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Report Number : ICRR14532

IEG ICR Review
Independent Evaluation Group

1. Project Data:		**Date Posted :**	12/01/2014	
Country:	Mali			
Project ID :	P040653		**Appraisal**	**Actual**
Project Name :	Rural Community Development Project	**Project Costs (US$M):**	64.0	71.2
L/C Number:	C4113	**Loan/Credit (US$M):**	60.0	69.9
Sector Board :	Agriculture and Rural Development	**Cofinancing (US$M):**		
Cofinanciers :		**Board Approval Date :**		09/15/2005
		Closing Date :	06/17/2012	12/31/2013
Sector(s):	General agriculture fishing and forestry sector (49%); Other social services (23%); Sub-national government administration (13%); Agro-industry marketing and trade (10%); General water sanitation and flood protection sector (5%)			
Theme(s):	Rural services and infrastructure (29% - P); Participation and civic engagement (29% - P); Managing for development results (14% - S); Rural non-farm income generation (14% - S); Decentralization (14% - S)			

Prepared by :	**Reviewed by :**	**ICR Review Coordinator :**	**Group:**
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2. Project Objectives and Components:

a. Objectives:

According to both the Project Appraisal Report (PAD) (pg. 6) and the Development Credit Agreement (DCA) (Schedule 2, pg. 25), the project's development objectives were: to improve the living conditions of project- supported rural communities in terms of: (i) access to basic socio-economic services, and (ii) a sustainable increase in incomes, while promoting improved natural resource management practices.

According to Schedule 1 of the Financing Agreement (pg. 6) for the Additional Financing (AF) approved in September 2010, the objectives were unchanged. However, the Results Framework was revised by reducing the number of indicators as, according to the ICR (pg. 5) "there were too many (12 in the Legal Agreement) and some of them not fully relevant, focusing mainly on project activity, processing and outputs. Specific indicators were also added to measure progress in implementing the proposed AF and its impacts on rural communities."

b.Were the project objectives/key associated outcome targets revised during implementation?

Yes

If yes, did the Board approve the revised objectives /key associated outcome targets?

Yes

Date of Board Approval: 09/30/2010

c. Components:

1, Capacity Building (Appraisal Cost: US$ 13.8 million; Actual Cost: US$ 15.4 million). The component aimed at: (i) empowering communities to help them increase their participation in the decentralization and local /communal development processes, and (ii) ensuring sustainability of investments by strengthening communities' capacities in programming, designing, and properly managing collective investments as well as undertaking income generating

and productive activities with the following subcomponents:
(a) Information and Mobilization of Communities
(b) Capacity Building of Grassroots Communities and Decentralization Stakeholders; and
(c) Capacity Strengthening of Service Providers for Communities

2. Communal Initiatives Fund (Appraisal Cost: US$ 15.6 million; Actual Cost: US$ 14.6 million) to provide financial and technical support services for investments with public good characteristics (social and environmental) within Communal Development and Investment Plans with the following subcomponents:
(a) Communal Demand-driven Investment Grants; and
(b) Communal Technical Support Services

3. Local Productive Initiatives Fund (Appraisal Cost: US$ 23.8 million; Actual Cost: US$ 25.5 million) to provide financial and technical support services for local community-based investments with private good characteristics with the following subcomponents:
(a) Local Productive Demand-driven Investment Grants; and
(b) Local Technical Support Services

4. Project Implementation, Coordination, Monitoring & Evaluation (Appraisal Cost: US$ 9.4 million; Actual Cost: US$ 9.0 million) including: (i) at the national level, support for project coordination and overall management, and (ii) at the regional level, support for project execution.

At the time the Additional Financing was approved (see the next section), the corresponding Project Description in Schedule 1 of the Financing Agreement, dated December 2, 2010, added a fifth component, which is described as follows;

5. Assistance to Rural Primary Schools, Health Care Associations and Community Health Centers (Appraisal Cost: US$ 5 million; Actual Cost: US$ 5 million) with the objective of providing SHCS (School/Health Care Support) micro-grants to strengthen the capacity of primary schools, community health centers and health care associations in providing improved services to rural communities

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

Project Cost and Financing. Additional Financing (AF) of US$ 11.2 million was approved in September 2010. Project objectives remained unchanged but a new US$ 5 million component (no. 5 above) was added, and the resources for three other components were increased: Component 1 increased by US$ 1.3 million, Component 3 by US$ 2.4 million, and Component 4 by US$ 2.5 million. This brought total project cost to US$ 71.2 million. A second Additional Financing of US$ 10 million was also under preparation at the Government's request in early 2012 in order to extend project activities in the northern part of the country, but, according to the ICR (para. 24, pg. 6), "due to the quick deterioration of the security and war situation in northern Mali ...this AF had to be dropped while at appraisal stage." According to the ICR (para, 55, pg, 12), by the closing date, 100 percent of the original IDA Credit had been disbursed as had 99.8 percent of the AF. However, Annex 1 (pg. 29) suggests that US$ 1.3 million of the IDA financing, or roughly 2 percent of the total including the AF, had been "unallocated" and not disbursed, so the ICR provides inconsistent information in this regard. The project team clarified to IEG that the figures in the main text (as opposed to those in Annex 1) were the correct ones.

Borrower Contribution. This contribution remained at US$ 4 million as anticipated at appraisal despite the AF, and was fully disbursed by project completion.

Dates. The project was extended by one year, from June 17, 2012 to June 17, 2013 at the time the AF was approved and again by six months, until the end of December 2013 in order to make up for implementation delays resulting from the suspension of disbursements for all Bank projects in Mali due to the civil conflict in early 2012, which particularly affected one of the four project regions (Timbuktu) in the northern part of the country. This was done through a second order restructuring in May 2013.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

The relevance of project objectives is **High**. Despite a reported decrease in rural poverty in Mali from 55.6 percent in 2001 to 43.6 percent in 2010, the absolute number of the rural poor actually increased over this period, and most of them continue to rely heavily on agricultural activities for their livelihoods. According to the PAD (pg. 3), the poverty rate was even higher in 2002 (64 percent) and growth in the agricultural sector was "constrained by low and irregular rainfall, poor and fragile soils, as well as generally low productivity because of the widespread use of traditional technologies." The poorest part of the population consists of rural households engaged in subsistence agriculture and women, malnourished children (an estimated 31 percent), young people without access to employment, and the elderly are the most vulnerable. At the time the project was appraised, only 52 percent of the population had access to safe water and about 80 percent lacked basic sanitation. Severe droughts in the 1980s had left an estimated 1.4 million rural inhabitants highly vulnerable to food shortages (PAD, pg. 19)

The Bank's recent Interim Strategy Note for Mali for FY 2014-15, dated May 20, 2013, while not explicitly identifying rural community development *per se* as a priority does note that "despite public investment, agricultural productivity remains low" and "land degradation is severe," while "poverty has likely increased as a result of the drought of 2011 and the political crisis of 2012." (ISN, paras. 22, 27-28, pp. 8-9 and 13-14). As a result, one of the Bank's priorities in accordance with this Strategy is to help the country to increase its agricultural performance and improve resilience to weather-related shocks (para. 79, pg. 29). Another one is to "contribute to building the knowledge base and establishing priority actions to help build resilience to a changing climate and to start addressing vulnerabilities specific to the dry lands" (para. 82, pg. 30). More importantly, the 2013 Poverty Reduction Strategy (PRS, pg. 5) affirmed that "the crisis has highlighted the need to improve the quality of government services, whether in education, health, or other public services, in order to build trust between the central government and its citizens." It also observed that "food security in a country where 70% of the population resides in rural areas remains a priority," and, together with agro-industrial development, rural development is one of the main priority areas in the Strategic Framework for Growth and the Reduction of Poverty (Cadre Strategique pour la Croissance el la Reduction de Pauvrete) for 2012-2017.

b. Relevance of Design:

The relevance of project design is rated **Substantial**. Project components, including capacity building of rural communities and service providers and financial support for the provision of both public and private goods essential to boost rural livelihoods and employment by enhancing local agricultural and livestock production and improving the sustainability of natural resource use, were appropriate, as was application of a demand-driven community- based development approach, which had been tested and proven effective in earlier Bank supported rural development operations in Mali and elsewhere. Project design was also relevant in terms of supporting implementation of Mali's recent decentralization policy, which, according to the ICR (para 60, pg. 14) "remains at the heart of Mali's Economic and Social Development Strategy" and involved transferring responsibilities for investment and service delivery to the subnational level and strengthening the capacity of provincial and communal authorities for this purpose. The importance of this is also emphasized in the 2013 PRS, which states that "decentralization needs to be reconsidered in this context. However, necessary safeguards should also be implemented so that decentralized authorities (who already have less capacity than the central government) are able to render services to citizens."

The rural community driven development (CDD) approach, in turn, is also being used as the basis for the more recent Reconstruction and Economic Recovery Project for northern Mali in response to the civil conflict in 2012-13. However, project design might have been further strengthened by supporting the interactions between citizens and local authorities, in short by supporting greater social accountability to increase confidence and trust in the decentralization process. It would likewise be important to ensure, especially in a fragile and /or post=conflict state such as Mail, that short-term CDD activities are accompanied by longer-term planning initiatives to integrate the capacities and skills developed under the project into sustainably funded service delivery mechanisms over time, as stressed in the 2011 World Development Report (WDR) on Conflict, Security and Development. In general, the project's Results Framework was appropriate, although, as noted in section 2a above, some of the initial performance indicators were later dropped because they were either difficult to measure or of declining relevance as implementation proceeded (see also section 10 below).

4. Achievement of Objectives (Efficacy):

The PDOs were to improve the living conditions of project-supported rural communities in terms of: (i) access to basic socio-economic services, and (ii) a sustainable increase in incomes, while promoting improved natural resource management practices. Project achievements in terms of outputs and outcomes in relation to each of these objectives will be assessed in turn.

Improve access of project -supported rural communities to basic socio -economic services.

Outputs. According to the ICR (Annex 2, pp. 31-32), the project implemented 501 "socio-economic investment micro-projects," covering a "vast range" of areas, specifically for education (43.8 percent), health (22.7 percent), water supply (16.9 percent) and commercial facilities (15.5 percent). This compares with a target of 450 such investments, together with corresponding training and technical and economic support. As concerns the latter, 452 micro-project management committees were established and a training program to assist them was funded by the National Agency for Local Governments' Investments,] (Agence Nationale d'Investissements des Collectivites Territoriales. or ANICT). Under this program, standard modules were developed by a firm that trained trainers on them, who, in turn, trained the management committees. The ICR also reports that 95 percent of the social investments financed by the project resulted in "increasing attendance rates." Elsewhere (para. 66, pg. 15), it affirms that 87 percent of the villages supported by the project had "adequate access to basic social services, i.e., clinic within 15 kilometers, school within 5 km, and 1 water access point for 400 people," compared with a target of 80 percent.

Outcome. Access to education, health services and potable water in the project area has improved and residents appear to express relatively high levels of satisfaction. According to the end-of-project impact survey, 98.7 percent of parents of pupils surveyed considered project support to have been satisfactory, while 89.1 percent of respondents appreciated the services rendered by health centers, particularly in the Sikasso, Mopti and Segou regions, and between 55 percent and 61 percent (depending on the region) of those who received better access to water points provided by the project were reportedly satisfied. According to the Annex (No. 5, pg. 48), which summarizes the end-of-project beneficiary survey results, the main reasons for dissatisfaction with the water supply provided were: (i) water taste was not suitable; (ii) long waiting times around the water distribution point; and (iii) the early depletion of some water points,

Achievement of this objective is, therefore, rated **Substantial**

Provide a sustainable increase in incomes in project -supported rural communities while promoting improved natural resource management practices .

Outputs. 906 productive investments were implemented by the project, as compared with a target of 900, together with the corresponding technical support, assistance or training. Altogether, 910 financing agreements for productive subprojects were signed with regional offices, of which infrastructure and equipment purchase was reportedly completed for 99 percent. (ICR, Annex 2, pg. 33) Total project grants for this purpose were just under US$ 11.7 million, with largest numbers going to the Sikasso, Mopti and Segu regions. Agricultural production subprojects predominated with 49 percent of the total, followed by livestock activities (29 percent), processing and trade (13 percent) and crafts (9 percent). There were no specific outputs related to the provision of improved natural resource management practices, although the economic annex (Annex 3, pg. 38) states that "that production models and financial budgets were defined for the most critical interventions for income generating activities such as soil and water conservation (dikes and thresholds), horticulture, bee keeping, poultry, small livestock feeding, small fisheries" etc., and elsewhere (para. 96, pg. 22) that the project "contributed to the introduction of major technical and technological innovations in dairy farming, poultry farming," etc., suggesting that such practices may have been included.

Outcomes. Elsewhere (para. 66, pg. 15), the ICR affirms that at the end of the project, 63 percent -- as opposed to a target of 60% -- of the productive subprojects had generated average annual income per member superior to the basic poverty line. The economic analysis (Annex 3) confirms that the total net income as a result of project-supported productive investments increased steadily during its implementation period, although more in agricultural and livestock subprojects than in those for processing and trade and crafts subprojects (see Table 3.10, pg. 42). Yields of various crops, including sesame and rice, had also risen, and employment in 109 subprojects sampled had increased by nearly 9.300, roughly half of whom were women. When extrapolated to all of the subprojects financed, total additional employment that could be attributed to the project was estimated to be on the order of 77,000. The ICR (para. 96, pg. 22) observes, finally, that the project had "favored large diversification of production activities especially in the areas of livestock and agriculture and intensification of agricultural production with the doubling of yields of certain crops, including rice and sesame." However, it should be noted that the evidence in this regard is somewhat limited due the lack of a baseline study on beneficiary livelihoods or incomes and the fact that incomes were not fully tracked at the household level but only assessed on the basis of a sample of the various types of productive investments supported by the project

As concerns natural resource management, the intermediate outcome target that 50 percent of the community-based organizations had implemented improved practices was reportedly exceeded, as this share at project closing was reportedly 70 percent. The project team informed IEG that this figure was based on data gathered in connection with the ex-post impact evaluation and that it referred in part to the introduction of environmental screening to determine the eligibility of the communal and productive subprojects. On the other hand, it is noteworthy that one of the intermediate outcome indicators that was dropped at the time the AF was approved -- "at least 140 communal natural resource management investments executed and maintained through NRM management groups" -- was dropped became none of the communes had requested NRM investments.

Achievement of this objective is nonetheless also rated **Substantial.**

It should be noted, finally, that the ICR (para. 69, pp. 16-17) assesses project outcomes both in relation to the original PDO indicators and those revised at the time the AF was approved, considering that roughly 70 percent of the original credit (or 28.24 million SDR) had been disbursed by that date. On both counts, it rates project outcome has having been "Satisfactory." However, it does not provide the details of the analysis that allowed it to reach this conclusion, even though in some cases the PDO indicator targets had not yet been fully achieved by September 30, 2010 when the AF was approved. This notwithstanding, all of the end-of-project targets had been achieved or surpassed by the time the original project and the AF had closed in December 2013.

5. Efficiency:

The economic analysis in the PAD (Annex 9, pp. 62-64) attempted to identify quantifiable benefits and costs related directly to project activities, indicating that the main quantifiable benefits were "income generation through the financing of communal socio-economic and local productive micro-projects (an estimated with project vs. without project (WP/WOP) labor remuneration increase of US$ 4.62 equivalent and a WP/WOP benefit/hectare increase of US$ 838 equivalent), which, considering total estimated project costs for communal and productive investments (US$ 41.2 million, out of a total of US$ 64 million, the rest being for capacity building and project management), resulted in an estimated ERR of 13 percent over a period of 15 years.

The economic and financial analysis in the ICR is drawn directly from the borrower's ICR and was not carried out independently by the Bank, It calculates ERRs for a very small, reportedly "representative", sample (i.e., 27 out of 910) of subprojects implemented under Component 3 (Local Productive Initiatives), which, as a whole, accounted for 35.8 of total project costs on completion. This resulted in an estimated average ERR of 28.4 percent over a period of 15 years (Annex 3, Table 3.6, pg. 41), although it is not clear exactly how this average was determined. The sample of sub-projects analyzed involved specific interventions in five areas (village garden, dry crop, livestock, processing and trade and crafts), but the ICR (para. 83, pg. 19) states that, if two other productive activities -- beekeeping and aquaculture -- were added the overall ERR would increase to 36.7 percent. However, the ICR does not present specific cost and benefit information for these subprojects and it is not known what share of actual costs they account for. In addition, the reported ERRs seem excessively high. The quality of this analysis and the extent to which it can reasonably be extrapolated to the component -- and the project -- as a whole, therefore, can be questioned.

Finally, the ICR (para. 85, pg. 19) affirms that experience from this and a previous Bank rural development operation in Mali, the Grassroots Initiative to Fight Hunger and Poverty Project (or PAIB), indicated that "communities generally chose investments with high rates of return that are sustainable" and that "through a decentralized decision-making process, it has been proven that the investment costs are low compared to similar micro-projects realized by different partners or government institutions." In addition, under a community-based approach, savings in infrastructure costs were "significant." However, it does not provide any specific data or other evidence in this regard. although it states that "this conclusion was echoed by local officials and community members."

It should also be noted that not only were project investment targets in terms of the number of subprojects exceeded, but actual project management costs (US$ 9.4 million) proved to be lower than anticipated at the time the AF was approved (US$ 10.7 million), suggesting that some savings were perceived in this regard. Overall, therefore, Efficiency is rated **Substantial**.

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	Yes	13%	64.4%
ICR estimate	Yes	28.4%	35.8%

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

As relevance of objectives was **High** and relevance of design, efficacy and efficiency are all rated **Substantial,** overall, the project outcome is considered **Satisfactory**.

a. Outcome Rating : Satisfactory

7. Rationale for Risk to Development Outcome Rating:

Due to their current profitability, most of the productive micro-projects appear likely to continue generating increased income and the communes reportedly have sufficient resources to cover operation and maintenance costs of project-financed infrastructure (ICR, para. 101, pg. 24). However, as the main outcome that needs to be sustained is improved living conditions for the beneficiary populations and we know that part of the project area was adversely affected by civil conflict and most of the area, and especially its rural communities, are vulnerable to climate shocks (i.e., periodic droughts),which may become even more severe over time as a consequence of climate change, risks to the development outcome rating over the long-term are **Significant**. This is rating is reinforced by a number of key uncertainties: what is the post-project capacity of the beneficiary communes and communities to to engage in the planning and implementation of future local development activities? Will the rural communities be sufficiently able to influence the choice of goods and services delivered through such activities in the absence of a Bank project? And will the poor continue to benefit from these goods and services, or will these benefits be captured by those who are already better off?

a. Risk to Development Outcome Rating : Significant

8. Assessment of Bank Performance:

a. Quality at entry:

The project built on the experience of the earlier PAIB (Grsssroots Initiatives to Fight Hunger and Poverty Project, or *Projet d'Appui aux Initiatives de Base*) operation and was generally well designed and prepared despite the need to later modify some of the indicators in the Results Framework . Preparation was supported by US$ 1.1 million from two Project Preparation Facility (PPF) grants, which permitted mobilization of qualified human resources to cover relevant technical and institutional aspects . According to the PAD (pg. 16), the project was designed to "promote the use of simple, appropriate, and environmentally sound technologies and investments that (a) correspond to the needs of the beneficiaries and capabilities of local service providers, and (b) that can be efficiently maintained and operated by identified community members ." It also states that "in the case of technologies requiring skills that are not available in the communities but can be easily transferred to them, skills development programs will be launched before investments are made " and "for each type of investment likely to be selected by the communities, a technical note has been produced describing the investment and is specifications: technical description, performance, operation and maintenance procedures, costs and benefits, etc." The Bank team reportedly reviewed all pertinent national strategies and programs and the project was consciously designed to be consistent with and support the Government's ongoing decentralization process. Environmental safeguard requirements were adequately covered up-front, although subsequent difficulties suggest that procurement and financial management arrangements might have been stronger.

Quality-at-Entry Rating : Satisfactory

b. Quality of supervision:

Except for the six month period in early 2013 when the Bank suspended disbursements due to the civil conflict, supervision was carried out on a regular basis . Task team leadership was based in the Bamako office, which facilitated day-to-day oversight, communication with the client, and problem-solving. The Bank reportedly responded effectively to the initial implementation delays caused by procurement and financial management problems. According to the ICR (para. 105, pg. 25) "frequent knowledge sharing with all stakeholders also took place on a regular basis, particularly on decentralization ....[while] issues were quickly identified and adequate remedial measures were taken to improve project performance ." While procurement was rated moderately satisfactory overall, Bank supervision was proactive in introducing corrective measures through a comprehensive procurement review that were directed towards the factors leading to procurement challenges . Similarly, there is evidence that Supervision was attentive to financial accountability issues introducing new software to Regional Project Implementation Units (PIUs) to manage the handing of expenses.

Additional information provided by the project team during the ICRR consultation period provides further evidence of effective supervision. In addition to working in difficult circumstances owing to the civil conflict, the supervision team also helped the Government to respond to the effects of the 2009-2010 financial crises by extending parts of the project's additional finance to the poorest groups of rural communities that were affected by the crisis . The team was creative in in extending emergency support through the existing project vehicle in a manner that allowed for the delivery of larger quantities of local food supplies .

During project implementation, the team also made adjustments to the Management Information System to allow for real time digital based feedback from the field to the center . While the need for simple, measurable and monitor-able indicators in a conflict affected environment is clear - changes made to the M&E system - on the other hand - focusing mainly on project activity, processing and outputs -were not commensurate with the level at which the PDO was written (unchanged at restructuring). IEG recognizes supervision efforts to simplify the results framework - efforts that responded to needs expressed in village sample surveys to "reduce and update" some of the indicators when it “rapidly became clear that some proved difficult to measure or were no longer relevant " (see M&E Section below). However, by project end, the ICR reported that it did not utilize the M&E system to report on project results, signaling a high level of responsiveness in supervision but an overall general weakness in the system’s ability to measure PDO outcomes.

While weaknesses in the M&E system are recognized, the supervision team effectively oversaw the fully satisfactory implementation of this rural service delivery project in a difficult working environment, proactively addressed implementation issues, and was highly responsive to needs on the ground as demonstrated through various course corrections undertaken through the additional financing

Quality of Supervision Rating : Satisfactory

Overall Bank Performance Rating : Satisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

Government ownership of project objectives and design was high and key institutions responsible for the national decentralization policy were reportedly closely involved in project preparation. Although the GOM had a lot of new issues that it has to deal with (especially the crisis in 2012) the Government remained committed to the decentralization agenda all along project implementation. Key Government institutions responsible for the Decentralization policy worked closely with the project to ensure sound implementation of the project. (ICR, p.26). The Government also was quick to recognize the lingering effect of the world food price crisis and was able to partner with the project and seek solutions, including to soften the impact of the Global Financial Crisis, as it affected the poor. The Government provided stability and continuity in PIU staff, which also has been of key determinant of successful project implementation. Counterpart funding was provided as anticipated.

Government Performance Rating Satisfactory

b. Implementing Agency Performance:

The implementing agency consisted on one central unit (*Bureau Central de Gestion du PACR*, or BCG/PACR) and decentralized PIUs in each of the four project regions. As noted above, there were initial problems with procurement (i.e., ineligible expenditures) and financial management in relation to one of the project components, and, while these were subsequently resolved, they did result in implementation delays and misapplied resources needed to be returned to the Bank. However, BCG/PACR appears otherwise to have performed well and was able to monitor project activities at both the regional and central levels, although with the shortcomings briefly described in the next section (10). Implementing agency performance with regard to environmental safeguards also appears to have been generally adequate (see section 11a below), and no social safeguards were triggered by the project

Implementing Agency Performance Rating : Moderately Satisfactory

Overall Borrower Performance Rating : Moderately Satisfactory

10. M&E Design, Implementation, & Utilization:

a. M&E Design:

Monitoring and evaluation (M&E) activities were adopted at two levels: (i) monitoring of implementation by the various units involved in the project; and (ii) assessment of project impact by consultants at mid-term and at project completion. The initial project Results Framework contained a large number of indicators, but it was later decided to refine then. As a result, some of the initial indicators were dropped and others added in relation to the new component for assistance to rural primary schools and community health centers at the time the Additional Financing (AF) was approved in September 2010.

b. M&E Implementation:

This system reportedly (ICR, para 49, pg. 11) performed "adequately" throughout project implementation and remained "fully operational with a computerized data base as well as data at the central level at BCG /PACR", the main project implementing agency, as well as at the level of the Regional Project Implementation Units (PIUs), of which there were four. Information was transferred from the field by electronic means, including in the form of tables a charts. Preliminary baseline data from village sample surveys reportedly reinforced the need to "reduce and update" some of the Results Framework indicators when "it rapidly became clear that some proved difficult to measure or were no longer relevant." (ICR, para. 50, pg. 12)

c. M&E Utilization:

The ICR does not specifically report on M&E utilization, but does use information from the end -of-project impact assessment in order to report on overall outputs and associated results . Even though, according to the project team, the impact evaluation included control villages (i.e., those that did not benefit from project actions) for purposes of comparisons, no such comparisons are presented in the ICR, so it is not possible to determine the impact of the project independently of other factors that may have contributed to positive outcomes (e.g., a general increase in the prices of farm products that may have led to increased farmer incomes).

M&E Quality Rating : Modest

11. Other Issues

a. Safeguards:

The project was classified in Category B and triggered the Environmental Assessment (OP 4.01) and Pest Management (OP 4.09) safeguard policies. No social safeguard policies were triggered. An Environment and Social Management Framework (ESMF) was prepared and, according to the ICR (para. 51, pp. 11-12) compliance with it "appeared satisfactory." It also observed that the Mid-Term Review (MTR) found the community-based investments "included a proper analysis and anticipation of their potential adverse impacts on the environment " and that "relevant preventive measures were provided to beneficiaries and included in the technical design and budget of micro-projects." It also affirmed that additional training was recommended together with closer supervision of the subprojects by regional directorates in charge of environmental protection and that "final data collected demonstrated a satisfactory implementation of the Environmental Management Framework ." However, no environmental specialists are listed among the Bank's supervision team and the ICR does not specifically report on whether any pest management issues were encountered during implementation . According to the project team, a Bamako-based environmental specialist was part of the team during both preparation and supervision and his name should have been included in the ICR.

b. Fiduciary Compliance:

Procurement was considered "moderately satisfactory" by the ICR (para. 52, pg. 12) because non-compliance with the Bidding Code and IDA procedures by the National Agency for Local Government Investments (ANICT) for Component 2 (Communal Initiatives Fund) reportedly led to poor micro-project quality and sustainability issues for physical investments during the initial stages of project implementation . Corrective measures were introduced through a comprehensive procurement review which led to adoption of a manual of procedures for the Communal Initiatives Fund (CIF), suspension of additional ANICT Special Drawing Rights until the shortcomings were corrected, and strengthened training programs for communes on procurement requirements .

Financial Management was rated Satisfactory by the ICR (para. 53, pg. 12) even though initial difficulties were also encountered with ANICT in relation to Component 2. More specifically, it took a long time for the FM system to be established by that agency and Interim Financial Reports (IFRs) only started in 2008. Delays with financial reporting were also experienced for Components 1 and 3. In addition, a technical audit of ANICT in 2008 found ineligible expenditures, which were subsequently reimbursed, and, according to the ICR, "accountability was also dealt with in 2009 when Regional Project Implementation Units (PIUs) stated using adequate FM software (TOMPRO) to produce and feed financial data to the project implementation unit, BCG /PACR. However. overall financial management of the project reportedly improved over time and was rated satisfactory by mid -July 2010.

c. Unintended Impacts (positive or negative):

No unintended impacts were reported.

d. Other:

The project reportedly contributed "significantly" to the poverty reduction activities of Mali's Social and Safety

Development Program (PRODESS) and to the PRSP, as well as benefitting community-based organizations and had a positive impact in terms of gender inclusion and the empowerment of women through their participation in the program. The capacity of a large number of local service providers and that of the Ministry of Social Development was reportedly also strengthened.

12. Ratings:	ICR	IEG Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Risk to Development Outcome:	Moderate	Significant	Given the post-conflict and extreme weather-related (i.e., drought-prone) vulnerability of the project area, risks to maintaining improved incomes and livelihoods are likely to continue to be significant.
Bank Performance :	Satisfactory	Satisfactory	
Borrower Performance :	Satisfactory	Moderately Satisfactory	Initial procurement, resulting in ineligible expenditures. and financial management problems, particularly in relation to the community infrastructure component, caused early project implementation delays
Quality of ICR :		Satisfactory	

NOTES:
- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:

Among the key lessons that can be derived from this project are the following :

1. Community-driven Development (CDD) approaches may be particularly effective when crisis situations occur . In the present case, the civil conflict in the northern part of the country in 2012 revealed that, while central institutions may be weakened, a CDD approach can facilitate the reconciliation process between communities affected by the conflict.

2. Capacity building at all levels is essential for community empowerment. This includes pertinent central and local government (i.e., communal) institutions, local public and private sector service providers, and the affected rural communities themselves. According to the ICR (para. 117, pg. 27) more specifically, "providing training through local expertise (civil society organizations) has...enabled capacity building to reach the micro level (villages) throughout the country and this was critical for communities to develop socio-economic and productive investments."

3. There is a need to ensure that all project stakeholders are fully in line with project arrangements . This lesson is derived from the initial procurement, financial management and implementation problems experienced with the community infrastructure component, which the ICR (para. 115, pg. 27) concludes appeared to be the result of the fact that "implementation arrangements were insufficiently prepared."

14. Assessment Recommended? ● Yes ○ No

Why? It might be useful to do a cluster PPAR of the earlier PAIB (i.e., Grassroots Initiatives to Fight Hunger and Poverty Project), the present Rural Community Development Project (PACR), and the subsequent and presently ongoing Reconstruction and Economic Recovery Project to jointly assess in greater depth the implementation and results of and lessons learned from these rural CDD operations in Mali, especially considering the reportedly largely successful experience and outcomes of the two former projects .

15. Comments on Quality of ICR:

This is a well-written ICR that contains a good annex on project outputs by component, together with a summary of beneficiary survey results and of the Borrower's ICR (in French). Its main weakness is that the ICR team did not independently carry out its own assessment of the project's economic and financial costs and benefits, but simply translated and presented that contained in the Borrower's ICR, which had a number of limitations, including drawing conclusions based on a very small sample (3 percent) of subprojects, which are not clearly identified, of one project component that accounted for little more than one-third of total project costs.

a.Quality of ICR Rating : Satisfactory