

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC15678

Date ISDS Prepared/Updated: 30-Mar-2016

Date ISDS Approved/Disclosed: 28-Sep-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Mali	Project ID:	P151449
Project Name:	Mali Support to Agroindustrial Competitiveness Project (P151449)		
Task Team Leader(s):	Alexandre Hugo Laure, Cheick Omar Tidiane Diallo, Remileku Rakiatu Cole		
Estimated Appraisal Date:	26-Sep-2016	Estimated Board Date:	22-Nov-2016
Managing Unit:	GTC07	Lending Instrument:	Investment Project Financing
Financing (In USD Million)			
Total Project Cost:	30.00	Total Bank Financing:	30.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			30.00
Total			30.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The Project Development Objective is to generate investments in commercial agriculture and increase processing of agricultural products for targeted agro industrial segments in selected basins.

Project beneficiaries will include: MSME and family farms in targeted agro industrial segments (incl. producers, processors, exporters and traders); private sector representatives such as farmers associations/ cooperatives (inter-branch organizations of contributing value chains to targeted segments), chambers of agriculture and regional assemblies (APCAM, CCI), membership based employers' associations (CNPM, OPI, REAO, etc.); rural population in the Project's basin; financial and non-financial institutions (e.g., MFI, banks, funds) that contribute to agricultural businesses financing in Mali; and line ministries/ departments (e.g., rural development, investments promotion,

transport, and trade and industry), their agencies and local authorities (Sikasso region and its municipalities and circles). The number of beneficiaries under each category will be determined during the preparation phase.

C. Project Description

The Project will only be a subset of Government commercial agriculture growth strategy and program, focusing on one region and two agro industrial segments.

a) It will focus only in one specific production basin (Sikasso region), where the Project has highest chance to succeed (versus for examples: Office du Niger in Segou [governance], or Kidal in Northern Mali [security]), and where agriculture, despite favorable growing conditions and diversity of crops and production techniques, remains associated with high levels of poverty, mostly subsistence farming (outside of cotton production).

b) Building on existing Bank experiences (former and ongoing operations), two agro industrial segments have been selected: (i) the animal feed industry as an intersection of both maize and livestock value chains and (ii) the mango value chain, already semi-industrialized but with important potential that may still be unlocked. To support the development of these segments, agro-industrialization entry points in the form of private operators (e.g., Cédiam, Atrafel, Grands Moulins du Mali) and associations (Mango association, FIFAM, OPI) have been identified, and key activities have been discussed to address binding constraints to their competitiveness and build on demonstrated potential growth, existing and future processing activities, and increased access to domestic, regional and international markets.

c) No large infrastructure development (such as agro-hydraulic ones) will be undertaken and only critical rural roads rehabilitation and small infrastructure (collection center and silos with access roads) works will be sequenced as required to comply with implementation readiness.

With an estimated USD 30 million (IDA), the Project will support the GoM strategy through two interrelated components: (i) the first one at national level, aiming at facilitating the implementation of the Malian government commercial agriculture strategy and the generation of agribusiness investment in Mali, and (ii) the second one in the Project's basins, aiming at strengthening linkages between the primary, secondary and tertiary sectors in targeted value chains through combined interventions in agro industrialization and agribusiness services development in selected agro ecological basin(s).

The first component will address the following constraints: (a) stakeholders' lack of implementation capacity, (b) lack of processes predictability for investors worsen by negative perception of Mali as an investment destination, (c) weak and ineffective investment promotion efforts, (d) limited capacity and knowledge of local financial intermediaries in appreciating and mitigating risks pertaining to agriculture and agribusiness financing, and (e) limited financial and banking literacy and borrowing capacity in agricultural value chains.

With US\$ 10 million, it aims at strengthening capacities of the stakeholders in charge of the implementation of Mali commercial agriculture program, supporting investments in agricultural enterprises and developing capacity of the banking sector as well as farmers associations, aggregators, industries and wholesalers to ensure a better development of targeted agro industrial segments. A focus will be on commercial agriculture; i.e. agro industrial competitiveness and private sector provision of agribusiness services in animal feed and mango agro industrial segments. Entry points to promote Mali agricultural potential will be successful private sector actors such as aggregators, processors and wholesalers (i.e. relatively organized and potentially credit worthy).

actors).

The second component will address the following constraints: (a) inefficiencies along targeted value chains due to inadequate integration of actors and coordination failures amongst stakeholders, (b) limited reliable access to quality raw material in key value chains to support secondary sector expansion, (c) lack of post-harvest facilities linking primary to secondary sectors, (d) limited rural accessibility and rural connections to markets, (e) limited knowledge of sanitary, quality and technical standards, and poor implementation of modern practices, and (f) lack of private sector participation in agribusiness services.

With US\$ 20 million, it aims at improving value creation in targeted value-chains and developing sustainable infrastructure services to targeted beneficiaries. The activities under this component will be organized around strategic entry points in the maize, livestock and mango value chains such as aggregators, processors and wholesalers so to focus on two strategic agro industrial segments (animal feed and mango processing). The Project will seek relatively organized and potentially credit worthy actors as anchors, and seek to forge with or around them productive partnerships/ alliances with small holders and farmers associations. A particular attention will be given to the process to accessing land, in respect to the existing land tenure rights. The better integration of local suppliers (primary sector) around agro industrial units (secondary sector) and support to private sector provision of agribusiness services (tertiary sector) will augment revenues and lower costs of actors in a way it maximize economic benefits derived from crop yields, rural accessibility and post-harvest gains, processing facilities, better organized value chains, and access to new markets.

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

The Project will target specific value chains in a given production basin. The chosen area is the Sikasso region. Two main project activities could have direct or indirect adverse impacts on the environment: (i) rehabilitation of rural roads, and (ii) construction of collection centers and silos (with access roads). The project's support to MSMEs activities, through professional organizations and financial institutions by way of non-financial technical assistance to farmers, cooperatives, traders and processors in the form of trainings, coaching and business development services support is not expected to have any adverse environmental or social impacts.

E. Borrowers Institutional Capacity for Safeguard Policies

The Bank's involvement in the agriculture and transport sector has been significant and the clients have shown relatively sufficient capacity and good will in implementing World Bank funded projects. It is anticipated that the interim PIU for the Agricultural Competitiveness and Diversification Project will take on this project preparation together with the PST2 PIU on E&S safeguards. Both PIU have experiences in implementing Bank safeguards policies and it is expected that the new Project will recruit a dedicated environmental and social safeguards specialist to strengthen their capacity. If needed further capacity strengthening will be provided to allow a good deliver of this project.

F. Environmental and Social Safeguards Specialists on the Team

Melissa C. Landes (GEN07)

Salamata Bal (GSU01)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The rehabilitation of rural roads and construction of collection centers and silos (with access roads) may have adverse impacts on soil, water, air quality, flora and fauna. Since the exact locations of project interventions are unknown at this stage, the borrower will prepare an Environmental and Social Assessment Framework (ESMF) to help mitigate the potential environmental and social impacts of those project activities in the Sikasso region.
Natural Habitats OP/BP 4.04	TBD	Rural roads improvements may happen in proximity to national parks or protected areas and therefore impact wild flora and fauna. However in the Sikasso region, the specific areas have not yet been identified. Should the policy be triggered, the ESMF will include the appropriate mitigation measures.
Forests OP/BP 4.36	TBD	Rural roads improvements may require compensatory reforestation and tree maintenance along the rehabilitated roads. Should the policy be triggered, the ESMF will include the appropriate mitigation measures.
Pest Management OP 4.09	Yes	Although the project will not directly or indirectly finance any pesticides, fertilizers or application equipment, the Technical Assistance to farmers, cooperatives, traders and processors in the form of trainings may include the promotion of integrated pest management (IPM) practices. The ESMF will include an annex on IPM as guidance on best practices to the TA activities.
Physical Cultural Resources OP/BP 4.11	Yes	Rural roads improvements may potentially impact cultural and historical heritage along the selected road corridors. 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 Peoples in the project areas, as defined by OP/BP 4.10.
Involuntary Resettlement OP/BP 4.12	Yes	The policy is triggered since the project will finance rehabilitation of rural road, and collection and silos (with access roads) construction that could possibly necessitate involuntary land acquisition resulting in potential loss of access to assets, means of livelihoods or resources. The detailed description of these infrastructures are yet unknown, the Government will prepare a Resettlement Policy Framework (RPF) to set forth the basic principles

		and prerogatives to be followed during project implementation once the details of construction and rehabilitation are known and to guide the client in the likelihood of preparing site specific Resettlement Action Plans (RAP) during project implementation if needed. The RPF will be consulted upon and will be disclosed both in-country and at the InfoShop prior to appraisal. The team will provide support to ensure proper implementation and monitoring of the RAP if needed.
Safety of Dams OP/BP 4.37	No	The project does not involve construction of dams nor will it rely on dams.
Projects on International Waterways OP/BP 7.50	No	The project does not involve international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The proposed activities under this project do not involve disputed areas between countries, as defined in OP 7.60.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 15-Apr-2016

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

March to April 2016

IV. APPROVALS

Task Team Leader(s):	Name: Alexandre Hugo Laure, Cheick Omar Tidiane Diallo, Remileku Rakiatu Cole	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 27-Apr-2016
Practice Manager/ Manager:	Name: Rashmi Shankar (PMGR)	Date: 28-Sep-2016

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.