



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
MALI RECONSTRUCTION AND ECONOMIC RECOVERY
APPROVED ON DECEMBER 6, 2013
TO
MINISTRY OF ECONOMY AND FINANCE

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE
AFRICA

| | |
|----------------------------------|--------------------------|
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ABBREVIATIONS AND ACRONYMS

| | |
|-------|--|
| IP | Implementation Progress |
| MOD | Delegated Contract Management Agency (<i>Maître d'Ouvrage Délégué</i>) |
| MTR | Mid-term Review |
| PCU | Project Implementation Unit |
| PDESC | Local Development Plan (<i>Plan de développement économique, social et culturel</i>) |
| PDO | Project Development Objective |



BASIC DATA

Product Information

| | |
|--|---|
| Project ID P144442 | Financing Instrument Emergency Recovery Loan |
| Original EA Category Partial Assessment (B) | Current EA Category Partial Assessment (B) |
| Approval Date 06-Dec-2013 | Current Closing Date 01-Dec-2018 |

Organizations

| | |
|---|---|
| Borrower Ministry of Economy and Finance | Responsible Agency Project Coordination Unit |
|---|---|

Project Development Objective (PDO)

Original PDO

The objective of the proposed project is to rehabilitate basic infrastructure and restore productive activities of communities impacted by the crisis in Mali.

Summary Status of Financing

| Ln/Cr/Tf | Approval | Signing | Effectiveness | Closing | Net Commitment | Disbursed | Undisbursed |
|-----------|-------------|-------------|---------------|-------------|----------------|-----------|-------------|
| IDA-H9010 | 06-Dec-2013 | 23-Dec-2013 | 19-Mar-2014 | 01-Dec-2018 | 100.00 | 41.73 | 50.08 |

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

- (i) The project was approved on December 6, 2013 and declared effective on March 19, 2014. Its closing date is December 1, 2018. Despite its emergency nature, the project was not able to produce rapid results on the ground because of significant delays in the establishment of the project institutional set up. While the Project Coordination Unit was established only in October 2014, hiring of the five Delegated Contract Management Agencies (Maîtres d’Ouvrage Délégés – MODs) for project implementation was completed only in April 2015. To date, the project disbursement rate is about 42 percent against 70 percent of the project lifetime elapsed.
- (ii) The project is currently rated moderately satisfactory on both its Development Objective (DO) and its Implementation Progress (IP). Data received from the PCU on project achievements indicate that the project can meet its overall PDO with outcome indicators reached or surpassed on three of five indicators. However, overall implementation performance remains uneven between components with implementation of some activities lagging far behind.
- (iii) *Component 1:* After a one-year delay, implementation of the activities to rehabilitate local public infrastructure (Component 1) has resulted in targets being reached or surpassed on two of four intermediary outcomes, namely: (i) health facilities rehabilitated and functional as a result of the project; and (ii) temporary jobs created. So far, the project has been failed to meet the two other indicators which are: (i) classrooms rehabilitated and functional as a result of the project intervention and (ii) water supply systems rehabilitated and functional as a result of the project intervention. The initial achievements mainly result from the implementation of the Priority Investment Program (Track 1 of the component). Implementation of the remaining investment priorities from participative updates of the local development plans (*plans de développement économique, social et culturel* or PDESCs - Track 2 of the component) began only in late 2016 and remain at the early stages.
- (iv) *Component 2:* After more than one year of delay, implementation of the activities for productive investments (Component 2) has resulted in targets surpassed on only two intermediary outcomes of six expected: (i) seeds procured and distributed; and (ii) beneficiaries receiving emergency assistance. Achievements are very close to targets from procurement and distribution of animal feed. However, there is less progress on financing of micro-projects on productive assets or for women’s organizations and rehabilitation of land farm. Implementation of micro-projects will now be following the finalization of productive investment priorities that were set during the updates of the PDESCs mentioned above.
- (v) *Component 3:* Implementation of activities in support of community engagement and local governance (Component 3) has resulted in outstanding achievements on two intermediary outcomes of three i.e. (i) participants in consultation activities during project implementation, and (ii) participating local governments with revised PDESCs. However, grievance redress mechanisms are reported to have been established in all the project participating communes but with a large number not yet fully functional. This is expected to be completed by December 2017.

B. Rationale for Project Restructuring



- (i) Despite marked progress towards achieving PDO targets, project implementation has been slower than originally expected. The main reasons include: (i) delayed launch of project activities and delays in the planned priority-setting by PDESCs for the second track of project investments beyond the first 18 months; and (ii) protracted insecurity in several project areas and dispersion of small investments across large areas, spreading operational capacities in both project implementation and supervision too thinly. As a result, the existing MODs have not been able to complete their work as expected, leading to a potential risk of under-achievement of objectives. Moreover, assessment of the project achievements by the PCU has revealed weaknesses within the results framework (RF) which have been limiting proper reporting on the project achievements.
- (ii) Against this background, it was agreed during the MTR to restructure the project. The project restructuring approach and changes to its structure were agreed with the Borrower and participating local governments during the MTR. An action plan was further agreed with the government to finalize the project restructuring with the aim to improve the project overall implementation performance and thereby ensure achievement of the development objective and satisfactory completion at exit.

C. Agreements with Borrower at MTR

The following were agreed with the Borrower during the project MTR:

- (i) confirmation of non-renewal of the contract with AGEROUTE after its expiration on December 30, 2016 due to non-completion of major transportation infrastructure rehabilitation activities (project component 1). The MTR endorsed the government's decision to let the contract expire and make amendments to the contracts with AGETIPE and AGETIER for each one to take in charge part of the investments pending from AGEROUTE;
- (ii) hiring of additional MODs to deal with new investments (micro-projects and a regional level productive investment) to be included in project component 2 as a result of its restructuring. To ascertain timely and effective implementation of these investments, two UN agencies were identified during the project MTR as potential candidates as third party executors. They are: (i) FAO, based on its already proven performance in delivering on the project; and (ii) UNOPS, because of its reported track record in dealing with infrastructure investments in similar post-conflict environments.

II. DESCRIPTION OF PROPOSED CHANGES

D. Change in Results Framework

Based on the shortcomings identified in the project M&E system, the MTR was able to validate very few outcome values as a result of the project implementation. Also, it revealed that the RF is missing relevant indicators to measure outcomes resulting from some investment activities being undertaken under the project (e.g. transport infrastructure and street lighting) with relatively high value for money as well as those expected from new activities like the rehabilitation of the port of Kona. It was then agreed to:



- (i) include in the RF new indicators as appropriate for the project component 1 (rehabilitation of local public infrastructure) and component 2 (support of productive investments) to better meet the project restructuring expectations;
- (ii) revise the target values of all project indicators based on the project actual achievements to date and integrating the priorities agreed on during the MTR for the remainder of the project lifetime; and
- (iii) elaborate more on the data collection methods so that to get to a shared understanding of notions like functionality of specific infrastructures after rehabilitation and to improve overall accuracy of the information resulting from project implementation.

E. Change in Components and Costs

Based on the rationale provided on project restructuring, changes in the project components and their respective costs have been agreed as follows during the MTR:

- (i) scaling down of project activities for component 1 (rehabilitation of public infrastructure) and commensurate reduction of financing amount by US\$5.83M; hence a revised amount of US\$44.17M;
- (ii) scaling up of project activities for component 2 (support of productive investments) and commensurate increase of financing amount by US\$5.20M; hence a revised amount of US\$40.20M; and
- (iii) required adjustments to the component 4 leading an increase of its financing by US\$0.63M; hence a revised amount of US\$5.63M.

F. Change in Disbursement Estimates

Because of implementation lag at project startup, the project disbursement rate to date stands at 42 percent against 70 percent of its lifetime elapsed. The revised disbursement estimates provided in Section IV would align disbursements with the pace of project implementation after restructuring.

I. SUMMARY OF CHANGES

| | Changed | Not Changed |
|--|---------|-------------|
| Change in Results Framework | ✓ | |
| Change in Components and Cost | ✓ | |
| Reallocation between Disbursement Categories | ✓ | |
| Change in Disbursement Estimates | ✓ | |
| Change in Implementing Agency | | ✓ |
| Change in DDO Status | | ✓ |
| Change in Project's Development Objectives | | ✓ |



| | | |
|---|--|---|
| Change in Loan Closing Date(s) | | ✓ |
| Cancellations Proposed | | ✓ |
| Change in Disbursements Arrangements | | ✓ |
| Change in Overall Risk Rating | | ✓ |
| Change in Safeguard Policies Triggered | | ✓ |
| Change of EA category | | ✓ |
| Change in Legal Covenants | | ✓ |
| Change in Institutional Arrangements | | ✓ |
| Change in Financial Management | | ✓ |
| Change in Procurement | | ✓ |
| Change in Implementation Schedule | | ✓ |
| Other Change(s) | | ✓ |
| Change in Economic and Financial Analysis | | ✓ |
| Change in Technical Analysis | | ✓ |
| Change in Social Analysis | | ✓ |
| Change in Environmental Analysis | | ✓ |

IV. DETAILED CHANGE(S)

RESULTS FRAMEWORK

Project Development Objective Indicators

| | | | | |
|---|-------------|------------------|-------------|---------|
| Direct project beneficiaries Unit of Measure: Number Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 237100.00 | 1461147.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |

| | | | | |
|--|--|--|--|--|
| Female beneficiaries Unit of Measure: Percentage Indicator Type: Custom Supplement | | | | |
|--|--|--|--|--|



| | Baseline | Actual (Current) | End Target | Action |
|-------|----------|------------------|------------|-----------|
| Value | 0.00 | 46.00 | 51.00 | No Change |

Local infrastructure rehabilitated under the project functioning one year post rehabilitation

Unit of Measure: Percentage

Indicator Type: Custom

| | Baseline | Actual (Current) | End Target | Action |
|-------|-------------|------------------|-------------|-----------|
| Value | 0.00 | 0.00 | 80.00 | No Change |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |

Productive assets rehabilitated under the project utilized for economic activities one year post rehabilitation

Unit of Measure: Percentage

Indicator Type: Custom

| | Baseline | Actual (Current) | End Target | Action |
|-------|-------------|------------------|-------------|-----------|
| Value | 0.00 | 0.00 | 70.00 | No Change |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |

People benefitting from rehabilitated local infrastructure

Unit of Measure: Number

Indicator Type: Custom

| | Baseline | Actual (Current) | End Target | Action |
|-------|-------------|------------------|-------------|---------|
| Value | 0.00 | 40500.00 | 1420291.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |

People benefitting from rehabilitated productive assets

Unit of Measure: Number

Indicator Type: Custom

| | Baseline | Actual (Current) | End Target | Action |
|-------|-------------|------------------|-------------|---------|
| Value | 0.00 | 0.00 | 40856.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |

Intermediate Indicators**1.1 Classrooms rehabilitated and functional as a result of project intervention**

Unit of Measure: Number



| Indicator Type: Custom | | | | |
|--|-------------|------------------|-------------|-----------|
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 2242.00 | 1604.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 1.2. Health facilities rehabilitated and functional as a result of project intervention | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 101.00 | 277.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 1.3. Water supply systems rehabilitated and functional as a result of project intervention | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 18.00 | 443.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 1.4. Temporary Jobs created | | | | |
| Unit of Measure: Days | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 5500.00 | 30896.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 1.5. Local governments benefitting from rehabilitated local infrastructure | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 87.00 | 100.00 | No Change |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 1.5 Transport infrastructure rehabilitated and functional as a result of the project intervention | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |



| | Baseline | Actual (Current) | End Target | Action |
|---|-------------|------------------|-------------|---------|
| Value | 0.00 | 8.00 | 14.00 | New |
| Date | 20-Nov-2013 | 06-Apr-2016 | 01-Dec-2018 | |
| 1.6 Street lighting globes in place and in use as a result of the project intervention | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 0.00 | 413.00 | New |
| Date | 20-Nov-2013 | 04-Dec-2016 | 01-Dec-2018 | |
| 2.1. Seeds procured and distributed | | | | |
| Unit of Measure: Tones/year | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 460.00 | 582.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 2.2. Animal feed procured and distributed | | | | |
| Unit of Measure: Tones/year | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 1197.00 | 2725.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 2.3. Micro-projects on productive assets financed | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 0.00 | 482.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 2.4. Micro-projects for women's organization financed | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |



| | | | | |
|--|-------------|------------------|-------------|---------|
| Value | 0.00 | 0.00 | 360.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 2.5.Rehabilitated farm land | | | | |
| Unit of Measure: Hectare(Ha) | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 0.00 | 1818.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |
| 2.6.Beneficiaries receiving emergency assistance | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 226065.00 | 52329.00 | Revised |
| Date | 20-Nov-2013 | 04-Dec-2016 | 01-Dec-2018 | |
| 2.7 Rehabilitated productive trunk infrastructure of regional interest | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 0.00 | 1.00 | New |
| Date | 20-Nov-2013 | 04-Dec-2016 | 01-Dec-2018 | |
| 3.1.Participants in consultation activities during project implementation | | | | |
| Unit of Measure: Number | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 45740.00 | 322164.00 | Revised |
| Date | 20-Nov-2013 | 04-Dec-2016 | 01-Dec-2018 | |
| 3.2.Participating LGs with revised PDSECs | | | | |
| Unit of Measure: Percentage | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 100.00 | 100.00 | Revised |



| | | | | |
|---|-------------|------------------|-------------|---------|
| Date | 20-Nov-2013 | 28-Jun-2017 | | |
| 3.3.Grievance redress mechanism are functional at the commune level | | | | |
| Unit of Measure: Percentage | | | | |
| Indicator Type: Custom | | | | |
| | Baseline | Actual (Current) | End Target | Action |
| Value | 0.00 | 72.00 | 55.00 | Revised |
| Date | 20-Nov-2013 | 28-Jun-2017 | 01-Dec-2018 | |

COMPONENTS

| Current Component Name | Current Cost (US\$M) | Action | Proposed Component Name | Proposed Cost (US\$M) |
|--|----------------------|-----------|--|-----------------------|
| Component 1: Rehabilitation of local public infrastructure (US\$50 million equivalent) | 50.00 | Revised | Component 1: Rehabilitation of local public infrastructure (US\$50 million equivalent) | 44.17 |
| Component 2: Support to productive investments | 35.00 | Revised | Component 2: Support to productive investments | 40.20 |
| Component 3: Community engagement and local governance (US\$10 million equivalent). | 10.00 | No Change | Component 3: Community engagement and local governance (US\$10 million equivalent). | 10.00 |
| Component 4: Project management, monitoring and evaluation (US\$5 million equivalent) | 5.00 | Revised | Component 4: Project management, monitoring and evaluation (US\$5 million equivalent) | 5.63 |
| Component 5: Contingent emergency response | 0.00 | No Change | Component 5: Contingent emergency response | 0.00 |
| TOTAL | 100.00 | | | 100.00 |

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

| Current Allocation | Actuals + Committed | Proposed Allocation | Financing % (Type Total) | |
|--------------------|---------------------|---------------------|--------------------------|----------|
| | | | Current | Proposed |



| | | | | |
|------------------------------|--|----------------------|----------------------|--------|
| iLap Category Sequence No: 1 | Current Expenditure Category: GD,WK,NCS,CS PART 1 | | | |
| 32,600,000.00 | 9,685,569.95 | 32,600,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 2 | Current Expenditure Category: GD,WK,NCS,CS PART 2 | | | |
| 22,820,000.00 | 9,023,604.42 | 22,820,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 3 | Current Expenditure Category: GD,CS,TR,OP PART 3 | | | |
| 6,520,000.00 | 4,604,649.36 | 6,520,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 4 | Current Expenditure Category: GD,NCS,CS,TR,OP PART 4 | | | |
| 3,260,000.00 | 1,864,761.60 | 3,260,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 5 | Current Expenditure Category: EMERGENCY EXP PART 5 | | | |
| 0.00 | 0.00 | 0.00 | 100.00 | 100.00 |
| Total | 65,200,000.00 | 25,178,585.33 | 65,200,000.00 | |

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

| Year | Current | Proposed |
|------|---------------|---------------|
| 2014 | 1,000,000.00 | 150,000.00 |
| 2015 | 14,000,000.00 | 11,720,000.00 |
| 2016 | 33,500,000.00 | 9,240,000.00 |
| 2017 | 30,000,000.00 | 35,550,000.00 |
| 2018 | 18,000,000.00 | 32,750,000.00 |
| 2019 | 3,500,000.00 | 10,590,000.00 |



The World Bank

Mali Reconstruction and Economic Recovery (P144442)
