



Report No AB48

## Initial Project Information Document (PID)

<b>Project Name</b>	MALI-Community Based Rural Development Project
<b>Region</b>	Africa Regional Office
<b>Sector</b>	General agriculture; fishing and forestry sector (45%); Other social services (20%); Vocational training (20%); Agricultural marketing and trade (10%), Sanitation (5%)
<b>Project ID</b>	P040653
<b>Supplemental Project</b>	
<b>Borrower(s)</b>	GOVERNMENT OF MALI
<b>Implementing Agency Address</b>	(1) MIN OF RURAL DEV. AND ENV. (2) MIN. OF SOCIAL DEV. Ministère du Développement Rural et de l'Environnement Ministère du Développement Social, de la Solidarité et des Personnes Agées Address Bamako, Mali Contact Person Tel Fax Email  AIB (Ministère du Développement Social, de la Solidarité et des Personnes Agées) Address Bamako, Mali Contact Person Tel Fax Email  CBRD Implementation Unit (Ministère du Développement Rural et de l'Environnement) Address Bamako, Mali Contact Person Tel Fax Email
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### 1. Country and Sector Background

#### Background

With a per capita income of US\$240 (2001), Mali is one of the world's poorest countries. A landlocked country covering 1,241,000 km<sup>2</sup>, it has a population of 10.8 million (2001) and an annual population growth rate of 2.4%. Eighty percent of the population live in rural areas, and about 72% of the population live below the poverty line. According to the most recent data (1994-2000), 31% of Mali's children under five years old are malnourished; only 52% of

Maliens have access to safe water, (based on 20 liters per day per person) and about 80% lack basic sanitation. The poorest of the population are rural households engaged in subsistence agriculture. Growth in the agricultural sector is continually constrained by low rainfall, poor and fragile soils, loss of biodiversity, low productivity, of traditional technologies, lack of socio-economic infrastructure and services, and credit and financial services.

Agricultural production is higher in the south, where rainfall is relatively higher. Here, cotton production represents 45% of foreign exchange earnings which are, however, highly vulnerable to the world price for cotton. Despite poor conditions for agricultural productivity, including infertile soils and inadequate rainfall, the Malian rural household economy remains extremely dependent on agriculture. The most vulnerable parts of the population are women; children suffering from malnutrition; young people with no access to employment; and the elderly.

### **Constraints and Issues**

*Poor Natural Endowment* Mali's agro-climatic zones range from Saharan (less than 150mm of rainfall) in the North to Guinean or sub-tropical (1,200mm of rainfall) in the South. The most binding constraint to agricultural production is the limited amount and unreliability of rainfall. Agriculture in Mali is primarily rain-fed except for some surface water irrigation, mainly along the Niger river used to produce sufficient rice for country's need. Over the past 30 years, the country has experienced declining and erratic rainfall and a southward movement of desertification. This, coupled with poor and fragile soils, has led to short and seasonal agricultural activities. In the 1980s, severe droughts left an estimated 1.4 million rural residents highly vulnerable to food shortages.

*Degradation of Natural Resources* The renewable natural resources that constitute the basis for sustainable agricultural production (soil, water and vegetation) are severely affected by the harsh climate described above. Another factor affecting these resources is the growing population which has put unsustainable pressure on agricultural and non-agricultural lands. These populations are still practicing forms of agriculture such as slash and burn and shifting cultivation that are not anymore possible as shortage of land does not allow for fallow (rest) periods. Also, growing human population is accompanied by increasing livestock population which puts heavy pressure on natural rangelands. These pressures on land and vegetation have caused soil fertility losses, a lowering of the groundwater table (from 6 to 12 meters in some parts of the country over the last ten years), accelerated forest degradation, firewood scarcity, accelerated loss of biodiversity including major big game species and declines in fish harvests in the Niger river (from 120,000 tons to about 50,000 tons per annum).

*Limited Public Infrastructure and Social Services* Poor access to social services and poor basic public infrastructure are a leading cause of rural poverty in Mali. Despite devolution of authority to the local level, Mali still needs to strengthen delivery of public services at the community level. Often, low income rural communities live in non-served or underserved settlements with poor environmental conditions. Residents suffer from a range of diseases caused by polluted drinking water, poor sanitation, lack of roads, lack of schools, and inadequate health care. Household access to clean water is probably the single most important determinant of health.

The water supply and sanitation sectors have been characterized by lack of systematic community participation; little or no user contribution to the investment of village water systems; the absence of local technical capacity; the ineffectiveness of sanitation and hygiene education programs and total dependence on external resources. The time devoted by women and girls to gathering water and transporting goods is a major constraint to their participation in other economic activities, as well as in literacy and education programs.

Poor and unevenly distributed rural infrastructure contribute to slow and uneven growth in the rural areas. Poor networks of rural/feeder roads that are inadequately linked to agricultural and cattle markets hinder producers from fully exploiting urban and export possibilities. Accelerated growth and better living conditions in rural areas require improvements in the sustainable provision of basic social and infrastructure services. However, it is important to devolve the responsibility for managing local development to local populations as this increases long-term sustainability. The new institutional framework created by decentralization offers a conducive framework for strengthening the role of local governments in service delivery and fostering community participation in local development.

*Top-Down Programming of Investments.* Over the last ten years, Mali has genuinely embarked on a process of decentralization and community empowerment and participation and more and more projects are adopting this new approach as is the case for the IDA-funded NRM and GRIP projects. While the principle of community participation in project design, implementation and monitoring, is formally endorsed, old top-down reflexes are slower to disappear in the public services and as a consequence, financial resources continue to be highly centralized. Taking into account beneficiary needs; seeking their commitment (willingness to contribute to capital cost); and promoting their sense of ownership has not been systematic. While Mali has been a leading country in community participation, more remains to do to improve service delivery throughout the country especially in poor rural areas.

*Micro-Credit and Lack of Productive (private) Investments.* Private investments at the rural level are low and often nonexistent. This is largely attributed to limited access to micro-credit. In Mali, a formal financial sector is almost completely absent in the rural economy. Banks are generally not interested in accepting the high risk, low levels of collateral and high transaction costs involved in lending to smallholders or community groups. Lack of investments in markets, milk production, crafts, livestock, grain mills, carts for animal traction, small-scale processing, etc means that rural dwellers are often unable to expand their productive investments or enter into new forms of productive enterprise. Because previous experiences were not successful, support from government and external donors have faded over the years.

*Land Tenure.* In Mali, the forest code was enacted in 1986 and serves as a major legislation that contributes to natural resource protection. Under the code, forest domain is considered as land not cultivated, owned or built-up. Cultivated land that has been fallow for more than five years is also considered forest domain. Within the forest domain, territorial units are further classified as “protected forests”, “forest reserves”, or “restoration perimeters.” Cultivation and grazing are forbidden in forest reserves, except in special circumstances and under controlled conditions. Subsistence farming and grazing are permitted in protected forests. Despite this clarity on forest

lands, existing legislation has failed to promote effective land tenure practices and thus protection of natural resources on land in general. Discrepancies between religious, traditional and modern laws governing land tenure have contributed to tenure insecurity. Improving conservation practices would require delineation of state, federal, traditional and religious lands. However, for any land tenure reform to be effective, active participation and input of all defacto and *de jure* land-users is necessary.

### **Government Rural Strategy**

In 1992, the government prepared a long-term Rural Development Plan (*Schéma Directeur du Développement Rural, SDDR*) and, in 1993, a detailed action plan to implement the strategy. In October 2000, a review took stock of the (slow) progress made and updated the SDDR using a revised Action Plan for the next decade which emphasizes the following rural priorities: (a) rural transport infrastructure; (b) improving the management and conservation of natural resources, (c) improving the provision of basic rural infrastructure; and (d) refocusing the Rural Development Ministry on core public service functions. In addition, the Poverty Reduction Strategy Paper (2002) shows how the Mali government plans to address poverty, particularly in rural areas.

*Rural Development* Mali's agricultural sector is faced with major challenges related to the control of water resources and the inadequacy of infrastructures needed to diversify production. The objectives and strategies for the next 10 years are defined in the revised SDDR and Action Plan. The global objective for this sector is to improve the income and living conditions of the population in a sustainable and equitable manner (by geographical zone and gender). Specific goals are: i) to seek food security in a manner that integrates the expansion, diversification, and optimum development of production in agriculture, livestock, fisheries, and forestry; and ii) increase the productivity and protection of the environment within a sustainable natural resource management framework in order to confront the obstacles to rural and water development. The strategies defined aim at: i) in relation to physical constraints, the opening up of rural areas, the availability of infrastructure and equipment, water management to secure production, the supply of drinking water, erosion prevention and rational management of natural resources, and the implementation of a river management facility (especially the Niger); ii) in relation to human and institutional resource constraints, capacity building for promoters in the rural development and water sectors, decentralization of decision making, setting up an adequate coordination framework for environmental, rural development and water activities and iii) in relation to financial and economic constraints, increasing the access of the private sector (producers, private entrepreneurs).

*The March 2002 PRSP* The PRSP highlights a strategy for poverty reduction that (a) improves institutional capacity to ensure good management of public affairs; (b) focuses on human development and improving access to basic social services; (c) forms a new vision of rural development using a plural dimension approach to ensuring food security and (d) emphasizes the need for specific measures and corrective actions to integrate the poor into the economy and reduce disparities between regions, communities and sexes.

*Improving the Provision of Basic Rural Water and Sanitation Infrastructure* The Government's

updated strategy in the rural water supply and sanitation sectors (adopted in March 2000) is to maximize the impact of existing safe supply and sanitation facilities to ensure that the sectors can respond to the demands of the population. Specifically, by decentralizing the decision-making process at all stages of the rural water supply and sanitation project cycles; requiring beneficiary commitment indicated by willingness to contribute to capital costs; greater beneficiary training in rural water and sanitation management, operation and maintenance and reduction in construction and maintenance costs. Some progress in increasing access to basic infrastructure and services has been made in Mali in the last few years. The government has began a new project for the provision of safe water in rural areas (the FY2000 IDA-financed National Rural Infrastructure Program, PNIR). The PNIR project (\$138M) will support the development of rural transport infrastructure, rural water supply and sanitation, as well as the rehabilitation and/or construction of irrigation schemes for better control and management of irrigation water. However, this project only covers the Sikasso Region of Mali. Moreover, deficiencies in sanitation, solid waste collection and disposal facilities, and drainage, not covered by the PNIR, remain a problem.

*Rural Transport Infrastructure* The Government of Mali has designed a new national rural transport strategy and the extension of the rural road network has now been given high priority. The GOM has clarified responsibilities and procedures regarding road construction and maintenance at each level, from the main network (national/primary and feeder roads) to local roads. In the short run, local governments will have limited human and financial capacity to effectively carry out their new obligations. Therefore, the strategy calls for greater technical support to these local governments and communities by the Regional Directorates of Public Works in organizing and implementing road maintenance. Local communities will have to mobilize their own resources for the construction and maintenance of small, local rural roads (through user charges or labor). These community groups benefit from financial support from central government but under certain stringent conditions which does not allow them to meet their financial needed unless additional resources are made available through them (case of donor-funded projects such as the IDA-funded Rural Infrastructure Project).

*Refocusing Rural Development Ministry (MDR) on Core Public Service Functions* Under the PASAOP, the government is carrying out an institutional reform program for restructuring and strengthening (i) the core functions to be performed exclusively by the state, e.g. policy formulation, regulations; (ii) functions that the state can carry out with the private sector, producer organizations, NGOS, etc; and (iii) functions to be immediately privatized such as production, processing marketing, input supply, credit etc. The privatization program of commercial entities is in progress, including a rural works and equipment company (*Opération des Travaux et d'Équipement Rural*) and others. Under the PASAOP, the government intends to strengthen the efficiency and sustainability of agricultural service system (public and private) as well as the capacity of the producers organizations to be the main actor of rural development. The government will also transfer autonomous or private entities to share with private operators such as veterinary and artificial insemination services, management of slaughterhouses and agricultural extension services. Given the recent severe financial crisis in Mali's cotton sector, the government has prepared a new action plan for reforming and liberalizing the cotton sector, including the privatization of CMDT's agro-industrial and commercial activities. After the 2002 presidential and legislative elections, the Rural Development Ministry (MDR) became the Rural

Development Ministry and Environment Ministry (MDRE).

*Environmental Strategy to Improve the Management and Conservation of Natural Resources and the Environment* In 1995, Mali adopted several laws including a Law (95-004) on forest resource management and a law (95-031) on wildlife and habitat management. These laws were designed to be congruent with the decentralization process to ensure that communes were an essential part of natural resource management in Mali. Communes are responsible for managing and maintaining their domain that may comprise forests, waters, wildlife, etc. Implementation is not fully effective yet, but the government is in the process of (1) identifying the existing infrastructure and domains to be transferred to each commune; (2) identifying transferable responsibilities for natural resource management; and, (3) identifying the modalities of such transfer. In 1999, Mali adopted a National Environment Action Plan which focused on strengthening national capacity, restoration of degraded areas and organization of a permanent system of control and monitoring of the environment. The 2001 Biodiversity Strategy and Action Plan confirms the country's commitment to the protection of the priority eight ecosystems. The strategy states that the management of national ecosystems must include: i) sustainable use of resources; ii) empowerment of communities and local Government and iii) equitable distribution of conservation benefits. In 2002, the environmental agenda was attached to the Ministry of Rural Development.

*Decentralization.* In 1993, in order to provide better, more accountable services and increased local participation in the preparation and implementation of development programs, Mali, adopted a basic legal framework for decentralization (Decentralization Law of 1993) and put in place several institutional structures with the establishment of local and regional authorities following local elections in 1999. The regulatory framework, further clarifying the respective roles and mandates of the newly established local governments is well developed. At the central government level, a special ministry was created in early 2000 ~~MINISTRE~~ *de l'Administration Territoriale et des Collectivités Locales* to address the needs of the decentralized institutional levels more effectively. The devolved administrative structure presents the Government with significant challenges from an institutional as well as personnel management point of view, at both central and decentralized levels. With the decentralization process, 682 new communes (groups of villages, mostly rural) were formed. Most of these 682 new communes are lacking basic public infrastructure as well as technical/managerial capacity. The scope for project intervention at the commune level is promising: many members of the NRM Village Councils, created under the IDA-supported NRM project were elected as members of the commune councils because of their acquired skills in participation, management, leadership and governance. In addition, decentralization procedures for transferring financial management functions and funds from the center to the regional and local levels have been defined (see GTZ Report Sept. 2001).

## **2. Objectives**

The development objective of the Mali Community-Based Rural Development project (CBRD) is to reduce rural poverty and improve the living conditions of people in rural areas through community empowerment and social, economic and environmental investments.

The proposed project will be part of a long-term national Rural Development Strategy also

aiming at eradicating poverty and hunger and improving living conditions in rural Mali where 80% of the population lives. This would be achieved by increasing rural (agricultural and non-agricultural) production and income in a sustainable way and ensuring a rational use of the natural resources that constitute the base for agricultural production and growth. Such challenge can only be met if there is good governance and if communities are empowered and acquire the skills to conceive, plan and manage their own development.

The CBRD will come in support of Mali's decentralization policy and program, principally by assisting rural communities and their emerging elected bodies (communes) to (a) develop technical and management capacities; (b) establish long and medium term Sustainable Community Development and Investment Plans (SCDIP) and annual Program of Work and Budget; (c) create social and economic public and private infrastructures; obtain benefits and generate incomes from these infrastructures and (d) operate and maintain the said infrastructures in a sustainable manner. The project will be implemented in six regions of mali (to be discussed with borrower) and priority will be given to areas with greater poverty as well as those where similar work has been initiated through two IDA-funded projects and on which the proposed project will build upon: the NRM project completed on December 31, 2000 and the GRIP-PAIB project completing January 31, 2004. The project duration will be six years to allow enough time for the first targeted communes to design and implement two Community Development Plans of three years each

### **3. Rationale for Bank's Involvement**

The value-added of Bank support is three-fold:

1. the project would draw on the Bank's recent experience implementing community driven rural development projects, especially in countries which are in the process of decentralizing their administration. Lessons learned from Bank's involvement in these institutional settings would be relevant to the Malian context. Working at the commune level can help the government focus on those strategic institutional changes (of a cross-sector nature) that would maximize the impact of decentralization;
2. the Bank is financing the PASAOP under which there is a demand-driven mechanism for financing agricultural services. Those services would complement the productive investments to be financed under the proposed project and help ensure their returns, and thus the sustainability of those productive and social investments;
3. The Bank will soon be funding ~~the~~ Rangeland Biodiversity Conservation project (ARBC) under preparation and to which the CBRD is very complementary. The ARBC will only finance environment-related activities but not production-related activities. The need to link up these two projects.
4. the Bank's involvement will help the government to leverage further funding from other bilateral and multilateral donors for the implementation of its decentralization agenda and thus be able to extend its support to more of the communes; and
5. the project will directly improve local service provision to the village and commune levels providing an important example of how decentralized structures can be used to empower communities and promote visible poverty alleviation.

#### 4. Description

The project components will be:

- (i) community empowerment and capacity building;
- (ii) capacity building for community-support institutions;
- (iii) design and implementation of Sustainable Community Development and Investment Plans; and
- (iv) project management, monitoring and evaluation.

The project will be implemented in six regions (Kayes, Koulikoro, Mopti, Tombouctou, Ségou and Sikasso) and will cover 200 (PGRN+PAIB) communes located in 20 districts (*celles*). In addition the CBRD project will cover the 18 communes where the IDA-funded Arid Rangeland Biodiversity Conservation Project will be implemented in the regions of Mopti (Douentza district), Tombouctou (Rharous district) and Gao (N'Tillit district). Among the (2500) villages to be selected, about 1000 have been initially involved in the PGRN and the PAIB projects but have only received partial support. The remaining villages will be selected in the same communes in order to cover all the villages of these communes and carry out comprehensive communal development plans. Under the NRM Project, interventions were in the regions of Kayes, Koulikoro and Mopti while the GRIP Project intervened in the Mopti and Tombouctou regions. Two new regions are being considered: Ségou and Sikasso.

##### A. Community Empowerment and Capacity Building

Community empowerment and capacity building is required for different community groups and for different purposes.

- Communal Councils The elected members of the Communal Council, as well as the administrative and technical staff of the communal administration will get capacity building . A rural commune regroups 5 to 20 villages and has a total population of 5,000 to 50,000. The members of the Communal Council are elected by the residents of the commune. The number of elected members in each commune varies according to the population of the commune. Each Communal Council member serves a term of five years. The responsibilities of the Communal Councils are to deliberate on issues pertaining to the economic, social and cultural development of the commune. For example, the council will deliberate on communal budgets, environmental protection, management of communal space, local public infrastructure, public transport, etc. Before deliberation on these matters, the Communal Councils have to take advice of the villages and village chiefs concerning such things as land registration, public transport, creation of boreholes and other water sources, etc. Many of the elected members of the Communal Councils are illiterate, and don't have the management skills required. The same is also true for key administrative and technical staff such as the "Secrétaires Généraux" and the "régisseurs" of the communes. Some donors are already providing support for such capacity building but this does not amount to the full need of these communes nor does it cover all communes of the country. Support from this project will therefore complement the ongoing efforts and will focus on the following three priority areas:



*Communes Budgets* Budget preparation and approval in the new communes encounter many difficulties due to the lack of properly trained staff. This in turn has deterred both central authorities and the donors from transferring investments funds to them. Removing this constraint would first help of the communes better manage and control their resources; secondly, it also ensure the transparency of the commune financial system, a prerequisite for restoring donor confidence.

*Local Resources Mobilization.* In addition to budgetary discipline, the second area is the improvement of the communes capacity to better mobilize their own resources (from both traditional local taxes and duties). Although this alone would not be enough in view of the limited resources base in most rural areas of Mali, there is still room for improvement. This, however, will require better and close institutional relationships with the de-concentrated Treasury and Tax services at the district level. Much of the financial life of the communes depends on the latter who manage the communes revenues, shared upwards with state funds.

*Sectors Resources Mobilization.* Both of the above capacity building efforts under this component will, with time, enable elected communes councils and managers better understand the financial situation of their communes and program multi-year local investment, improve their capacity to effectively lobby de-concentrated sector services on behalf of their communities for sectors funds for social services.

- *Village Councils.* Villages of the same commune are very isolated and distant from each other with very little communication means. While getting all villages to work together in the framework of the commune is very important, the need to have these isolated villages internally well organized is essential. Although they are not formal decentralized bodies, elected Village Councils have played an important role in helping village communities get organized and carry out several initiatives. With the implementation of the decentralization policy, they became the building blocks for the communal structures and have produced a large number of Communal Council members. However, as with Communal Councils, most of Village Council members are illiterate and have no management skills. Similar capacity building efforts are therefore needed and will be provided under this project.
- *Professional and Socioeconomic Groups* Investments made at the village or commune level (social public infrastructure or private productive investments) will be managed by interest groups that will need to acquire proper skills. Capacity building will be provided to these groups as a package tied to the investments.
- *Village/Commune Populations.* Illiteracy is one of the main causes of poverty. Another cause is the lack of basic knowledge about basic environmental issues such as natural resource degradation, desertification, health and sanitation. These issues will be addressed

under this project.

## B. Capacity Building for Project Support Institution/Agencies

Agencies Providing Direct Support to Communities Institutions and agencies expected to provide direct support to communities for capacity building and for the design and implementation of their Community Development Plans need to upgrade or reinforce their own capacities. This is particularly true when a project calls for new skills, or for more staff with similar skills (increase in their volume of work). Some of these institutions are government services. Other agencies are the newly created *Centres de Conseils Communaux (CCC)* or advisory units established by the MATCL at district level (*cercles*) in 49 districts and expected to provide technical support to communes and communal councils. These CCC are temporary (until the Communes develop their own skills). During preparation, coordination and cooperation with the CCCs as well as eventual support to these units will be discussed.

Poverty Monitoring. Under the GRIP project, support was provided to the Sustainable Human Development Observatory (*Observatoire du développement humain durable - ODHD*) and to the National Department of Statistics *Direction Nationale de la Statistique et de l'Informatique - DNSI* to help improve decision making in the area of poverty alleviation and to carry out the population census and a household survey. The ODHD is now operation and is being supported by UNDP. Under the CBRD project, support will extended to the DNSI to enable them to monitor the evolution of poverty in rural areas and evaluate the impact of the CBRD and other projects on poverty reduction.

Environmental Information System Under the NRM project, support was provided for the establishment of an EIS aimed at (i) a better understanding of the evolution and causes of natural resources degradation in order to devise and implement appropriate policies and mitigation measures; and (ii) an evaluation of the impact of NRM investments on the replenishment of these natural resources and on the production base. As a result of the NRM project, several national agencies were networked, received capacity building, had their environmental monitoring data harmonized, their members trained, environmental and natural resources data bases set up, reference manuals on methodology for environmental information management produced and a web site created. Unfortunately, the NRM project closed before all these agencies and the network could reach the point where they could operate without project support. Under the CBRD project, these capacity building activities will be re-introduced and the network will be made operational and autonomous by providing paid environmental information and services to its users. Assistance will be provided to *Secrétariat Technique Permanent du Cadre Institutionnel de la Gestion des Questions Environnementales (STP/CIGQE)* and to the network members.

## C. Design and Implementation of Community Development Plans

After having received support in enhancing their capacities, villages and communes will be assisted in preparing and implementing Community Development and Investment Plans. These plans have been defined as three-year plans. The different steps of the process are (i) broad

long-term Community Development Strategy - CDS (*Schéma d'aménagement communautaire -SAC*); (ii) three-year Community Development Plan - CDP (*Plan d'aménagement/développement communautaire – PAC*) and (iii) three-year Community Investment Plan - CIP (*Plan d'investissement communautaire – PIC*) CDPs and CIPs may be merged into one activity and document: the CDIP. Community members and representatives will play a central role and must acquire a sense of ownership and responsibility. It is proposed to CDSs, CDPs and CIPs at both the village and the commune level with the village CDSs, CDPs and CIPs being fully integrated to – and in tune with- the commune ones.

The design of the CDS, CDP and CIP will take into consideration all aspects and sectors, will address all issues concerning the targeted communities and will not be limited to agricultural sector matters. These plans will integrate all possible actions that could contribute to a successful and sustainable development of the community. For that purpose, all relevant public services are to be involved (health, water and sanitation, education, handicraft, agriculture and livestock, environment, etc.). The process will start with a participatory comprehensive baseline analysis and diagnostic that will identify community human, financial and natural resources assets, needs and constraints; and problems and opportunities. The investments to be considered under such plans are for:

- (i) public socioeconomic infrastructure;
- (ii) private income-generating infrastructure/activities; and
- (iii) natural resource management.

The funding and implementation of CDPs and CIPs will also call for a multi-sector approach. Some sector projects and programs are already being implemented and only coordination will be required between those projects and the CBRD project in order to make them complementary. In the cases where sector projects do not cover the CBRD project areas or do not address some of the key the issues of the sector, resources will be provided under the CBRD project in agreement and cooperation with the concerned sectors in order to complement the actions carried out by the sector projects.

#### D. Project Management and Monitoring & Evaluation

This does not constitute a component per se but the overall project management activities including project coordination, financial management, procurement and project monitoring and evaluation. The two concerned bodies will be the CBRD Unit in the Rural Development and Environment Ministry (MDRE) and the AIB, under the umbrella of the Social Development Ministry (MDSSPA). Further discussions will determine which ministry will have the overall responsibility for project implementation.

- A. Community Empowerment and Capacity Building
- B. Capacity Building for Support Services/Agencies
  - B1. Agencies Providing Direct Support to Communities
  - B2. Poverty Monitoring
  - B3. Environmental Information System
- C. Community Development Plans

## D. Project Management, Monitoring and Evaluation

### 5. Financing

	<b>Total ( US\$m)</b>
BORROWER	\$10.00
IBRD	
IDA	\$50.00
<b>Total Project Cost</b>	<b>\$60 00</b>

### 6. Implementation

Two entities will be responsible for the implementation of the project: the CBRD Unit in the Ministry of Rural Development and Environment (MDRE) and the AIB, an association representing several NGOs, working under the umbrella of the Social Development Ministry (*Ministère du Développement Social de la Solidarité et des personnes âgées - MDSSPA*).

The AIB will be responsible for the implementation of Components A and C of the new project in the regions of Mopti (part of) and Tombouctou. The AIB is currently responsible for the implementation of the Grass Root Initiatives Project (GRIP) due to close at the time the CBRD starts.

The CBRD Unit will be responsible for the implementation of the project in the regions of Kayes, Koulikoro, (part of) Mopti and Ségou. The CBRD Unit will replace the NRM Project Unit responsible for implementation of the NRM project and will inherit part of its staff. The NRM Project has been traditionally attached to the Environment Directorate which changed ministry several times. At the project closing date, it was under the Ministère de l'Équipement, de l'Aménagement du Territoire, de l'Environnement et de l'Urbanisme. With the latest government's post election restructuring (June 2002), the Ministère du développement rural et de l'Environnement (MDRE) was created, moving the PGRN under this new ministry. Because of the multi sector dimension of the project, The CBRD Unit would be directly attached to the cabinet of the minister. It will be made of a group of about eight experts in the areas of social sciences (community participation, poverty assessment, social impact, gender issues), decentralization, training, agriculture, livestock; forestry, NRM, environment, economics, information technology, and monitoring & evaluation.

Overall coordination will be provided by a project steering committee involving the MDRE, the MDSSPA, the MATCL, the Ministry of Economy and Finance (MEF) as well as community and NGO representatives. The modus operandi and chairmanship remain to be discussed.

The question of how to channel the funds aimed at financing investments at commune level and who will administer these funds will be discussed during preparation. Three options are being offered for funds administration: (i) the National Investment Agency for Territorial Collectivities (*ANICT*) administering the National Investment Fund for Territorial Collectivities (*FNICT*); the Communal Council; and the Project Implementation Units. The ANICT is considered as too bureaucratic, too centralized, slow and expensive (5% administration charges). Most communal administrations are still insufficiently skilled to manage funds and must undergo capacity building first. Project Implementation Units appear to be the option for the time being as long as

this is for a transitional period only (two to three years). The above issue will be addressed during preparation.

### **7. Sustainability**

In previous rural development projects sustainability has been a major issue for the investments made at the community level. The main causes were (i) lack of financial resources and/or skills at the community level to operate, maintain or renew the infrastructures and equipment provided generally for free (case of social investments such as schools and health units); (ii) lack of integration of these investments in the economic circuit (no input supply, no market, etc.); and (iii) isolated investments (with no access road, no transportation, no water supply, etc.). A very important focus of this project will be on sustainability. No investment will be financed unless (a) there are income generating activities to enable communities to pay for services provided by these investments; (b) there is capacity to efficiently manage these investments, (c) there is sufficient demand for these services; (d) input supply is available to keep these investments running; and (e) all other necessary infrastructures are available to operate these investments and link them to the market. Thus, this project utilizes an integrated approach to development whereby priority community-driven investments will be matched with a full package to make these investments sustainable. It is however important to recognize that in areas of extreme poverty, (in terms of people's education, health condition, natural endowment, financial means and management skills) sustainability is a real challenge.

### **8. Lessons learned from past operations in the country/sector**

**Emphasis on community-based / community-driven development and participation is a key to success** Key positive lessons from past projects are that communities are usually more capable than expected to prepare and manage small development projects provided that design procedures adapt standard formats to local needs and capacities. There is also a growing body of evidence that projects planned and managed by communities typically show rates of return higher than those planned by government agencies for these same villages. In countries with weak contract management, community rather than contractor managed procurement and construction is often of higher quality and lower cost. The ICR from the Natural Resource Management Project in Mali, completed in 2000, indicates that the project was highly successful in promoting a very participatory approach putting the communities in the center of the decision process and helping them strengthen their capacities in the areas of development planning, implementation and management. The project promoted the creation of NRM Village Councils which constituted the foundation for the establishment of Rural Communes and played a pioneer role in the implementation of the Government's decentralization policy. Success is characterized by five main factors: local organizational capacity, effective outreach, responsive agencies, enabling policies and Government commitment. All these factors will be taken into account in the design of the proposed program.

**Institution building** takes time and adequate advance preparation. Operations designed to develop local capacity and a participatory culture require a longer learning curve. In the NRM project in Mali, there was insufficient understanding and implementation of the CBNRM approach. Although levels of understanding increased over the project life, the staff was too optimistic in assuring the capacity of beneficiary communities to contribute cash and labor to the village investment projects. This lesson needs to be incorporated into new projects.

The response to the needs of low income communities requires an **integrated approach** to

infrastructure and services delivery offering a menu of complementary interventions from which they can choose according to their priorities and means (Rural Water Supply and Sanitation Project in Pakistan, AJK-RWSS).

**Cost Sharing** Local schemes where communities share the cost, based on the concept of component sharing, promote community ownership and project sustainability (AJK-RWSS).

**Technical support** and training is often needed to introduce better-quality infrastructure designs, to prequalify engineers, agronomists and other supports for the villages. If this step is done, villages may be able to procure and manage high quality contractors.

**Risk of elite capture** of benefits is particularly high, particularly in communities with pronounced class differences. Mitigation measures include external facilitation, a focus on public rather than private goods and an intense program for outreach and transparency.

**Implementation Pace.** Communities need time during planning to fully understand and begin to own the process. Pressure to do something quickly undermine the need to create spaces for negotiation and mediation.

**Decentralized financial management and Procurement** at the local community level is central to successful implementation of bottom-up approaches to development and for promoting a culture of financial management of community funds. PGRN has demonstrated that communities are successful in procurement and decentralized financial management. Provided with basic training, communities are capable of carrying out their own procurement and in ensuring that service providers are accountable to them.

**Monitoring and Evaluation** systems are important and must be phased in throughout the project. These must be tied to performance indicators at each stage of the project. Such systems must be properly staffed and be allocated timely and adequate resources for operation and training. Successful projects have often involved communities in monitoring project work.

#### **9. Environment Aspects (including any public consultation)**

**Issues** : Specific areas (communes and villages) targeted by the project are not known upfront. Only the regions and circles are known. Therefore it is not possible to prepare an EIA before project's start. However, EIAs will be produced for each type of community-based investment to be funded under the project to ensure that no investment can have a negative impact on the environment. In addition, rapid EIA methods will be designed to be utilized during project implementation.

#### **10. List of factual technical documents:**

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**Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.**

**Tables, Charts, Graphs:**

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