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PROJECT PAPER

ON A

PROPOSED PROJECT RESTRUCTURING
OF THE SAFETY NETS PROJECT (JIGISEMEJIRI)

TO THE

REPUBLIC OF MALI

August 11, 2016

Social Protection and Labor Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2016)

Currency Unit = CFA Francs BCEAO (CFAF)
CFAF 572.52 = US\$1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
ASP	Adaptive Social Protection
CBT	Community-based Targeting
DA	Designated Account
DNPSES	National Directorate for Social Protection and Economic Solidarity
ELIM	<i>Enquête Intégrée auprès des Ménages</i> (Integrated Household Survey)
FM	Financial Management
GDP	Gross Domestic Product
GRS	Grievance Redress Service
IGAP	Income Generating Activities
INSTAT	<i>Institute National de la Statistique</i> (National Statistics Institute)
MIS	Management Information System
MSHRN	Ministry of Solidarity, Humanitarian and Reconstruction of the North
NGOs	Nongovernmental Organization
PDO	Project Development Objective
PIM	Project Implementation Manual
LIPWP	Labor-intensive Public Works
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
SAM	Severe Acute Malnutrition
SOE	Statement of Expenditures
UNICEF	United Nations Children's Fund
UTGFS	<i>Unite Technique de Gestion des Filets Sociaux</i> (Safety Net Technical Management Unit)

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REPUBLIC OF MALI
SAFETY NETS PROJECT (JIGISEMEJIRI)

CONTENTS

Project Paper Data Sheet

Project Paper

I. Introduction	1
II. Background and Rationale for Additional Financing in the Amount of US\$10 million	1
III. Proposed Changes	11
IV. Appraisal Summary	21
V. World Bank Grievance Redress	26
Annex 1: Revised Results Framework and Monitoring Indicators.....	27
Annex 2: Detailed Description of New Sub-Components	34

ADDITIONAL FINANCING DATA SHEET

ADDITIONAL FINANCING DATA SHEET

Mali

Safety Nets Project (Jigisemejiri) (P157892)

AFRICA

Social Protection and Labor Global Practice

Basic Information – Parent				
Parent Project ID:	P127328	Original EA Category:	C - Not Required	
Current Closing Date:	30-Jun-2018			
Basic Information – Additional Financing (AF)				
Project ID:	P157892	Additional Financing Type (from AUS):	Restructuring, Scale Up	
Regional Vice President:	Makhtar Diop	Proposed EA Category:	B - Partial Assessment	
Country Director:	Paul Noumba Um	Expected Effectiveness Date:	01-Nov-2016	
Senior Global Practice Director:	Michal J. Rutkowski	Expected Closing Date:	31-Aug-2019	
Practice Manager/Manager:	Stefano Paternostro	Report No:	PAD1770	
Team Leader(s):	Phillippe George Pereira Guimaraes Leite, Rene Antonio Leon Solano			
Approval Authority				
Approval Authority				
Board/AOB Decision				
Please explain				
Borrower				
Organization Name	Contact	Title	Telephone	Email
Ministry of Economy and Finance	Dr. Boubou Cissé	Minister of Economy and Finance	223 20 22 58 58	sg@finances.gouv.ml

**Project Financing Data - Parent (Emergency Safety Nets project (Jigiséméjiri)-P127328)
(in USD Million)**

Key Dates

Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P127328	IDA-H8350	Effective	30-Apr-2013	27-May-2013	17-Aug-2013	30-Jun-2018	30-Jun-2018

Disbursements

Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P127328	IDA-H8350	Effective	XDR	46.30	46.30	0.00	16.75	29.55	36.19

**Project Financing Data - Additional Financing Safety Nets Project (Jigisemejiri) (P157892)
(in USD Million)**

[] Loan [X] Grant [] IDA Grant
[] Credit [] Guarantee [] Other

Total Project Cost: 10.00 Total Bank Financing: 0.00

Financing Gap: 0.00

Financing Source – Additional Financing (AF)	Amount
Borrower	0.00
Free-standing TFs AFR Human Development	10.00
Total	10.00

Team Composition

Bank Staff

Name	Role	Title	Specialization	Unit
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Extended Team					
Name		Title	Location		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Mali	Sikasso	Sikasso Region		X	
Mali	Segou	Segou Region		X	
Mali	Mopti	Mopti Region		X	
Mali	Koulikoro	Koulikoro Region		X	
Mali	Kayes	Kayes Region		X	
Mali	Gao	Gao	X		
Mali	Bamako	Bamako Region		X	
Institutional Data					
Parent (Emergency Safety Nets project (Jigiséméjiri)-P127328)					
Practice Area (Lead)					
Social Protection & Labor					
Contributing Practice Areas					

Additional Financing Safety Nets Project (Jigisemejiri) (P157892)
Practice Area (Lead)
Social Protection & Labor
Contributing Practice Areas
Agriculture, Climate Change, Education, Health, Nutrition & Population
Consultants (Will be disclosed in the Monthly Operational Summary)
Consultants Required ?Consultants will be required

I. Introduction

1. This project seeks the approval of the Executive Directors to restructure the Republic of Mali's Emergency Safety Nets Project (P127328, IDA Grant H8350-ML). The Project is being restructured to amend the Project Development Objective which will read as follows: "to increase access to targeted cash transfers for poor and vulnerable households, and build an adaptive national safety net system in the Recipient's territory". The PDO was previously to provide targeted cash transfers to the poor and food insecure households and to establish building blocks for a national safety net system for the Recipient. 'Food insecure' has been revised to 'vulnerable' as this is more measurable, while the word 'adaptive' has been included to reflect the objective of building a social safety net system that is adaptive and resilient to shocks. The PDO will be achieved by: (a) further strengthening the country's current social safety net system, which includes making it more adaptable; (b) increasing the resilience of poor and vulnerable households; and (c) extending the scope of the Project. The scope of the restructured project is broader, accommodating a new labor intensive public works program and income generating activities subcomponents. An associated Additional Financing (AF) has been approved, which will bring the total budget envelope to US\$80 million. The Government is also providing US\$1 million for project management.

2. The proposed AF is aligned with the Systematic Country Diagnostic of the Republic of Mali, which, among others, highlights the importance of increasing the resilience of households and individuals through interventions that can mitigate the impact of poverty and uninsured risks, increase household productivity, and improve community infrastructure. Indeed, increasing resilience starts by building better safety net systems, including by leveraging synergies with other sectors—such as education, health, nutrition and population, disaster risk management, climate change, jobs, agriculture, and gender—to increase their impact in terms of reducing poverty and increasing shared prosperity.

3. The proposed AF will meet Mali's needs for additional resources to (a) strengthen the impact of the current project on increasing resilience and (b) expand the geographical scope of the project in Mali where the volatile fiscal and security situation contributes to increasing poverty and vulnerability. The closing date of the parent project will be extended by 18 months, from June 30th, 2018 to December 31st, 2019, to allow sufficient time for all the target indicators to be reached. The results framework will be modified to adjust the target values of the parent project and reflect the projects' expected impact on adaptation and resilience.

4. The proposed AF will be financed by a US\$10 million grant from the from the Multi-Donor Trust Fund for the Sahel Adaptive Social Protection Program for the Adaptive Social Protection (ASP) Regional Trust Fund for Resilience in the Sahel, which is funded by the U.K. Department for International Development.

II. Background and Rationale for Additional Financing in the Amount of US\$10 million

Political Crises and Conflicts

5. While the political situation has improved since 2012, the country's security has deteriorated. In 2012, the northern regions of Mali were occupied by armed separatist and

jihadist groups, while a military coup in March overthrew the elected government and prevented the conduct of elections scheduled a month later. Constitutional order was gradually restored, and a Transitional Government of National Unity was formed to take charge of restoring sovereignty over the entire territory of Mali and organizing fair and transparent national elections. This Government was internationally recognized as the legitimate Government of Mali. Under the mandate of the United Nations Security Council, a coalition of foreign troops launched military operations in northern Mali in support of the Malian army in January 2013. The parliament adopted a political road map of milestones to restore democratic order in January 2013, and presidential elections were held peacefully over two rounds in July and August 2013. Although a peace accord was signed in May 2015, its implementation remains challenging. Violent and extremist groups, that were not signatories of the May 2015 peace accords, continue to engage in terrorist activities, even in the capital Bamako (in August and November of 2015). Therefore, a return of government institutions and services to the north of the country requires long-term engagement to address Mali's overall fragile governance.

6. Conflict and political instability, coupled with Mali's regular vulnerability to shocks (including both international prices and climate changes), have aggravated the already poor living conditions of a large majority of the country's population. Because Mali is a landlocked country in the Sahel with a narrow natural resource base and rapid population growth, as well as high poverty levels (43.6 percent in 2010), its population is extremely vulnerable to different types of shocks (environmental, social, political, and economic). It is estimated that more than 25 percent of the population (over 3 million people) is chronically food-insecure and around 1.7 million people are permanently at risk of hunger. This high level of vulnerability combined with the recent political and military crisis has largely isolated populations living in the northern part of the country. In particular, the military coup of March 2012 has created an institutional crisis and has pushed a large number of people into the country's interior where there is widespread chronic food insecurity and to neighboring countries (mainly Burkina Faso, Niger, and Mauritania). Indeed, according to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the number of both displaced people and refugees reached a peak in June 2013. OCHA reported that (a) 353,455 people were internally displaced by June 2013, following a major increase of 234,639 internally displaced people since September 2012 and (b) 168,913 people had fled to neighboring countries. As of September 2015, OCHA estimates indicate that 61,920 people remain displaced and 136,772 remain in exile. Not only were those displaced people vulnerable and poor in the first place, they have moved to areas of the country that were already among the most vulnerable with regard to food insecurity. As a result, the well-being (with regard to welfare and caloric intake) of households is suffering. If this situation continues, the Malian population will experience a significant deterioration in well-being, including increased levels and prevalence of chronic malnutrition, which will have a negative impact on human capital and productivity in the long term.

Economy

7. Mali was and remains one of the poorest countries in the world, despite positive economic growth trends. The gross domestic product (GDP) growth has been positive over the recent years but has been quite volatile because of a variety of political, economic, and natural shocks. Since 1970, average annual per capita GDP growth in the country has been 4.4 percent. The GDP has fluctuated from as low as -11 percent in 1984/85 to as high as over 12 percent four

years later in 1989. These fluctuations can be partly attributed to the compound effects of erratic rainfall as production in both the secondary and tertiary sectors is largely dependent on agricultural output. Changes in world market prices (a decrease in cotton prices) and political instability have negatively affected the economy. The significant influence of weather conditions can be seen in the evolution of food prices, while non-food prices have been relatively stable.

8. Between 2001 and 2010, the country's positive economic growth had a pro-poor pattern, which helped to reduce both poverty and inequality in the country. Over that entire period, consumption growth among the poor was higher among the poorest, while consumption growth among the richest either stagnated or declined. As a result, the Gini coefficient, which measures inequality in consumption, dropped from 0.39 to 0.33. It is important to note that pro-poor growth had the greatest impact on poverty and inequality between 2006 and 2010.

9. Profound challenges remain due to a volatile fiscal deficit and cumbersome fiduciary systems in Mali. In 2012, the Government strove to match its lower revenues with good financing options while preserving pro-poor expenditure and accumulating very few external arrears. In 2013 and 2014, the budget benefitted from the resumption of international aid as well as from improved revenue collection following increased economic activity in the secondary and tertiary sectors. However, there is a need for increased security spending in the aftermath of the November 2015 attack and the multiple attacks led by jihadists or armed groups that are not part of the peace accord. This is likely to reduce social sector spending and, specifically, those programs that benefit the poor and vulnerable. Therefore, Government priorities going forward include (a) the need for a cohesive Government response to the crisis; (b) prioritization of the recovery; (c) renewed efforts to reduce widespread poverty; and (d) the urgent need to further improve the governance of public resources.

Population and Access to Services

10. Mali's population of about 14.9 million people, 90 percent of whom live on about one-third of its surface area in its southern regions, is growing rapidly. Mali's population remains largely rural, but urbanization has increased fast, with the share of urban dwellers having doubled to 35.6 percent between 2002 and 2012.

11. Access to services is generally limited, though significant improvements have been achieved over the past decades. In education, for example, the majority of Malians (65 percent) have no education, and the average number of years of schooling among adults is 2.4. Primary school gross enrollment increased from 32 percent in 1980 to around 80 to 90 percent in 2011.¹ Both secondary and tertiary enrollment rates have also increased substantially since the early 2000s (gross secondary enrollment was 45 percent in 2011 while tertiary enrollment was 7 percent). Nevertheless, almost 50 percent of youth of ages 12 to 17 years are out of school and adult literacy is extremely low—34 percent in 2011, which is well below the average for Sub-Saharan Africa. Access to potable drinking water (defined by the National Statistical Office as reliance on any water source except unimproved wells or 'other sources') increased from 69 percent in 2001 to 79 percent in 2006 and 81 percent in 2009/10. Health indicators have also

¹ Estimates vary according to the source, with administrative and household survey data pointing to a figure closer to 80 percent.

improved. Notably, infant mortality rate has declined (from 161 per 1,000 births in 1980 to 81 in 2011), an indication of increased access to health care (for instance, curative consultation rates increased from about 20 percent to 30 percent between 2006 and 2012). Nevertheless, infant mortality remains considerably higher than the Sub-Saharan African average. With about 540 per 100,000 births, Mali has one of the highest maternal mortality rates in the continent. Nearly one-third of children under the age of 5 years are stunted, despite significant recent improvements. Mali also has one of the highest fertility rates in the world (6.9 children per woman), leading to an exceptionally high rate of population growth of 3 percent.

12. Moreover, limited access to education and health services has particularly adverse consequences for women and for the poorest. Poor households face significant barriers of access to all services, particularly electricity, secondary schools, and prenatal and postnatal care. Fewer girls than boys attend school, and girls are more likely to drop out, in part because of early marriage and pregnancy (in 2004, half of all Malian girls of ages five to 19 years were already married). In addition, girls face very high risks of medical complications or even death following childbirth, risks that are even higher for poor girls. High levels of adolescent fertility—176 children are born to every 1,000 young women under the age of 19 years—contribute to very high levels of maternal mortality and high levels of lifetime fertility.

Vulnerability to Shocks and Food Security

13. The predominantly rural population lives on agriculture and pastoralism, almost entirely in dry lands that are heavily dependent on rainfall and are vulnerable to shocks. Beyond the risks of even more frequent weather shocks, both global warming and continued desertification are likely to have a negative impact on Mali's food security (United Nations 2011; United Nations Development Programme 2013; and World Bank 2010).

14. Over the last 40 years, a number of major crises have made food insecurity and malnutrition the main focus of humanitarian aid and social protection in the Sahel Region. These crises have largely been the result of more frequent natural disasters, which, coupled with economic and political shocks, have prevented people from producing or purchasing enough food and have led to large-scale involuntary displacements. The recurring shocks affect all countries in the Sahel Region, so it is important for the Government of Mali to respond in the context of regional collaborations aimed at understanding and tackling the roots of increasing vulnerability to sudden shocks and chronic poverty. The main natural disasters that have hit Mali and its neighbors are floods, droughts, and pest infestations. In Mali, floods have been the most frequent shock. For example, from 1980 to 2013, there were 21 floods in Mali affecting a total of 277,000 people. On the other hand, while there were only eight droughts during the same period, they affected 25 times as many people. The impact of these disasters has been dramatically amplified over the last decade, during which three-quarters of all victims of droughts and floods were recorded. Some of these disasters have led to complex humanitarian crises, with grave effects with regard to food insecurity and malnutrition resulting from the inability of rural households to farm or the destruction of their crops. These difficulties were further compounded by the impact of economic shocks, including the steep increase in the prices of food and fuel in 2007 and 2008 and the ensuing international financial crisis. Since 2011, the impact of these weather-related and economic shocks increased further following the political crises unfolding in Libya and Côte d'Ivoire, which forced over 420,000 migrant workers to return to Niger, Chad,

Mali, and Mauritania. As a result, their home communities lost a key source of income (remittances) and increased pressure has been put on the limited food and services available.

15. Over the last year,² the weather pattern in Mali has been heterogeneous. The late arrival of the rainy season meant that the June 2015 rainfall was insufficient for crops and pastures across all regions. Mopti and Segou received the most rainfall, while Kayes and Timbuktu were the most deprived. As a result, the amount of land under cultivation was lower than that during the same period in 2014. Moreover, river levels are lower than last year—with the exception of the Bani Basin, the Niger upstream of Koulikoro, and the Senegal River Basin—which has negatively affected crop production in many areas. The level of food security so far remains acceptable in both the center and south of the country, primarily because of (a) the considerable supply of grain being sold at prices below the five-year average and (b) good family stock and the favorable trade environment for pastoralists. However, in the regions of Gao, Timbuktu, and Kidal, as well as in some areas of Mopti, food security is being seriously affected by a combination of low reserves and a volatile security situation. Furthermore, household food stocks are dwindling by the day and are now at low to moderate levels, except in large production areas. The stock held in cereal banks has been replenished at much lower levels than in 2014. Therefore, given that rainfall is highly variable, households and the economy remain highly exposed to hazards (such as droughts, floods, strong winds, and crop pests) that are being worsened by climate change. The population's dependence on rain-fed agriculture and on pastoralism makes rainfall patterns and levels highly significant. Small climate change can have a significant impact on food security in 2016, potentially increasing the number of food-insecure households and malnourished children, which are currently estimated at 3 million people and 709,000 children of ages between 6 and 69 months, respectively.

Implementation Status of the Emergency Safety Nets Project (Jigisemejiri)

16. In 2013, the Emergency Safety Nets Project (*Jigisemejiri*), in the amount of US\$71 million, was approved by the World Bank with two sources of financing: (a) an IDA Grant of US\$70 million (SDR 46 million) and (b) Government counterpart funding of about US\$1.0 million as presented in the Project Appraisal Document of the parent project³. The project, which became effective on August 7, 2013, was designed to provide permanent and predictable social safety nets to 62,000 poor and food-insecure households. The project development objective (PDO) is to provide targeted cash transfers to poor and food-insecure households and to establish the building blocks for a national safety net system in Mali. The project has three components:

- Component 1: Cash Transfer Program and Accompanying Measures
- Component 2: The Establishment of a Basic Safety Net System
- Component 3: Project Management

² Système d'Alerte Précoce of Mali report (07/15).

³ 53. During appraisal, the Government agreed to pre-finance the preparatory activities of the project in the amount of FCFA 160 million (equivalent to approximately US\$320,000). In addition the Government will cover the cost of support staff and operational costs during the implementation of the project amounting to about FCFA 600 million (equivalent to approximately US\$1.2 million).

17. Project implementation has been under way for almost two years, and the World Bank has rated both the achievement of the PDO and implementation progress as Satisfactory. The Social Registry developed as part of the parent project already consolidates information on 57,000 households around the country, all of whom are potentially eligible for the project's cash transfer program and/or for the Ministry of Health's *Regime d'Assistance Medicale* (health insurance) system. Indeed, to date, 43,613 households (70 percent of the PDO indicator) are receiving the quarterly cash transfers for 36 months, indirectly benefiting around 349,000 individuals. In addition, 2,736 heads of households benefitting from the *Jigisemejiri* Project are already benefitting from free access to health care, while another 10,401 are currently being enrolled by the National Agency for Medical Assistance (*Agence Nationale d'Assistance Medicale*). The project has a disbursement rate of 18.9 percent, which is expected to increase significantly with the acceleration of the delivery of the cash transfers under Component 1. Indeed, the disbursement rate reached 34 percent or about US\$24 million as of July 31st 2016. A detailed summary of progress-to-date per component is as follows:

- **Component 1.** A one-year pilot program, benefitting about 5,000 individuals in three different areas of the country, including Bamako, was successfully implemented following project effectiveness. Project implementation accelerated significantly after the first year of implementation of the pilot program in 2014. To date, 43,613 households (70 percent of the PDO target) are receiving the quarterly cash transfers for up to the ceiling of 36 months in the program. The cash transfers are indirectly benefitting around 349,000 individuals, of whom 33.6 percent are children under 14 years of age and 5 percent are elderly. The accompanying measures that are designed to make beneficiaries aware of the importance of nutrition, hygiene, and education are being delivered by nongovernmental organizations (NGOs) to beneficiaries and non-beneficiaries in selected communities since April/May 2015. Nutritional packages are expected to be delivered by the parent project in the pilot communities for all children under 5 years of age at the beginning of the second quarter of 2016.
- **Component 2.** The project seeks to lay the foundations for the establishment of a social safety net system by supporting the creation of (a) a Social Registry (a national database of the poor), which will serve as an entry point for multiple interventions for the poor and vulnerable Malians and (b) a management information system (MIS). The Social Registry already consolidates information on 57,000 households around the country, all of whom are potentially eligible for the project's cash transfer program and/or for the Ministry of Health's *Regime d'Assistance Medicale* (health insurance) system. As of today, 2,736 heads of households benefitting from the *Jigisemejiri* Project are already benefitting from free access to health care, while another 10,401 are currently being enrolled by the National Agency for Medical Assistance (*Agence Nationale d'Assistance Medicale*). The project has also supported the development of an MIS, which includes modules for (a) tracking payments, beneficiaries' compliance with the project's accompanying measures, and the delivery of nutritional packages and (b) supporting the project's implementation unit (the Safety Net Technical Management Unit [*Unite Technique de Gestion des Filets Sociaux*, UTGFS]) in generating regular reports and tracking grievances related to the delivery of the cash transfers. The UTGFS currently has a

dedicated team that is managing the Social Registry, but a multisectoral Steering Committee is in the process of being created to discuss, among others, the most appropriate institutional arrangements for hosting such a data system.

- **Component 3.** The project has made significant progress in institutional strengthening, coordination, and capacity building. Specifically, the project (a) has a fully staffed implementation unit (the UTGFS); (b) is effectively providing capacity building for staff of the UTGFS and the National Directorate for Social Protection and Economic Solidarity; and (c) has developed a monitoring and evaluation strategy to track the project’s operational, financial, and procurement activities.

18. While the project is progressing well, preliminary evaluations have highlighted some areas that could further improve the impact of safety nets. These evaluations consist of (a) a spot-check survey by the UTGFS of about 800 beneficiaries selected from among the first 5,000 beneficiaries and (b) the recently completed survey of 3,000 households by the International Food Policy Research Institute to be used as a baseline for the envisaged independent impact evaluation. The results of the UTGFS spot-check survey indicate that urban households use about 70 percent of the *Jigisemejiri* transfer to buy food, around 10 percent to buy medicines, and the rest to pay rent. Rural households also use 70 percent for food, use 5 to 10 percent of the transfer to cover the costs of education and hygiene products, and use about 15 to 20 percent to buy either small livestock or agriculture inputs such as herbicides, seeds, and fertilizers. The preliminary results of the International Food Policy Research Institute baseline survey indicate that the project’s targeting methodology has been successful in accurately identifying the eligible population. However, given the high prevalence of chronic undernutrition and anemia in Mali, other interventions, such as the provision of vitamins, may also need to be added to the project’s benefits (beyond the current package of cash transfers, accompanying measures, and nutritional packages) to increase its impact.

Adaptive Social Protection

19. Despite the recent improvements discussed above, Mali remains highly vulnerable to food insecurity and shocks. The main challenges affecting the Government’s ability to build resilience among vulnerable populations include (a) the lack of up-to-date knowledge on the scope of vulnerability and poverty; (b) limited capacity to anticipate shocks effectively and to respond promptly to their effects; (c) the need to introduce more innovative approaches and tools that can address the structural causes of vulnerabilities in a more effective manner; and (d) the lack of coordination among the numerous actors and multiple interventions in social protection, disaster risk management, and climate resilience.

20. With regard to best practices to promote resilience and reduce vulnerability, a permanent, flexible safety net is now acknowledged as a critical tool that can incorporate disaster risk management and climate risk resilience, both *ex ante* to prevent and mitigate the impact of disasters for current beneficiaries and *ex post* to be scaled up to help poor and vulnerable populations to cope with the effects.

21. Introducing ASP, which builds on the potential synergies to be gained from bringing together social protection, disaster risk reduction, and climate change adaptation, will broaden

the current scope of interventions to not only mitigate current poverty but also reduce vulnerability to shocks by building capacity and increasing the range of livelihood options for poor and vulnerable households. By combining the current cash transfer program with building the foundations of a social safety net system, the AF seeks to (a) transform and promote livelihoods; (b) support communities' development with tailored assistance; (c) introduce a longer-term perspective for social protection and disaster risk reduction interventions; and (d) enhance synergies with other sectors—such as education, health, nutrition and population, disaster risk management, climate change, jobs, agriculture, and gender—to increase their impact with regard to reducing poverty and increasing shared prosperity.

Current Activities Financed through ASP Grant (Bank-executed Programmatic Activity)

22. As part of the ASP Regional Trust Fund for Resilience in the Sahel, a bank-executed programmatic activity was prepared to support the preparation of this AF. Currently, Bank-executed programmatic activities are divided into four pillars:

- **Pillar 1: Improve geographic info-system.** Develop an info-system that consolidates local statistics on poverty, vulnerability, climate change, disaster, and human capital in one place. This repository of small area statistics can be used to allow an analysis of indicators on human well-being and poverty within a region, therefore informing relevant policies in Mali.
- **Pillar 2: Support for the development of the National Social Protection Strategy and policy discussion.** Support ongoing dialogue to revamp the National Social Protection Strategy, ensuring that climate-related vulnerabilities are effectively included in the revamped strategy.
- **Pillar 3: Design of adaptive social protection tools.** Support the design of the following tools to promote resilience as well as sustainable livelihoods among current cash transfer beneficiaries: (a) labor-intensive public works (LIPWP); (b) income-generating activities (IGAP); (c) accompanying measures; and (d) strengthening of the existing early warning system.
- **Pillar 4: Support data quality improvements and impact evaluations.** Finance the design and implementation of impact and process evaluations as well as other monitoring tools (for example, audits and spot-checks) to identify implementation bottlenecks and assess the impact of the project's interventions.

23. As of today, the activities included in Pillars 1 and 2 are currently being implemented. With regard to those activities included in Pillar 3, two studies have been launched to inform the design of the new sub-components (LIPWP and IGAP) to be financed by this AF. For the LIPWP subcomponent, a study was launched to review ongoing LIPWP in Mali. The review highlighted the strengths and weaknesses of the identified LIPWP, as well as the implications with regard to design and implementation features for their implementation in different situations and regions. For the IGAP subcomponent, a similar study will be launched in April 2016 to identify cost-effective combinations of productive measures that can complement cash transfer interventions and support project beneficiaries to achieve sustainable livelihoods.

Consistency with the Bank's Strategy for Mali

24. The proposed AF is consistent with the Bank's Country Partnership Strategy (FY16–19) for Mali that aims to (a) further improve governance at the central and local levels to reestablish trust in the Malian state across its territory; (b) boost productivity and develop value chains in the agricultural sector to reduce poverty; and (c) build households' resilience and human capital to help them plan for, mitigate, and cope with uninsured risks as well as to create the conditions to enhance their economic performance.

25. The proposed AF will also complement Bank-executed activities, supported by the ASP Regional Trust Fund for Resilience in the Sahel, which comprise a comprehensive package of knowledge activities, technical assistance, and capacity building that is geared toward exploring synergies between climate adaptation and resilience, disaster risk management, and social protection and labor. The purpose of the ASP Regional Trust Fund for Resilience in the Sahel is to make the existing social protection system more adaptive and responsive to shocks, while building the resilience of households.

Activities to be financed by the Proposed AF

26. The parent project was prepared before the 2012 political crisis, and it was originally designed to support two types of programs—a direct cash transfer to the poor and vulnerable and LIPWP activities. Both activities were considered key for increasing household and community resilience. However, following the 2012 political crisis, the World Bank decided not to finance LIPWP activities through the *Jigisemejiri* Project. Therefore, the AF now seeks to reintroduce public work activities into the project, but this time with a much stronger focus on climate resilience.

27. In fact, the overall purpose of the proposed AF is to (a) further strengthen the country's current social safety net system, which includes making it more adaptable and (b) increase the resilience of poor and vulnerable households. With regard to (a), the proposed AF will support and enable further expansion of ongoing activities described in Component 1, introduce new accompanying measures to strengthen the impact of the transfers on households' resilience, and strengthen institutional capacity in the area of ASP. With regard to (b), the proposed AF will finance the addition of two new sub-components/activities to the original project:

- LIPWP to provide the adult population enrolled in the Social Registry with short-term employment opportunities, while building communal assets that will increase the resilience of communities to shocks and climate change risks.
- IGAP to enable both small and subsistence agriculture workers and the poor and vulnerable enrolled in the Social Registry to be more productive, while at the same time boost the local economy.

28. The World Bank team believes there is a strong justification to provide further support to the *Jigisemejiri* Project with an AF for the following reasons: (a) the project is progressing satisfactorily; (b) there is a need to ensure that existing activities are fully completed; and (c) this

is an opportunity to integrate adaptive elements into the existing social protection system to help communities become more resilient to shocks, and having more adapted safety nets system.

Targeting of Beneficiaries

29. Targeting of new beneficiaries will follow the same targeting approach of the parent project, that is, a combination of geographic targeting and community-based targeting (CBT) mechanisms for identification of beneficiaries, as follows.

- **Geographic targeting.** The geographical targeting approach generates a three-level ranking of areas:
 - **Regions.** Ranked according to an index that combines poverty levels from the National Statistics Institute (*Institute National de la Statistique*, INSTAT) (poverty map) and Severe Acute Malnutrition (SAM) index from the United Nations Children’s Fund.
 - **Districts (*cercles*).** Within each region, districts are ranked based on a weighted index (by SAM index) that combines poverty and infrastructure indicators from INSTAT.
 - **Communes.** Within each district, communes are ranked based on an index that combines poverty and infrastructure indicators from INSTAT and community-level infrastructure index from the Observatory of Sustainable Human Development (*Observatoire du Développement Humain Durable*).
- **CBT.** For the selection of households, a community committee, which is led by the community mayor and includes local civil servants, is in charge of identifying the poorest households within the village, following the program administrator’s guidelines. Once communes are selected, the program administrators, and particularly UTGFS agents at the district (*cercle*) level, will work with the community mayor to identify the team that will be in charge of the identification and selection of beneficiaries. Therefore, identification of beneficiary households will be done by the community committee and each identified household will provide socioeconomic information for INSTAT staff (registration process) to be uploaded in the Social Registry of the adaptive safety net system.

30. To measure the effectiveness of the targeting, a proxy means test approach for verification of CBT selection is being designed and it will be assessed in the region of Gao.

III. Proposed Changes

Summary of Proposed Changes	
<p>The Project is being restructured to amend the Project Development Objective which will now read as follows: “to increase access to targeted cash transfers for poor and vulnerable households, and build an adaptive national safety net system in the Recipient’s territory.” The PDO was previously to provide targeted cash transfers to the poor and food insecure households and to establish building blocks for a national safety net system for the Recipient. ‘Food insecure’ has been revised to ‘vulnerable’ as this is more measurable, while the word ‘adaptive’ has been included to reflect the objective of building a social safety net system that is adaptive and resilient to shocks. The PDO will be achieved by: (a) further strengthening the country’s current social safety net system, which includes making it more adaptable; (b) increasing the resilience of poor and vulnerable households; and (c) extending the scope of the Project. The scope of the restructured project is broader, accommodating a new labor intensive public works program and income generating activities subcomponents. Therefore, the proposed AF will finance existing activities of the parent project as well as the introduction of two additional new sub-components to further enhance the impact of a well-performing operation. Specifically, the AF will (a) support Component 1 of the parent project by financing 12 quarterly cash transfers with accompanying measures (from July 2016 to June 2019) for 3,000 households in selected district(s) following the parent project’s expansion plan and (b) expand the coverage of the project by providing LIPWP and IGAP (two new sub-components) in areas of the country where populations are vulnerable to economic, political, social, weather/climate change, and security-related shocks. LIPWP will provide the adult population enrolled in the Social Registry with short-term employment opportunities, while building communal assets that will increase the resilience of communities to shocks and climate change risks. On the other hand, IGAP will seek to enable both small and subsistence agriculture workers, as well as poor and vulnerable households that receive regular cash transfers and are enrolled in the Social Registry, to be more productive, while at the same time boosting the local economy.</p> <p>Though the AF will only support (a) and (b) above, it will indirectly contribute to the expansion of the Social Registry, which will enable the Government to (a) deliver multiple social protection interventions and scale them up in case of climate shocks and (b) support the development of anticorruption and grievance redress measures and MISs beyond the UTGFS. It is important to note that these new activities will help strengthen institutional capacity in the area of ASP and enhance coordination among Government institutions. Increased capacity and coordination will lead to improved service delivery, better targeting of the chronically poor and the vulnerable, as well as other improvements in development and humanitarian interventions.</p> <p>The closing date of the parent project will be extended by 18 months, from June 30, 2018, to December 31, 2019, to allow sufficient time for all of the target indicators to be reached. The results framework will be modified to adjust target values and reflect the project’s expected impact on the adaptation and resilience of beneficiaries as a result of the introduction of the two new sub-components.</p>	
Change in Implementing Agency	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]

Change in Project's Development Objectives	Yes [X] No []
Change in Results Framework	Yes [X] No []
Change in Safeguard Policies Triggered	Yes [X] No []
Change of EA category	Yes [X] No []
Other Changes to Safeguards	Yes [] No [X]
Change in Legal Covenants	Yes [] No [X]
Change in Loan Closing Date(s)	Yes [X] No []
Cancellations Proposed	Yes [] No [X]
Change in Disbursement Arrangements	Yes [X] No []
Reallocation between Disbursement Categories	Yes [] No [X]
Change in Disbursement Estimates	Yes [X] No []
Change to Components and Cost	Yes [X] No []
Change in Institutional Arrangements	Yes [] No [X]
Change in Financial Management	Yes [X] No []
Change in Procurement	Yes [X] No []
Change in Implementation Schedule	Yes [X] No []
Other Change(s)	Yes [] No [X]

Development Objective/Results
Project's Development Objectives
Original PDO The objectives of the project are to provide targeted cash transfers to the poor and food insecure households and to establish building blocks for a national safety net system for the Recipient.
Change in Project's Development Objectives
Explanation: The rationale behind the small changes in the PDO is to increase the scope of the current project's activities and to introduce an adaptive element to the design of the safety net. The word 'adaptive' has been included to reflect the expected impact of the AF on community resilience and to accommodate other Adaptive Social Protection programs, such as cash-for-work and Income Generating Activities. Likewise, the word 'vulnerable' replaces 'food-insecure' to enlarge the scope of the project's targeting to include households in areas that are, or can be, affected by various shocks, including shocks related to climate change.
Proposed New PDO - Additional Financing (AF)
The objectives of the project are to increase access to targeted cash transfers for poor and vulnerable households and build an adaptive national safety net system in Recipient's territory.
Change in Results Framework
Explanation: The results framework will be slightly modified to (a) reflect lessons learned during project implementation; (b) capture the increased focus of the project on resilience; and (c) incorporate new core indicators related to the two new proposed sub-components. Specifically, outcome indicators will be changed as follows: <ul style="list-style-type: none"> • The targets of indicators related to the number of cash transfer beneficiaries will be adjusted to reflect the additional transfers financed by the proposed AF. • The number of children benefitting from cash transfers, accompanying measures, and nutritional package supplements will be adjusted in accordance with corrections to initial projections based on new household survey data, the findings of impact evaluation surveys, and administrative records. • Core indicators for LIPWP and IGAP will be added. • Indicators will be added to measure the impact of the project on (a) the Government's capacity to implement ASP programs and (b) household vulnerability and resilience to climate-related shocks. • Both the project management cost ratio and behavioral changes indicators will be revised based on lessons learned from the parent projects that have included LIPWP and IGA.

Compliance		
Change in Safeguard Policies Triggered		
Explanation:		
The parent project did not trigger any safeguards and fell under environmental classification C, primarily because direct cash transfers usually do not have any social or environmental impact. However, given the introduction of the two new sub-components, the AF is under an environmental classification B, and triggers one safeguards policy.		
Current and Proposed Safeguard Policies Triggered:	Current (from Current Parent ISDS)	Proposed (from Additional Financing ISDS)
Environmental Assessment OP/BP 4.01	No	Yes
Natural Habitats OP/BP 4.04	No	No
Forests OP/BP 4.36	No	No
Pest Management OP 4.09	No	No
Physical Cultural Resources OP/BP 4.11	No	No
Indigenous Peoples OP/BP 4.10	No	No
Involuntary Resettlement OP/BP 4.12	No	No
Safety of Dams OP/BP 4.37	No	No
Projects on International Waterways OP/BP 7.50	No	No
Projects in Disputed Areas OP/BP 7.60	No	No
Change of EA Category		
Original EA Category: Not Required	Current EA Category: Not Required	Proposed EA Category: Partial Assessment
Explanation:		
It is expected that the two new sub-components—Labor-intensive Public Works and Income-generating Activities—will have some environmental impacts. However, because of the nature, scale, and scope of these activities, it is expected that the environmental footprint will be moderate and localized and have well-defined mitigation measures. The activities to be funded include small works such as seed sowing, maintaining water pumps, establishing stone bunds for irrigation and pasture grazing, pest management, solid waste collection, and so on, whose potential impacts are associated with risks such as water logging or erosion, increased use of pesticides, poor management of waste, localized emissions of dust and noise, and soil and water pollution. The proposed AF project is therefore being reclassified as Category B to address and manage such potential negative impacts.		
Covenants - Additional Financing (Safety Nets Project [Jigisemejiri] - P157892)		

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
AFRH	Schedule 2, Section I.A.2.iii	The recipient, through the UTGFS, shall select and appoint an additional accountant, no later than two months after the effective date.	1-Jan-2017	<input type="checkbox"/>		New

Conditions

Source Of Fund	Name	Type
AFRH	Disbursement conditions, Schedule 2, Section IV, B: Category (1)	Disbursement

Description of Condition

No withdrawal shall be made under Category (1) unless the payments are made in accordance with the procedures and eligibility criteria set forth in the PIM and the DCTP Contracts.

Source Of Fund	Name	Type
AFRH	Disbursement conditions, Schedule 2, Section IV, B: Category (2)	Disbursement

Description of Condition

No withdrawal shall be made under Category (2) unless the relevant Section in the PIM on Procedures for LIPSP has been adopted by the Recipient, through NSC, satisfactory to the World Bank

Source Of Fund	Name	Type
AFRH	Disbursement conditions, Schedule 2, Section IV, B: Category (3)	Disbursement

Description of Condition

No withdrawal shall be made under Category (3) unless the relevant Section in the PIM on Procedures for IGAP has been adopted by the Recipient, through NSC, satisfactory to the World Bank.

Risk

Risk Category	Rating (H, S, M, L)
1. Political and Governance	Substantial
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Moderate

4. Technical Design of Project or Program	Moderate				
5. Institutional Capacity for Implementation and Sustainability	Substantial				
6. Fiduciary	Substantial				
7. Environment and Social	Low				
8. Stakeholders	Low				
9. Other					
OVERALL	Substantial				
Finance					
Loan Closing Date - Additional Financing (Safety Nets Project (Jigisemejiri) - P157892)					
Source of Funds	Proposed Additional Financing Loan Closing Date				
Adaptation Fund	31-Aug-2019				
Loan Closing Date(s) - Parent (Emergency Safety Nets project (Jigisémejiri) - P127328)					
Explanation: The closing date will be extended by 18 months to ensure that all target indicators are met once the additional finance is added. As detailed in the project paper attached, the additional financing will provide the resources and time extension needed to reach and exceed the initial target as the project expands its coverage of people and of new areas.					
Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)
IDA-H8350	Effective	30-Jun-2018	30-Jun-2018	31-Dec-2019	–
Change in Disbursement Arrangements					
Explanation: –					
While all disbursement procedures will be maintained, the client may be requested to open a second designated account for the adaptation trust. The ceiling of the new designated account will be set to XOF 800 million and will be used exclusively to pay for eligible expenditures under the Additional Financing.					
Disbursement of the cash transfers from Components 1. Direct transfers to households and to individuals will be made in accordance with the procedures and eligibility criteria set forth in the PIM. Direct cash transfer payment (DCTP) contracts must be signed between the UTGFS and payment agencies as in the parent project. However, in areas of conflict or in the north where the market has been affected by the conflict, other ways of making the transfers may be explored, such as vouchers to be "cashed" at local payment points or direct payments made through NGOs or using the experimental methods used by the Common Framework of NGOs (cadre commun des ONGs). In all cases, initial disbursements will be made by accredited agencies upon receipt of the list of beneficiaries selected in line with the criteria specified in the PIM and with the contract signed by the selected payment agency (or agencies) as specified in the PIM. As in the parent project, an annual process evaluation of the sub-components will be conducted to ensure that all operational processes (targeting, registration, and payments) are functioning properly and, if not, to enable the design of the program to be adjusted accordingly.					

Change in Disbursement Estimates (including all sources of Financing)					
Explanation:					
By adding the AF, the expected disbursement total will change starting in FY17.					
Expected Disbursements (in US\$, millions)(including all sources of financing)					
Fiscal Year	2016	2017	2018	2019	2020
Annual	24.50	23.50	27.00	4.50	0.50
Cumulative	24.50	48.00	75.00	79.5	80.0
Allocations - Additional Financing (Safety Nets Project (Jigisemejiri) - P157892)					
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)	
			Proposed	Proposed	
AFRH	U.S. dollar		10,000,000.00	100.00	
		Total:	10,000,000.00		
Components					
Change to Components and Cost					
Explanation:					
<p>The parent project has been under way for almost two years and has been rated as Satisfactory both for the achievement of the PDO and for implementation progress. The project was conceived as a way to help the Government of Mali implement emergency measures to foster recovery from the 2012 crisis but also as a series of long-term measures aimed at mitigating vulnerabilities and protecting the human capital of children. In addition, the project team had to speed up the process of preparing the parent project, which meant it was necessary to simplify its scope and focus on financing only the cash transfer program, thus omitting LIPWP and IGAP from the original project. The proposed AF complements the parent project, which despite being an emergency project, is designed to contribute to long-term poverty reduction by supporting the development of the building blocks for a safety net system. This will support the Government of Mali in alleviating poverty in the short term and in increasing resilience and strengthening the country's capacity to respond to crises in the long term.</p> <p>The proposed AF will finance some existing activities of the parent project as well as introduce of two additional new sub-components, to further enhance the impact of a well-performing operation. Specifically, the proposed AF will (a) support the parent project's Component 1 by financing 12 quarterly cash transfers (from July 2016 to June 2019) with accompanying measures for 3,000 households in selected district(s) following the parent project's expansion plan and (b) expand the coverage of the project by providing LIPWP and IGAP (two new sub-components) in areas of the country where populations are vulnerable to economic, political, social, weather/climate change, and security-related shocks. LIPWP will provide the adult population enrolled in the Social Registry with short-term employment opportunities, while building communal assets that will increase the resilience of communities to shocks and climate change risks. On the other hand, IGAP will seek to enable both small and subsistence agriculture workers, as well as poor and</p>					

vulnerable households that receive regular cash transfers and are enrolled in the Social Registry, to be more productive, while at the same time boosting the local economy.

While the proposed AF will only support (a) and (b) above, it will indirectly contribute to the expansion of the Social Registry, which will enable the Government to (a) deliver multiple social protection interventions and scale them up in case of climate shocks and (b) support the development of anticorruption and grievance redress measures and MISs beyond the UTGFS. It is important to note that these new activities will help strengthen institutional capacity in the area of ASP and enhance coordination among Government institutions. Increased capacity and coordination will improve the delivery of services targeting the chronically poor and the vulnerable as well as other development and humanitarian interventions. Notice that

Targeting of beneficiaries will follow the same targeting approach of the parent project, that is, a combination of geographic targeting and CBT mechanisms for identification of beneficiaries, as follows.

- **Geographic targeting.** The geographical targeting approach generates a three-level ranking of areas, as follows:
 - **Regions.** Ranked according to an index that combines poverty levels from INSTAT (poverty map) and SAM index from the United Nations Children’s Fund.
 - **Districts (*cercles*).** Within each region, districts are ranked based on a weighted index (by SAM index) that combines poverty and infrastructure indicators from INSTAT.
 - **Communes.** Within each district, communes are ranked based on an index that combines poverty and infrastructure indicators from INSTAT and community-level infrastructure index from the Observatory of Sustainable Human Development (*Observatoire du Développement Humain Durable*).
- **CBT.** For the selection of households, a community committee, which is led by the community mayor and includes local civil servants, is in charge of identifying the poorest households within the village, following the program administrator’s guidelines. Once communes are selected, the program administrators, and particularly UTGFS agents at the district (*cercle*) level, will work with the community mayor to identify the team that will be in charge of the identification and selection of beneficiaries. Therefore, identification of beneficiary households will be done by the community committee and each identified household will provide socioeconomic information for INSTAT staff (registration process) to be uploaded in the registry of the safety net system.

To measure the effectiveness of the targeting, a proxy means test approach for verification of CBT selection is being designed and it will be assessed in the region of Gao.

Current Component Name	Proposed Component Name	Current Cost (US\$, millions)	Proposed Cost (US\$, millions)	Action
1. Cash Transfer Program and Accompanying Measures	1. Cash Transfer Programs and Accompanying Measures	56.50	66.50	Revised
2. Establishment of a Basic Safety Net System	2. Establishment of a Basic Safety Net System	6.80	6.80	No Change
3. Project Management	3. Project Management	6.70	6.70	No Change
	Total:	70.00	80.00	
Other Change(s)				
Change in Financial Management				
Explanation:				
<p>There are no significant changes to the financial management (FM) arrangements of the project. The FM arrangements and the FM performance of the implementing agency, the UTGFS, under the parent project, are acceptable to IDA. The UTGFS will be responsible for FM of the proposed AF, which will follow the same approach as the implementation arrangements that are in place for the parent project. The current FM staffing consists of one FM officer and one accountant. The FM performance was rated Satisfactory by the World Bank following the last supervision mission. For the purpose of this AF, the World Bank has assessed the fiduciary risk as Substantial following the last supervision mission conducted for the initial financing. The primary risk assessment considered (a) the country's overall FM risk level; (b) the design of the project, which includes transfers of funds to a large number of beneficiaries located in geographically dispersed areas with relatively limited management ability (especially for those benefitting from the IGAP under Subcomponent 1E); and (c) the significant number of transactions being conducted, which will be increased by the new activities to be implemented under the two new sub-components. Based on the Bank's current assessment, the overall residual FM risk is Substantial. The project will receive a supervision visit from the World Bank twice a year to ensure that the project's FM arrangements are still operating well and those funds are being used for the intended purposes and in an efficient way. To mitigate risks, the following activities will be conducted:</p> <ul style="list-style-type: none"> • The internal control arrangement will be strengthened with a number of measures aimed at controlling the additional fund transfer mechanism under the two new sub-components. This will include the development of specific procedures manuals that will set out the process for selecting beneficiaries and the requirements they must meet, the simplified management tools, and the reporting and control system to govern the use of the funds. • An accountant will be recruited to reinforce the accounting team to ensure that the 				

substantial additional workload will be handled properly. In addition, the current accounting software, TOM2PRO, will be customized to accommodate the proposed AF accounting and reporting needs. The existing FM procedures manual, which is being used for the first phase of the project, will apply to the proposed AF with some minor updates to reflect its specificities. Except the specific procedures manuals to be produced for the two new sub-components, which are disbursement conditions for these sub-components, the other listed measures are dated covenants to be implemented within two months following the proposed AF's effectiveness date.

- Unaudited interim financial reports for the parent project are prepared every quarter and submitted to the World Bank regularly (45 days after the end of each quarter). The frequency of the preparation of unaudited interim financial reports as well as their format and content will remain unchanged as described in the procedures manual.
- The Terms of Reference of the current internal auditor will be updated to cover the proposed AF activities as well as the reporting line, including communication of internal audit reports. The internal auditor will give his or her reports to the UTGFS coordinator and the Steering Committee and will send copies to the World Bank team.
- There are no overdue audit reports for the project or for the sector at this time. The audit report for the parent project, managed by the UTGFS that covered the period ending December 31, 2014, was submitted on time, with the external auditor expressing an unqualified opinion. The accounts will be audited annually and the external audit report will be submitted to IDA not later than six months after the end of each calendar year, as is the case for the initial financing for the parent project. The Terms of Reference of the current external auditing firm will be updated to reflect the scope of the proposed AF. The project must comply with the Bank's disclosure policy regarding audit reports and must put the audit information on the official website within one month of the report being accepted as final by the UTGFS and the Bank.
- Upon Grant effectiveness, transaction-based disbursements will be used. The grant will finance 100 percent of eligible expenditures inclusive of taxes. A new Designated Account (DA) for the AF funds will be opened in a commercial bank under terms and conditions acceptable to IDA. The ceiling of the DA will be established, and project expenditures are expected to be paid from the DA. The World Bank will make an initial advance up to the ceiling of the DA to the project, and subsequent disbursements will be made on receipt by the World Bank of a Statement of Expenditures that shows how the initial/previous advance was used. The World Bank might consider the option to disburse on receipt of quarterly unaudited interim financial reports (also known as report-based disbursements) as soon as the project meets the criteria. The other methods of disbursing the funds (reimbursement, direct payment, and special commitment) will also be available to the project. The minimum value of applications for these methods is 20 percent of the DA ceiling.

The project will sign and submit Withdrawal Applications electronically using the e-signatures module on the Bank's Client Connection website.

Change in Procurement

Explanation:

The procurement activities for this AF will be carried out by the unit that is managing the parent project (the UTGFS). The procurement arrangements will include community-driven development procurement arrangements related to the activities under the two new sub-components and to the possible partnership with United Nations agencies such as the World Food Program to buy nutritional supplements for Component 1 of the parent project. This provision for community-driven development procurement arrangements is reflected in the financing agreement, and the PIM will be updated accordingly. The World Bank has rated the procurement performance of the original project as Satisfactory during implementation thus far, and the procurement risk is moderate. The manual of administrative, financial, and accounting procedures of the parent project will be updated to include the AF.

Change in Implementation Schedule

Explanation:

The parent project closing date will be extended by 18 months to December 31, 2019, to allow for the completion of all activities. The new implementation schedule will be prepared by effectiveness.

IV. Appraisal Summary

Economic and Financial Analysis

Explanation:

Economic analysis of the parent project has shown that social safety nets can help reduce/mitigate poverty when they efficiently reach the poor. Under the parent project, poor and vulnerable Malians have been provided with timely transfers that have improved their living conditions. The results of the UTGFS spot-check survey indicate that urban households use about 70 percent of the *Jigisemejiri* transfer to buy food, around 10 percent to buy medicines, and the rest to pay rent. Rural households also use 70 percent for food, use 5 to 10 percent of the transfer to cover the costs of education and hygiene products, and use about 15 to 20 percent to buy either small livestock or agriculture inputs such as herbicides, seeds, and fertilizers. The studies indicate that the project's targeting methodology has been successful in accurately identifying the eligible population. Therefore, even though the parent project has not emphasized increasing resilience, the transfers that it has provided have prompted families to invest in their long-term welfare. Simulations also show that the project is cost effective. Moreover, the economic and financial analysis of the cash transfer component continues to show that the level of the transfer is (a) within international norms (15 percent of the poverty line and between 10 and 20 percent of households' expenditures levels); (b) likely to make a significant impact on the level and quality of food consumption by beneficiary households, their retention and acquisition of small assets, and the level of their other social expenditures; and (c) efficient compared to other safety nets, in

particular direct food aid.

It is expected that the provision of LIPWP will improve both the resilience of the beneficiary communities and households. The main rationale for supporting Government investment in LIPWP aimed at protecting, building, and/or rehabilitating local infrastructures is that, besides providing income support to individual households, it leads to improved levels of community well-being (economic, social, environmental, and cultural). For IGA, the justification for public involvement is twofold: (a) the poor do not have the financial resources and sufficient liquidity to start their own business and (b) the very poor, many of whom are already in debt, usually find it too risky to take on a loan. Therefore, IGAP will have a direct impact on households and individuals. Both LIPWP and IGAP can thus have a significant long-term impact. The LIPWP and IGAP sub-components have been designed in accordance with other international projects and are expected to increase household resilience as a result of the high labor intensity of the activities, effective geographical and household-level targeting, and the low level of foregone income from participation.

Regarding the project's sustainability, according to Integrated Household Survey (*Enquête Intégrée auprès des Ménages*) 2011 data, scaling up cash transfer interventions to cover all food-poor households will cost the Government between US\$48.5 million and US\$72.8 million a year, that is between 0.45 percent and 0.7 percent of national GDP (1 percent to 1.3 percent of GDP if the target is all poor households in the country). This will have a significant impact on food poverty rates, which will drop by between 20 percent and 28 percent, while the poverty gap will drop by 25 percent to 34 percent depending on the size of the transfer. This redistribution program will also lead to an important reduction in Gini inequality.

Technical Analysis

Explanation:

The design of the parent project as well as both the new sub-components follows best practices for cash transfer, LIPWP, and IGAP program. The cash transfer beneficiaries are selected from among the poorest households as a result of the combination of geographical and CBT approaches, which in future will be verified by using a proxy means test. A well-functioning grievance system is already in place to respond to beneficiary complaints and to ensure a satisfactory level of social accountability. This system will be strengthened under this AF. The design of this AF maximizes targeting accuracy and will be effective in channeling limited project resources to the poorest. The payment system will continue to follow best practices and the latest developments in mobile payment systems and central information systems for program management. It is already designed to successfully distribute the correct amount of benefits to the right people at the right time and with the right frequency, while minimizing costs to both the program and the beneficiaries. The information system is integrated with other operational processes such as the selection and registration of beneficiaries, the preparation of the list of people to be paid, the reconciliation of accounts, and the reporting of information for project monitoring and evaluation.

The addition of the two new sub-components financed under this AF will certainly add a level of complexity to the parent project with regard to institutional capacity, especially considering the

challenging environment because of recent terrorist attacks. To address some of these issues and complexities, the proposed AF is benefiting from a set of activities financed by the ASP World Bank-executed activities. For the LIPWP subcomponent, a study was launched to review ongoing LIPWP in Mali. The review highlighted the strengths and weaknesses of the identified LIPWP as well as the implications with regard to design and implementation features for their implementation in different situations and regions. For the IGAP subcomponent, a similar study will be launched in April 2016 to identify cost-effective combinations of productive measures that can complement cash transfer interventions and support project beneficiaries to achieve sustainable livelihoods. In addition, the monitoring and evaluation plan of the parent project has ex ante and ex post control of activities implemented/managed by the UTGFS, which will help ensure that the new activities financed under the proposed AF are implemented effectively/efficiently. On the other hand, additional staff will be hired by the UTGFS to support the implementation of both the LIPWP and the IGA. Finally, the World Bank will continue to support the UTGFS in the implementation of all project activities, including technical assistance and advice to mitigate any risks related to the increased project complexity.

Social Analysis

Explanation:

The project, which targets poor and vulnerable households, has the following social objectives: (a) reducing vulnerability by providing regular cash transfers and accompanying measures such as training in essential family practices in health, sanitation, nutrition, and reproductive health, as well as in investment and savings; (b) increasing community resilience to shocks and climate change risks through LIPWP that build community assets; and (c) enhancing the productivity of small and subsistence agriculture workers by providing training and inputs/tools while boosting the local economy. The additional income provided through the project will enable the targeted households to increase their access to food as well as to invest in their human capital and productive assets.

The estimated social risk revolves around exclusion and inclusion errors in the process used to target the intended beneficiary population, both of which can cause social tension. Concerning this risk, the activities included in the proposed AF will continue to use the same targeting methodology used in the parent project to ensure the transparent identification and registration of beneficiary households. This methodology consists of a combination of (a) geographical mapping of poverty with the input of technical institutes and local authorities; (b) community targeting; (c) data spot-checks conducted by an independent third party; and (d) the use of an MIS. However, the proposed AF is also introducing a second level of individual targeting in the form of a proxy means test in case the pool of eligible beneficiaries is bigger than can be funded by the available resources. As in the parent project, a list of targeted beneficiaries by village along with a detailed explanation on the targeting process will be made available to the intended beneficiary population and for transparency purposes. Finally, a grievance system, which has already been established through the parent project and is accessible to and easy to use by communities, will be strengthened by the proposed AF to increase the accountability of the safety net system and to provide a vehicle for addressing any complaints and grievances that may arise during the implementation of the proposed AF. The original project did not trigger the involuntary resettlement policy OP 4.12 because its activities do not entail any physical or economic

displacement.

Therefore, positive social benefits of the program are obvious, given the objective of promoting IGAP and improving public resources of the community through labor-intensive works. Benefits also include building of such community assets for increasing resilience to shocks and climate change risks and provision of training and inputs/tools to enable small and subsistence agriculture workers and the self-employed, as well the vulnerable, to be more productive, all while boosting the local economy. However, social issues such as elite capture or reduced access, damage to property, and so on, could arise at a smaller scale and monitoring activities will be also developed alongside the project to assess and evaluate at regular basis whether the project generates any sort of elite capture or social issues in the community.

Environmental Analysis

Explanation:

It is expected that the two new sub-components—Labor-intensive Public Works and Income-generating Activities—will have some environmental impacts. However, because of the nature, scale, and scope of these activities, it is expected that the environmental footprint will be moderate and localized and have well-defined mitigation measures. The activities to be funded include small works such as seed sowing, maintaining water pumps, establishing stone bunds for irrigation and pasture grazing, pest management, solid waste collection, and so on, whose potential impacts are associated with risks such as water logging or erosion, increased use of pesticides, poor management of waste, localized emissions of dust and noise, and soil and water pollution. The proposed AF project is therefore being reclassified as Category B, to address and manage such potential negative impacts. The project activities are also expected to have positive impacts such as opportunities to increase agricultural productivity in partnership with the Climate Smart Agriculture Program, building resilient structures and information campaign, and promotion of nonchemical fertilizers and pesticides. The proposed AF will also finance agricultural enhancements such as fertilizers, improved seeds, irrigation agriculture, and pesticides that would require proper management, including information dissemination and training to ensure that potential adverse effects are mitigated. The project is expected to be beneficial to the environment as it seeks to ensure that the impact of climate change is mitigated, that adaptation measures are implemented, and that resilience is built in to the production landscape. An Environmental Safeguards Management Framework was disclosed on May 1, 2016.

Risk

Explanation:

The signing of the Algiers Accord in May–June 2015 provided the appropriate framework to reestablish political stability and security in Mali. At the same time, achieving development objectives is still dependent on efforts to find a durable solution to the conflict in Mali’s northern regions. Some substantial risks that are still being faced are:

- **Political and Governance.** The Algiers Accord marks considerable progress in the containment of conflict and violence, but it is not expected to lead immediately to the stabilization of the north. The longer the conflict in the north lasts with its associated risks of terror attacks, the longer it can be expected to have a negative impact on

stability in the rest of the country. Recent reports show growing levels of insecurity in the southern regions, regular protests in Bamako, and growing crime levels in general.

- **Institutional Capacity for Implementation and Sustainability.** The World Bank had originally assessed the technical design risk as Moderate. The addition of two sub-components increased the project's complexity and, therefore, a set of activities to mitigate any potential risks associated with this increase in complexity will be carried out. First, under the ASP Bank-executed activities, two studies that will inform the design of LIPWP and IGAP were commissioned and will be used to prepare PIMs. Second, the monitoring and evaluation plan of the parent project has ex ante and ex post control of activities implemented/managed by the UTGFS, which will help ensure that the new activities financed under the proposed AF are implemented effectively and efficiently. Third, additional staff will be hired by the UTGFS to support the implementation of both the LIPWP and the IGAP. Finally, the World Bank will continue to support the UTGFS in the implementation of all project activities, including technical assistance and advice to mitigate any risks related to the increased project complexity. The AF will benefit from the satisfactory implementation of the parent project and from the experience of the UTGFS and will continue applying the mitigation measures already being used for the parent project. In countries with limited fiscal space, such as Mali, it can be a challenge to sustain safety net interventions after a project ends. The sustainability of the safety net system can be guaranteed in the medium-long term if the Government sets up a credible institutional arrangement and, along with donors, provides adequate and regular financing to the sector. As soon as the political and institutional conditions are in place, it is recommended that a law be drawn up and passed that establishes a national Safety Nets Unit with a specific budget line to finance it.
- **Fiduciary.** The risk assessment for the financing of the parent project considered (a) the country's overall PFM risk level; (b) the design of the project, which includes transfers of funds to a large number of beneficiaries located in geographically dispersed areas with relatively limited management ability (especially for those benefitting from the IGAP under Subcomponent 1E); and (c) the significant number of transactions being conducted, which will be increased by the new activities to be implemented under the two new sub-components.

As mitigation measures the World Bank is monitoring close the political and governance situation, and we will use a Governance and Anticorruption (GAC) Action Plan (which will be included in the PIM) to establish an exhaustive list of mitigation measures, such as: (i) an information campaign to promote transparency and accountability to both at central and local levels; (ii) efficient and confidential complaint management system; (iii) applying strict rules, norms and World Bank procurement and financial management guidelines; (iv) establishing a strong management information system (MIS) for targeting, registering and paying all beneficiaries; (v) recruiting, based on their qualifications, independent payment agencies for cash transfer programs; and (vi) physical verifications and independent assessment will be conducted to ensure the transfer mechanism function appropriately (including among others, identification,

registration and payment). On fiduciary risks, we are benefiting from the satisfactory implementation of the parent project and from the experience of the project implementation unit (the UTGFS) and will continue applying the mitigation measures already being used for the parent project. And finally the project implementation unit will continue receiving technical assistance and training to master the technical design of the project.

V. World Bank Grievance Redress

31. Communities and individuals who believe that they are adversely affected by a Bank - supported project may submit complaints to existing project-level grievance redress mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project-affected communities and individuals may submit their complaint to the Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of the Bank's noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention and the Bank Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Revised Results Framework and Monitoring Indicators

Mali: Safety Nets Project (Jigisemejiri) (P157892)

Project Development Objectives

Original Project Development Objective - Parent:

The objectives of the Project are to provide targeted cash transfers to the poor and food insecure households and to establish building blocks for a national safety net system for the Recipient.

Revised Project Development Objective – Additional Finance (AF):

The objectives of the project are to increase access to targeted cash transfers for poor and vulnerable households and build an adaptive national safety net system in Recipient's territory

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Households with access to cash transfers established by the project	<input type="checkbox"/>	Number	Value	0.00	43,613.00	75,000.00
				Date	07-Aug-2013	17-Jun-2016	30-Jun-2018
				Comment			REVISED TO ADDRESS NEW BENEFICIAIRES of LIPWP and IGA. NOTICE THAT THE BREAKDOWN BELOW DOES

							NOT ADD TO 75,000 BECAUSE OF DUPLICATION OF BENEFITS IN SOME CASES.
No Change	Households with access to cash transfers established by the project: direct cash transfers	<input type="checkbox"/>	Number Sub Type Breakdown	Value	43,613.00	43,613.00	62,000.00
				Date	17-Jun-2016	17-Jun-2016	31-Dec-2019
				Comment			
Revised	Households with access to cash transfers established by the project: LIPWP	<input type="checkbox"/>	Number Sub Type Breakdown	Value			20,000.00
				Date			31-Dec-2019
				Comment			NEW INDICATOR ADDED AS BREAKDOWN OF THE REVISED ONE
Revised	Households with access to cash transfers established by the project: IGAP	<input type="checkbox"/>	Number Sub Type Breakdown	Value			10,000.00
				Date			31-Dec-2019
				Comment			NEW INDICATOR ADDED AS BREAKDOWN OF THE REVISED ONE
Revised	Children 0-5 benefiting from cash transfers	<input type="checkbox"/>	Number	Value	0.00	51,169.00	65,000.00
				Date	07-Aug-2013	17-Jun-2016	31-Dec-2019

				Comment			TARGET UPDATED DUE TO WRONG INFERENCE DURING PARENT PROJECT PREPARATIO N.
No Change	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	0.00	349,031.00	450,000.00
				Date	07-Aug-2013	17-Jun-2016	31-Dec-2019
				Comment			
No Change	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	45.63	40.00
No Change	Beneficiaries households that are below the poverty line	<input type="checkbox"/>	Percentage	Value	0.00	80.00	75.00
				Date	07-Aug-2013	17-Jun-2016	31-Dec-2019
				Comment			
No Change	Registry for potential beneficiaries of safety nets programs	<input type="checkbox"/>	Number	Value	0.00	60,715.00	80,000.00
				Date	07-Aug-2013	17-Jun-2016	31-Dec-2019
				Comment			New indicator
Revised	Children 6-14 benefiting from cash transfers	<input type="checkbox"/>	Number	Value	0.00	66,360.00	100,000.00
				Date		17-Jun-2016	31-Dec-2019
				Comment			TARGET UPDATED DUE TO

							WRONG INFERENCE DURING PARENT PROJECT PREPARATION.
Revised	Elderly 60+ benefiting of Cash Transfers	<input type="checkbox"/>	Number	Value		18,298.00	25,000.00
				Date		17-Jun-2016	31-Dec-2019
				Comment			TARGET UPDATED DUE TO WRONG INFERENCE DURING PARENT PROJECT PREPARATION.

Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Beneficiary households that have been identified and registered	<input type="checkbox"/>	Number	Value	0.00	60,715.00	80,000.00
				Date	07-Aug-2013	17-Jun-2016	31-Dec-2019
				Comment			TARGET UPDATED DUE TO ADJUST TO THE NEW STRATEGY OF THE

							GOVERNMENT AND OF THE BANK TO ENLARGE REGISTRY WHILE PROVIDING BENEFITS. INFERENCE DURING PARENT PROJECT PREPARATION.
New	% of beneficiaries that report they are aware of program IGAP objectives and entitlements	<input type="checkbox"/>	Percentage	Value			80.00
				Date			31-Dec-2019
				Comment	NEW INDICATOR		
New	% of beneficiaries receiving contingency resources within 60 days of identification of needs	<input type="checkbox"/>	Percentage	Value			80.00
				Date			31-Dec-2019
				Comment	NEW INDICATOR		
New	% of beneficiaries that report they are aware of LIPWP program objectives and entitlements	<input type="checkbox"/>	Percentage	Value			85.00
				Date			31-Dec-2019
				Comment	NEW INDICATOR		
New	% of beneficiaries households reporting that their livelihoods	<input type="checkbox"/>	Percentage	Value			75.00
				Date			31-Dec-2019

	has benefitted from LIPWP created assets	<input type="checkbox"/>		Comment	NEW INDICATOR		
New	Workdays created	<input type="checkbox"/>	Days	Value	0.00		1,200,000.00
				Date			31-Dec-2019
				Comment	NEW INDICATOR		
New	% of beneficiaries receiving regular payments within the agreed time frame for LIPWP activities as specified in the Operations Manual	<input type="checkbox"/>	Percentage	Value			80.00
				Date			31-Dec-2019
				Comment	NEW INDICATOR		
No Change	Beneficiaries complying with the requirement of participating in the accompanying measures	<input type="checkbox"/>	Percentage	Value	0.00	0.00	75.00
				Date	07-Aug-2013	30-Sep-2014	30-Jun-2018
				Comment			
No Change	Children benefitting from Nutritional Packages in household receiving cash transfers	<input type="checkbox"/>	Number	Value	0.00	0.00	102,000.00
				Date	07-Aug-2013	30-Sep-2014	30-Jun-2018
				Comment			
No Change	Proportion of targeted households with increased consumption	<input type="checkbox"/>	Percentage	Value	0.00	0.00	70.00
				Date	07-Aug-2013	30-Sep-2014	30-Jun-2018
				Comment			
No Change	Proportion of targeted households with food consumption score >35 (consumption)	<input type="checkbox"/>	Percentage	Value	71.90	83.00	85.00
				Date	07-Aug-2013	31-Jul-2015	31-Dec-2019
				Comment			
Marked for Deletion	A management information system is developed	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	07-Aug-2013	17-Jun-2016	31-Dec-2019

				Comment			MIS ALREADY DEVELOPED AND FUNCTIONAL
No Change	MIS system generates regular reports of adequate quality	<input type="checkbox"/>	Number	Value	0.00	4.00	8.00
				Date	07-Aug-2013	17-Jun-2016	30-Jun-2018
				Comment			
No Change	Frequency of cash transfers payment	<input type="checkbox"/>	Number	Value	0.00	4.00	3.00
				Date	07-Aug-2013	15-Sep-2015	30-Jun-2018
				Comment			
No Change	The process evaluation and impact evaluation are in place and produce reliable information	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	07-Aug-2013	17-Jun-2016	31-Dec-2019
				Comment			
Revised	Project management expenses ratio	<input type="checkbox"/>	Percentage	Value	0.00	13.82	20.00
				Date	07-Aug-2013	17-Jun-2016	31-Dec-2019
				Comment			REVISED TO ACCOMODAT E THE MORE INTENSE MAGAMENT NEEDED FOR LIPWP

Annex 2: Detailed Description of New Sub-Components

Mali: Safety Nets Project (Jigisemejiri)

1. This annex includes detailed information on (a) the new activities to be carried out as part of Component 1 in the parent project, and which would be financed through the proposed AF and (b) the new additional components to be financed through the proposed AF.

Component 1: Cash Transfer Program and Accompanying Measures (US\$10.0 million)

2. The specific objectives of this component are:

- In the short term, to mitigate current poverty and vulnerability in selected areas by smoothing and increasing the consumption of households, mainly food consumption (the quantity and quality of their meals), through the provision of targeted and regular cash transfers; and
- In the medium to long term, to increase the human capital of children by creating incentives for poor and vulnerable households to invest in their children's health and education.

3. In this framework, the combined interventions will offer support to poor and vulnerable households to raise their consumption and to cope with seasonal shocks as well as provide them with opportunities to achieve a sustained improvement in their living conditions. The planned interventions will offer these complementary benefits to the chronically food-poor and, therefore, will be implemented in the same villages and will target the same communities.

Subcomponent 1A: Direct Cash Transfers to Poor Households (US\$2.4 million)

4. This subcomponent will support Component 1 of the parent project by financing 12 quarterly cash transfers for about 3,000 households in selected district(s) following the parent project expansion plan.

5. This component will provide timely, predictable, and regular transfers to eligible households. Timely transfers ensure the achievement of program objectives, smooth and increase household consumption, and protect household assets. Predictable transfers allow households to maximize the use of their money and help them make livelihood investments because the timeliness and predictability of transfers enables households to plan and invest in the future, particularly in the human capital of their children. Moreover, receiving regular transfers combined with activities such as tontines and training over the period may also help households to acquire productive and agricultural assets.

6. The benefit level remains at CFAF 10,000 per household per month, which represents about 6.5 percent of the 2014 poverty line in Mali, estimated at CFAF 153,595.6 according to the 2014 household survey and more than 10 percent of the average household consumption and 20 percent of the average household food consumption among poor households in 2014.

7. The cash transfer will be delivered following the same targeting approach used in the parent project. In addition, it will use a proxy means test to corroborate the CBT selection of cash transfer beneficiaries.

8. In general, transfers to beneficiaries will use the same accredited payment agencies of the parent project. In case of an expansion of cash transfer by using Government funds in areas of conflict or in the north where markets have been affected by the conflicts, other ways of making the transfers may be explored, such as vouchers to be cashed at local payment points, direct payments made through NGOs, or using the current experimental payment methods of the Common Framework of NGOs (*cadre commun des ONGs*). In such sensitive cases, initial disbursements will be made by the accredited agency upon receipt of the list of beneficiaries selected from the Social Registry and in line with the criteria specified in the PIM and with the contract signed by the selected payment agency (or agencies) as specified in the PIM. As in the parent project, a yearly process evaluation of the components will be conducted to ensure that all processes (targeting, registration, and payments) are functioning properly and, if not, to enable the design of the program to be adjusted accordingly.

Subcomponent 1B: Accompanying Measures (US\$300,000)

9. To maximize the benefits of cash transfers in 1.A above, accompanying measures were introduced in the parent project to give households incentives to invest in the human capital of their children with the goal of reducing the intergenerational transmission of poverty. These accompanying measures at the commune/village level involve providing information to beneficiaries about how to invest in the human capital of their children.

10. Some current accompanying measures include a package of interventions based on Malian experience of children's health and education. To improve hygiene practices and to increase educational attainment, the training sessions for the accompanying measures proposed in the AF will be designed according to (a) the Malian Parental Educational Manual (*Guide Méthodologique de Formation en Education Parentale*), which has been developed in the context of the ongoing pilot Early Childhood Development Program; (b) the Malian Educational Policy (*Politique de l'Éducation au Mali*); and (c) Malian health policies that promote the adoption of good health and nutrition practices, such as the importance of exclusive breastfeeding, adequate and timely complementary feeding, and hygiene education for children's human capital development.

11. The current accompanying measures will be supplemented by an additional package of accompanying measures under the AF. These measures will be designed to make beneficiaries more resilient to shocks, for example, by promoting alternative livelihood options that are less weather dependent than current farming practices or improvements to enhance agricultural productivity through partnerships with programs like the Climate Smart Agriculture Program. Specifically, this might involve (a) community information sessions on the program's objective and (b) community/village-level information campaigns to promote good practices in health, education, nutrition, family planning, and investment and savings planning.

Subcomponent 1C: Pilot Preventing Nutrition Packages

There is no change in this subcomponent.

Subcomponent 1D: Labor Intensive Public Works Program (US\$4.6 million)

12. This subcomponent seeks to provide direct income support to poor and vulnerable households through the participation of one of their adult members in LIPWP, which will be identified and implemented in a participatory manner.

13. All poor and vulnerable beneficiaries of the LIPWP subcomponent need to be included in the Social Registry. Those who are not already enrolled will have to provide all the required information to be included in the Social Registry.

14. Efforts will be made to increase the number of households included in the Social Registry for this subcomponent to have a larger pool of potentially eligible households. The Social Registry has the mission to cover 80,000 households, of which 65,000 are to be beneficiaries of the direct cash transfer program. The selection of beneficiaries for the LIPWP will use the same strategy as the parent project: CBT combined with geographical targeting used by the parent project. The CBT process description is provided in the parent project's Operations Manual. Just as in Subcomponent 1A, a proxy means test will be used to validate the list of selected households, which must identify at least one of their adult members to participate in the LIPWPs.

15. A preliminary study carried out by the Agency for the Promotion of Youth Employment (*Agence pour la Promotion de l'Emploi des Jeunes*) identified various ongoing LIPWP in Mali and assessed their potential to be scaled-up and adapted to address specific climate change and/or other disasters in the country. Based on this preliminary assessment and taking into account the different weather- or disaster-related risks in each of the regions in Mali, the UTGFS has identified several potential beneficiary communes in the target regions of *Jigisemejiri* (Sikasso, Segou, Mopti, Koulikoro, Kayes, district of Bamako, and Gao) and beyond (Kidal and Tombouctou). The study also provided estimates of size/cost of the identified LIPWP, information that will be leveraged to finalize this subcomponent's design and implementation features. A detailed description of this project's subcomponent will be included in the Operations Manual.

16. The UTGFS has also identified some potential LIPWP that could increase community and household resilience in the face of climate shocks. These activities include seeding sites and rangeland; deepening and maintaining water points; retrieving land crops through the implementation of grazing crops against pests and stray animals, stone lanyards, and controlling/ending bushfires; collecting plastic solid waste; and clearing out gutters. The final selection of LIPWP, however, will be made by the beneficiary communes, taking into account their local development plans.

17. The subcomponent will finance the wages of selected beneficiaries, which will constitute no less than 60 percent of the total subcomponent costs. In addition to the wages, the subcomponent will finance the non-wage costs involved in providing basic materials and equipment as well as the administrative and beneficiary training costs incurred by the implementing agency or another selected NGO.

18. As the international experience suggests, the remuneration will be set just below the market wage (in the order of CFAF 1,500 per day or about US\$2.5 per day) to discourage the participation of people from better-off households.
19. The selection of beneficiaries will be carried out through a combination of (a) CBT, as in the parent project and (b) self-targeting. Detailed targeting procedures will be included in the Operations Manual.
20. As in the parent project, accredited payment agencies will pay the wage transfers to the beneficiaries. However, in areas of conflict or in the north where markets have been affected by the conflicts, other ways of making the transfers may be explored, such as vouchers to be ‘cashed’ at local payment points, direct payments made through NGOs, using the current experimental payment methods of the Common Framework of NGOs (*cadre commun des ONGs*). In such sensitive cases, initial disbursements will be made by accredited agencies upon receipt of the list of beneficiaries selected in line with the criteria specified in the PIM and with the contract signed by the selected payment agency (or agencies) as specified in the PIM. As in the parent project, a yearly process evaluation of the sub-components will be conducted to ensure that all processes (targeting, registration, and payments) are functioning properly and, if not, to enable the design of the program to be adjusted accordingly.
21. Training will be provided to all participants in the LIPWP on both technical topics (for example, related to the specific LIPWP on which they will be working) as well as nontechnical topics (such as soft skills).
22. The subcomponent is expected to finance 400 projects to be implemented by eligible implementing agencies, and on average, each project will employ about 50 individuals for 60 working days.
23. The subcomponent is expected to (a) benefit about 20,000 individuals; (b) create about 1.2 million workdays; (c) build community assets for increased resilience to shocks and climate change; and (d) strengthen civic participation.
24. The participation of women in the LIPWP will be strongly encouraged and the development of a gender plan with specific targets to achieve gender equity will be prepared. It is expected that a significant number of beneficiaries will be women. All projects selected for financing will have to fully comply with the Bank’s social, environmental, and safeguards policies.
25. The LIPWP will be identified and implemented at the municipal (commune) level by local authorities in partnership with eligible implementing agencies, which are expected to be primary community-based organizations. The UTGFS will launch a series of call for proposals throughout the duration of the project, to enable eligible implementing agencies to apply for funding to carry out the PWs and provide the technical and nontechnical training to project beneficiaries.
26. A technical intersectoral committee will comprise UTGFS staff (and in particular an expert on LIPWP who will be hired through this AF—see Component 3) and staff from other institutions such as the Ministry of Environment and Sustainable Development; Ministry of

Solidarity, Humanitarian and Reconstruction of the North; Ministry of Decentralization and Reform; and the National Directorate for Social Protection and Economic Solidarity. Local government, community associations and NGOs, and other local-government representatives are going to be part of the local technical committee to evaluate and select, based on predetermined criteria, the submitted project proposals. The local technical committees will ensure that the selection of project sites is balanced across municipalities. Those implementing agencies whose proposals are selected for funding will work closely with local government agencies to ensure that both the LIPWP and the training for project beneficiaries are implemented in accordance with pre-established technical and operational standards. To that end, they will receive capacity building training in (a) project management, including monitoring and evaluation; (b) World Bank fiduciary, environmental, and social processes and procedures; and (c) worker management and safety at work.

27. The proposed implementation mechanisms will strengthen community participations in local development and will promote transparency and good governance, thereby improving overall service delivery.

28. All efforts will be made to reassure the public about the rigor and objectivity involved in funding decisions and grant use. A publicly accessible website will present basic data about each grant awarded, including information on the beneficiaries, proposed activity, and proposed budget. Also, information about project proposals that are rejected by the UTGFS will be made public (the proposed activity, proposed budget, and the reasons for rejection), although only the project number will be divulged rather than the applicant's name or the project location to protect the privacy of those involved.

29. The UTGFS will be responsible for overseeing the implementation of all of the activities proposed under this subcomponent. It will carry out regular social audits as well as spot-checks on implementing agencies. It will also prepare an Operations Manual that will describe in detail the processes and procedures related to the implementation of the proposed activities, including the eligibility and selection criteria for beneficiaries and implementing agencies; the training and capacity building for beneficiaries and implementing agencies; the procurement of goods and services; and the monitoring and evaluation, sustainability, and the environmental and social impact of the LIPWP.

30. An Operations Manual will be prepared by the UTGFS, with support from the World Bank team, with detailed design and implementation arrangements related to this component.

Subcomponent 1E: Income-Generating Activities (US\$2.7 million)

31. This subcomponent seeks to enable both small and subsistence agriculture workers and poor and vulnerable households enrolled in the Social Registry to be more productive.

32. All poor and vulnerable households currently enrolled in the Social Registry and receiving quarterly cash transfers will be eligible to participate in the IGAP financed under this subcomponent. The selection of beneficiary households will be made using community targeting, since communities are better positioned to identify the households/individuals that would benefit

more from such activities. A detailed description of this project's subcomponent will be included in the Operations Manual.

33. As is the case with Subcomponent 1D (Labor-intensive Public Works), a study is currently being carried out to identify ongoing IGAP in Mali and to assess the potential for scaling them up or adapting them to address specific climate changes and/or other disasters in the country. The results of this study will be available in the third quarter of 2016 and will further inform the design of this subcomponent.

34. The project aims to increase the number of households represented in the Social Registry to 80,000, of which 65,000 households will benefit from the cash transfer program under *Jigisemejiri*.

35. Nevertheless, considering the different weather- or disaster-related risks in each of the regions in Mali, some preliminary analysis done by the UTGFS has revealed some IGAP that might be financed by this subcomponent. These include training in new production techniques, the repair or construction of storage facilities, land erosion control and water harvesting, and the purchase of small equipment and supplies (such as improved seeds or bulk production materials). This subcomponent will not finance the purchase of land or buildings.

36. Synergies between this subcomponent and other related World Bank projects (such as the Fostering Agricultural Productivity Project) will be explored by the World Bank team, especially with regard to target communes and beneficiaries.

37. The participation of women in the subcomponent will be strongly encouraged, since women are traditionally involved in small-scale IGAP and are economically marginalized in rural areas.

38. Small cooperatives comprising poor and vulnerable individuals may also be supported through this subcomponent to maximize investments and reinforce mutual support mechanisms.

39. Individuals (or groups of individuals such as cooperatives) within the selected beneficiary households will be prescreened by technical committees comprising local government representatives authorities and UTGFS staff (and in particular the expert on IGAP who will be hired through this AF—see Component 3), at the municipal and village level. These prescreened individuals will be given training and support to help them develop their business plans. These plans will then be evaluated by the same technical committees against predefined criteria, including the likely market value of the proposed activity, the likely impact on the local economy, and the likely sustainability of the proposed activity. Only those business plans for proposed IGAP that the technical committees deem to be viable will be financed under this subcomponent.

40. The subcomponent is expected to support 10,000 IGAP throughout the life of the project.

41. The subcomponent will finance the following package of services to be provided to selected beneficiaries: (a) a total transfer of CFAF 120,000 (US\$200) in two installments—according to the specifications included in the business plan and the Operations Manual—first upon receipt of a validated business plan to allow for up-front investments and second midway

through the implementation of the activities; (b) training on the preparation of a business plan and other technical skills; (c) communication and mentoring of beneficiaries to support implementation and boost their self-confidence and social capital; and (d) financial literacy training to improve their income management and to encourage them to save in case of shocks.

42. All projects funded by the subcomponent will have to fully comply with the Bank's environmental and safeguards policies.

43. As in the parent project, accredited payment agencies will make payments to beneficiaries under this subcomponent. However, in areas of conflict or in the north where markets have been affected by the conflicts, other ways of making the transfers may be explored, such as vouchers to be 'cashed' at local payment points, direct payments made through NGOs, using the current experimental payment methods of the Common Framework of NGOs (*cadre commun des ONGs*). In such sensitive cases, initial disbursements will be made by accredited agencies upon receipt of the list of beneficiaries selected in line with the criteria specified in the PIM and with the contract signed by the selected payment agency (or agencies) as specified in the PIM. As in the parent project, a yearly process evaluation of the sub-components will be conducted to ensure that all processes (targeting, registration, and payments) are functioning properly and, if not, to enable the design of the program to be adjusted accordingly.

44. Implementing agencies will be competitively selected by the UTGFS to carry out the training/coaching of beneficiaries.

45. As in the case of the LIPWP (Subcomponent 1D), the project management team of the *Jigisemejiri* Project will be responsible for overseeing the implementation of all of the activities proposed under this component. It will carry out regular social audits as well as spot-checks on implementing agencies. It will also prepare an Operations Manual that will describe in detail the processes and procedures involved in the implementation of the proposed activities.

46. An Operations Manual will be prepared by the UTGFS, with support from the World Bank team, with detailed design and implementation arrangements related to this subcomponent.