.

B.1 Sectoral context

6. **Surface transport sector.** Mali has a total road network of about 89,000 km of which: (a) 14,000 km are national roads; (b) 7,000 km are regional roads; (c) 29,000 km are local roads; and (d) 39,000 km are communal roads. Among the 89,000 km total road network, only 23,000 km have been developed and benefit more or less from resources for maintenance. The rural access index^{ix} for Mali is about 22 percent, which is well below the average of 34 percent for sub-Saharan Africa. The two other modes of transport besides road are the railway connecting Dakar (Senegal) to Koulikoro, and inland



water transport on the Niger River from Koulikoro to Gao and on the Senegal River from Kayes to the border with Senegal. The modal share of road transport in Mali is currently around 90 percent for goods and passengers with 90 percent of goods (by volume) exported by road.

B.2 Sectoral challenges

7. **Poor overall road connectivity.** Road connectivity poses a major challenge both intra and inter regionally for the following major reasons. First, transport costs to reach international markets via the nearest sea ports (for example Conakry, Dakar and Abidjan) are amongst the highest in the world because of a combination of poor infrastructure, inefficient transport services provision, road blocks and lengthy customs clearance procedures. Second, road connectivity within the country itself is poor, especially when it comes to the poorly developed secondary/tertiary road network. Third, the quality of the rural road network remains poor in terms of service level and all-weather passability.

8. **Poor rural road network passibility during rainy reason.** During the rainy season, many rural roads become impassible for long periods of time. Thus, it is not a coincidence that the difference between consumer and producer prices peaks during this season, and that, for example, this difference is more pronounced in the Kayes region where rural access is worse than in the Sikasso region. Conversely, investments in road infrastructure connecting regional capitals have reduced the differences in consumer prices between regions. This is illustrated by the gradual decline of the difference between the maximum regional price and the minimum regional price at the national level, suggesting that better roads improve market integration and connectivity.

9. **Inadequate capacity and funding to maintain the rural road network.** The road authority is not mandated to finance the maintenance of the unclassified portion of the tertiary roads. The absence of a stable flow of funds for maintenance jeopardizes the sustainability of the rural roads network. Furthermore, the line ministry has inadequate capacity to effectively manage the road network in general and the rural road network in particular.

B.3 Institutional context

10. The Ministry of Equipment, Transports, and Accessibility (*METD* in French) is responsible for the entire transport sector in Mali through two departments: the National Department of Roads (*DNR* in French) and the National Directorate of Land, Maritime, and River Transport (*DNTTMF* in French). A road authority, which includes a second generation road fund that mobilizes funds through a fuel levy, toll fees, and overloading fines, is in place to finance the maintenance of national, regional, and urban roads. Over the last two decades, well over US\$2 billion have been invested by the Government to improve the national road network, with primary emphasis on the primary and secondary road network.

11. The Government's strategy in the transport sector falls under the first pillar of the Strategic Framework for Growth and Poverty Reduction of Mali (2012-2017), which is "promotion of accelerated, sustainable, pro-poor growth that creates jobs and income-generating activities". More specifically, as far as transport is concerned, the strategy is to expand and improve the quality of the transport network. The proposed project is aligned with this strategy, as well as with the recently adopted National Policy on Transport, Transport Infrastructure, and Accessibility (2015-2025). The implementation of this policy will be done through 13 strategic axis; the project specifically supports the strategic axis "development and promotion of rural transport".

12. Furthermore, improving access to education and health in rural areas is a priority for the



Government, as illustrated by the second pillar of the Strategic Framework for Growth and Poverty Reduction of Mali (2012-2017), which is “reinforcement of the foundation of long-term development and fair access to quality social services”. The proposed project is aligned with the country’s goal of achieving universal primary education and also reducing maternal mortality by providing all-season rural road connectivity.

13. Finally, the proposed project is also aligned with the country’s objectives, policies, and strategies in the agricultural sector. Two axes have indeed been identified^x for the development of key value chains and their market integration: (i) accessibility in the form of an efficient rural roads network (within and between farming constituents); and (ii) storage facilitation in the form of storage infrastructure to pre-empt and reduce post-harvest losses and to foster a solid and interconnected post-harvest system.

Relationship to CPF

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14. **The proposed project supports the second area of focus of the FY16-19 Country Partnership Framework, which is creating economic opportunities.** The 2015 Systematic Country Diagnostic identified: (a) poor access to markets, (b) lack of off farm opportunities, and (c) lack of competition in the transport sector, as binding constraints contributing to low productive capacity of poor farmers and pastoralists. The proposed project is fully aligned with objectives 2.1 and 2.3 of the second area of focus of the CPF that are respectively: (a) improve productive capacity and market integration of farmers and pastoralists; and (b) improve infrastructure and connectivity to all Malians. Thus, the proposed project is in line with the CPF, with particular emphasis on the CPF’s following expected outcomes - “expanded access to markets in key agricultural value chains”.

15. **The proposed project also contributes to the WBG Mali Agri Joint Implementation Plan (FY16-19) focused on agriculture and livestock:** “Reducing Poverty through Private Sector Investment in Agribusiness”. The action plan of the Agri Joint Implementation Plan will target governance, infrastructure, non-financial services and access to finance. The proposed project will contribute to the infrastructure aspect of the action plan by improving road accessibility via the improvement of rural roads in the production basins of the region of Sikasso and Segou (the joint implementation plan will be implemented in these two regions).

C. Proposed Development Objective(s)

The Project Development Objective is to improve road conditions to link farmers to markets and improve rural population's access to basic services in the project area

Key Results (From PCN)



16. **Project area** will be located in a agricultural productive area of the southern region of the country
17. **Project direct beneficiaries are:**
 - a. **The rural population living in the selected southern region.** Rural populations living in the Project Impact Area (PIA) that have little or no access to markets and basic services, including women who perform significant parts of the agricultural works. Short-term jobs will also benefit these populations during the civil works, and long-term jobs will be created for the routine road maintenance activities.
 - b. **Agro-industry.** It will benefit from better access to agricultural products that were once inaccessible and also from reduced cost of transport of products from the production to the transformation areas.
 - c. **Towns near the PIA.** Populations living near the PIA will benefit from having cheaper and locally produced agricultural products available to them rather than bringing them in at a higher cost from further afield.
 - d. **Public administration.** The provision of basic public services, such as health care and education, will benefit from the provision of all-weather rural roads.
18. Possible key results that could be used to measure the achievement of the PDO include:
 - (a) share of rural population with access to all-season road in the project area;
 - (b) reduction in the transport cost for agricultural products on selected improved feeder roads;
 - (c) average travel speed on roads improved by the project
 - (d) number of health centers/primary schools connected to an all-season road in the project area;
 - (e) annual execution rate of routine maintenance budget earmarked for priority agricultural feeder roads not below 95%; and
 - (f) number of direct beneficiaries (% women).
19. Possible intermediate outcomes include:
 - (a) percentage of roads in good and fair condition as a share of the total classified road network (core sector indicator);
 - (b) km of roads improved into all-season roads;
 - (c) km of all-season roads that received routine maintenance;
 - (d) number of man-months of work generated under the civil works contracts;
 - (e) number of micro-enterprises established to perform routine maintenance of priority agricultural feeder roads; and
 - (f) Increase in the quantity of marketed agricultural products due to improve connectivity.

D. Concept Description

20. In order to achieve the PDO, the proposed project is designed to support the government in its rural development strategy in the following ways:
21. Improve road access to agricultural production basins.
22. Improve road access in selected rural areas
23. Address the sustainability issue of rural road investments.



24. Enhance road safety.
25. The proposed project's components are as follows:

Component 1: Rural road improvement works (about US\$20 million, 100% IDA)

26. Component 1 will finance the improvement of about 700 km of rural roads comprises the following subcomponents:

- *Subcomponent 1.1: Improve road access to link farmers to markets in agricultural zones.* This subcomponent will finance the improvement of rural roads into all-season roads in order to improve access to priority high yield agricultural production zones for key value chain of the ministry of agriculture. Around 550 km of roads are to be improved, through the “spot improvement” approach focusing on building drainage structures, culvert, and small bridges to ensure passability during the rainy season. Production data such as crops areas, crop yields, production costs, marketed output by volume will be use to rank the road sections. Priority will be given to production areas: (a) that has the potential to yield enough surplus to generate trade for the agricultural enterprises and traders; and (b) where accessibility is difficult.
- *Subcomponent 1.2: Improve road access to basic services and provide small infrastructure for socio-economic inclusion in isolated zones.* This subcomponent will finance two activities. The first activity is the improvement of rural roads into all-season roads for the most isolated rural communities living in the communes that are cut off from the rest of the country. 150 km of roads are expected to be improved, through spot improvement focusing on building drainage structures, culvert, small bridges to ensure passability during rainy season. The second activity is the rehabilitation/construction of small infrastructure (e.g. bore holes, multi-functional platforms, solar panels) along the project's targeted roads to improve socio-economic inclusion. They will be identified through rural community participation.

Component 2: Road maintenance and road safety (about US\$22 million of which US\$8.5 million (38%) will be funded by IDA and US\$15 million (62%) will be funded by the Government)

27. This component is divided into four subcomponents:
 - *Subcomponent 2.1: Put in place an efficient and sustainable local level rural road routine maintenance mechanism for agricultural feeder roads already in good or fair condition of the rural roads network (financed by IDA).* This subcomponent is expected to: (a) create micro-enterprises in the rural areas in charge of conducting routine maintenance of the roads through labor intensive methods; (b) train and certify the micro-enterprises in technical expertise and contract management to conduct civil works of routine maintenance of unpaved roads; (c) acquire equipment for the local associations needed to perform routine maintenance; (d) develop the capacity of the regional branches of the National Department of Roads in monitoring and supervision of the routine maintenance; and (e) develop the capacity of the National Department of Roads in the area of rural road asset management and timely award of the rural roads contracts. These activities will be implemented in collaboration with communes' local governments in order to build local capacity, ensure sustainability of established local infrastructure push the decentralization agenda of both the bank and the country.
 - *Subcomponent 2.2: Finance the routine maintenance of priority feeder roads (Financed by the Road Fund).* This sub-component will be fully financed by the government^{xi} to ensure that the already improved roads are sustainable. The activities to be financed are the civil works to be performed by the micro-enterprises, including technical assessment studies and bid-documents for routine maintenance of unpaved roads. Specific roads for routine maintenance will include all-season roads improved under previous World Bank-funded projects, and also



all-season roads in cotton-growing zones.

- *Subcomponent 2.3: Support to the Road Authority (Financed by IDA).* This will be a technical assistance to finance studies to explore efficient and effective ways of collecting user toll charges on selected national road sections of the country such as electronic ticket window at the toll gates, mobile payment platform to reduce using cash thus preventing frauds.
- *Subcomponent 2.4: Improve road safety in rural areas (Financed by IDA)*
This subcomponent will focus on activities to improve safety on the roads leading to agricultural marketing centers. The activities are (a) public awareness campaign; (b) identification of accidents black spot and provide mitigation measures such as speed calming devices, panels or signals; and (c) equipment (such as speed cameras) for the National Agency for Road Safety (ANASER) and law enforcements.

Component 3: Project management (about US\$1.5 million, 100% IDA).

28. This component will finance the following activities: (a) operating costs for the already established National Coordination Unit; (b) project management, procurement, financial and technical audits; (c) monitoring, reporting and evaluation of project activities; and (d) support to implementation of citizen engagement activities.

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SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The proposed project will finance the improvement and the routine maintenance of existing rural roads in a southern region of the country. The roads to be improved in the region are existing roads connecting villages to markets and markets to principal roads leading to urban towns. The exact locations of all the roads sections of the improved will not be known before appraisal. However, the exact location of the first set of road sections to be improved the first year of the project will be known before project appraisal.

B. Borrower's Institutional Capacity for Safeguard Policies

The already established transport sector National Coordination Unit (NCU), is expected to have full responsibility for both preparing and implementing the social and environmental safeguards instruments required for the rural roads civil works. Through the preparation and implementation of several World Bank funded transport projects over the last 10 + years, the NCU has acquired substantial and directly relevant experience in the preparation and implementation of various safeguards instruments in compliance with the relevant national laws and the World Bank's safeguards policies.

The NCU is currently staffed with one full time staff who has handled both environmental and social aspects of World Bank funded transport projects. However, if needed, the capacity of the NCU could be further strengthened to meet the needs of the project.



C. Environmental and Social Safeguards Specialists on the Team

Salamata Bal, Melissa C. Landes

D. Policies that might apply

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	project will cover 1 administrative region in the southern part of the country and the rehabilitation work will be rolled out in 3 phases. While the exact locations of all the roads to be rehabilitated will not be known during project preparation, the roads targeted for phase 1 will be identified before project appraisal. Before project appraisal, the borrower will prepare (1) an Environmental and Social Management Framework (ESMF) which will cover the whole project, and (2) site specific ESIA or ESMPs (as appropriate) for roads in phase 1. The ESMF – as well as the ESIA or ESMPs prepared before appraisal - will be consulted upon, validated in-country and the World Bank, as well as publicly disclosed before project appraisal. Specific Environmental and Social instruments (ESIA, RAP, etc.) will be prepared as needed for the remainder of rural road segments (Phases 2 and 3) once the specific locations are known
Natural Habitats OP/BP 4.04	TBD	It is not expected that the project will impact natural habitats. The consultant preparing the ESMF will (i) check for the presence of natural habitats in the targeted region during the environmental assessment process, (ii) confirm whether or not the policy is triggered, (iii) should the policy be triggered, the necessary and adequate mitigation measures to avoid or minimize damage to natural habitats will be included in a separate chapter of the ESMF or in a Protected Area Management Plan as needed.
Forests OP/BP 4.36	TBD	The policy may apply since rural roads improvements may require compensatory reforestation and tree maintenance along the targeted roads. Should the policy be triggered, depending on the size and location of the area concerned and/or reforestation needed, a free standing Forest Management Plan may be warranted, otherwise the ESMF will include a



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			separate chapter with the appropriate guidance and mitigation measures. The appropriate instrument once prepared, will be consulted upon, validated in-country and the World Bank, as well as publicly disclosed before project appraisal.
	Pest Management OP 4.09	No	The project will not finance any acquisition, transport, storage or utilization of hazardous chemicals, pesticides, fertilizers or any similar products. It will not finance any pesticide application equipment either.
	Physical Cultural Resources OP/BP 4.11	Yes	Rural road improvements may potentially impact cultural and historical heritage along the concerned roads. The ESMF will include the appropriate mitigation measures (chance find procedures) as well as clauses for contractors
	Indigenous Peoples OP/BP 4.10	No	There are no indigenous people in the project intervention area
	Involuntary Resettlement OP/BP 4.12	Yes	The project will finance improvement of rural roads and it is expected that the rehabilitated roads will retain the same right of way as the existing ones.
	Safety of Dams OP/BP 4.37	No	The project will not finance any dam construction or activity associated with or dependant on an existing dam
	Projects on International Waterways OP/BP 7.50	No	The project will not finance any activity located on international waterways or that will use or potentially pollute such waterways.
	Projects in Disputed Areas OP/BP 7.60	No	The project intervention area does not include any disputed area.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Mar 20, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

ESMF and Phase 1 ESIA/ESMPs: The studies will be launched at the latest by end of October 2016 and should be finished by 31 December 2016

RPF and any potential Phase 1 RAPs: The studies will be launched at the latest by end of October 2016 and should be finished by 31 December 2016

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APPROVAL

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Approved By

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ⁱ Priorities for Ending Poverty and Boosting Shared Prosperity – Mali Systematic Country Diagnostic, June 2015, World Bank.

ⁱⁱ Adult and Youth Literacy 1990-2015 – Analysis for 41 Selected Countries, 2010, UNESCO.

ⁱⁱⁱ World Development Indicator dataset.

^{iv} *Priorities for Ending Poverty and Boosting Shared Prosperity – Mali Systematic Country Diagnostic*, June 2015, World Bank.

^v Full range of value-adding activities required to bring a product or service through the different phases of production, including supply of inputs, services such as transport or storage, physical transformation, and ultimately response to consumer demand.

^{vi} Based on the traditional (consumption) poverty measure.

^{vii} The economic complexity of a country is dependent on the complexity of the products it exports. A country is considered ‘complex’ if it exports not only highly complex products, but also a large number of different products.

^{viii} Haussmann and Hidalgo (2008): a country should seek a development path that builds on the knowledge captured in its existing product mix and aim to increase the complexity of its production.

^{ix} The rural access index measures the number of rural people who live within two kilometers (typically equivalent to a walk of 20-25 minutes) of an all-season road as a proportion of the total rural population. An “all-season road” is a road that is motorable all year round by the prevailing means of rural transport (typically a pick-up or a truck which does not have four-wheel-drive).

^x Identified in: (a) the Law of Agricultural Orientation that defines the major orientation of the Agricultural Development Policy (*Politique de Développement de l’Agriculture*); and (b) the National Plan for Investment Priorities in the Agricultural Sector covering 2016 through 2025 (*Plan National d’Investissement Prioritaire dans le Sector Agricole du Mali*)

^{xi} Through the proposed provision of the road fund earmarked for rural roads routine maintenance.