



OFFICIAL USE ONLY

IDA/R2017-0021/1

February 8, 2017

**Closing Date: Tuesday, February 28, 2017
at 6 p.m.**

FROM: Vice President and Corporate Secretary

Mali - Reinsertion of Ex-combatants Project

Project Appraisal Document

Attached is the Project Appraisal Document regarding a proposed grant to Mali for the Reinsertion of Ex-combatants Project (IDA/R2017-0021), which is being processed on an absence-of-objection basis.

Distribution:

Executive Directors and Alternates
President
Bank Group Senior Management
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads, Bank, IFC and MIGA

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank Group authorization.

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: PAD1810

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT
IN THE AMOUNT OF SDR 11.2 MILLION
(US\$15 MILLION EQUIVALENT)

TO THE

REPUBLIC OF MALI

FOR A

REINSERTION OF EX-COMBATANTS PROJECT

February 06, 2017

Social, Urban, Rural and Resilience Global Practice
AFRICA

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

(Exchange Rate Effective December 31, 2016)

Currency Unit = FCFA (XOF)
XOF 621 = US\$1
US\$1 = SDR 0.74

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AWPB	Annual Work Plan and Budget
CAAF	Children Associated with Armed Forces/Groups
CMA	<i>Coordination des Mouvements de l'Azawad</i> (Coordination of Azawad Movements)
CNDDR	National DDR Commission
CPF	Country Partnership Framework
CREDD	<i>Cadre Stratégique pour la Relance Economique et le Développement Durable</i> (Strategic Framework for Economic Recovery and Sustainable Development)
CSA	<i>Le Comité de suivi de l'Accord</i> (Monitoring Committee of the Agreement)
CSCR	<i>Cadre Stratégique pour la Croissance et la Réduction de la Pauvreté</i> (Mali)
CTS	<i>Comité Technique de la Sécurité</i> (Technical Committee of Security)
CVR	Community Violence Reduction
DA	Designated Account
DD	Disarmament and Demobilization
DDR	Disarmament, Demobilization and Reinsertion
DFM	Directorate of Finance and Material
DL	Disbursement Letter
ECOWAS	Economic Community of West African States
FM	Financial Management
FPA	Fiduciary Principle Accord
GDP	Gross Domestic Product
GPN	General Procurement Notice
GRS	Grievance Redress Service
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion Report
ID	Identification
IDA	International Development Association
IDPs	Internally Displaced Persons
IEG	Independent Evaluation Group
IGA	Income Generating Activity
IP	Implementing Partners
ISM	Implementation Support Mission
ISR	Implementation Status Result

M&E	Monitoring and Evaluation
MDTF	Multi-donor Trust Fund
MEF	Ministry of Finance and Economy (Mali)
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MIS	Management Information System
MOC	Operational Mechanism for Coordination
MoD	Ministry of Defense and Veterans
MTR	Mid-term Review
NCB	National Competitive Bidding
PAG	<i>Plan D'Action du Gouvernement</i> (Action Plan of the Government of Mali)
PAGAM/GFP II	Le Plan d'action gouvernemental pour l'amélioration et la modernisation de la gestion des finances publiques (Second Government Action Plan for the Improvement and Modernization of Public Finance Management)
PDO	Project Development Objective
PEFA	Public Expenditure and Financial Accountability
PIM	Project Implementation Manual
PIU	Project Implementation Unit
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
RAF	<i>Responsable Administratif et Financier</i> (Financial Management Officer)
RFQ	Request for Quotation
SC	Steering Committee
SCD	Systematic Country Diagnostic
SIDG	<i>Système Intégré de Gestion des Dépenses</i> (Integrated Expenditure Management System)
SMEs	Small and Medium Enterprises
SOE	Statements of Expenditures
SORT	Systematic Operations Risk- Rating Tool
SPN	Specific Procurement Notice
SSR	Security Sector Reform
SSS	Single Source Selection
TDRP	Transitional Demobilization and Reintegration Program
ToR	Terms of References
ToT	Training of Trainers
UN	United Nations
UNDB	United Nations Development Business
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
US\$	United States Dollar
WDI	World Development Indicator
XOF	West African CFA Franc

Regional Vice President:	Makhtar Diop
Country Director:	Paul Noumba Um
Senior Global Practice Director:	Ede Jorge Ijjasz-Vasquez
Practice Manager:	Jan Weetjens
Task Team Leader:	Abderrahim Fraiji

MALI
Reinsertion of Ex-combatants Project (P157233)

TABLE OF CONTENTS

	Page
I. STRATEGIC CONTEXT	1
A. Country Context.....	1
B. Sectoral and Institutional Context.....	2
C. Higher Level Objectives to which the Project Contributes	3
II. PROJECT DEVELOPMENT OBJECTIVES	4
A. PDO.....	4
Project Beneficiaries	4
PDO Level Results Indicators.....	4
III. PROJECT DESCRIPTION	5
A. Project Components	5
B. Project Financing	9
Project Cost and Financing	9
C. Lessons Learned and Reflected in the Project Design.....	10
IV. IMPLEMENTATION	11
A. Institutional and Implementation Arrangements	11
B. Results Monitoring and Evaluation	13
C. Sustainability.....	14
D. Synergies.....	14
V. KEY RISKS.....	15
A. Overall Risk Rating and Explanation of Key Risks.....	15
VI. APPRAISAL SUMMARY	16
A. Economic Analysis	16
B. Technical.....	18
C. Financial Management.....	19
D. Procurement	20
E. Social (including Safeguards).....	20

F. Environment (including Safeguards)	21
G. World Bank Grievance Redress	22
Annex 1: Results Framework and Monitoring	23
Annex 2: Detailed Project Description.....	27
Annex 3: Implementation Arrangements	40
Annex 4: Implementation Support Plan	71
Annex 5: Climate and Disaster Risk Screening Results Report	74
Annex 6: Donor Roundtable Conclusions.....	76

PAD DATA SHEET

Mali

Mali Reinsertion of Ex-combatants Project (P157233)

PROJECT APPRAISAL DOCUMENT

AFRICA

Social, Urban, Rural and Resilience Global Practice

Report No.: PAD1810

Basic Information			
Project ID P157233	EA Category C - Not Required	Team Leader(s) Abderrahim Fraiji	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 28-Feb-2017	Project Implementation End Date 28-Feb-2020		
Expected Effectiveness Date 31-May-2017	Expected Closing Date 30-Nov-2020		
Joint IFC No			
Practice Manager/Manager Jan Weetjens	Senior Global Practice Director Ede Jorge Ijjasz-Vasquez	Country Director Paul Noumba Um	Regional Vice President Makhtar Diop
Borrower: Ministry of Economy and Finance Republic of Mali			
Responsible Agency: National Disarmament, Demobilization and Reinsertion Commission			
Contact: Telephone No.:	Zahabi Ould Sidi Mohamed 00 223 66 74 93 93	Title: Email:	President Zahabisidimohamed@yahoo.fr
Project Financing Data (in USD Million)			
[] Loan	[X] IDA Grant	[] Guarantee	
[] Credit	[] Grant	[] Other	
Total Project Cost:	15.00	Total Bank Financing:	15.00
Financing Gap:	0.00		
Financing Source		Amount	

BORROWER/RECIPIENT	0.00
IDA Grant	15.00
Total	15.00

Expected Disbursements (in USD Million)

Fiscal Year	2017	2018	2019	2020	2021					
Annual	4	8	3.00	0.00	0.00					
Cumulative	4	12.00	15.00	15.00	15.00					

Institutional Data

Practice Area (Lead)

Social, Urban, Rural and Resilience Global Practice

Contributing Practice Areas

Fragile, Conflict & Violence

Proposed Development Objective(s)

The project development objective is to support the socio-economic reinsertion of demobilized ex-combatants within local communities.

Components

Component Name	Cost (USD Millions)
Reinsertion Support to Demobilized Ex-combatants	13.20
Project Management Support to Project Implementation Unit	1.80

Systematic Operations Risk- Rating Tool (SORT)

Risk Category	Rating
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	High
6. Fiduciary	Substantial
7. Environment and Social	Low
8. Stakeholders	Substantial
9. Other	
OVERALL	Substantial

Compliance

Policy			
Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]	
Does the project require any waivers of Bank policies?	Yes []	No [X]	
Have these been approved by Bank management?	Yes []	No []	
Is approval for any policy waiver sought from the Board?	Yes []	No [X]	
Does the project meet the Regional criteria for readiness for implementation?	Yes []	No [X]	
Safeguard Policies Triggered by the Project		Yes	No
Environmental Assessment OP/BP 4.01			X
Natural Habitats OP/BP 4.04			X
Forests OP/BP 4.36			X
Pest Management OP 4.09			X
Physical Cultural Resources OP/BP 4.11			X
Indigenous Peoples OP/BP 4.10			X
Involuntary Resettlement OP/BP 4.12			X
Safety of Dams OP/BP 4.37			X
Projects on International Waterways OP/BP 7.50			X
Projects in Disputed Areas OP/BP 7.60			X
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Workshop, Schedule 2, Section V, 2, (i)		August 31, 2017	
Description of Covenant			
On or before three months after the Effective Date, the Recipient shall: (i) organize jointly with the Association a launching workshop for the project involving all stakeholders.			
Name	Recurrent	Due Date	Frequency
Independent auditor, Schedule 2, Section V, 2, (ii)		August 31, 2017	
Description of Covenant			
On or before three months after the Effective Date, the Recipient shall: (ii) hire independent auditors for the project with terms of reference, qualification and experience satisfactory to the Association and in accordance with Section III of this Schedule.			
Conditions			
Source Of Fund	Name	Type	

IDAT, Article IV, 4.01 (a)	Establishment of PIU			Effectiveness
Description of Condition				
The Recipient has established, in form and substance satisfactory to the Association, a Project Implementation Unit, responsible for overall day-to-day Project coordination and implementation of the Project, including, inter alia consolidating and preparing proposed action plans, procurement plans and related budgets; carrying out Project financial management and procurement activities and M&E.				
Source Of Fund	Name			Type
IDAT, Article IV, 4.01 (b)	Recruitment of Key Staff			Effectiveness
Description of Condition				
The Recipient has appointed, for the PIU established pursuant to Article IV, 4.01 (a) of the Financing Agreement, a coordinator, a procurement specialist, a financial management officer, a procurement assistant, and an accountant, all under the terms of reference and qualifications acceptable to the Association.				
Source Of Fund	Name			Type
IDAT, Article IV, 4.01 (c)	Preparation of Project Implementation Manual [PIM]			Effectiveness
Description of Condition				
The Recipient has adopted a PIM, in form and substance satisfactory to the Association, including inter alia, the coordination mechanisms between stakeholders involved in project implementation, detailed implementation mechanisms for each component and sub-component, project administration, financial management, procurement and accounting procedures applicable to the project.				
Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Abderrahim Fraiji	Team Leader (ADM Responsible)	Senior Operations Officer		GSU05
Mahamadou Bambo Sissoko	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist		GGO07
Tahirou Kalam	Financial Management Specialist	Financial Management Specialist		GGO26
Adeel Zafar	Team Member	Consultant	Technology Consultant	GEE05
Bernard Harborne	Peer Reviewer	Lead Social Development Specialist		GSUGL
Cheikh A. T. Sagna	Safeguards	Senior Social		GSU01

	Specialist	Development Specialist		
Djeina Issa Kalidi	Team Member	Consultant		GSU01
Emeran Serge M. Menang Evouna	Safeguards Specialist	Senior Environmental Specialist		GEN07
Faizaa Fatima	Team Member	Consultant		GSU01
Faly Diallo	Team Member	Finance Officer		WFALA
Hocine Chalal	Safeguards Specialist	Lead Environmental Specialist		GEN07
Kishor Uprety	Counsel	Senior Counsel		LEGAM
Murat Fatin Onur	Team Member	Social Development Specialist		GSU07
Stavros George Stavrou	Peer Reviewer	Senior Social Development Specialist		GSU03

Extended Team

Name	Title	Office Phone	Location

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Mali	Tombouctou	Tombouctou Region		X	
Mali	Gao	Gao Region		X	
Mali	Kidal	Kidal Region		X	
Mali	Ménaka	Ménaka Region		X	
Mali	Taoudéni	Taoudéni Region		X	
Mali	Mopti	Mopti Region		X	

I. STRATEGIC CONTEXT

A. Country Context

1. Mali is a vast landlocked, geographically diverse country in West Africa with a population of nearly 17.60 million.¹ Situated in the Sahel region, it is semi-arid with large swaths of its Northern regions extending into the Saharan deserts, with the fertile South accounting for the majority of economic activities, food and cash crop production. The economy is largely rural, with 73 percent of the population residing in rural areas, while approximately 80 percent of the jobs available are in the non-formal sector.² Prior to several political crises and resulting instability, Mali had been on track to reducing poverty, with gross domestic product (GDP) growth during 2007-10 averaging at 4.9 percent per year.³ In the wake of the 2012 crises, however, Mali experienced zero economic growth and an increase of only 1.7 percent in 2013.⁴ Today Mali is one of the poorest countries in the world, ranking 179th on the 2015 Human Development Index⁵.

2. The crises have had long-running regional, national, and international repercussions. As of January 2016, there were 49,833 internally displaced persons (IDPs) and 453,059 returnees nationwide, and 143,051 refugees from across the neighboring countries of Niger, Mauritania and Burkina Faso.⁶ Approximately 2.5 million people (13.5 percent of its population) are in urgent need of humanitarian assistance.⁷ Continued unrest in the North and depressed socio-economic conditions in the South accompanied a 64 percent reduction in foreign investments.⁸ Severe displacement in the North is estimated to have cut the region's economic activities by a third, and further undermines security in much of West Africa through refugee flows, drug trafficking, and piracy.

3. Mali's core development challenge has been characterized by governance weaknesses and structural marginalization of the North. In 2012, the country experienced the fourth Tuareg rebellion in its post-colonial history, an extremist takeover of the North and a military coup. The current context in northern regions of Mali is characterized by inter- and intra-ethnic divisions, leading to further militarization of the conflict. By mid-2012, Northern Mali was completely seized by the armed separatist and jihadist groups. The region soon fell to several extremist groups. A military force consisting of French and the Economic Community of West African States militaries assisted the Malian army in regaining control of much of the North and enabled the short-lived peace in 2013. A peace agreement brokered by Algeria was finally signed between the Government, pro-government groups, and the rebel movements on 15 May and 20 June 2015. Since the Accord for Peace and Reconciliation in Mali (Peace Agreement) policy

¹ WDI Indicator: Mali, 2015, accessed at <http://data.worldbank.org/country/mali>.

² World Bank, 2015, "Mali- Country Partnership Framework for the period FY16-19", Report, accessed at <http://documents.worldbank.org/curated/en/2015/12/25472288/mali-country-partnership-framework-period-fy16-19>.

³ WDI Indicator: Mali, 2015.

⁴ *Ibid.*

⁵ UNDP, "Human Development Report 2015", accessed at <http://report.hdr.undp.org/>.

⁶ International Organization for Migration (IOM), 2016, "Internally Displaced Population Falls in Mali", Press Release, accessed at <https://www.iom.int/news/internally-displaced-population-falls-mali>.

⁷ *Ibid.*

⁸ WDI Indicator: Mali, 2015.

shifts towards peacebuilding and reconciliation may mitigate the underlying causes of conflict and promote development in the North.

4. However, by applying primarily to northern regions of Mali, the peace agreement disregards the central region, Mopti. Although Mopti was not directly involved in the armed rebellions of the north, its population has suffered negative consequences since the 2012 coup. Violence has been escalating at an alarming rate, stemming from banditry, score-settling and growing number of self-defense militias since the hasty flight of civil servants and partial occupation of armed groups.

5. While the implementation of the peace agreement has been slow, there is political commitment by all three signatory parties for the peace, reconciliation and development process. The agreement calls for a new security sector reform (SSR) process and Disarmament, Demobilization and Reinsertion program (DDR). It also provides the legal framework for some armed elements to be integrated into the state security structures. The agreement also outlines a new recovery and development program to assist the communities in the North.

6. The project constitutes the World Bank contribution to the national DDR program as outlined in the peace agreement. The Government receives support for the disarmament and demobilization (cantonment phase) on which the project is premised from other partners, and in particular through the United Nations Multidimensional Integrated Stabilization Mission in Mali is a United Nations peacekeeping mission in Mali (MINUSMA).

B. Sectoral and Institutional Context

7. A 2016 study commissioned by the World Bank-administered Transitional Demobilization and Reintegration Program (TDRP) on armed movements in Mali found youth comprised majority of the ex-combatants, with the 18-25 age group (34.48 percent) and 26-40 age group (44.17 percent). Female ex-combatants accounted for 5.42 percent of ex-combatants in the sample, whereas leaders alluded to a much high proportion in fact. Majority of the ex-combatants interviewed were married (76.7 percent), and 67.4 percent of them supported 6-10 dependents. Findings from the study present further details regarding prior economic activities of ex-combatants and potential programming towards the reinsertion project. Most of the ex-combatants (85.8 percent) had been enlisted in their respective groups for at least five years. Prior to their involvement with armed groups, 52 percent was involved in economic activities and 30 percent in studies. In terms of preferences for post-DDR livelihoods, 30.2 percent expressed desire to be reintegrated into state security forces, 32.7 percent wished to engage in entrepreneurial activities, agricultural and livestock industries, and 8 percent wanted education or vocational training for gainful employment.

8. Articles 18-20 of the peace agreement mandate establishing a Commission for National Program for Disarmament, Demobilization and Reinsertion (CNDDR) and a Commission for Integration. The two commissions are intended to be inclusive of all parties and identify eligible ex-combatants to participate in the programs.⁹ The decrees creating the two commissions have

⁹ In Mali 'Reintegration' is often used and understood to refer exclusively to the integration of ex-combatants into various defense and security institutions. Therefore, 'Reinsertion' will be used in this document in place of the United Nations Integrated DDR Standards 'Reintegration' terminology.

been adopted on December 31, 2015 and the Government has allocated resources to finance their operations. In November 2016, the Government proceeded to the appointment of both commissions' respective presidents and members who have taken up their duties. In addition, as put forth in the peace agreement,¹⁰ regular meetings of the *Comité Technique de la Sécurité* (CTS), reporting to the *Le Comité de suivi de l'Accord* (CSA), allow regular coordination among signatory parties.

9. The Government, through a Working Group consisting of officials from the Ministry of Defense and Veterans and Ministry of Economy and Finance, representatives of the signatory movements, MINUSMA and the World Bank, developed a National DDR Program Document. This document incorporated lessons learned from previous DDR programs both in Mali and in other countries with relevant experiences. In addition, important topics such as the management of funds, budget, duration, and implementation arrangements were addressed through dialogue among stakeholders. On December 8, 2016, the Government, with support from the World Bank and MINUSMA, convened a donor roundtable to introduce the national DDR Strategy to the international community. The strategy was welcomed by the representatives of bilateral and multi-lateral technical and financial partners.

C. Higher Level Objectives to which the Project Contributes

10. The project will contribute to the objectives set by the Country Partnership Framework (CPF) for FY16-19 (approved by the Board of Executive Directors in 2015, Report number 94005). Supporting the DDR program through reinsertion of ex-combatants is essential to addressing the drivers of Mali's fragility and improving rural livelihoods as emphasized in the Systematic Country Diagnostic. The CPF proposes World Bank engagement in Mali around three areas of focus: (i) improve governance, by strengthening public resource management at central and local levels and fostering citizen engagement; (ii) create economic opportunities, by enhancing the productive capacity of smallholders, increasing agricultural value added and diversification to catalyze transformation, and improving basic services by developing infrastructure and connectivity; and (iii) build resilience, by developing human capital, strengthening safety nets, improving risk management mechanisms for the poor and vulnerable and mitigating climate shock. Reinsertion has been identified as a key area of focus for the comprehensive program proposed for the first two years of CPF and is also one of the three major governance-focused financing programs.

11. The project is aligned with the *Plan D'Action du Gouvernement* (PAG) FY13-18 and the *Cadre Stratégique pour la Relance Economique et le Développement Durable* (CREDD) 2016-2018. The PAG includes six areas of intervention: (i) establishment of strong and credible institutions; (ii) nation-wide safety and security restoration for people and goods; (iii) implementation of an active national reconciliation policy; (iv) reconstruction of schools; (v) construction of an emerging economy; and (vi) implementation of an active social development policy. With similar goals of strengthening peace and security, and stabilizing macroeconomic frameworks, the CREDD focuses on two priority areas: (i) peace and security; and (ii) macroeconomic stability, and three strategic areas: (i) inclusive and sustainable economic

¹⁰ The CTS includes representatives from Malian military, signatory movements, MINUSMA, and members of the international mediation and forces.

growth; (ii) social development and access to basic social services; and (iii) institutional development and governance. The project will contribute to abovementioned development and poverty reduction strategies of the Government.

12. The project targets ex-combatants by providing them with skills and employment support, as well as possibilities to engage with host communities. As such, it will also contribute to a broader participation in socio-economic recovery in Northern and Central Mali. This ties in with the World Bank Group's twin goals of reducing extreme poverty and boosting shared prosperity. Finally, the project is also in line with the World Bank's Africa strategy that prioritizes Fragile and Conflict-affected States, with a focus on state rebuilding and supporting the transition out of fragility.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

13. The Project Development Objective (PDO) is to support the socio-economic reinsertion of demobilized ex-combatants within local communities.

Project Beneficiaries

14. The project will target an estimated 4,000 demobilized ex-combatants.¹¹ The primary beneficiaries of the project are ex-combatants who complete disarmament and demobilization (DD) activities that will be implemented by United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) and the Government.

PDO Level Results Indicators

15. The following are the PDO-level results indicators:

- i. Number of direct project beneficiaries (disaggregated by age, gender and armed group);
- ii. Individual demobilized ex-combatants participating in an economic activity after training (disaggregated by gender, type of economic activity - individual or economic association - agrarian/non-agrarian);
- iii. Demobilized ex-combatants that feel socially acceptance by their communities of return (disaggregated by age and gender);
- iv. Members of communities report social acceptance of ex-combatants (disaggregated by age and gender);
- v. Beneficiaries who experience a feeling of greater security attributable to the project areas (disaggregated by gender).

¹¹ The estimates for the target adult ex-combatants are derived from the discussions with the Government, representatives of the signatory movements, and MINUSMA since February 2016. The exact number of beneficiaries of the reinsertion project will be identified during cantonment.

III. PROJECT DESCRIPTION

16. The DDR program in Mali will be implemented in two phases: (i) Cantonment, during which disarmament and demobilization activities will be completed in cantonment camps; and (ii) Reinsertion, during which reinsertion support will be provided to ex-combatants in the communities. Although outside the scope of the project, the activities in the cantonment camps that the Government, signatory movements and MINUSMA will be executing in advance of the project are pre-requisite for the reinsertion project.

17. The signatory movements proposed 24 locations for the construction of cantonment camps. Out of the 24 sites, the CTS selected eight priority sites. The construction of the facilities in three of those sites is completed, and the five remaining cantonment sites are primarily tents provided with electricity and water supplies, while the construction continues. To date, the eight cantonment sites, whether in solid construction or in-tents settings, are operational to receive the first groups of combatants.¹² The initial eight camps are located in Gao (Fafa, Innegar, Ilouk, Tabankort), Ménaka (Tinfadimata), Tombouctou (Ber and Likraka), and Kidal (Tessalit). Each cantonment camp has a capacity to accommodate 750 combatants.

18. Cantonment activities will be financed and implemented by MINUSMA and the Government. These activities may include, among others, disarmament and demobilization, sensitization on the DDR program, profiling and registration of combatants, and transportation of participants to and from the cantonment camps, support for pre-reinsertion activities such as medical and psycho-social screening and support. In addition, MINUSMA will implement Community Violence Reduction (CVR) projects in the cantonment locations.¹³ The cantonment process will not take more than 45 days for each group and will be followed by the social and economic reinsertion activities.

19. Registration of the ex-combatants will be done in the cantonment camps built by MINUSMA. A management information system (MIS) will be used to capture biometrics (photographs and fingerprints), as well as the individual's biographical data and aspirations for reinsertion at the cantonment camps. The World Bank task team has been coordinating with Government, MINUSMA, and the technical representatives of signatory movements to identify the type of information that will be captured for the reinsertion Project.

20. The Project will finance the socio-economic reinsertion of disarmed and demobilized ex-combatants following their departure from the cantonment camps. The implementation period for the Project is thirty-six (36) months.

A. Project Components

¹² Decision on the construction of additional sites will be dependent on the progress made in the eight initial sites.

¹³ The CVR projects are short-term projects implemented by DDR Units as part of UN missions mandated tasks in support of a national DDR or related program process. They are funded by the peacekeeping operations and serve as security and stabilization tools at the community level in preparation to and/or in support to cantonment and DDR processes.

21. The proposed project will achieve the PDO through the following two (2) components: Reinsertion Support to Demobilized Ex-combatants and project Management Support to Project Implementation Unit.

Component 1: Reinsertion Support to Demobilized Ex-combatants (Approximately US\$13.2 million equivalent)

22. The reinsertion period will span 18 months after ex-combatants' return to their communities. The project will provide the following main services to all participating ex-combatants during the reinsertion period:

- a. Sub-component 1.1: Orientation, counseling and skills training (6 to 9 months)¹⁴
- b. Sub-component 1.2: Reinsertion start-up support (one-time event)
- c. Sub-component 1.3: Reinsertion follow-up support (12 months total)
 - i. Outreach reinsertion services (6 months)
 - ii. Drop-in support (6 months)

Sub-component 1.1: Orientation, counseling and skills training (Approximately US\$7.40 million equivalent)

23. This subcomponent will cover activities that will provide technical anchor for individual ex-combatants to start their reinsertion process:

- Livelihoods guidance, career development and psycho-social counseling
- Skills Training Package:
 - Literacy and numeracy training
 - Life skills training
 - Entrepreneurship, small business, and financial literacy training
 - Economic associations
 - Vocational skills training: Non-agrarian and agriculture and livestock;
- Sports and recreational activities.

24. Orientation, counseling and skills training activities will focus on providing a foundational set of skills to ex-combatants as they begin the transition to civilian life. The survey on signatory movements found that traditional authorities, leaders of signatory movements; as well as combatants recognize the importance of having skills in the aftermath of the DDR program. In each community, there will be an ex-combatant focal point who will support the project with feedback, concerns and suggestions, as well as monitoring purposes.

25. In addition, for those combatants identified as requiring psychosocial support during screening in cantonments, the Project will provide counseling during the first six months. Psychosocial suffering and mental and behavioral disorders are risk factors for socio-economic

¹⁴ Exact duration will be determined depending on the type of the skills training.

reinsertion and post-war recovery, and are particularly prevalent amongst returning ex-combatants. Along with the screening process for chronic illnesses and physical disability, during the cantonment process, medical personnel will screen all ex-combatants for psychological trauma and socially challenging behaviors. Follow-up psycho-social counselling will be provided to those who would still be in need in their communities during the following twelve-month period of reinsertion. A strong element of grass root psycho-education will also be built in the communications activities to address severe stigmatization issues that have been flagged by mental health professionals working in Mali.

Sub-component 1.2: Reinsertion Start-up Support (Approximately US\$3.8 million equivalent)

26. A start-up support kit correlated to the vocational skills received will be distributed to each ex-combatant following successful completion of reinsertion training. The start-up support will be given on individual basis to ex-combatants opting for individual activities or economic associations with others. All ex-combatants will be entitled to the same value of start-up support regardless of their associational preferences.

Sub-component 1.3: Reinsertion follow-up support (Approximately US\$2.0 million equivalent)

27. This sub-component will provide outreach reinsertion support to ex-combatants in the form of direct follow-up training and advisory support in communities for a period of six months. The ex-combatants will have the option to choose between forming economic associations and initiating own activities. In addition, this sub-component will include drop-in support to allow the beneficiaries seek advice, information and support from the implementing partners.

a. *Outreach reinsertion support.* Beneficiaries may select to either: (i) form economic associations with other ex-combatants and host community members or (ii) create individual-initiated generating activities;

i. *Support to Formation of Economic associations.* During reinsertion training, the ex-combatants will have been trained in creating associations for economic and social purposes. A 2016 survey commissioned by the task team on signatory movements indicates that majority of combatants are willing to join an association with others who share similar interests in terms of post-DDR economic activity.¹⁵ The beneficiaries will also have had the opportunity to discuss possible partnerships with other ex-combatants during their stay in the cantonment camps. With the support of implementing partners, the ex-combatants will initiate the process of forming economic associations upon their arrival in their communities. Follow-up visits will provide capacity building to each economic association in administration, financial management, leadership, and technical aspects.

ii. *Individual-Initiated Income Generating Activities.* In circumstances whereby the former is not plausible or individuals have divergent interests, ex-combatants will

¹⁵ Nouveaux Horizons, Socio-economic profiling of ex-combatants to inform the Mali Reinsertion of Ex-combatants project, February 2016.

use their vocational training to initiate an income generating activity (IGA) of their choice upon return to the communities and after receiving their start-up kits.

- b. Drop-in reinsertion support.* As outlined in the peace agreement, communities with ex-combatants will be covered by recovery and development programs. To the extent possible, the project will guide the ex-combatants to participate in recovery and development activities available in their communities. During drop-in reinsertion support, the beneficiaries - through business associations, partnerships or working individually - will have the opportunity to contact the implementing partners to discuss any matter relevant to their reinsertion support, receive advice and be directed to available development programs. In addition, for ex-combatants identified with needs for psychosocial support, the project will proceed with providing drop-in referral services as needed.

28. *Gender.* Female ex-combatants will be offered an identical base package and training as male beneficiaries. A gender sensitive lens, however, will be applied throughout the implementation of all project components to ensure differentiated needs of male and female ex-combatants are taken into account and reflected accordingly in their packages. The project Implementation Unit (PIU), which will be set up prior to project effectiveness, will include an expert on gender issues and gender equalities and staff will be trained on general gender issues as well as on how to work with female ex-combatants for whom separate facilities will be provided during cantonment process. Vocational training will be sensitive to potential female interest and needs. The PIU and Implementing Partners will develop a Gender Action Plan to be undertaken through project duration that will address specific vulnerabilities of the female ex-combatant caseload and list a set of activities that will address those vulnerabilities.

29. *Vulnerable Groups* benefitting from this project include adult ex-combatants that are (i) female, (ii) disabled, and/or (iii) psycho-socially traumatized. Advocacy work on behalf of the adult vulnerable groups will be undertaken through sensitization campaigns which will actively encourage family support, seek synergies with World Bank or other projects to develop networks, community protection mechanisms, and medical, disability and psycho-social support. The project will offer specialized services to vulnerable groups including chronically ill/disabled ex-combatants designed to best meet their specific needs. Follow-up psycho-social support will be provided to those who are still in need when returning to their communities. The project will explore referral options, including linkages with other projects in the areas of return.

30. The United Nations Children's Fund (UNICEF) will support the activities targeting Children Associated with Armed Forces/Groups (CAAF). The project will support recreational, cultural and sports activities, for CAAF to promote their social reinsertion. This is pending further discussions between the Government and MINUSMA.

Component 2: Project Management Support to the Project Implementation Unit (Approximately US\$1.80 million equivalent)

31. This component will provide financing support to the following activities: (i) project management; (ii) sensitization and communication; and (iii) monitoring and evaluation (M&E)

and financial audits. A PIU will be set up prior to effectiveness to carry out implementation, project management and administration, supervision of activities, and coordination with international and national partners and stakeholders, including line ministries and local authorities, as well as M&E, and communication. The PIU will be supported with technical assistance from the World Bank.

32. *Project Management* will include activities that will cover operating costs related to the fiduciary management of the project to ensure the coordination, implementation, and management of the International Development Association (IDA) financing. From those working in the PIU, only the staffing and project-related operational costs for the financial management officer, internal auditor, procurement specialist, procurement assistant and accountant will be supported through the IDA grant.

33. *Sensitization and Communication* activities will build on preceding communications activities that the Government and MINUSMA will have been implementing, and will continue throughout the project life cycle. Communication activities will not be limited to disseminating information but will provide a voice to the project beneficiaries and thus enable bottom-up communication approaches through community meetings and beneficiary outreach.

34. *Results Monitoring and Evaluation*. Overall responsibility for M&E will rest with the PIU, complemented by close World Bank supervision. A results framework and monitoring matrix to track inputs, outputs, and outcomes has been developed for the project with intermediate and key performance indicators (Annex 1). The PIU will be supported by the coordination mechanisms as outlined in the Peace Agreement with regards to monitoring, implementation and performance of the overall DDR program. Beneficiaries and project implementation progress and effectiveness will be monitored through a well-functioning Reinsertion MIS. This system will support the M&E activities through several databases to: (i) monitor an ex-combatant from cantonment to reinsertion, (ii) follow the implementing partners providing reinsertion support, and (iii) monitor financial management. Monitoring of fiduciary management will extend to timely external and internal audits of project operations and other activities by the PIU. Apart from continuous monitoring of project activities, the M&E would contain a baseline and community survey, annual evaluation, mid-term review, sporadic need-based evaluations, and a final evaluation.

B. Project Financing

35. The cost of the project is estimated at US\$15 million. This estimate is drawn from the reinsertion and reintegration operations that have been financed by the World Bank, and is informed by the consultations with the Government, signatory movements, and MINUSMA.

Project Cost and Financing

36. A breakdown of cost by component and disbursement category is as follows:¹⁶

Table 1: Project components and associated costs

Project Components	Project cost	IDA Financing	% Financing
---------------------------	---------------------	----------------------	--------------------

¹⁶ The Project Management component will finance the activities for a caseload of an estimated 4,000 ex-combatants.

	(US\$ million)		
1. Reinsertion Support to Demobilized Ex-combatants	13,200,000	13,200,000	100%
2. Project Management	1,800,000	1,800,000	100%
Total Costs			
Total Project Costs	15,000,000	15,000,000	100%
Front-End Fees	-	-	-
Total Financing Required	15,000,000		

C. Lessons Learned and Reflected in the Project Design

37. Independent Evaluation Group (IEG) reports¹⁷ and DDR programs in a broad range of countries provide a number of lessons learned that have informed the design of the project.¹⁸ These lessons are summarized below:

- DDR programs should be designed within an overarching SSR framework. Without a general process of SSR, comprehensive DDR is difficult to accomplish. As underlined in the Peace Agreement, the Government has committed to a set of actions including the implementation of a roadmap of which SSR and DDR are key pillars. A national council for SSR has been set up as per the agreement, and the Government and the signatory movements agreed to undertake SSR in coordination with international partners.
- A simplified implementation structure with activities outsourced to local organizations can help mitigate limited institutional capacity and risks of political interference. In contexts with high risks of political interference, such an implementation arrangement can ensure that technical activities are implemented by technical agencies, competitively recruited, and somewhat sheltered from political interference.
- Rapid response and efficient performance are also further enhanced through outsourcing implementation and fiduciary control. The Mali CPF FY16-19 outlines lessons learned from implementing programs since the crisis and recommends simplification of implementation arrangements and close cooperation with partners on the ground.
- Adequate start-up support is needed to ensure skills transfer to national implementation agencies. South-south knowledge and experience exchange on reinsertion activities can be a cost-effective source of start-up support to countries that lack local capacity in reinsertion activities.
- Livelihoods start-up support requires significant resources and attention to ensure full and timely distribution. Alignment of start-up kits with training is critical and the kits should

¹⁷ IEG, World Bank Group Assistance to Low-Income Fragile and Conflict-Affected States, December 2013.

¹⁸ Implementation Completion and Results (ICR) Report of the Emergency Demobilization and Reintegration Project, 30 March 2012, ICR2168; ICR Report of the Burundi Emergency Demobilization and Transitional Reintegration Project, ICR00003344; Barron, Patrick. Chapter 8: The limits of DDR: Reintegration Lessons from Aceh in *The Small Arms Survey 2009: Shadows of War*, Graduate Institute of International and Development Studies in Geneva, Switzerland, 2009; USIP, Consolidating Disarmament: Lessons from Colombia's Reintegration Program for Demobilized Paramilitaries, Special Report #217, November 2008; ICR Report (IDA-36340 IDA-3634A TF-52159) of The Republic of Rwanda Demobilization, Reinsertion and Reintegration Project, 30 August 2009, ICR00001169; Republic of South Sudan National DDR Program: Pilot Reintegration Project Management Documentation (2014). November 2014; Uganda Demobilization and Reintegration Project Beneficiary Assessment (2011).

include the same items used during training with distribution immediately upon completion of the vocational training.

- Sensitization must be an ongoing and constant activity. It is crucial to a peaceful and successful DDR process to influence behavior change, not just amongst the ex-combatants but also within communities of return and the general population.
- A clear exit strategy that is planned beforehand with adequate flexibility for adjustments during the course of implementation is necessary. This strategy should establish links with existing development programs and ensure that the beneficiaries and stakeholders are well informed on the lifetime of the reinsertion project. This aspect is important to ensure that the investments made during the reinsertion project are not lost.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

38. The peace agreement sets forth a clear institutional framework to monitor the DDR process. The CSA is in charge of monitoring, supervision and coordination of the implementation of the agreement by the signatory parties. With regards to DDR, the agreement calls for the establishment of two commissions: CNDDR and a Commission for Integration, consisting of representatives of the Government and the signatory movements. According to the decree number 2015 - 0894/P-RM dated 31 December 2015, the CNDDR is in charge of coordination of the DDR program in Mali. The CNDDR will be financed by the Government, and will be inclusive of representatives of signatory movements.

39. The successful implementation of the project requires a well-designed implementation arrangement, tailored to the specific characteristics of Mali and the strategic outlook presented in the peace agreement. Institutional and implementation arrangements will ensure maximum ownership of the project by the Government, while maintaining an appropriate balance between ensuring rapid delivery and effective execution of activities. The implementation of the project will be carried out by the PIU, which will be established prior to effectiveness, and will be in charge of (i) preparation and costing of detailed annual implementation plans; (ii) implementation and coordination of the individual project components; and (iii) financial management, procurement, and M&E. The PIU will be housed within the CNDDR that will report to the Minister of Defense and Veterans.

40. The PIU will function in the direct liaison between project stakeholders and the World Bank for all project implementation matters. Beyond its broader implementation role, the PIU will directly handle procurement, financial management, accounting and contract management. The PIU will be composed of the following key staff members: a Coordinator, a Procurement Specialist, a Procurement Assistant, a Financial Management Officer (RAF), an Accountant, an internal auditor, an M&E Specialist, and a Reinsertion Officer. Consultants may be hired under the project for supporting certain activities of the PIU. Only the fiduciary staffing and corresponding operational costs of the PIU will be financed by the project. This relates to aforementioned costs for financial management officer, internal auditor procurement specialist, procurement assistant, and accountant. The structure for implementation will be new and will require strengthening at all levels. Staff recruited for the project should have experience and

qualifications satisfactory to the World Bank. Links between the CNDDR and the PIU, will be further detailed in the Project Implementation Manual (PIM).

41. A PIM, including coordination mechanisms between all stakeholders involved in project implementation, detailed implementation mechanisms for each component and sub-component, project administration, financial management, procurement and accounting procedures applicable to the project, will be finalized prior to effectiveness.

42. The Implementation of project activities will be conducted by Implementing Partners (IPs) as contracted by the PIU or in selected cases by government entities. The Reinsertion activities will be conducted in the communities. The IPs will deliver the training package in the first six months and the follow-up support activities during the following twelve-month period. Training centers will be identified in reinsertion locations in Gao, Kidal, Tombouctou, Ménaka, Taoudéni and Mopti. Existing structure will be used and local capacities will be reinforced to the extent possible. The selected IPs will provide career guidance services and be responsible for ensuring that the trainers have the appropriate language skills to effectively communicate with the ex-combatants and a training of trainers (ToT) model will be required for local trainers. For reinsertion follow-up support, services will be required in four main project locations, and, therefore, a number of NGOs capable of providing services at the community level will be directly contracted by the PIU, where necessary.

43. *Project Implementation Schedule.* The tentative start date for project implementation is February 28, 2017, with a projected effectiveness date of May 31, 2017 and proposed project closing date of November 30, 2020.

44. *Implementation Support.* Supervision and implementation support will be conducted by a World Bank team, consisting of a designated Task Team Leader (TTL) who will be responsible for the overall coordination of the project activities. To ensure delivery of project activities as planned, the project will have a consultant based in Bamako to support supervision and coordination of activities. To the extent possible and for effective interaction and response to clients' inquiries and requests, project supervision will be supported by the World Bank staff based in Bamako. The World Bank supervision team will include various technical staff as needed (operations, procurement, finance, safeguards etc.). These technical staff will undertake periodic field missions throughout the implementation of the project. In addition, the World Bank looks to conduct joint supervision missions with donors, and MINUSMA twice a year.

45. *Partnership Arrangements.* The project will be implemented in coordination with partners financing and/or contributing to the activities of the Cantonment Phase. Based on the United Nation's Security Council Resolutions, and as stipulated in the Peace Agreement, MINUSMA and other UN Agencies will be in charge of activities during the Cantonment Phase. The program progress will be shared with the CSA as needed. These activities may include the construction of cantonment camps, registration of combatants and armaments, medical support, transportation of ex-combatants, administration of cantonment camps, provision of short-term community-based reinsertion projects, including CVR. The World Bank will support the PIU to ensure close coordination and synergies among partners towards achieving the PDO by supervising the activities throughout the project.

46. Based on the most recent discussions between the signatory parties, the entire caseload of the reinsertion program is estimated at 10,000 ex-combatants. Therefore, it is the Government's intention to provide the reinsertion support to the remaining ex-combatants. In December 2016, the Government convened a donor roundtable to identify additional financial and technical resources to target the additional group beyond the 4,000 to be supported by the IDA project.

47. The Government is contributing US\$10 million to cover for activities that fall under program management and logistics. The European Union, Germany, Sweden, Islamic Development Bank and the African Development Bank indicated their interest to contribute financially depending on the discussions with their respective governments and senior managements.¹⁹ The World Bank will stand ready to establish a new multi-donor trust fund (MDTF) through which development partner financing can be pooled together to provide additional financing to the project, if needs arise. It is expected that such an MDTF will finance activities that will provide reinsertion assistance to demobilized ex-combatants following the first tranche of 4,000 through additional financing. A small portion of this MDTF will be executed by the World Bank and will finance supervision of recipient-executed activities (implementation support will also be provided by the World Bank office in Bamako), and World Bank-executed activities including enhanced technical assistance, studies, and trust fund administration.

B. Results Monitoring and Evaluation

48. The project's M&E mandate lies with the PIU with backstopping and supervision from the World Bank project team. A comprehensive set of indicators will be used to track progress towards achievement of the project's PDO. The M&E system will ensure that information flows adequately among participating agencies, ministries, and other relevant institutions and to document project implementation progress and impact of project activities in a timely and effective manner. This is essential in helping management make the right decisions, ensure close monitoring of activities and real-time evaluation of progress achieved, and to promote the relevance of the planned reinsertion activities in a changing environment. Baseline data will be collected by a designated M&E agency as part of project preparation.

49. The M&E unit will produce monthly, quarterly, and annual project reports through the reinsertion MIS. This system will consist of one robust database that will monitor the beneficiaries in the reinsertion and follow-up phase of the project, as well as track the implementing partners providing various support. These reports can be accessed electronically by various government partners and donors. In addition, ad hoc assessments will be conducted as well as studies based on identified needs. This will include formal assessments of the project beneficiaries in the reinsertion process as well as regular tracer beneficiary surveys that will combine qualitative and quantitative data. A mid-term review and final implementation report will be conducted in collaboration with donors and government. During the Mid-Term Review, progress towards reaching the project objectives will be evaluated and remedial action will be taken as needed. Beyond traditional M&E requirements, the project will also deliver quarterly internal and annual external audits to track fiduciary management, expectations and next steps.

¹⁹ See Annex 6: Donor Roundtable Conclusions.

50. The project M&E will also utilize participatory monitoring and public information dissemination mechanisms. Project beneficiaries will monitor the use of project resources at the reinsertion level, including the timeliness and quality of services, and the utilization of project inputs by individual beneficiaries in economic activities start-ups. The PIU and Implementing agencies' M&E capacities will be reinforced through technical assistance from the World Bank during implementation. In case of security concerns hindering project staff's access to certain areas, the project will rely on Third Party Monitoring of activities by identifying local agents and individual beneficiaries, and that will include supplemental M&E responsibilities.

C. Sustainability

51. The DDR program cannot be seen as a unique driver and solution to address socio-economic challenges for sustainable development in the region. It has to be an integral part of a wider national framework in the region that promotes development based on identified local needs. Linking the DDR program to the national stabilization program, which brings together various development actors under the supervision of the Malian government, is therefore important. Essential activities such as SSR, transitional justice, and developing mechanisms to improve recovery and resilience, are also part of the sustainable development strategy. Another parameter of success of a DDR program is a well-planned exit strategy ensuring sustainability of program activities and achievements. In this context, mainstreaming will be sought throughout project implementation. Therefore, particular stress will be given to the PIU and other institutional structures role in embedding sustainability so as to ensure smooth handover from the program to government structures established for that purpose. Recovery and development programs supported by the Government and development partners are important in meeting the socio-economic reinsertion objectives. To this end, the project will identify potential synergies with other development projects funded by the World Bank and other development partners to exploit them to the extent feasible.

D. Synergies

52. The project will seek to collaborate with and leverage funds from the World Bank's Mali: Skills Development and Youth Employment Project (P145861), which has over US\$30 million available to finance the activities in Mali until 2020. The approach of this project is two-pronged: (i) to promote job creation for youth and (ii) to help them develop skills through education and training opportunities. The intervention in job creation, organized through Component 1, includes providing a start-up capital to aspiring entrepreneurs and supporting emerging or established small and medium enterprises (SMEs) that have potential for generating employment. The skills development or enhancement programs organized through Component 2 include the delivery of both formal and informal education and training to youth in Mali. This twofold rationale of equipping the youth with marketable skills and creating job opportunities can be adopted by the reinsertion support component of the overall Reinsertion programming, as one of the most important reinsertion activities is to provide a suite of skills training, including literacy and numeracy, life skills, vocational skills and entrepreneurship skills, to ex-combatants. There is potential to collaborate between these two Programs in terms of delivering trainings, providing technical supports, building the institutional capacity and enhance the sustainable socio-economic development of the country. Furthermore, the DDR Program will also address

the issue related to CAAF and has prospective synergies between the Skills Development and Youth Employment Project.

53. The project will collaborate closely with other bilateral and multilateral organizations in the field of stabilization, recovery, and long-term development. It must be acknowledged that, considering the security challenges, a few projects led by international and non-governmental organizations are no longer operating in the northern regions. Therefore, only projects relevant to the geographical area of intervention are being identified for potential synergies and collaboration. To help increase the effectiveness of reinsertion activities and ensure sustainability of project outcomes, the project will attempt to coordinate efforts and resources with development projects which are operating within the same scope of practice in the northern and central regions of Mali.

V. KEY RISKS

Table 2: Key risks

Risk categories	Rating
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	High
6. Fiduciary	Substantial
7. Environment and social	Low
8. Stakeholders	Substantial
9. Other	-
Overall	Substantial

A. Overall Risk Rating and Explanation of Key Risks

54. Overall implementation risk is rated *Substantial*. This is due to the security situation in Mali in general, specifically in Northern Mali, where access to the area remains limited, which may result in potential delays to achieving the PDO. Despite recent improvements in security, the situation remains volatile with pockets of area under the influence of armed groups and criminal networks. Several districts in the region are considered insecure, and the situation is continuously evolving as aid workers and international forces are still often subject to attacks.

55. Political and governance risks are *Substantial*. Political risks are substantial due to the slow progress in the implementation of the peace agreement which sets forth a number of activities concerning DDR. The staffing of the two commissions, namely the DDR Commission and Integration Commission, was delayed and only started in November 2016. The Integration Commission will determine the criteria for integration of combatants into the state security structures as part of the security sector reform. This needs to take place before the cantonment activities can begin. The primary beneficiaries of the reinsertion project are demobilized ex-combatants who will need to complete disarmament and demobilization that will take place in cantonment camps. Further, there are two requirements that need to be fulfilled before the

cantonment operations can begin: (i) the list of ex-combatants, identified based on the eligibility criteria as agreed by the parties, is available, and (ii) security arrangements during cantonment phase have been established. The signatory movements have delayed the transmission of the lists of their respective combatants to the Government and MINUSMA, while the security arrangements have not taken place as agreed. There is political commitment to DDR and the World Bank team is closely coordinating with the Government to ensure that the operational engagement and the political decisions required for successful implementation take place. With regards to governance, anti-corruption and public sector regulations exist, but corruption and transparency issues are still substantial.²⁰ Mitigating measures for governance issues have been built in the project design in the form of strict fiduciary control mechanisms and application of World Bank fiduciary rules.

56. Institutional capacity for implementation and sustainability risk is *High*. Further, there must be a PIU in place prior to project effectiveness for the project to proceed. It must be expected that the PIU will have limited technical and implementation capacity. To mitigate these risks, the World Bank will continue to provide technical assistance and advice to the Government.

57. Fiduciary risks are *substantial*. Due to the overall fragility of the country, financial management systems are considered weak. As the implementing agency, CNDDR, will be a new agency, the World Bank cannot rely on the existing financial management systems. To mitigate the fiduciary risks, a fiduciary PIU within the CNDDR will be created for technical support prior to effectiveness. The financial management team of the PIU will be the World Bank and other donors' main counterpart and focal point for all the fiduciary aspects of the project.

58. Stakeholder risk is *Substantial*. The proposed IDA operation will finance the reinsertion of 4,000 ex-combatants of the entire caseload of the DDR program estimated at 10,000 ex-combatants. To address the financing gap, the Government convened a donor roundtable in Bamako in December 2016, where a number of donors demonstrated interest in supporting the reinsertion program. Once donor financing comes along, the Government expects the World Bank to establish a new MDTF to pool resources to support the needs of remaining ex-combatants through additional financing. While there are substantial risks that the donors who have verbally committed to support the program do not make actual contributions, it is anticipated that the donors will provide funds as the anticipated donors are long standing sovereign donors. In addition, there is significant interest on supporting this activity which could bring additional resources fairly quickly into the fund as DDR is one of the key aspects of the Peace Agreement.

VI. APPRAISAL SUMMARY

A. Economic Analysis

59. Preliminary research on the economics of civil conflict reveals a cyclical relationship between political violence and economic growth. Making Mali more conflict-prone is its low per

²⁰ Mali ranks 95 out of 168 countries on the Transparency International Corruption Perception Index of 2015. Mali's country index is 35 (with 0 being "highly corrupt" and 100 being "very clean"), accessed at <http://www.transparency.org/cpi2014/results>.

capita income, overall economic decline and dependence on primary commodities.²¹ The ongoing conflict continues to divert resources from productive capacities to deterioration of physical capital and infrastructure, lost employment opportunities and livelihood, and capital flight. During civil wars, economies grow around 2.2 percent more slowly than during peace.²² After a typical seven-year internal war, incomes would be 15 percent lower than if the war had not happened.²³ Because of the inflation and lost investment opportunities, the cost of post-conflict reconstruction, and reinsertion by extension, remains high. Whilst pre-conflict Mali had been on track to reducing poverty, with GDP growth during 2007-10 averaging at 4.9 percent per year,²⁴ it experienced zero economic growth in 2012 and only an increase of 1.7 percent in 2013.²⁵ As crises in Mali becomes more protracted, there is growing need for engagement in post-conflict reconstruction, and reinsertion of ex-combatants by extension, to promote sustainable development.

60. Scoring 1.9 on a 1-7 scale on the Global Competitiveness Report 2015-16, Mali ranks second lowest in primary education attainment, which in turn predicates growing unemployment and under-employment in the nation. Minimal levels of meaningful skills and low uptake in the labor market, presents opportunities for recruitment into illegal criminal networks. In this context, the project represents a mechanism that can promote job creation, self-reliance and sustainable practice of income generation. The success of this goal would trigger an increase in beneficiaries' income as a result of the project intervention. Additionally, through technical assistance, this project allows for technical skills transfer and improved capacity of project stakeholders through the use of advanced project management tools.

61. The World Bank's engagement in reinsertion is crucial to accelerating post-conflict recovery and initial conditions for stabilization. Through the project's socio-economic intervention and jobs creation, the outcomes are expected to play a role in re-launching the economies albeit on a small scale, of the ex-combatants' communities of return. As a result, living conditions of the ex-combatants and of the wider community are subsequently improved, thus preventing ex-combatants from re-enlisting in armed groups. Lessons drawn from the recurrence of conflict in Mali show that there is need for concrete governance action towards poverty reduction and economic development to ensure sustainable peace and development and to pacify the country from external threats.

62. Owing to the nature of the conflict, projected investments and specific needs of individual ex-combatants and communities has not been readily available or activities immediately agreed upon. The project investment is likely to include educational, skills and vocational training as well as start-up kits for microenterprises. A more elaborate criteria of investments will be finalized during the later stages of project design or early stages of preparation through consultations with beneficiaries, local authorities and technical agencies. The feasibility and cost-benefit analysis conducted prior to the reinsertion activities begin will ensure that

²¹ Paul Collier, 2006, "Post-Conflict Economic Recovery" accessed at <http://users.ox.ac.uk/~econpco/research/pdfs/IPA-PostConflictEconomicRecovery.pdf>.

²² Karl R. Derouen and Uk Heo, 2007, "Civil Wars of the World: Major Conflicts since World War II", Volume I and II, published by ABC-CLIO.

²³ Paul Collier, Economic Causes of Civil Conflict and their Implications for Policy, 16.

²⁴ WDI Indicator: Mali, 2015.

²⁵ *Ibid.*

investments made in the subsequent years of the project and in future similar operations deliver value-for-money and contribute to the World Bank's longer term strategic engagement in Mali. A market analysis of reinsertion activities, including kits and vocational training was carried out in Timbuktu, Gao and Kidal (including Taoudéni and Ménaka) to determine the average cost of planned reinsertion activities, including support to income-generating activities (in agriculture, livestock farming, trade, animal fattening, leather goods and handicraft, masonry and building work, and transportation sectors). The assessment also looked into the existing facilities and training centers, taking into account time and logistics constraints related to rainy season, and differentiated needs of women and disabled beneficiaries.

B. Technical

63. The project design builds on the experiences from previous World Bank engagement in DDR operations. Project components were developed through a consultative process that started with the design proposed by the recipient and was complemented by inputs from the signatory movements, as well as international partners, including MINUSMA.

64. Findings from the technical assistance and analytical research have informed the project design and implementation approach. The technical assistance helped the Government in the development of a national strategy and institutional framework in close coordination with MINUSMA and the signatory movements. In addition, the TDRP-commissioned analytical research on DDR has been used to inform specific programming on reinsertion component of this project.²⁶ As such, there is a strong emphasis the design and delivery of skills training, and start-up on information management (e.g., identification, verification, recording of personal data, mapping of livelihood opportunities) based on the learning and experiences gained from the Information, Counseling and Referral System utilized during the Pilot Reintegration project as part of South Sudan DDR Program, and which is currently being used as part of the DDR III in DRC.

65. The project's technical design has been informed by two recent assessments commissioned by the World Bank. These include an assessment that investigated the prevailing trends as regards to profile, concerns and interests, as well as social and educational background of future beneficiaries, and a market analysis on the cost of reinsertion activities, including start-up kits and training costs, in northern regions of Mali. Further, the project design draws on lessons generated from interventions in similar post-conflict environments. A number of countries in Africa and elsewhere have implemented DDR programs that focus on reinsertion as a form of socio-economic assistance to provide skills to ex-combatants transitioning into civilian life. Based on the lessons, the project aims at providing necessary start-up support to beneficiaries, while establishing long-term socio-economic reinsertion by linking ex-combatant beneficiaries with recovery and development programs in Mali. The project has benefitted from the experience to date in implementing reinsertion assistance in Burundi, Colombia, Democratic Republic of Congo, Rwanda, Uganda, and South Sudan.

²⁶ These include Associations of Demobilized Combatants in DRC: Local Dynamics and Internal Synergies (2011), Rumors of Peace, Whispers of War (2012), Empowerment of Socio-economic Associations in LRA-affected areas (2013); Making Vocational Training Work in DDR (2013).

C. Financial Management

66. The assessment of the Directorate of Finance and Material (DFM) of the Ministry of Defense and Veterans (MoD), which follows the Government PFM system to manage the resources allocated to this ministry including the CNDDR, was conducted during the project preparation to check whether this directorate could manage the proposed project. The main findings arising from this assessment conducted in April 2016 are similar to those outlined in the Public Expenditure and Financial Accountability (PEFA) and other PFM assessment reports including: (i) capacity shortage in the areas of FM human resources; (ii) lack of familiarity of the FM team with World Bank-financed project procedures and requirements; and (iii) the computerized system in place for budget execution (SIDG- Système Intégré de Gestion des Dépenses) and financial reporting (AICE) faces some challenges similar to those revealed in the PEFA and other PFM assessment reports.

67. Due to the overall fragility of the country FM systems and specifically the critical areas for improvements of the DFM, the conclusion was that DFM of the Office of the MoD could be in a position of managing World Bank's funds once a number of measures are implemented to strengthen its current FM system. Furthermore, at the time of the appraisal of project, CNDDR was not operationalized yet, therefore the World Bank cannot also rely on the FM system of this Directorate. Going forward and in order to mitigate the fiduciary risk to the extent possible, the Government agreed to use a ring-fenced approach. Therefore, a Project Implementation Unit (PIU) will be created for support, prior to effectiveness, inside CNDDR. The FM team of the PIU will be the World Bank and other donors' main counterpart and focal point for all the fiduciary aspects of the project. The DFM of the MoD will provide support as needed.

68. Implementation of this project will require specific FM arrangements as below : (a) recruitment of one Financial Management Officer; (b) the recruitment of one accountant; (c) Elaboration of Project Implementation Manual (PIM) including FM procedures; (d) acquisition of the accounting software to allow the recording of project transactions; (e) elaboration of the operational manual; (f) the strengthening the DFM supervision capacities through training on World Bank procedures; (g) opening of a Designated Account (DA); and (h) recruitment of an internal and external (independent) auditor for auditing quarterly and annual financial statement respectively. These actions will be completed on time to help implement the DDR Project.

69. Anticorruption measures. The risk of irregularities and corruption within the project activities is substantial given the country context and the nature and implementation arrangements of the project activities. Corruption and poor service delivery are recognized as key challenges in Mali's public sector and, more specifically, for a project that involves several entities with relatively diverse interests. In addition, the lack of appropriate oversight and adequate operational tools could jeopardize project implementation.

70. It is thought that the FM will satisfy the World Bank's minimum requirements under OP/BP 10.00 once mitigation measures have been implemented. An FM action plan to enhance the FM arrangements for the project is included in Annex 3. The overall FM risk rating for the project is assessed as Substantial.

71. FM arrangements and requirements are described in detail in Annex 3.

D. Procurement

72. Procurement for the proposed project will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised in July 2014 "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised in July 2014, and the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011. National Competitive Bidding (NCB) shall be in accordance with procedures acceptable to the World Bank.

73. As the project will be housed under the Ministry of Defense and Veterans, the World Bank Procurement Specialist undertook a procurement assessment of the Direction of Finance and Material (DFM) of this Ministry; the DFM is the central unit in charge with the procurement activities. The assessment revealed a number of weaknesses and an action plan is issued to deal with them. A dedicated PIU, established prior to effectiveness, comprising a procurement staff and functioning procurement systems will be put in place. Project procurement activities will be carried out by the procurement unit within the PIU. This procurement unit will be staffed by a procurement specialist and a procurement assistant who are skilled and experienced to implement the procurement activities of this project.

74. World Bank operations in Mali have suffered from extended delays in procurement processing, with a significant time lost in the preparation of: procurement documents (bidding documents, Terms of References (ToRs), request for proposals, bidding evaluation reports and technical evaluation reports). In addition, these proposals tend to be of poor quality. Delays are also found in the contract award and signature processes of Government. These experiences have been factored into the design of procurement arrangements. Given the country context and associated risk and the fact that the procurement staff and functioning procurement systems are not yet in place, the procurement risk is rated **High**.

75. The project procurement arrangements are described in detail in Annex 3.

E. Social (including Safeguards)

76. The project is being categorized as category C due to the minimal/negligible nature of its foreseen social and environmental impacts as it is not financing any civil works that might require land acquisition or lead to resettlement, loss of assets or livelihood resources, or restrictions of access to resources. Therefore, the Involuntary Resettlement Policy (OP 4.12) is not triggered. Likewise, since there are no indigenous peoples in Mali, as defined by the World Bank operational safeguards policy on Indigenous Peoples (OP/BP 4.10), the policy is not triggered. Although outside of the scope of the project, the limited, small-scale construction of cantonment camps will be financed and led by MINUSMA and executed by United Nations Office for Project Services (UNOPS). The civil works are associated with the overall project and

will take place on government-owned land at a short distance from main roads and in areas where there are no visible signs of human settlements or structures or livelihood activities. The locations of cantonment camps were selected by a United Nations (UN) team including technical, environmental, social and cultural experts. Communities were involved in the selection process and all eight camp locations have been approved by the surrounding communities. Therefore, the anticipated negative social impacts are negligible. In accordance with the Fiduciary Principle Accord (FPA)²⁷ between World Bank and UNOPs, the projects will rely upon UNOPs policies, procedures and practices. Therefore, prior to commencing any future construction, UNOPS will implement its safeguards-related assessment and screening instruments. These will include an environmental and social screening process, a gender assessment, and an environmental and social management plan, as well as screening mechanism for negative impacts on vulnerable groups, such as disabled and handicapped, including their access to resources and land ownership issues. MINUSMA and UNOPS will ensure to have a well-knowledgeable Social Scientist whose role will be to (i) ensure project is in compliance with UNOPS applicable safeguards policies; and (ii) project is socially sound and inclusive (gender, youth and disabled persons, etc. have equal access to the benefits and are therefore not being victimized or segregated). The Social Scientist of UNOPS will work closely with the Social Development Specialist of the World Bank to monitor the soundness of the overall project activities.

77. Gender-sensitive and informed project. A 2016 study commissioned by the World Bank TDRP, recent study findings, information from various national documents and reports in Mali, as well as field mission observations indicate that pre-existing gender inequalities in Mali are being aggravated and deepened by the continuing conflict situation. Before the crisis, there were glaring gender inequalities in most sectors of the social, political and economic life. About 5.42 percent are female ex-combatants according to the recent survey conducted on a sample basis. The framing of the women, peace and security agenda by the Government Ministries and MINUSMA seeks to achieve better outcomes for both youth and women. Violence and crime exacerbated with fatal sporadic actions continue to undermine the personal and collective security of both Malian and foreigner girls and women.

78. Citizen engagement and participation. The Reinsertion Project seeks to support engagement of stakeholders and beneficiaries through the wider use of publicly available information, consultative processes, and feedback mechanisms, build ownership and thus contribute to sustainability and better project outcomes. The specific aspects of citizen engagement will include: (i) access to information and exchange platforms for program stakeholder; (ii) information campaigns on DDR and awareness-raising activities; (iii) a feedback mechanism to process complaints, concerns, and questions from stakeholders; and (iv) specific third-party monitoring of project activities will be considered to ensure transparency and feedback on these activities. The mechanisms of this citizen engagement and participation framework will be detailed in the PIM.

F. Environment (including Safeguards)

²⁷ By signing the FPA, the World Bank has made a representation for providing an assurance to the other signatories that its internal policies, procedures and practices are consistent with the agreed fiduciary principles that form the basis of the FPA.

79. The project is expected to have only limited environmental impacts that can easily be mitigated with standard, available measures and would mostly be resolved by adhering to good housekeeping practices in the envisaged small scale construction activities. While not financed by the project, small scale construction activities for cantonment camps, financed by MINUSMA and to be executed by UNOPS, are associated with the project. The areas earmarked for the establishment of the first eight cantonments are in Gao, Kidal, Ménaka, and Tombouctou. The initial eight cantonment camps that will process the future beneficiaries of this project are being or will be built in Ber, Fafa, Ilouk, Innegar, Likraka, Tabankort, Tessalit and Tinfadimata. For the cantonment construction works, UNOPS will implement its own safeguards management process and instruments, which - given that UNOPS is a signatory to the fiduciary principles accord (FPA) - are considered equivalent to the World Bank's.

80. *Climate and disaster risk screening results.* Climate related hazards in Mali include erratic rainfall, drought, floods and crop pests. These hazards are a natural occurrence in Mali, which nevertheless pose serious constraints on development and food security and their intensity and frequency are likely to increase under a changing climate. In the future, with increase climate variability, these risks will be exacerbated as temperature increases and precipitation becomes increasingly unpredictable. In the project locations, extreme temperature, extreme precipitation and flooding present low risks to the project implementation, while drought presents a moderate risk during the implementation of community-based activities, as it has become more frequent and can impact local livelihoods. In this context, the project team seeks to raise awareness of possible impacts of climate and disaster risks on livelihoods, and will incorporate a module within the training activities on climate change and extreme events.

G. World Bank Grievance Redress

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

Annex 1: Results Framework and Monitoring
MALI: REINSERTION OF EX-COMBATANTS PROJECT (P157233)

Project Development Objective (PDO): To support the socio-economic reinsertion of demobilized ex-combatants within local communities.												
PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2	YR 3						
Indicator One: Number of direct project beneficiaries (disaggregated by age, gender, and armed group)	<input checked="" type="checkbox"/>	#	0	2250	3250	4000			Monthly, Quarterly, Annual	Quarterly reports, monthly reports - MIS, annual report	PIU, IPs	Total number of project beneficiaries, disaggregated by age, gender and armed group affiliation
Indicator Two: Individual demobilized ex-combatants participating in an economic activity after training (disaggregated by gender, type of economic activity - individual or economic association - agrarian/non-agrarian)	<input type="checkbox"/>	%	0	40 %	60 %	80%			Annual	Annual evaluation, final external evaluation	PIU	Economic activities that involve production, distribution, marketing of goods in agriculture, fishery, small trade etc.)
Indicator Three: Demobilized ex-combatants that feel socially acceptance by their communities of return (disaggregated by age and gender)		%	0	50%	70%	70%			Annual	Beneficiary survey, Annual evaluation/ beneficiary assessment, External impact assessment	PIU	
Indicator Four: Members of communities report social acceptance of ex-combatants (disaggregated by age and gender)		%	0	40 %	50 %	60%			Annual	Beneficiary survey, Annual evaluation/ beneficiary assessment, External impact	PIU	

										assessment		
Indicator 5: Beneficiaries who experience a feeling of greater security attributable to the project areas (disaggregated by gender)	<input type="checkbox"/>	%	0	40 %	60 %	70%			Annual	Annual evaluation, beneficiary assessment, final external evaluation	PIU, IPs	This indicator will measure the projects contribution to the overall stabilization of the environment in which the beneficiaries live.
INTERMEDIATE RESULTS												
Intermediate Result (Component One): Reinsertion Support to demobilized ex-combatants												
Intermediate Result Indicator One: Demobilized ex-combatants completed reinsertion phase (disaggregated by gender, economic activity – individual or economic association, (agrarian/non-agrarian)	<input type="checkbox"/>	%	0	60%	80%	90%			Monthly, Quarterly, Annual	Quarterly reports, monthly reports - MIS, annual report	PIU, IPs	The ex-combatants may choose to either engage in individual income-generating activities or participate in joint economic associations with other ex-combatants. Reinsertion Phase refers to all the components/activities financed by this project, which will take place following Cantonment.
Intermediate Result Indicator Two: Demobilized ex-combatants linked to respective projects (disaggregated by gender and economic activity – individual or economic	<input type="checkbox"/>	#	0	300	500	700			Annual	Annual evaluation, final external evaluation	PIU	

association, (agrarian/non-agrarian)												
Intermediate Result Indicator Three: Demobilized ex-combatants satisfied with reinsertion support (disaggregated by economic activity – individual or economic association, agrarian/non-agrarian)	<input type="checkbox"/>	%	0	40%	60%	70%			Annual	Annual evaluation, beneficiary assessment, final external evaluation	PIU	
Intermediate Result Indicator Four: Vulnerable demobilized ex-combatants reported to have received specialized support by the project (disaggregated by gender and specific physical and psychological needs)	<input type="checkbox"/>	%	0	70%	80%	90%			Annual	Quarterly reports, monthly reports - MIS, annual report	PIU, IPs	
Intermediate Result Indicator Five: Vulnerable demobilized ex-combatants satisfied with specialized project support (disaggregated by gender, and specific physical and psychological needs)	<input type="checkbox"/>	%	0	40%	60%	60%			Annual	Annual evaluation, beneficiary assessment, final external evaluation	PIU	
Intermediate Result Indicator Six: Follow-up support provided to demobilized ex-combatants	<input type="checkbox"/>	%	0	60%	80%	90%			Annual	Quarterly reports, monthly reports - MIS, annual report	PIU, IPs	
Intermediate Result Indicator Seven: Demobilized ex-combatants satisfied with follow-up support (disaggregated by gender, economic activity, agrarian/non-agrarian)	<input type="checkbox"/>	%	0	50%	60%	70%			Annual	Annual evaluation, beneficiary assessment, final external evaluation	PIU	
Intermediate Result (Component Two): Project Management support to the Project Implementation Unit												
Intermediate Result Indicator One: Grievances registered related to delivery of project benefits that are actually	<input type="checkbox"/>	%	0	50%	60%	70%			Monthly, Quarterly, Annual	Quarterly reports, monthly reports -	PIU, IPs	This indicator will measure the transparency and accountability

addressed (Disaggregated by gender)										MIS, annual report		mechanisms established by the project so the target beneficiaries have trust in the process and are willing to participate, and feel that their grievances are attended to promptly.
Intermediate Result Indicator Two: People in the project area aware of the project's beneficiary targeting criteria (Disaggregated by gender and geography)	<input type="checkbox"/>	%	0	50%	70%	80%			Monthly, Quarterly, Annual	Quarterly reports, monthly reports - MIS, annual report	PIU	This indicator will measure level of sensitization and community awareness initiatives about reinsertion project by the project management
Intermediate Result Indicator Three: Demobilized Ex-combatants are satisfied with the composition and delivery of the start-up kits	<input type="checkbox"/>	%	0	70%	80%	90%			Annual	Annual evaluation, beneficiary assessment, final external evaluation	PIU	This indicator will measure the usefulness of the contents and efficiency in the distribution/delivery of the start-up kits to the ex-combatants

Annex 2: Detailed Project Description
Mali: Reinsertion of Ex-combatants Project (P157233)

I. Accord for Peace and Reconciliation and National DDR Program in Mali

1. The Accord for Peace and Reconciliation in Mali (peace agreement), reached through the Algiers process, covers the political and institutional reforms and presents a roadmap related to defense and security matters. It includes segments on the humanitarian, economic, social and legal aspects. The agreement emphasizes an extended decentralization through which central authorities will devolve more power and resources to regional authorities. It further outlines a roadmap and new institutional arrangement for new development process in the Northern regions.²⁸ With regards to security, the signatory movements agreed to disarm and participate in a new DDR program whereas eligible ex-combatants will have the option to reintegrate into the security structures.
2. Following the peace agreement, the Government of Mali has developed the National DDR Program Document. It is based on the defense and security roadmap agreed in Algiers. The program document was developed taking into account the views of both coalitions of signatory movements and drafted in close coordination with MINUSMA and the World Bank. It also incorporates lessons learned from previous DDR efforts in Mali and other countries with relevant experiences and discusses each component of the planned DDR program.
3. The DDR process in Mali consists of two phases:
 - Disarmament and Demobilization (Cantonment)
 - Reinsertion
4. Although outside the scope of this project, the following sections outline work that the Government, signatory movements and MINUSMA will be conducting in advance of the project which is a pre-requisite for the reinsertion work.

Cantonment Phase

5. Activities during the cantonment phase will be financed and implemented by MINUSMA and the Government. These activities may include, among others, construction and logistics cantonment camps, DD activities, sensitization on the DDR program, profiling and registration of combatants, and transportation of participants to and from the cantonment camps, support for pre-reinsertion activities such as medical and psycho-social screening, and CVR projects.
6. MINUSMA, in coordination with the Government, will finance and implement short-term community-based CVR projects to prevent the recruitment of youth by criminal and armed groups. It is expected that these activities will facilitate the implementation of cantonment and DDR processes through mobilizing the community in key locations. Additionally, in coordination with the World Bank, MINUSMA will initiate short-term community-based

²⁸ For example, Annex 3 of the Peace Agreement lays out measures promoting youth employment. Measures include economic reinsertion, income-generating activities, entrepreneurship schemes, training programs etc.

activities to support to the long term reinsertion of ex-combatants that will be supported by the Reinsertion Project. Through these projects ex-combatants and communities' members will work together on projects chosen at the community level.

7. Twenty-four cantonment camps were proposed by the signatory movements to undertake DD activities. Of the 24 sites, the CTS selected eight priority sites that are operational: three in solid construction, and five in-tents settings provided with electricity and water supplies while solid construction continues. Decision on additional sites will be dependent on the progress made in the eight initial sites. Each cantonment camp is designed to house and process 750 individuals.

8. Before the cantonment operations can begin, there are two requirements that need be met by the parties to the peace agreement. First, the signatory movements, in coordination with the Government, need to agree on the final lists of their members who will participate in the program. This task should be conducted by the forthcoming commissions as outlined in the peace agreement. Second, the security arrangements that will be undertaken during the cantonment phase, also outlined in the Accord, must be in place before the activities can begin.

9. Disarmament is essential in any DDR program to ensure the re-establishment of security conditions. It aims to recover weapons in circulation as a result of armed conflicts and includes the collection of small arms, light and heavy weapons, ammunition, and mines. Disarmament will take place at the cantonments which will be jointly managed by MINUSMA, signatories through the *Mécanisme Opérationnel de Coordination*, as established in the peace agreement, and the Government.

10. Demobilization involves the official reassignment of combatants to civilian status. This process will include all individuals who go through the disarmament process and are formally enlisted for demobilization. Activities during demobilization will include:

- Vetting, identification and verification
- Individual data collection including collection of biometric identification
- Verification on Children Associated with Armed Groups and Forces (CAAF) status when applicable and documentation by Child Protection Agencies
- Medical and psycho-social screening
- Orientation
- Registration and issuance of a demobilization card to confirm adult ex-combatants' status as demobilized and their entitlement to DDR benefits
- Issuance of necessities during the cantonment phase
- Provision of short-term community-based reinsertion activities

11. *Vetting* will be done under observation of the international community following international standards.

12. *Verification*. Screening and registration of DDR candidates aim to establish the DDR candidate's eligibility for the process, gather background information on the candidate to design a tailored reinsertion process, identify DDR candidates with special needs, and learn which armed group they belong to.

13. *Verification on CAAF status when applicable and documentation by Child Protection Agencies.* The term CAAF refers to any person below 18 years of age who is or has been recruited or used by an armed force or armed group in any capacity. This includes children, both boys and girls, used by armed forces or groups as fighters, cooks, messengers, or for sexual or any other purposes. All CAAF will be identified through the verification process and released immediately to the identified CAAF program agency (UNICEF) and child protection agencies without delay and as soon as the formal disarmament and demobilization processes are completed.

14. *Medical and psycho-social screening.* Medical and psycho-social screening including voluntary counseling and testing for HIV/AIDS will be provided to ex-combatants upon arrival at the cantonment camps. All incoming participants will be screened for communicable diseases to minimize collective risks and some basic medical support may also be provided. Separate facilities will be made available for medical and psychosocial screening of women. All camps will have medical personnel and a clinic.

15. Management Information System (MIS) will be developed in two separate components. The first component will cover the Disarmament and Demobilization (DD) processes and is already under development by MINUSMA. The second component of the MIS will cover the reinsertion part of the project that will be developed by the World Bank. Both the system components will reside on the same system (server computer) in order to use a single central database or linked databases of the candidates.

16. *Registration and DDR identification.* All eligible candidates will be officially registered as participants and issued a unique DDR identification (ID) Number and a Demobilization ID card (certification of demobilization). This will be done through the registration component of the MIS in cantonments developed by MINUSMA.

Data collection and Management Information System

17. Candidates who meet the verification criteria will be registered by MINUSMA in the registration component of the MIS system. The information collected will include data on arms surrendered, personal, household (family), assets and reinsertion interests of the candidates. Once the data is consolidated, key data analysis will be run to generate comprehensive outlook on the caseload's profile. Such a representation can include disaggregation of candidates by sex and geographical location, age, rank, marital status, aspirations for reinsertion etc. Information gathered from and provided to ex-combatants at this stage will include information required to verify and confirm their identity and status as well as to enable a comprehensive and ongoing assessment process during which the individual's needs, expectations, and potential options are explored with them. The system will have the technical resources to capture fingerprint biometrics and photograph, as well as the individual's biographical data and aspirations for reinsertion.

18. The MIS in cantonments will allow all ex-combatants to be assigned a unique ID which will be used throughout DDR and especially during reinsertion project. Each unique ID will link the candidate's medical, psycho-social, personal, family and reinsertion related information.

Sensitive information will only be accessible to authorized staff and CNDDR will ensure data confidentiality and access levels as per the instructions of the Government of Mali and responsible implementing agency. Each candidate and their household will, therefore, have a detailed record allowing for a proper personalized assessment and facilitation. Implementing partners will utilize the unique DDR ID, photographs and wherever possible, fingerprints to uniquely identify each candidate and provide service delivery feedback to the national implementing agency.

19. World Bank task team will support the development of the second component of the MIS specifically for reinsertion project. This component will be developed using smartphone and tablet based technologies that have been proven reliable and practical in fragile states with lack of Internet and telecommunications infrastructure. The system will allow data collection in the field for surveys, monitoring, service delivery and implementing partner's feedback on the service delivery progress. The World Bank task team will work with the MINUSMA team to assist with the design of the necessary system architecture to achieve the project objectives. The World Bank will share with MINUSMA the type of information that needs to be captured during registration process in cantonments that will provide vital information for the reinsertion project. The data obtained during registration will be used in planning the reinsertion activities, and will be utilized by reinsertion component of the MIS system. The World Bank TDRP technical team will provide technical assistance in development and setup of the MIS and training of staff that will be housed within the PIU.

20. The security, maintenance and availability of the central database will be ensured by the CNDDR.

Operational Aspects

21. Program partners involved in the cantonment process will provide food, accommodation and basic medical services to program beneficiaries during their stay in cantonment camps.

22. *Facilities.* Over the course of the project, an initial number of eight cantonment camps will be used for the disarmament and demobilization steps. Each cantonment camp will have a capacity of 750 combatants as well as facilities to house program personnel, site management staff and equipment. The facilities will include small classroom size for activities, a minimum of one large assembly area, sports areas, and recreational space, grounds for sanitation, medical and food facilities. Separate facilities for women will be provided in all camps.

23. *Transportation to and from the centers.* The Government and MINUSMA will be responsible for the transportation of project beneficiaries from the cantonment camps to their selected communities.

24. The Government intends to serve an additional group of ex-combatants in the future. Donor contributions, once available, can be channeled through an MDTF and, additional financing can be initiated to provide reinsertion support to the remaining caseload. In this case, the Government and MINUSMA will continue to be responsible for cantonment and DD activities. During the donor conference held in December 2016, the European Union, Germany, Sweden,

Islamic Development Bank and the African Development Bank indicated their commitment contingent on discussions with their respective governments and senior managements (see annex 6). If established, this MDTF will finance both recipient-executed activities and World Bank-executed activities (enhanced technical assistance, supervision and donor coordination). The PIU, established prior to effectiveness, will be responsible for implementation of project activities for the IDA grant as well as any additional financing, in accordance with the financial management and procurement procedures of the World Bank.

25. Reinsertion activities are discussed in detail in the project description section below.

II. Project Description

26. The PDO is to support the socio-economic reinsertion of demobilized ex-combatants within local communities.

27. The project aims to achieve the PDO through the following two components:

- a. Component 1: Reinsertion support to demobilized ex-combatants
- b. Component 2: Project Management support to Project Implementation Unit

28. In the context of DDR in Mali, reinsertion constitutes the main socio-economic assistance offered to ex-combatants following the cantonment process. This is akin to short-term aid to provide immediate skills to former combatants making a transition to civilian life after the program.

Component 1: Reinsertion support to demobilized ex-combatants

29. In total, the reinsertion period will encompass 18 months after the ex-combatants' return to their communities and will be supported throughout the process by sensitization activities. The project will provide the following main services to all participating ex-combatants during the period:

- a. Sub-component 1.1: Orientation, Counseling and Skills Training (6 to 9 months)
- b. Sub-component 1.2: Reinsertion Start-up Support (one-time event)
- c. Sub-component 1.3: Follow-up Support (12 months)
 - i. Outreach Reinsertion Services (6 months)
 - ii. Drop-in Support (6 months)

Sub-component 1.1: Orientation, Counseling and Skills Training

30. This subcomponent will cover activities that will provide technical anchor for individual ex-combatants to begin the reinsertion process. The following activities will be financed through this subcomponent:

- Livelihoods guidance, career development and psychosocial counselling
- Skills Training Package:

- Literacy and numeracy training
- Life skills training
- Entrepreneurship, small business, and financial literacy training
- Economic associations
- Vocational skills training: Non-agrarian, agriculture and livestock
- Sports and recreational activities.

Livelihoods Guidance and Counselling

31. In addition to acquiring a civilian mindset, ex-combatants will need to generate a sustainable income by the end of the DDR process. Each ex-combatant will receive livelihoods guidance and career counselling to develop an individual career plan on the basis of his skills base and experiences. This counselling service will be delivered by trained counselors informed by market opportunity mapping completed ahead of the cantonment process. This counseling will complement the ensuing entrepreneurship, financial literacy, and economic association formation and management training. The ex-combatants will also be informed about the challenges, potential incomes, skills required, and risks of reintegrating into the various sectors. This may include training by specialists or experts in various fields or businesses.

32. An analysis of the labor market in northern Mali was conducted to investigate employment opportunities, taking into account the security and social aspects. This assessment covers the cost of reinsertion, including start-up kits, their distribution and procurement as well as the cost of training in the project regions. The assessment also covers a mapping of potential training facilities in project locations to verify their operational capacity to deliver, depending on available human and material resources. In this context, vocational training and economic activities to be proposed to ex-combatants will be designed based both on each individual's background and existing opportunities in the region of return, as will be identified in the market analysis report. In addition to this assessment, preliminary data was obtained from a rapid survey realized by an NGO which investigated the prevailing trends pertaining to the profile of the future beneficiaries, including their concerns and interests, as well as their social and educational background. These two survey and research works significantly contribute to ensuring proper match between the supply of skills and labor market demand in the reinsertion project design.

33. Psychosocial suffering and mental and behavioral disorders are risk factors for socio-economic reinsertion and post-war recovery. Along with the screening process for chronic illnesses and physical disability, during the cantonment process, medical personnel will screen all ex-combatants for psychological trauma and socially challenging behaviors. The project will provide psycho-social counselling for beneficiaries who require such assistance during the initial six months. Follow-up psycho-social counselling will be provided to those who would still be in need in their communities during the following twelve-month period of reinsertion. Mali disposes of limited but existing capacity to treat psychological disorders in some psychiatric clinics.²⁹ The project will consider evaluating the feasibility of treatment of violence related trauma spectrum disorders through a referral system, which could include a capacity building, training and technical assistance. This community based support would be contingent on existing capacity for the provision of such support which will be determined through an assessment. The

²⁹ For example the psychiatric clinic of Point G Hospital.

project will assess whether to train a network of psychosocial focal points (composed of ex-combatants and community members) or use existing capacity to counsel, provide advice to the concerned, and alert implementing partners on potential problems. A strong element of grass root psycho-education will be built in the communications activities to address severe stigmatization issues that have been flagged by mental health professionals working in Mali.

Skills Training Package

34. For all trainings, experiential learning models and adult training methodologies, such as case studies, personal testimonies, group discussions, and role play will be utilized. Lessons learnt from previous programming have shown that while each of the training components are crucial to the skills development of ex-combatants, their value is enhanced when the curriculum is cross-functional. The duration of the delivery of this package will take 6 to 9 months depending on the type of the vocational training.

- a. *Literacy and Numeracy.* These are skills that feed directly into the success of any reinsertion and reintegration initiative as they can be expanded to include ex-combatants' livelihoods and business potential. The curriculum will be developed in consultation with the relevant line ministries.
- b. *Targeted Life Skills Trainings.* The program will develop and deliver training curriculum to transition ex-combatants from their previous military mindsets. Topics may include peace, reconciliation and conflict management, human rights, civic education and citizenship, respect for laws and regulations, etc.
- c. *Entrepreneurship, Small Businesses, Economic Associations and Financial Literacy:* The beneficiaries will be provided training on financial literacy, business, and management as part of reinsertion assistance. The program will also provide training on individual entrepreneurship and growth. The training will involve a comprehensive approach covering behavioral qualities in entrepreneurship development as well as steps critical for the start-up and management of an enterprise.
- d. *Economic Associations.* Economic associations have been found to have great potential for reinsertion of ex-combatants with both economic and social potential benefits. As such, training in setting up and/or joining an economic association will be offered to beneficiaries, covering issues such as: governance, registration, financial management, and shareholding.
- e. *Vocational Training.* To encourage high quality training, the PIU will tender for a third party to provide overall guidance on the curriculum of trainings offered and conduct a training of the selected service delivery providers. Those selected will produce the training modules and course materials, and will then train implementing partner-contracted trainers who in turn will train the ex-combatants. Links with other education and skills training projects will be sought wherever possible.

- *Vocational training (non-agrarian)*. Following livelihoods career counseling, ex-combatants who chose non-agrarian career options will attend targeted vocational training. Trainings will be offered in sustainable economic opportunities based on the findings from the market analysis and cost assessments. The level of vocational skills training offered will be targeted at average education levels of ex-combatants.
- *Vocational training (agriculture and livestock)*. Some ex-combatants might be interested in engaging in subsistence level gardening to meet their household needs. Training in these basic areas will provide the ex-combatant with additional tangible skills to bring to their families and communities upon reinsertion. Further, many ex-combatants generate income through a combination of endeavors, such as both animal husbandry and small business. A number of small-scale demonstration facilities will be developed, and will give the ex-combatants an opportunity to receive hands-on experience in the basic areas of gardening, animal husbandry, and food and goods processing, while also providing an outlet to practice the business skills and to engage with the concept of cooperation along a value chain.

35. Trainings will be delivered in the communities. To the extent possible, the project will benefit from the Skills Development and Youth Employment Project (P145861) as discussed in the Synergies section. The project will carry out an assessment of vocational and skills training capacity in the reinsertion areas in close coordination with the Skills Development Project.

Sub-component 1.2: Reinsertion Start-up Support

36. A start-up support kit correlated to the vocational skills received will be selected, procured, and distributed to each ex-combatant participant following the training. The start-up support will be given on an individual basis to ex-combatants opting for the individual or small group income generating activity (IGA). For ex-combatants choosing to form economic associations with others, the start-up kits will be provided individually to ex-combatants.

37. All ex-combatants will be entitled to the same value of start-up kits regardless of whether they choose the economic association or individual pathway. The kits will be procured through a centralized process to ensure uniformity of benefit and to realize economies of scale. This process will include working with the relevant standards authority to ensure that the component parts are suitable to their local environments. The project will ensure commitment by the implementing partners that the tools used in training by the ex-combatants will be the same, or similar to the extent possible, with the start-up kits that will be distributed at the end of the training. A manual on the start-up kit process will be developed by the project implementation unit in close coordination with MINUSMA and the World Bank. In addition, cash support will be provided to all beneficiaries to help them start their economic activities.

38. The following presents the typical process of start-up kits:

1	Preparation
1.1	Agreement on design of start-up kits

1.2	Formation of start-up kits components list
2	Procurement
2.1	Search for potential suppliers
2.2	Design of Request for Quotation (RFQ)
2.3	Invitation of potential bidders and bids submission
2.4	Evaluation of bids
2.5	Selection of suppliers
3	Logistics
3.1	Delivery/Warehousing/Transportation of goods
3.2	Confirmation of contents of kits
4	Distribution Support
4.1	Orientation visits
4.2	Toolkits distribution visits
4.3	Communications
5	Distribution of Start-Up Kits

Sub-component 1.3: Follow-up Support (12 months)

39. This sub-component will provide outreach reinsertion support in the form of direct follow-up training and advisory support in the communities for a period of six months to former combatants. The ex-combatants will have the option to choose from two major categories of reinsertion. In addition, this sub-component will include drop-in support to allow the beneficiaries seek advice, information and support from the implementing partners.

i. Outreach Reinsertion Support (6 months)

40. Beneficiaries may select to either: (i) form economic associations with other ex-combatants and host community members or (ii) create individual income generating activities.

41. *Economic association formation and support.* Economic associations for DDR participants have been found to provide not only economic but also social reinsertion benefits as well as providing a cushion from individual economic shocks. During reinsertion training support phase, the ex-combatants will have trained on creating associations for economic and social purposes. In addition, they will have had the opportunity to discuss possible partnerships with other ex-combatants. With the support of implementing partners, the ex-combatants will initiate the process of forming economic associations upon their arrival in their communities. These follow-up visits, which will be undertaken on at least three occasions during the six months of outreach reinsertion support, will provide capacity building to each economic association in administration, financial management, leadership, and technical advice. Community members of the economic associations will benefit from joining the economic associations, which will receive support through the project, including supplementary training on the basics of association formation and operation and start-up in-kind support to the economic association, as well as follow-up visits for the association.

42. *Individual Income Generating Activities (IGA).* In circumstances whereby the former is not plausible or individuals have divergent interests, ex-combatants will use the vocational training

to initiate an IGA of their choice upon return to the communities and after receiving their start-up kits.

ii. Drop-in Reinsertion Support (6 months)

43. As outlined in the peace agreement, the communities with ex-combatants will be covered by recovery and development programs. To the extent possible, the project will attempt to link the beneficiaries with the broader recovery and economic development programs. Ex-combatants, whether they are already in business associations, partnerships or working individually, will have the opportunity to contact the offices of implementing partners to discuss any matter relevant to their long term reinsertion support, receive advice and have the ability to be directed to available development programs implemented by the World Bank, and other national and international agencies. This will provide the ex-combatants with possible additional employment opportunities, which will contribute to consolidate their work experience and contribute to the sustainable and long term reinsertion of the ex-combatants into civilian life. And, for those with previously established needs for psychosocial support, drop-in referral services will be available. Specific procedures for the establishment and operationalization of the drop-in reinsertion support system will be elaborated in the PIM.

Gender

44. Female ex-combatants will be offered an identical base package as male beneficiaries. A gender sensitive lens, however, will be applied throughout the implementation of all project components to ensure differentiated needs of male and female ex-combatants are taken into account.

45. The PIU staff will be trained to work with female ex-combatants for whom separate facilities will be provided during cantonment process. All training and benefits granted to men will be offered to women. Vocational training will be sensitive to potential female interest and needs. In order to ensure that differentiated needs of women are addressed, dedicated facilities and targeted activities will be provided and undertaken. These will include, but will not be limited to, physical and medical needs (e.g. reproductive health, psycho-social issues, unwanted pregnancy), physical security, life skills training (e.g. careers, training and support on issues related to SGBV), child care support during activities, and support to care for child dependents (e.g. pediatric medical screening).

46. Furthermore, to ensure equal access of women to services/activities and to compensate for additional barriers that women experience in reinsertion, additional training, and follow-up support will be provided. The PIU and Implementing Partners will develop a Gender Action Plan to be undertaken through project duration that will address specific vulnerabilities of the female ex-combatant caseload and list a set of activities that will address those vulnerabilities. The project will also train the implementing partners on including gender sensitization as an integral part of each reinsertion activity.

Vulnerable Groups

47. Vulnerable Groups benefitting from this project include adult ex-combatants that are (i) female; (ii) disabled; and/or (iii) psycho-socially traumatized. Advocacy work on behalf of the adult vulnerable groups will be undertaken through sensitization campaigns which will actively encourage family support, seek synergies with World Bank or other projects to develop networks, community protection mechanisms, and medical, disability and psycho-social support. The project will offer specialized services to vulnerable groups including chronically ill/disabled ex-combatants designed to best meet their specific needs. Follow-up psycho-social support will be provided to those who are still in need when returning to their communities. The project will explore referral options, including linkages with other projects in the areas of return.

Component 2: Project Management Support to the Project Implementation Unit

48. This component will finance the following activities: (i) project management; (ii) sensitization and communication; and (iii) results monitoring, evaluation and financial audits.

49. The PIU, established prior to project effectiveness, will be responsible for above-mentioned activities, including project management and administration, supervision of activities, and coordination with international and national partners and stakeholders, including line ministries and local authorities, as well as monitoring and evaluation, and communication. Project Management will cover the costs of the office of the PIU and provide additional support for the establishment of liaison offices. The PIU will be supported by enhanced technical assistance from the World Bank. Technical assistance will be provided by a team of consultants that will provide support on a number of areas including reinsertion, monitoring and evaluation, and communications.

Project Management

50. Project management and administration of the PIU will include activities that would cover overall administration and management of project activities. These activities will help ensure the coordination, implementation, and management of the project activities.

Sensitization and Communication

51. Sensitization and communication activities will begin before cantonment, and thus reinsertion processes will build on the preceding communications activities of the Government and MINUSMA and will continue throughout the project life cycle.

52. Sensitization and confidence-building through DDR process involves a robust communications and public information strategy. Sensitization activities will help beneficiaries and their communities to better understand the DDR process, its advantages, components, and manage expectations.

53. Communication activities will not be limited to disseminating information but will provide a voice to the project beneficiaries and, therefore, involve bottom-up communication approaches, such as community meetings and beneficiary outreach. This is a critical piece of ensuring citizen engagement in the overall project. In brief, sensitization and communication activities will:

- Emphasize general reconciliation and peace messages to prevent conflicts specifically with regards to the reinsertion of ex-combatants into local communities.
- Inform ex-combatants, families and community members on the project overall, including the overall objective and project benefits. This will be done, among other media, through radio programs and sensitization meetings.
- Inform and sensitize communities on the arrival of ex-combatants and the need to facilitate their inclusion. To facilitate the social reinsertion of ex-combatants in their new communities of settlement, it will be necessary to prepare communities about the arrival of new members, and to sensitize them on the special needs and challenges faced by ex-combatants, and specifically on vulnerable groups, and their ability to participate in community life

Results Monitoring and Evaluation

54. Overall responsibility for M&E rests with PIU complemented by close World Bank supervision. A results framework and monitoring matrix to track inputs, outputs, and outcomes has been developed for the project with intermediate and key performance indicators (Annex 1). Project implementation progress will be monitored continuously and outputs and outcomes reviewed during project supervision to evaluate progress using data compiled by the PIU.

55. The M&E unit will serve to: (i) improve project management; (ii) ensure transparency in project data sharing with various stakeholders; (iii) ensure efficiency of the activities; (iv) provide accurate and timely information to adjust or modify the activities in relation to the evolution of the context during implementation; and (v) provide accurate and timely information to help management take the right decisions. The PIU M&E Specialist will be responsible for the overall M&E activities, and the implementing partners will be responsible with providing the necessary information, data, and reports from the field. The PIU will be supported by the coordination mechanisms as outlined in the Peace Agreement with regards to monitoring, implementation and performance of the overall DDR program.

56. The M&E unit of the PIU will produce monthly, quarterly, and annual project activity reports. These reports will be available electronically to facilitate access to the various government partners and donors. Ad hoc assessments and needs-based studies conducted will include formal assessments on the demobilization process and regular qualitative and quantitative tracer beneficiary surveys. A mid-term review and final implementation report will be conducted in collaboration with donors and government. During the project Mid-Term Review, progress towards achieving the PDOs will be evaluated and remedial action will be taken as needed.

57. It is essential that information on all beneficiaries is captured during the cantonment process, securely stored, and subsequently utilized to inform project implementation. To that end, beneficiaries and project implementation progress and effectiveness will be monitored through a well-functioning DDR MIS. The MIS will support M&E activities through several databases to monitor: (i) ex-combatants from cantonment to reinsertion; (ii) reinsertion support provided by implementing partners; and (iii) financial management. The MIS will provide data on

beneficiaries and activities that would serve as an important input into planning activities following demobilization. Apart from oversight on project activities, the M&E would contain a baseline survey and community survey, annual evaluation, mid-term review, need-based sporadic evaluations, and a final evaluation.

58. Whilst not conducted directly by the M&E Unit, the PIU will undertake quarterly internal and annual external financial audits of fiduciary processes, operations and other activities for the Project. This is in light of reviewing that timely and adequate amount of financial resources are expended in line with World Bank regulations on procurement and financial management, assess fiduciary capacity and utilizing evaluations to render necessary changes through budgeting and disbursements. An internal auditor will be recruited into the PIU with financial support from the World Bank to ensure close monitoring of expenditures and corresponding activities based on disbursement.

Annex 3: Implementation Arrangements
MALI: Reinsertion of Ex-combatants Project (P157233)

I. Project Institutional and Implementation Arrangements

1. Institutional and implementation arrangements that will govern the Mali DDR Program follows the requirements set forward in the peace agreement. The project administration mechanisms have been designed to take into account the complex process of implementing reinsertion operations.

2. The main roles and responsibilities of the different stakeholders are described in the sections below. The PIM, including coordination mechanisms between all stakeholders involved in project implementation, detailed implementation mechanisms for each sub-component, project administration, financial management, and accounting and procurement procedures applicable to the project, will be finalized prior to effectiveness.

National Commission for DDR (CNDDR)

3. Decree No. 2015-0894/P-RM of 31 December 2015 on the establishment, organization and operating procedures of the CNDDR presents the political structure governing the DDR process in Mali. The CNDDR will act as the coordinating agency in charge of DDR program in Mali. It will be inclusive of the Government and the signatory movements that signed the peace agreement. The CNDDR will coordinate the following activities:

- The design of the DDR program;
- The implementation of the DDR program activities and retraining of former combatants into productive force;
- Effective socio-economic reinsertion in connection with the National Program for Reconstruction and Development;
- Collection of baseline data, developing indicators and targets;
- The definition of eligibility criteria for the inclusion of individuals in the DDR;
- Approval of benefits, national priorities in the treatment of participants and similar questions;
- The development of operational manuals, implementation and guidance documents;
- Effective and efficient program management;
- The overall administration of program activities, including coordination, implementation and management of the program;
- The implementation and coordination of DDR under four main pillars of the program: (i) Provision of services (training, career counseling, psychosocial and medical, orientation towards structures, etc.); (ii) Program Administration; (iii) Monitoring and Evaluation; and (iv) Communications;
- The implementation of a proactive and effective communication strategy;
- The coordination of the national DDR program with other efforts in the process of consolidating peace and recovery;
- Supervision of implementing partners responsible for the implementation of program activities;

- The approval of the annual and quarterly work plans and external reports and financial statements concerning the operations of the commission.

4. The composition of the CNDDR may be as follows:

- A President of the National Commission
- A coordinator
- Three deputy coordinators
- Eight representatives from various affiliated and designated ministries
- Six representatives of the Platform
- Six representatives of the CMA.

Project Implementation Unit (PIU)

5. The PIU, established prior to project effectiveness, will ensure the coordination between all project components, including planning (preparation of comprehensive action plans, procurement plans and budgets), financial management, procurement, and M&E (including preparation of progress reports). The PIU will be the direct liaison between project stakeholders and the World Bank for all project implementation matters. The PIU will be established within the National Commission of DDR, reporting directly to the Ministry of Defense and Veterans.

6. Beyond its broader implementation role, the PIU will directly handle procurement, financial management and accounting and contract management. The PIU will be composed of the following key staff members: a Coordinator, a Procurement Specialist, a Procurement Assistant, a Financial Management Officer (RAF), an Accountant, an internal auditor, an M&E Specialist, and a Reinsertion officer as well as other technical staff. Consultants may be hired under the project for supporting certain activities of the PIU.

7. Of these positions, only the staffing and operating costs for those with fiduciary responsibilities - financial management officer, procurement specialist, procurement assistant, accountant and internal auditor - will be financed through the IDA grant. The remainder of the PIU staff will be supported through government contributions.

Project administration mechanisms

8. Implementation will be conducted by Implementing Partners (IPs) as contracted by the PIU or in select cases by government entities³⁰.

9. The Reinsertion activities will be conducted in the communities. The implementing partners will be required to deliver the training package in the first six months and carrying out follow-up support activities during the following twelve-month period. The implementing partners will develop the curriculum, building from existing resources but adjusting the materials to ensure complementarity and reinforcing course coursework, and provide training in the communities.

³⁰ Some of the IPs contracted could be UN agencies.

10. Training centers will be identified in reinsertion locations in Gao, Kidal, Tombouctou, Ménaka, Taoudéni and Mopti. Existing structure will be used and local capacities will be reinforced.

11. Additionally, the selected implementing partner will provide career guidance services. This implementing partners will be responsible for ensuring that the trainers have the appropriate language skills to effectively communicate with the ex-combatants and a training of trainers (ToT) model will be required for local trainers. The classroom size will not exceed 30 students per class. Both training and psycho-social counselling support implementing partners will also provide an initial training to the local NGOs which will provide reinsertion services.

12. For reinsertion follow-up support, services will be required in four main project locations, and, therefore, a number of NGOs capable of providing services at the community level will be directly contracted by the PIU, where necessary. These implementing partners will each staff 1 caseworker per 25 ex-combatants for the Reinsertion Follow-up period (6 months) and 1 per 50 ex-combatants for the following six-month period that will provide the advisory services. The caseworkers will attend ToT activities so the project can ensure they are qualified to provide follow-up training on entrepreneurship, business and economic associations to ex-combatant individuals and, ex-combatant and community economic associations as applicable. Ex-combatants will be following both agrarian and non-agrarian vocations and implementing partners will be responsible to provide advisory services to both tracks. The caseworkers will also be required to have an awareness of available local services for guidance. The caseworkers will also be trained on the use of the DDR MIS. Implementing Partners will be paid based on services delivered which will be tracked through the MIS.

13. Additionally, for reinsertion, the start-up kits will be procured and distributed through a centralized process by an implementing partner. This implementing partner's process for kit procurement and distribution is outlined in detail in Annex 2. The implementing partner will coordinate closely with the implementing partner providing the Reinsertion Follow-up and PIU, specifically the sensitization and communication team to ensure coordination and accurate expectation setting.

14. The female ex-combatants will receive reinsertion services similar to that for male ex-combatants. Supplementary services during reinsertion will be provided by NGOs capable of providing services at the community level.

15. Sensitization, Monitoring and Evaluation will be conducted by the PIU staff as capacity allows, and may be supplemented with short term consultant assistance.

16. *Project Implementation Schedule.* The tentative start date for project implementation is February 28, 2017, with an estimated project effectiveness date of May 31, 2017 and a proposed project closing date of November 30, 2020.

17. *Supervision.* The World Bank supervision team will include various technical staff as needed (operations, procurement, finance, reinsertion, communications, etc.). Technical officers will undertake periodic field missions throughout project implementation as required. Experience

under previous World Bank-financed DDR operations in the region and elsewhere have shown that, given the sensitive and challenging nature of such programs, specific World Bank responsibilities require higher than normal supervision and support requirements including the transfer of knowledge that the World Bank has gained over the past decade in similar operations.

Type	Service Elements	
Delivery of Training Package	Reinsertion Training for ex-combatants in communities (6 months)	1 IP per project location
Follow-up Training Support (12 months)	Reinsertion follow-up support (6 months) Reinsertion drop-in support (6 months)	1 IP per project location
Start-up Kit	Start-up Kit Procurement and Distribution, including procurement of training kits and materials	1 IP

II. Financial Management

18. The financial management (FM) arrangements for the project have been designed with consideration for the country's post-conflict situation while taking into account the OP/BP 10.00 which describes the overall FM World Bank policies and procedures. The FM system of the project must be capable of (i) correctly and completely recording all transactions related to the project; (ii) facilitating the preparation of regular, timely and reliable financial statements; (iii) safeguarding the project's assets; and (iv) can be subject to auditing diligences as required by the World Bank. The arrangements also aim to facilitate disbursements and ensure effective use of project resources while using the country's own systems to the extent possible.

19. The Government had adopted the updated integrated public finance management action plan, *plan d'action gouvernemental pour l'amélioration et la modernisation de la gestion des finances publiques* (PAGAM/GFP). The PEFA III, undertaken in 2016, have highlighted several areas of strengths including credibility, transparency and comprehensiveness of the budgeting system. The procurement system has been modernized in three dimensions namely the legal and institutional framework and the control system of bidding documents. However, besides the apparent strong policy and legislative frameworks and systems including detailed procedures for procurement and financial management, the Government is still struggling with compliance and effective implementation. The compliance with internal control rules and the effectiveness of internal audit need to be improved. Furthermore, accounting and reporting, as well as external scrutiny and audits, are reported to be weak.

20. The World Bank cannot thus, at this period of time rely 100 percent on the public expenditure framework for the purpose of this project. The Government of Mali requested to use a ring-fenced financing mechanism for the fiduciary aspects of the project. The Government has adopted a decree establishing a National Commission for DDR, placed under the authority of the MoD project implementation unit "PIU" to be established under the responsibility of the MoD, manage the overall FM aspects of the project.

21. The PIU will be set up, prior to effectiveness, to support the management of technical aspects of the proposed project. Unfortunately, the CNDDR was not yet operational at the time of the project appraisal. Therefore, an assessment of the Directorate of Finance and Material (DFM) of the MoD, which follows the government PFM system to manage the resources allocated to the

ministry including the CNDDR, was conducted during the project preparation to check whether this directorate could manage the proposed project. The main findings arising from this assessment conducted in December 2016 are similar to those outlined in the PEFA and other PFM assessment reports including: (i) capacity shortage in the areas of FM human resources; (ii) lack of familiarity of the FM team with World Bank-financed project procedures and requirements; and (iii) the computerized system in place for budget execution *Système Intégré de Gestion des Dépenses (SIDG)* and financial reporting (*AICE*) faces some challenges similar to those revealed in the PEFA and other PFM assessment reports.

22. Due to the overall fragility of the country FM systems and specifically the critical areas for improvements of the DFM, the conclusion was that DFM of the MoD could be in a position of managing World Bank's funds once a number of measures are implemented to strengthen its current FM system. Furthermore, at the time of the appraisal of project, the DFM of CNDDR was not operationalized yet, therefore the World Bank cannot rely on the FM system of this Directorate.

23. Going forward and in order to mitigate the fiduciary risk to the extent possible, a Project Implementation Unit (PIU) will be created inside the CNDDR as a condition for effectiveness. The FM team of the PIU will be the World Bank and other donors' main counterpart and focal point for all the fiduciary aspects of the project. The DFM of the MoD will provide support as needed.

24. On that basis, the financial management system of the project will run as follows:

- The FM arrangements of the proposed project will follow the same approach as the FM arrangements in place for the ongoing projects in the country. These are considered acceptable to IDA, having been improved over time.
- For the purpose of the project, the FM team of the PIU will be set up with the recruitment on a competitive basis, of one (1) experienced Financial Management Officer (RAF), one (1) accountant, either civil servant or consultants, but very familiar with the World Bank FM procedures, and one (1) internal auditor, for timely reporting on project expenditures and disbursements by activities.
- The lack of familiarity of the DFM of the MoD with the World Bank FM procedures and the nature of the project activities as well as the geographic location where some activities are implemented will translate into an increase of the risks – which in turn will require more sophisticated control systems and adequate staff, an effective internal audit function, a PIM in place, an integrated information system and projects software. It was therefore discussed and agreed the following additional measures to mitigate the risks: (i) preparation of a specific FM procedures manual (Part of PIM) for the purpose of the project; (ii) acquisition and installation of an accounting software and training of the users; (iii) selection of a consultant to perform on a regular basis, the internal audit function of the project; (iv) recruitment of external auditor and (v) training of DFM top management staff on World Bank procedures (FM and Procurement).
- Interim Unaudited Financial Reports (IFR) will be prepared every quarter in a format and content agreed with IDA and submitted to the World Bank 45 days after the end of the

quarter. They will reflect the project activities. In addition, internal audits will be conducted on a quarterly basis by the internal auditor.

- The Section of Accounts of the Supreme Court faces some capacity constraints. Therefore, the project financial statements will be audited by a qualified and experienced external auditor recruited on terms of references acceptable to IDA. The project accounts will be audited on an annual basis and the reports submitted to IDA and The *Contrôle Général des Services Publics* (CGSP) not later than six months after the end of each fiscal year. The audit report will cover all the expenditure related to component 1 & component 2.
- Upon Grant effectiveness, transaction-based disbursements (replenishment and reimbursement) will be used during the first months of project implementation. Thereafter, the option to disburse against submission of Interim un-audited Financial Report (also known as the Report-based disbursement) will be considered subject to the quality and timeliness of IFR submitted to the World Bank and the overall financial management arrangement as assessed in due course. The other options of disbursing the funds (reimbursement, direct payments and special commitments) will be available.
- One bank account “Designated Account” (DA-A) will be opened in a commercial bank on terms and conditions acceptable to IDA. The DA will be managed by the PIU coordination team including the RAF and the Coordinator. An initial deposit of XOF 625 million will be released by IDA at the request of the project PIU upon effectiveness. Payments to partner implementing organizations (e.g. NGO, government specialized entities, etc.), services providers and suppliers will be made in accordance with the payments modalities, as specified in the respective contracts and MoU. In the case of payments to UN agencies, the special World Bank disbursement procedures will be used to establish a “Blanket Commitment”. The “Blanket Commitment” will be set up for the UN agency for the full amount to be transferred to the UN agency as an Advance. The grant will finance 100 percent of eligible expenditures of the project inclusive of tax.
- The residual FM risk after mitigations measures has been rated substantial taking into account the country context and the lack of experiences of PIU in World Bank-financed operations in addition to the fact that PIU has been created.
- Due to the Substantial FM risk, FM supervision will be conducted at least twice a year during the first year of project implementation period. It will focus on the status of financial management system to assess whether the system continues to operate well as agreed and provide support as needed. The supervision intensity will be adjusted over time taking into account the project FM performance and FM risk level.

Description of the FM institutional arrangements for the project

25. The FM team of the PIU to be created within the MoD will be the World Bank and other donors’ main counterpart and focal point for fiduciary aspects. It will oversee the entire project fiduciary management including management of the funds and the designated accounts and will primarily be responsible for: (i) planning and budgeting; (ii) disbursement and financial reporting; (iii) procurement; and (iii) internal controls and auditing. For the purpose of this project, two (2) individual consultants (e.g. FM Officer (RAF), one Accountant) familiar with World Bank FM procedures and requirements will be recruited on a competitive basis to handle on a daily basis the FM aspects of the project.

Risk Assessment and Mitigation Measures

26. The World Bank’s principal concern is to ensure that project funds are used economically and efficiently for the intended purpose. Assessment of the risks that the project funds will not be so used is an important part of the financial management assessment work. The risk features are determined over two elements: (i) the risk associated to the project as a whole (inherent risk), and (ii) the risk linked to a weak control environment of the project implementation (control risk). The content of these risks is described below:

Table 3: Risk Assessment and Mitigation Measures

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
Inherent risk	H			H
<p>Country level: The Public Expenditure and Financial Accountability (PEFA III), undertaken in 2016, have highlighted several areas of strengths. However, besides the apparent strong policy and legislative frameworks and systems including detailed procedures for procurement and financial management, the Government is still struggling with compliance and effective implementation. The compliance with internal control rules and the effectiveness of internal audit need to be improved. Furthermore, accounting and reporting, as well as external scrutiny and audits, are reported to be weak.</p>	H	Beyond the control of the project. The Government is committed to a reform program and adopted “the integrated public finance management action plan (Second Government Action Plan for the Improvement and Modernization of Public Finance Management, PAGAM / GFP II) but it will take time for these reforms to yield substantial improvements in the management of public funds	N	H
<p>Entity level This is a newly created entity CNDDR with a new PIU to be staffed and operationalized may face some delays.</p>	H	The FM system and staffing of the PIU should be put in place mainly (i) RAF; and (ii) PIM with FM procedures;	Yes	S
<p>Project level The resources of the project may not be used for the intended purposes. Delays in the reporting system and auditing due to the additional workload of FM team are expected and the weak capacity of the team. The numerous stakeholders would possibly impact negatively the implementation of the project. Furthermore, the weak M&E system to support the cash payment of ex-combatants is of a concern in addition to the weak capacity of regional and rural centers.</p>	S	The current FM arrangements are not appropriate to manage the project. For efficiency purposes, the RAF will strengthen ex-ante and ex-post control of funds allocated to partners implementing organizations including ex-combatants (communities). The scope of audit will include review of expenditures incurred by implementing entities. Additional FM staff (FM Officer, principal accountant and assistant accountant) will be recruited on ToRs acceptable to IDA and training and advice to the FM staff will be provided. Specific measures are incorporated in the project design to	Yes- FM Officer and an accountant will be recruited as conditions for effectiveness	S

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
		ensure smooth implementation and mitigate related risks including (governance actions, satisfactory surveys and external verifications)		
Control Risk	S			S
Budgeting: (i) weak capacity at central and decentralized entities to prepare and submit accurate work program and budget; (ii) weak consolidation of budgets; and (iii) weak budgetary execution and control (iii) delays in preparing the budget and allocations of each implementing entity; (ii) unreliable budget; (iii) cost overrun or under run and reasons not detected on timely manner;	S	Annual work plan and budget required each year and proclaimed. AWP reviewed and approved by the steering committee. The project Financial Procedures Manual will define the arrangements for budgeting, budgetary control and the requirements for budgeting revisions. IFR will provide information on budgetary execution and analysis of variances between actual and budget. The project programme will be reflected in the national budget of the office of the MoD. Consolidated budget will be approved by the steering committee of CNDDR.	N – ongoing covenant	M
Accounting: poor policies and procedures, lack of qualified accountant staff (capacity staff) and no familiarity with SYSCOHADA system.	S	FM aspects handled by the FM team of the PIU to be set up within the office of the MoD: (i) The project will adopt the SYSCOHADA accounting system. Accounting procedures will be documented in the procedures manual (ii) The FM team headed by a RAF will be strengthened by individual consultants recruited on competitive basis; (iii) training on IDA FM procedures will be provided to the staff as needed.	N - disbursement	M
Internal Control: Internal control system may be weak due to weak FM capacity of the team; or the current FM procedures may not be sufficient for this project. The lack of procedures manual may lead to inappropriate use of the funds and delays in financial report. The steering committee may not be effective.	H	(i) Prepare the FM procedures manual and training on the use of the manual; (ii) Outsource the Internal audit function to the individual consultant who will scrutinize the proclaimed accounting, financial and operational procedures. The IA will report to the Coordinator of the PIU and share the reports with the Steering Committee (CNDDR).		S
Funds Flow: (i) Risk of misused of funds and delays in disbursements of funds to IA and beneficiaries; (ii) inefficient use of the funds; (iii) ghost ex-combatants; (iv) risks of attacks and funds stolen by armed persons...	H	(i) Payment requests, according to the manual, prior to disbursement of funds to contractors or consultants and implementing entities. (ii) The ToRs of the internal auditor as well as the external auditors include regular field visits (physical verifications of works, goods and services acquired). (iii) A ceiling for expenditures that can be handled /paid in cash will be set up in the FM procedures manual; (iv) Replenishment of bank accounts of IP at decentralized levels will be made via a simplified IFR (summary report)	N	S

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
		<p>and supporting documents will be kept in their premises.</p> <p>(v) FM staff capacity will be strengthened prior and during project implementation period; (vi) anticorruption will be presented to the project team.</p>		
<p>Financial Reporting</p> <p>(i) Inaccurate and delay in submission of IFR at central level of the PIU due to delays from IAs and the increase in the FM activities or lack of capacity.</p> <p>(ii) Workload leading to some delays in recording of expenditures as well as preparation of periodic financial reports; (iii) lack of motivation of staff working on IDA-financed project impacting the internal control and quality of the oversight of IDA funds by implementing entities.</p>	S	<p>(i) A computerized accounting system will be used.; (e.g. multi projects and multi sites)</p> <p>(ii) IFR and financial statements formats as agreed at project negotiations.</p> <p>(iii) One Financial Management Officer (RAF) will lead the FM team of the PIU and one additional FM staff will be recruited for the purpose of the project.</p>	<p>N - disbursement</p> <p>N</p>	M
<p>Auditing:</p> <p>Delays in submission of audit report; The scope of the mission may not cover expenditures incurred at decentralized level and other IA; auditors selected may not be acceptable to IDA or may not conduct their assignment in a professional manner.</p>	S	<p>(i) The Project's institutional arrangements allow for the appointment of adequate external auditors and the ToRs (to be discussed before the EoI are advertised) will include field visits and specific report on finding of physical controls of goods, services and works acquired by IAs/NGO and beneficiaries</p> <p>(ii) Annual auditing arrangements will be carried out during the project implementation period; (iii) Close monitoring of audits due dates by the World Bank FM team; (iv) Request for elimination of audit for the activities implemented by UN Agencies will be sought; (v) technical audits if needed</p>	N	S
<p>Fraud and Corruption</p> <p>Possibility of circumventing the internal control system with colluding practices as bribes, abuse of administrative positions, misprocurement, etc. is a critical issue.</p>	S	<p>(i) The ToR of the external auditor will comprise a specific chapter on corruption auditing (ii) The internal auditors will report to the Coordinator, who in turn will share directly the report with the steering committee (CNDDR) and the office of the MoD; (iii) One sample of the IA reports will be submitted to the World Bank on a quarterly basis; (iv) FM procedures manual approved prior to project effectiveness ; (v) robust FM arrangements (qualified and dedicated FM staff recruited under ToRs acceptable to IDA); quarterly IFR including budget execution and monitoring and physical progress; (vi) technical auditing; (vii) measures to improve transparency such as providing information on the project</p>	N	S

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
		status to the public, and to encourage participation of civil society, beneficiaries and other stakeholder are built into the project design; biometric census for ex-combatants...		
OVERALL FM RISK				Subst.

Strengths and Weaknesses

27. The design of the project follows existing FM arrangements to implement World Bank-financed projects in Mali which include parallel system (PIU) and to extend possible the country systems.

28. The country political situation has impacted governance and affected corruption environment. In the context of the project, the main weaknesses include the lack of familiarity and previous experiences of the FM staff of DFM of the MoD in World Bank FM procedures. However, an effective implementation of FM mitigation measures as well as a strengthened and effective oversight of the steering committee (CNDDR) and the involvement of the country institutions of control would contribute to mitigate the weaknesses identified at country, project and control levels.

Financial Management Action Plan

29. The Financial Management Action Plan described below has been developed to mitigate the overall financial management risks.

Table 4: Financial Management Action Plan

Issue/Topic	Remedial action recommended	Responsible body/person	Completion date	FM Effectiveness Conditions
Staffing	Appointment of a dedicated FM Officer (RAF) familiar with World Bank FM procedures completed and contract signed	MoD/ PIU	Before effectiveness	YES
	Appointment of one accountant familiar with World Bank FM procedures completed and contracts signed.	MoD/ PIU	Before effectiveness	YES
	Trained DFM senior staff on World Bank FM procedures.	MoD/PIU	Three month after effectiveness	NO
Information system accounting software	Acquisition and installation of an accounting software for the project and training of the users.	MoD/ PIU	3 months after effectiveness	NO

Issue/Topic	Remedial action recommended	Responsible body/person	Completion date	FM Effectiveness Conditions
Administrative Accounting & financial Manual	A draft of project Implementation Manual (PIM) including FM and administrative procedures have been submitted to the World Bank for approval.	MoD/ PIU	Before effectiveness	YES
Internal auditing	Appointment of an Internal auditor completed and contract signed.	MoD/ PIU	3 months after effectiveness	NO
External auditing	Appointment of the external auditor completed and contract signed.	MoD/ PIU	5 months after effectiveness	NO

Planning and Budgeting Arrangements

30. Planning and budgeting processes of the project will follow the guidance detailed in the Instruction No 14-2628/MEF-SG signed by the Minister of Economy and Finance on August 12, 2014. For the purposes of this project, the FM team of the PIU will prepare a consolidated annual work plan and budget (AWPB) for implementing project activities taking into account the project's components. The work plan and budgets will identify the activities to be undertaken and the role of respective parties in implementation including the PIU and other implementing entities. The AWPB will provide detailed information on the amount allocated to each implementing entity per activity showing unit costs and quantities. Annual work plans and budgets will be consolidated into a single document by the FM unit of the PIU with support from the other departments of CNDDR. The AWPB will be submitted to the Project Steering Committee for approval, and thereafter to IDA for approval no later than 30 November of the year proceeding the year the work plan should be implemented.

Key Accounting Policies and accounting software

31. An integrated financial and accounting system will be put in place and used by the FM unit of the PIU. The project code and chart of accounts will be developed to meet the specific needs of the project and documented in the manual of procedures being drafted. The prevailing accounting policies and procedures in line with the West African Francophone countries accounting standards – *SYSCOHADA* - currently in use in Mali on-going World Bank-financed operations will apply. The accounting systems and policies and financial procedures used by the project will be documented in the project's administrative, accounting, and financial manual.

32. For the project to deliver on its purposes, a computerized financial management system will be developed based on a specific project accounting software currently in use in other projects in the Mali portfolio to be purchased and installed. This software should be capable of recording transactions and reporting project operations in a timely manner including preparation of withdrawal application and periodic financial reports (IFR and annual financial statements). In a nutshell, the system should integrate budgeting, operating and cost accounting systems to facilitate monitoring, evaluation and reporting.

Internal Control and Internal Auditing

33. Internal control system is aimed to ensure (i) the effectiveness and efficiency of operations; (ii) the reliability of financial reporting; and (iii) the compliance with applicable laws and regulations. For the purpose of this project, the accounting, financial and administrative procedures manual, to be developed, will document, explain and describe work processes, information flow, authorization and delegation of authority, timing, job segregations, auto and sequential controls, compliance with project objectives, micro and macro rules and regulations. Application of the procedures set up in the manual will be mandatory for all staff at all levels. In addition to the procedures manual, all rules of the DFM of the MoD that will not conflict with the manual will also apply to the project.

34. There is no formal internal audit department or Unit within the MoD. All the accounting works performed by the team of DFM are overseen by the *Direction Nationale du Trésor et de la Comptabilité Publique* “DNTCP”. All the expenditure cycles from commitment to payment of invoices as well as expenditure supporting documents are scrutinized by the financial controller and the public accountant assigned to MoD in line with the Government PFM system.

35. In addition to this, the project will provide financial support to recruit an internal auditor (individual consultant) to conduct on a daily basis, the reviews of the project expenditures including physical verifications of acquisition of works, goods and services. All deficiencies or circumvented practices identified will be communicated by the internal auditor in a timely manner to the minister, senior management of the project, mainly the Steering Committee (CNDDR) and the Coordinator for immediate corrective action as appropriate. One copy of such reports will also be communicated to the World Bank.

Flow of funds and Disbursement Arrangements

Designated Account and Project Accounts

36. One (1) Designated Account – DA A denominated in XOF will be opened in a commercial bank acceptable to IDA and will be managed by the RAF and the Coordinator of the PIU. Interest income on the DA will be deposited into a specific account opened in a commercial bank.

Disbursement methods

37. Upon project effectiveness, transaction-based disbursements will be used. An initial advance up to the ceiling of the DA (XOF 625 million) will be made into the designated account and subsequent disbursements will be made on a monthly basis against submission of Statements of Expenditures (SOE) or records as specified in the DL reporting on the use of the initial/previous advance. Thereafter, the option to disburse against submission of quarterly unaudited IFR (also known as the Report-based disbursements) could be considered subject to the quality and timeliness of the IFRs submitted to the World Bank and the overall FM performance and arrangements as assessed in due course. In the case of the use of the report-based disbursement, the DA ceiling will be equal to the cash forecast for two quarters as provided in the quarterly unaudited IFR. If and when IFRs are used as the basis of disbursements, the contents and format will be revised to include disbursement-related information. In addition to the “advance” method, the option of disbursing the funds through direct payments to a third party, for contracts above a

pre-determined threshold for eligible expenditures (e.g. 20 percent of the DAs ceiling), will also be available. Another acceptable method of withdrawing proceeds from the IDA grant is the special commitment method whereby IDA may pay amounts to a third party for eligible expenditures to be paid by the Recipient under an irrevocable Letter of Credit.

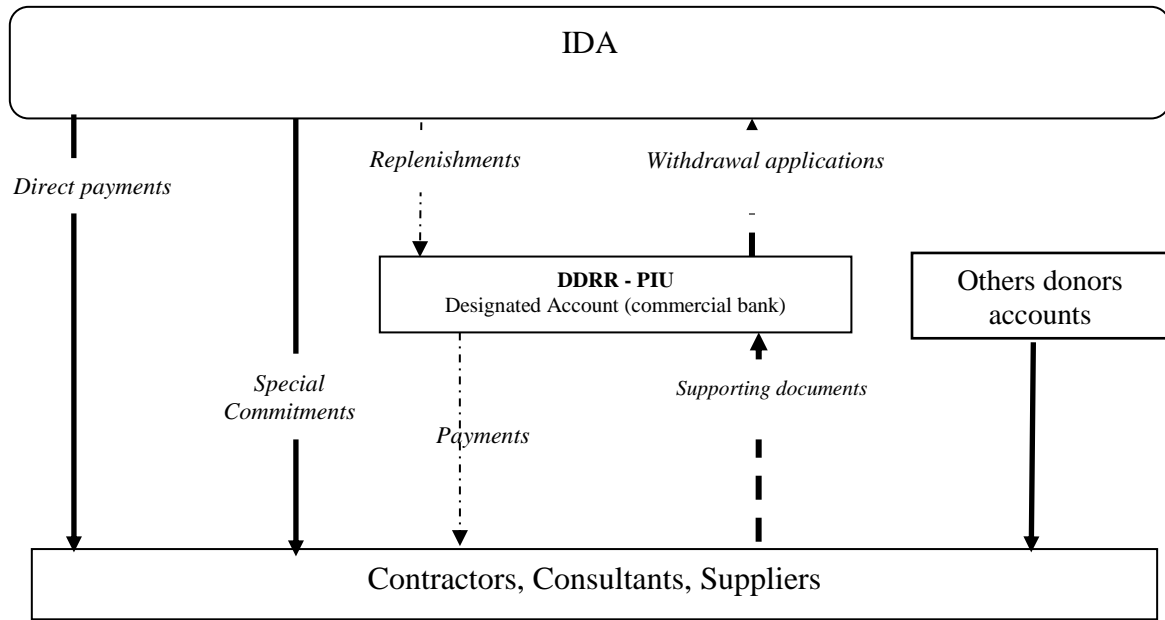
Disbursement of funds to beneficiaries (ex-combatants), contractors, suppliers and Implementing Partners including UN agencies:

38. The PIU will make payments to Implementing Agencies, contractors, ex-combatants and suppliers in regard to the specified activities in the components of the project. Payments will be made in accordance with the payment modalities, as specified in the respective contracts/conventions or MoU. The criteria for payment and reimbursement and evidences for services delivered will be detailed in the project implementation manual. The PIU coordination unit may also consider the findings of the internal audit function while approving the payments. The IA and the FM team will reserve the right to verify the expenditures ex-post, and refunds might be requested for non-respect of contractual/convention (e.g. MoD) clauses. Misappropriated activities could result in the suspension of financing for a given entity.

39. When a UN agency is used as implementing agency or a supplier, upon signing of the MoU between the Government and UN agency, application for withdrawal of proceeds will be prepared by the PIU and submitted to IDA. The special World Bank disbursement procedures will be used to establish a “Blanket Commitment” to allow the amount to be advanced. Funds withdrawn from the IDA grant account will be deposited directly into the UN bank account provided by UN agency for the project activities to be implemented by the UN agency. The amount advanced will be documented through the quarterly unaudited Interim Financial Reports as actual expenditures are incurred by the UN agency.

40. Overall funds flow is described in the chart below:

Figure 2: Flow of Funds



Local taxes

41. Funds will be disbursed in accordance with project categories of expenditures and components, as shown in the Financing Agreement. Financing of each category of expenditure/component will be authorized at 100 percent inclusive of taxes as per the current Country Financing Parameters approved for Mali.

Financial Reports

42. Financial reports will be designed to provide quality and timely information on project performance to project management, IDA and other relevant stakeholders. Formats of the financial reports will be developed and agreed during project negotiation. The consolidated quarterly IFR includes the following financial statements: (i) statement of sources of funds and project revenues and uses of funds; (ii) statement of expenditures classified by project components and or disbursement category (with additional information on expenditure types and implementing agencies as appropriate), showing comparisons with budgets for the reporting quarter, the year and cumulatively for the project life; (iii) cash forecast; (iv) explanatory notes; (v) Designated Account activity statements. The quarterly IFR will be prepared and submitted to IDA within 45 days after the end of each calendar quarter and will reflect the activities implemented directly by the PIU as well as any UN agency and other implementing entities.

43. In compliance with International Accounting Standards and IDA requirements, the project will produce annual financial statements. These include: (i) a Balance Sheet that shows Assets and Liabilities; (ii) a Statement of Sources and Uses of Funds showing all the sources of project funds, expenditures analyzed by project component and or category; (iii) a Designated Account Activity Statement; (iv) a Summary of Withdrawals using SOE, listing individual withdrawal applications by reference number, date and amount; and (v) Notes related to significant accounting policies and accounting standards adopted by management and underlying the

preparation of financial statements. The financial statements will constitute the entry point of the external auditor’s annual diligences.

Auditing arrangements

44. Due to the capacity issues of the Supreme Audit Institution, (Section of Accounts of the Supreme Court) a qualified external audit firm will be recruited under terms of references and procedures acceptable to IDA. This firm will audit the financial statements of the project annually. The PIU will prepare the terms of reference for the audit and the selection process will be launched not later than four (4) months after the project effectiveness. The scope of the audit will cover the activities implemented at central and decentralized levels by the PIU and any partner implementing agencies. However, the activities managed directly by any UN agency will be excluded from the scope of the external auditor appointed by the Government.

45. The annual audited financial statements together with the auditor’s report and management letter covering identified internal control weaknesses will be submitted to IDA no later than six months after the end of each fiscal year. A single audit opinion will be issued with respect to project income and expenditures, designated accounts, and the IFR. The report will also include specific controls such as compliance with procurement procedures and financial reporting requirements and consistency between financial statements and management reports and field visits (e.g. physical control). The audit report will thus refer to any incidence of non-compliance and ineligible expenditures and misused identified during the audit mission.

46. **Use of UN agencies: Audit of the funds managed:** The funds transferred to any UN agency will be managed by this supplier following UN Financial Regulations and Rules. As a result, reliance will be placed on the UN agency’s external auditor’s reports as necessary. Request for elimination of audit requirements will be prepared and should be granted during the project preparation. To mitigate any risks of inappropriate use of the project funds, some alternative mechanisms should be put in place including the followings: (i) at least two field based-visits, will be conducted during the first 12 months of the project implementation period. The supervision intensity will be adjusted over time taking into account the project FM performance and FM risk level; (ii) the Government will have the entire responsibility to ensuring that works, goods and service are delivered effectively to the intended beneficiaries during the project implementation; however where deemed appropriate (e.g. UN agency systems and IFRs have showed some weaknesses or deficiencies) , the World Bank team may request the Government to put in place adequate arrangements to conduct some physical inspections of goods and services delivered by the UN agency; and (iii) the World Bank FM team will have adequate access to the financial information, documents, and records for activities implemented by the UN agency on behalf of the Government of Mali.

47. Audits submission timetable:

Audit Report	Due Date
The Project audit reports (audit reports and management letters)	(i) Not later than June 30 (2000 + N) if effectiveness has occurred before June 30 (2000 + N-1). (ii) Not later than June 30 (2000 + N+1) if effectiveness has occurred after June 30, (2000 + N-1)

Financial covenants:

48. Financial covenants are the standard ones as described in the legal documents and are comprised of maintaining project accounts in accordance with sound accounting practices, audit requirements and records well-kept and secured.

Governance and anti-corruption:

49. The risk of irregularities and corruption within the project activities is substantial given the country context and the nature and implementation arrangements of the project activities. A strong fiduciary arrangement has been designed and put in place to mitigate these risks. The following measures are envisaged to mitigate the risk of misuses, irregularities and corruption: mainly the CNDDR and the PIU will implement some measures to improve transparency such as providing information on the project status to the public, and to encourage participation of civil society and other stakeholder. Furthermore, overall oversight for the World Bank project will rest with the Steering Committee (SC) to be put operationalized. It will provide technical oversight and support for the implementation of the program. For efficiency purposes, a Finance Committee should be created and shall be an important decision committee where the members of the SC meet and discuss financial and operational status of the project on a quarterly basis. Specific measures are incorporated in the project design to ensure smooth implementation and mitigate related risks:

- a) Governance action: Decentralized governing boards should be created at the department level, and would comprise civil society in the approval process of invoices
- b) Satisfaction surveys: Client satisfaction surveys will be conducted with grassroots organizations
- c) Biometric census to identified the beneficiaries “ex-combatants”

Supervision plan

50. FM supervisions will be conducted over the project’s lifetime. The project will be supervised on a risk-based approach. Supervision will focus on the status of financial management system to verify whether the system continues to operate well throughout the project’s lifetime and to ensure that expenditures incurred by the project remain eligible for IDA funding. It will comprise inter alia, the review of audit reports and IFRs, advice to task team on all FM issues. Based on the current risk assessment which is substantial, we envisage at least two supervision missions per year. An implementation support mission will be carried before effectiveness to ensure the project readiness. To the extent possible, mixed on-site supervision missions will be undertaken with procurement monitoring and evaluation and disbursement colleagues and will cover the activities implemented by PIU as well as those contracted to IE and UN agencies. The supervision intensity will be adjusted over time taking into account the project FM performance and FM risk level.

III. Procurement

51. The procurement arrangements for the project have been designed with consideration of the weakness of national procurement rules and procedures, and past experience in procurement carried out under other World Bank-financed projects.

52. *Reference to the National Procurement Regulatory Framework.* The Country Procurement Assessment Review (CPAR) for Mali was carried out in 2007 and an evaluation of the national procurement system based on OECD/DAC methodology was done in September 2011 under European Union funding. The assessment of the procurement regulation highlighted that the existing procurement principles and most of the procedures needed to be strengthened. The evaluation of the quality of national procurement system was done based on the OECD/DAC "Methodology of national procurement systems assessment". The recommended actions include: (i) strengthening of the legislative and regulatory framework; (ii) strengthening of the institutional and management capacity; and (iii) reinforcing the integrity and transparency of procurement.

53. In this regard, the Government has taken the following steps: (i) adopted an action plan based on the finding of the CPAR; (ii) set up a new legal and regulatory framework under the new Procurement Code; (iii) issued procurement regulations and standard bidding documents; and (iv) created a Regulatory body for public procurement and established procurement units in regions and technical ministries, including the ministry of finance.

54. In 2013, under the initiative of the WAEMU Commission, the World Bank funded a study on how to boost Budget Execution for a greater development impact. Based on data suggesting that a significant part of the capital investment budgets of WAEMU member states is underspent, this study was undertaken with a view to providing a comprehensive review of the systems, processes and practices used by Finance and Procurement to manage capital expenditure and to identifying practical recommendations that would allow countries to enhance the levels of budget execution. The country report of Mali recommended a series of actions in order to reduce the huge delays of procurement process in Mali and to improve the value of money. The actions plan of this study at the regional level was approved on February 28, 2014 when the meeting of the "Comité d'Experts" (Experts Committee) of the WAEMU was held in Burkina Faso. Mali had implemented some of the measures of the action plan before its approval by the Council of Ministers of WAEMU held in June 28, 2014 in Dakar.

55. A Prime Ministerial Decree (Decree No. 2014-0256/PM-RM) passed in April 10, 2014 determines authorities in charge of conclusion and approval of contracts and raises the threshold for concluding and approving for all authorities. This contributes in theory in reducing the time of the procurement cycle of a number of contracts. The ministerial decree signed on April 25, 2014, confirmed the new thresholds for concluding and approving contracts and reduces the time-limit for the different stages of the cycle of procurement and especially a major fact, it removes the double review Government / donors for contracts subject to the prior review of donors (Decree No. 2014-1323/MEF-SG). These different measures aim to reduce the procurement cycle and to boost the budget execution.

56. The current regulation on Public Procurement in Mali is the Decree No. 2015-0604 /P-RM dated September 25, 2015 and his rules for applying Decree No 2015-3721 /MEF-SG dated

October 22, 2015. These new provisions (i) retained the elimination of the double review Government/donors for contracts subject to the prior review of donors; (ii) extend the scope of the code to all contracts regardless of the amount; and (iii) present new procurement methods.

57. The World Bank has assessed the country procurement regulation and found the principles and most of the procedures in compliance with World Bank standards for procurement. In general, it is considered that the country's new procurement procedures do not conflict with the World Bank Guidelines. But in any conflict cases, the provisions of the World Bank prevail. However, in order that NCB procedure for goods and works become acceptable to the World Bank, some special provisions will be required regarding advertisement, access for foreign bidders to participate in NCB, limitation of domestic preference, deadlines for submission of bids, evaluation and contract award process, standard bidding documents, fraud and corruption clauses in bidding documents, inspection by the World Bank, and obstructive practices, and debarment under national system.

Requirements for National Competitive Bidding.

58. National Competitive Bidding (NCB) will be acceptable to the World Bank subject to the procedures below and as reflected in the Financing Agreement:

- a. **Advertising:** The General Procurement Notice would be advertised in the United Nations Development Business (UNDB) online and on the World Bank's external website; specific invitation to bids would be advertised in at least one national widely circulated newspaper and at the supranational level, on <http://www.uemoa.int> and national level, on <http://www.dgmp.gov.ml> or www.armds.gouv.ml;
- b. **Standard Bidding Documents:** All standard bidding documents to be used for the project shall be found acceptable to the World Bank before their use during the implementation of the project;
- c. **Eligibility:** No restriction based on nationality of bidder and/or origin of goods shall apply. Foreign bidders shall be allowed to participate in NCB without restriction and shall not be subject to any unjustified requirement which will affect their ability to participate in the bidding process. Recipient's government-owned enterprises or institutions shall be eligible to participate in the bidding process only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Recipient;
- d. **Bid preparation:** Bidders shall be given at least thirty (30) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids; except in cases of emergency declared by the Recipient, and provided that such emergency is recognized by the World Bank and the World Bank has given its approval for less time for the bids submission;

- e. **Bid Evaluation and Contract Award:** A contract shall be awarded to the substantially responsive and lowest evaluated bidder provided that such bidder meets the qualification criteria specified in the bidding documents;
- f. **Preferences:** No domestic preference shall be given to domestic/ WAEMU countries bidders; to domestically/WAEMU area manufactured goods; and to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient;
- g. **Fraud and Corruption:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the paragraph 1.16 (a) of the Procurement Guidelines;
- h. **Right to Inspect and Audit:** In accordance with paragraph 1.16 (e) of the Procurement Guidelines, each bidding document and contract financed from the proceeds of the financing shall provide that: (i) the bidders, suppliers, and contractor and their subcontractors, agents personnel, consultants, service providers or suppliers, shall permit the World Bank, at its request, to inspect their accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice as defined in paragraph 1.16 (a) (v) of the Procurement Guidelines; and;
- i. **Suspension and debarment:** The cases of suspension/debarment under the Recipient system shall result from fraud and corruption as set forth in paragraph 1.16 (a) of the Procurement Guidelines and approved by the World Bank provided that the particular suspension/debarment procedure afforded due process and that the suspension/debarment decision is final.

Applicable guidelines

59. Procurement for the proposed project would be carried out in accordance with the World Bank guidelines including: (i) Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits dated January 2011 and revised July 2014; (ii) Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers dated January 2011 and revised July 2014; (iii) Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (October 15, 2006 and revised in January 2011); and (iv) the provisions stipulated in the Financing Agreement. The various items under different expenditure categories are described in general below. For each contract to be financed by the Grant (IDA) and Grant (TF), the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements and time frame are agreed between the Recipient and the World Bank in the Procurement Plan. The procurement plan would be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

Items to be procured and the methods to be used:

60. *Advertisement.* General Procurement Notice (GPN), Specific Procurement Notices (SPN), Requests for Expression of Interest, and results of the evaluation and contracts award should be published in accordance with advertising provisions in the following guidelines: "Guidelines: Procurement under IBRD Loans and IDA Credits" dated January 2011 and revised July 2014; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011 and revised July 2014. A General Procurement Notice (GPN) will be prepared by the project Implementing Unit and will be published in UNDB online and on the World Bank's external website and in at least one national widely circulated newspapers or on a widely used website or electronic portal of the Recipient with free national and international access after the project is approved by the World Bank Board, and/or before effectiveness. Specific Procurement Notice (SPN) for all goods, works, and non-consulting services to be procured under International Competitive Bidding (ICB) and Requests for Expressions of Interests for all consulting services costing the equivalent of US\$300,000 and above will be published in the same manner as the GPN. All other specific procurement notices and other requests for expression of interest shall be published at a minimum in the national press with wide circulation.

61. *Procurement of goods, works and non-consultancy services.* Goods procured under this project include mainly the items that constitute start-up kits and training supplies. Works under this project include mainly the development of the MIS and implementing partner services to conduct the components of reinsertion, reintegration, vulnerable groups and ex-combatant households. Non-consulting services under this project include maintenance of office equipment, training and workshops in the region. Depending on the size of the contracts goods, works and non-consultancy services procured under this project will be done either under ICB using World Bank procurement rules that include the related SBD or under NCB using National Standard Bidding Documents agreed with or satisfactory to the World Bank. Small value goods may be procured under shopping procedures. Direct contracting may be used where necessary if agreed in the procurement plan in accordance with the provisions of paragraph 3.7 to 3.8 of the Procurement Guidelines. Procurement from UN agencies is also envisaged in accordance with the provisions of paragraph 3.10 of the Procurement Guidelines.

62. *Selection and employment of Consultants.* Consultancy services required for the project would cover advisory services, consultancies and technical assistance and studies. The selection method for consultant services will be Quality and Cost Based Selection (QCBS) method whenever possible. Contracts for specialized assignments estimated to cost less than US\$300,000 equivalent may be contracted through Consultant Qualification (CQ). The following additional methods may be used where appropriate: Quality Based Selection (QBS); Selection under a Fixed Budget (FB); Least-Cost Selection (LCS) and Selection of UN agencies.

- Shortlists of consultants for services estimated to cost less than the equivalent of US\$200,000 per contract for ordinary services and US\$400,000 for design and contract supervision may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. However, if foreign firms express interest, they will not be excluded from consideration.

- Single Source Selection (SSS) may be employed with prior approval of the World Bank and will be in accordance with paragraphs 3.8 to 3.11 of the Consultant Guidelines.
- All services of Individual Consultants (IC) will be procured under contracts in accordance with the provisions of paragraphs 5.1 to 5.6 of the Guidelines.

63. *Operating Costs* shall consist of operations and maintenance costs for vehicles, office supplies, communication charges, equipment, utility charges, travel expenses, per diem and travels costs, training costs, workshops and seminar and associated costs, among others. Operating costs will not include salaries of civil servants. Operating expenditures are neither subject to the Procurement and Consultant Guidelines nor prior or post reviews. Operating expenditures are normally verified by TTLs and FM Specialists.

64. *Training and Workshops* will be based on capacity needs assessment. Detailed training plans and workshops activities will be developed during project implementation, and included in the project annual plan and budget for World Bank's review and approval.

Implementation arrangements for procurement and capacity assessment

1) Implementation arrangements

65. Prior to project effectiveness, a PIU will be established. The PIU will be created under the authority of the Chairman of the Disarmament, Demobilization and Reinsertion Commission created by the decree n°0894/P-RM on 12/31/2015. It will ensure the coordination between all project components, including planning (preparation of comprehensive action plans, procurement plans and budgets), financial management, procurement, and M&E (including preparation of progress reports). The PIU will be the direct liaison between project stakeholders and the World Bank for all project implementation matters. The PIU will be responsible for the daily management, implementation, administration, project coordination, and M&E of the project.

66. Beyond its broader implementation role, the PIU will directly handle procurement, financial management/accounting and contract management. The PIU will be composed of the following key staff members: a Coordinator, a Procurement Specialist, a Procurement Assistant, a Financial Management Officer, an Accountant, an M&E Specialist, and a Reinsertion officer. Consultants may be hired under the project for supporting certain activities of the PIU. The credit will not finance the salary of civil servants. Support staffs are expected to be civil servants. The recruitment of the project coordinator, FM Officer, Procurement Specialist, Procurement Assistant and Accountant will be a condition of effectiveness. As previously noted, of these staff positions, financial management officer, procurement specialist, procurement assistant and accountant will be financed through the IDA grant.

2) Assessments of the risks and the related mitigation measures

67. Procurement capacity assessment of the Ministry of Defense and Veterans (MoD) was carried out to determine the institutional and management arrangements that would ensure proper execution of the project. The objectives of the assessment were (a) to evaluate the capability of

the Implementing Agency(ies) to undertake procurement and the adequacy of procurement and related systems in place to administer procurement; (b) to assess the risks (institutional, political, organizational, procedural, etc.) that may negatively affect the ability of the IA(s) to effectively carry out the procurement process; (c) to develop an action plan to be implemented as part of the project in order to address the deficiencies detected by the assessment and to minimize the risks identified by the risk analysis including the reputation of the World Bank as a financier; (d) to propose thresholds for various methods of procurement, as well as prior review and post review limits; and (d) to propose a suitable World Bank procurement supervision plan for the project compatible with the relative strengths, weaknesses and risks revealed by the assessment. This assessment was carried out by Mahamadou Bambo Sissoko, Senior Procurement Specialist, from December 21, 2016 thru January 4, 2017 in line with the World Bank’s Guidelines for Procurement and Guidelines for Selection and Employment of Consultants, and supplemented by OP/BP 11.00, revised April, 2013. As the personnel of the Project Implementation Unit (PIU) has not been yet recruited, the assessment concerned only the “Direction des Finances et du Matériel” (DFM) of the Ministry of Defense and Veterans which is the central service in charge of procurement of this Ministry; it an unavoidable link in the procurement chain.

68. The assessment concludes that the DFM of the MoD has not adequate procurement capacity to manage the procurement activities of the project. There is the need to set up a PIU with personnel skilled in World Bank procurement procedures. These personnel should preferably be a consultant with adequate knowledge and experience in the use the World Bank procurement guidelines and procedures (and subsidiary with experience in the use of Mali’s Public Procurement Code) and, to support the PIU, to assist in the management of procurement needs, for the entire duration of the project.

69. Given that World Bank procurement procedures knowledge presently in DFM is null, it is recommended that the procurement consultant will, apart from undertaking direct procurement activities under the project, also work closely with the mainstream staff of DFM and provide hands on training and mentoring through procurement clinics, direct instructions, monitoring and identifying their weaknesses and drawing up capacity building programs to strengthen their capacities. In so doing, procurement capacity of DFM staff would be built practically to assure handling of future normal and complex procurement. In addition, it is suggested that some funds will be set aside in the project to provide training opportunities for the procurement staff at procurement training centers in Mali or in the region. This will help to equip the staff with in-depth knowledge in public procurement in general and also sharpen their skills in the use of the World Bank procurement procedures and rules.

70. The overall unmitigated risk for procurement is **High**. An action plan in order to have a “Moderate” residual risk has been designed to address the risks identified during the assessment and include the following main actions in the table below:

Table 5: Action plan corrective measures

No	Key risks	Mitigation Actions	By Whom	By When
----	-----------	--------------------	---------	---------

No	Key risks	Mitigation Actions	By Whom	By When
1	Inadequate communication or interaction between the Ministry of Defense and the others ministries involved in the project and the DFM may lead to delays in the procurement processes	<p>Create a Project Implementation Unit (PIU) under the supervision of the Ministry of Defense and recruit at least a coordinator for a project</p> <p>Strengthening the flow of communications to improve interaction, between the technical structures, the procurement body (DGMP), the DFM and the project Implementation Unit (PIU) in their respective responsibilities; staff turnover should be minimized and any staff turnover which is necessary should be properly managed to ensure continuity</p> <p>Closely monitoring of procurement plan on a monthly basis and closely monitoring and exercise quality control on all aspects of the procurement process, including evaluation, selection and award</p> <p>All interactions related to the procurement responsibility must be consistent with the institutional arrangements agreed on with the Recipient. In particular, all procurement documents in post review prepared by the PIU will be transmitted by the DFM for review to the National Authorities in charge of such review; and all procurement documents in prior review prepared by the PIU will be transmitted by the PIU itself to the World Bank for contracts subject to prior review with information to the DFM and National Authorities.</p>	<p>MoD</p> <p>MoD/Other Ministries/DFM/PIU</p> <p>MoD/PIU/IDA</p> <p>MoD/PIU/IDA</p>	<p>Immediately or no later than before effectiveness</p> <p>By project effectiveness and throughout the project duration</p> <p>By project implementation beginning and throughout the project duration</p> <p>By project effectiveness and until the setting up of new Project Coordination Unit</p>
2	Lack proficient skill and experience to undertake and manage procurement under World Bank procedures	<p>Appointment of one qualified high level procurement consultant through a competitive process to support the project, for the entire duration of the project; and transfer a young professional of DFM as procurement assistant who will be mentored and coached by the consultant</p> <p>Participation in procurement training workshops for mainstream staff of DFM and MoD at specialized procurement training institutions in Mali or in the region to enhance their knowledge.</p> <p>Provide hands-on training and mentoring to the procurement unit and other technical staff by involving them in the activities of the project</p> <p>Continuous capacity building program to be developed for mainstream procurement and technical staff to respond to specific gaps identified.</p>	<p>MoD/DFM/Project Coordinator</p> <p>DFM/MoD/Others ministries</p> <p>Procurement Consultant</p> <p>Procurement Consultant</p>	<p>Prior to project effectiveness</p> <p>No later than 3 months within project implementation</p> <p>Throughout the project life</p> <p>Throughout the project life</p>
3	Insufficient and limited in-house experience with World Bank procurement procedures	Preparation of project implementation manual including a procurement section reviewed and agreed by Bank	MoD/PIU	Prior to effectiveness

No	Key risks	Mitigation Actions	By Whom	By When
		Organize a workshop to train procurement staff in the DFM on World Bank procurement procedures and work closely with World Bank Procurement Specialist	PIU/IDA	At Project launch and throughout project life
4	Lack of an adapted manual of procedures with a section dedicated to the procurement	Draft and submit to IDA a satisfactory Project Implementation Manual (PIM) with section on procurement detailing out all applicable procedures, instructions and guidance for handling procurement	MoD/PIU	Final version prior to effectiveness
5	Lack of Procurement Plan	Preparation Procurement Plan for the first 18 months and agreed with the World Bank and subsequently updating of procurement plans in tandem with annual work plan and budget and for agreed Contracts. The critical approval times will be reflected in the timelines of the procurement plans.	MoD/ Others ministries/DFM	Throughout project life
6	Poor record keeping system	Setting up adequate filing system for project records to ensure easy retrieval of information/data. Designate an officer to be responsible for data management.	PIU	No later than 3 months within the project implementation

Frequency of Procurement Supervision

71. In addition to the prior procurement review carried out by the World Bank, the procurement specialist recommends at least four missions for the first year and two missions per year for the following years to provide support to the implementation of procurement activities. This support will include not only the organization and functioning of the procurement unit but also the implementation of procurement activities listed in the procurement plan.

Post Review Procurement

72. One post review of procurement activities will also be carried out every year. Post-reviews can be done either by World Bank specialists or by independent consultants hired under the project according to procedures acceptable to the World Bank to ascertain compliance with the procurement procedures as defined in the legal documents. The procurement post-reviews should cover 20 percent of contracts subject to post-review depending of the high level risk of the project. Post review consists of reviewing technical, financial and procurement reports carried out by the Recipient's executing agencies and/or consultants selected.

73. Procurement performance will be assessed on an annual basis (in the form of procurement audits by an external agency). This would aim to:

- (a) verify that the procurement and contracting procedures and processes followed for the project were in accordance with the Financing Agreement;
- (b) verify technical compliance, physical completion and price competitiveness of each contract in the selected representative sample;
- (c) review and comment on contract administration and management issues as dealt with by the implementation entity;
- (d) review capacity of the implementation entity in handling procurement efficiently; and

- (e) identify improvements in the procurement process in the light of any identified deficiencies.

74. The threshold levels for various methods of procurement may be revised based on the assessment results.

75. *Contract Management and Expenditure Reports.* As part of the Procurement Management Reports (PMR), the PIU will submit contract management and expenditure information in quarterly reports to the World Bank for the project. The procurement management report will consist of information on procurement of goods, works and consultants’ services and compliance with settled procurement methods. The report will compare procurement’s performance against the plan agreed during negotiations and updated at the end of each quarter. The report will also provide any information on complaints by bidders, unsatisfactory performance by contractors and any information on contractual disputes if any. These contract management reports will also provide details on payments under each contract, and will be used to ensure that no contract over-payments are made or no payments are made to sanctioned entities.

Procurement Plan. The Borrower developed a Procurement Plan (PP) indicating procurements to be carried out over the first 18 months of the project. It will be updated at least annually, or more frequently as required, to reflect the actual project implementation needs and improvements in institutional capacity.

Table 6: Thresholds for Procurement Methods and Prior Review³¹ for High risk

Expenditure Category	Contract Threshold (US\$)	Value (in US\$)	Procurement Method	Contracts Subject to Prior Review (in US\$)
----------------------	---------------------------	-----------------	--------------------	---

³¹ ICB: International Competitive Bidding; NCB: National Competitive Bidding; QCBS: Quality- and Cost-Based Selection; QBS: Quality-Based Selection; FBS: Selection under a Fixed Budget LCS: Least-Cost Selection; CQS: Selection Based on the Consultants’ Qualification; SSS: Single Source Selection; IC: Selection of Individual Consultants.

Works	≥15,000,000	ICB	All
	<15,000,000	NCB	All contracts ≥ 5.000.000
	<200,000	At least three quotations	None
	All amounts	Direct contracting	All
Goods	≥3,000,000	ICB	All
	<3,000,000	NCB	All contracts ≥500,000
	<500,000	Shopping from all major brands of vehicles dealers or distributors of petroleum products	Shortlist of: (i) vehicles dealers; and (ii) distributors of petroleum products. The technical specifications of vehicles.
	<100,000	Shopping	None
	All amounts	Direct contracting	All
	Services – Firms	≥200,000	QCBS, QBS, FBS, LCS, CQS
>200,000 and <300,000		CQS	All
All amounts		SSS	All
Services -- Individuals	≥100,000	IC	All
	<100,000	IC	None
	All amounts	SSS	All
All ToRs regardless of the value of the contract are subject to prior review			

Summarized Procurement Plan

Table 7. Main Works, Goods, and Non-Consulting Services to be Procured

1	2	3	4	5	6	7	8	9
Ref.	Contract (Description)	Estimated Cost (US\$)	Procurement Method	Prequalification (Yes/No)	Review by Bank (Prior / Post)	Domestic Preference (Yes/No)	Expected bid-opening Date	Comments (Date of Contract Signature)
1	Procurement of Reinsertion Start-up kits	3,200,000.00	ICB	No	Prior	No	29-Oct.-17	02-Dec.-17
2	Procurement of Communications and Sensitization Materials	150,000.00	NCB	No	Post	No	26-Feb.-17	02-Apr.-17
3	Procurement of Training equipment and Materials	400,000.00	NCB	No	Post	No	29-May-17	03-Jul.-17
4	Procurement of MIS equipment	150,000.00	NCB	No	Post	No	27-Mar-17	01-May-17
5	Acquisition and installation of an accounting software for the project and training of the users	60,000.00	Shopping	No	Post	No	27-Mar-17	1-May-17
	Total Cost	3,960,000.00						

Table 8. Main Consulting Assignments of the Project

1	2	3	4	5	6	7
Ref.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Review by World Bank (Prior / Post)	Expected Proposals Submission Date	Comments <i>(Contract expected date of signature)</i>
1	Delivery of Skills Training Package	6,000,000.00	QCBS	Prior	4-Apr-17	17-Jul-17
2	Delivery of Social Reinsertion Support Activities	600,000.00	QCBS	Prior	4-Mar-19	16-Jun-19
3	Contract for the PIM including the manual of procedures	35,000.00	QCBS	Prior	1-Feb-17	16-May-17
4	Annual independent evaluation Contract	70,000.00	QCBS	Prior	4-Mar-19	16-Jun-19
5	Contract of Procurement Specialist	120,000.00	IC	Prior	NA	26-Apr-17
6	Contract of a Financial Management Officer	120,000.00	IC	Prior	NA	26-Apr-17
7	Contract of an Internal Auditor	120,000.00	IC	Prior	NA	26-Apr-17
8	Contract of Procurement Assistant	81,000.00	IC	Prior	NA	9-May-17
9	Contract of an Accountant	81,000.00	IC	Prior	NA	9-May-17
10	Baseline study Contract	35,000.00	QCBS	Post	14-Apr-19	16-Jun-19
11	Annual beneficiary survey Contract	70,000.00	QCBS	Post	25-Mar-19	16-Jun-19
12	Delivery of Psycho-social Support	75,800.00	CQ	Post	15-May-19	17-Jul-19

1	2	3	4	5	6	7
Ref.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Review by World Bank (Prior / Post)	Expected Proposals Submission Date	Comments <i>(Contract expected date of signature)</i>
13	Delivery of Reinsertion Outreach Services	137,500.00	CQ	Post	12-Nov-18	14-Jan-19
14	Delivery of Start-up Support to EAs and Coops	300,000.00	QCBS	Post	15-May-18	17-Jul-18
15	Delivery of Follow-up Support to EAs and Coops	100,000.00	CQ	Post	14-Apr-19	16-Jun-19
16	Delivery of Reinsertion Referral Support	140,000.00	CQ	Post	14-Apr-19	16-Jun-19
	Total	8,050,300.00	/	/	/	/

V. Environmental and Social (including safeguards)

76. In terms of environmental relevance, the project will finance - per a small grants scheme - the development of economic activities and livelihoods by ex-combatants. While not financed by the project, small-scale construction activities for cantonment camps (financed by MINUSMA and planned to be executed by UNOPS) are functionally associated with the project. Both activities have the potential to cause limited, minor negative environmental impacts that will require some form of environmental management instrument. The foreseen instruments to manage impacts are (i) a negative list for activities, equipment and goods not to be financed for livelihood development; and (ii) for the UNOPS-executed activities, an environmental and social screening assessment, gender assessment, and an environmental and social management plan for the cantonment construction. For the livelihoods-supporting grant scheme, environmental modules will be organized for the training of ex-combatants, focusing on the avoidance of activities that could pose a hazard to public health and safety (e.g. pest management, handling of toxic / noxious chemicals, fuels or lubricants), and the promotion of sustainable approaches (e.g. resource economy, avoidance of pollution) to livelihoods in agricultural, manufacturing and service sectors.

77. The project is being categorized as category C due to the minimal/negligible nature of its foreseen social and environmental impacts as it is not financing any civil works that might require land acquisition or lead to resettlement, loss of assets or livelihood resources, or restrictions of access to resources. Therefore, the Involuntary Resettlement Policy (OP 4.12) is not triggered. Likewise, since there are no indigenous peoples in Mali, as defined by the World Bank operational safeguards policy on Indigenous Peoples (OP/BP 4.10), the policy is also not triggered by the project. Furthermore, although outside of the scope of the project, the limited, small-scale construction of cantonment camps will be financed and led by MINUSMA and executed by UNOPS. The civil works are associated with the overall project and will take place on government-owned land at a short distance from main roads and in areas where there are no visible signs of human settlements or structures or livelihood activities. The locations of cantonment camps were selected by a UN team including technical, environmental, social and cultural experts. Communities were also involved in the selection process and all eight camp locations have been approved by the surrounding communities. Therefore, the anticipated negative social impacts are negligible. In accordance with the FPA³² between World Bank and UNOPs, the projects will rely upon UNOPs policies, procedures and practices. Therefore, prior to commencing any future construction, UNOPS will implement its safeguards-related assessment and screening instruments. These will include an environmental and social screening process, a gender assessment, and an environmental and social management plan, as well as screening mechanism for negative impacts on vulnerable groups, such as disable and handicapped, including their access to resources and land ownership issues. MINUSMA and UNOPS will ensure to have a well-knowledgeable Social Scientist whose role will be to (i) ensure project is in compliance with UNOPS applicable safeguards policies; and (ii) project is socially sound and inclusive (gender, youth and disable persons, etc.) have equal access to the benefits and are therefore not being victimized or segregated. The Social Scientist of UNOP will work closely with the Social Development Specialist of the World Bank to monitor the soundness of the overall project activities.

³² - By signing the FPA, the World Bank has made a representation for providing an assurance to the other signatories that its internal policies, procedures and practices are consistent with the agreed fiduciary principles that form the basis of the FPA.

VI. Project Monitoring and Evaluation

78. Monitoring and Evaluation (M&E) will be conducted by a dedicated team based on the achievements and lessons learned through other project implementation in Mali as well as similar reinsertion project in the region. The M&E team will have the following objectives: (i) Improve project management; (ii) Ensure transparency in data sharing of the project with various stakeholders; (iii) Ensure efficiency of the activities; (iv) Provide accurate and timely information to adjust or modify the activities in relation to the evolution of the context during implementation; and (v) Provide accurate and timely information to help management take the right decisions.

79. The M&E team will produce the monthly, quarterly and annual program activity reports. These reports will be available in electronic form to facilitate access by the various government partners and donors. In addition, ad hoc assessments will be conducted as well as studies based on identified needs. This will include formal assessments including on the demobilization process and regular tracer beneficiary surveys combining qualitative and quantitative data. Specific studies on the inclusion of gender in the reinsertion of adults and children will also be conducted.

80. A mid-term review will be conducted one year after the start of the project in collaboration with donors and government. This review will validate the proposed reinsertion process or modify it if necessary. A final implementation report will be prepared within six months after the end of the project and include the contribution of the Government and donors.

81. Furthermore, M&E will include a MIS combining several robust databases to: (i) monitor each demobilized ex-combatant from demobilization through reinsertion, (ii) follow the implementing partners providing reinsertion support, and (iii) monitor the financial management. The various regional offices and the cantonment camps will be connected to the MIS via a wireless connection and data will be transmitted on a regular basis. The data will be centralized in Bamako and synchronized at each office to minimize any possible duplication.

Annex 4: Implementation Support Plan
MALI: Reinsertion of Ex-combatants Project (P157233)

Strategy and Approach for Implementation Support

1. The implementation support plan for the project has been developed based on specific project activities, current capacity of the implementing agencies and partners, political context of Mali, lessons learned from past DDR operations in the region, and the project's risk profile in accordance with the Systematic Operations Risk- Rating Tool (SORT). This Implementation Support Plan reflects the assessment conducted by the World Bank during project appraisal which built on lessons learned from several years of the World Bank's DDR engagement in Africa.

2. Implementation Support Missions (ISMs), including field visits would concentrate in the following areas:

- a. Technical Assistance.** Implementation support missions will concentrate on the overall implementation of project activities at all levels. Randomized field visits will verify compliance with the approved PIM. Additional technical assistance might be required on reinsertion and support to vulnerable groups and ex-combatant households. Support will be provided by the World Bank, in collaboration with other experts, to ensure that activities are implemented in accordance with the project development objectives and government strategies. The World Bank team will also facilitate knowledge exchange as well as mobilize appropriate global expertise.
- b. Monitoring & Evaluation/MIS.** An M&E/MIS specialist will (i) provide regular technical assistance and oversight of data collection; (ii) ensure effective flow of data between the multiple government counterparts involved in service delivery, as well as between the provincial and national level; and (iii) ensure effective use of data by the counterpart to inform ongoing progress of activities and take appropriate action as needed. Additional support will be provided for the development of studies and evaluations to improve the understanding and feasibility of planned interventions on reinsertion. In addition, the M&E specialist is responsible to organize regular meetings with the project team where M&E findings are discussed and utilized for the improvement of project implementation.
- c. Client Relations.** The TTL will: (i) coordinate World Bank implementation support to ensure consistent project implementation as specified in the legal documents (i.e., Financing Agreement, PIM); and (ii) meet regularly with the client's senior representatives at central and decentralized levels (where appropriate) to gauge project progress in achieving the PDO and address implementation bottlenecks, as they arise. In addition, the TTL will ensure regular exchanges of information with bilateral, multilateral donors, and UN agencies.
- d. Financial management.** Supervisions will be conducted over the project's lifetime. The project will be supervised on a risk-based approach and will include reviews of audits, financial reports, and advice to task team on all FM issues. Based on the current risk assessment which is rated as substantial, the project will be supervised at least twice a

year and may be adjusted when the need arises. The Implementation Status Result (ISR) will include a FM rating of the project. An ISM will be carried out before effectiveness to ensure project readiness. To the extent possible, mixed on-site supervision missions will be undertaken with procurement monitoring and evaluation, and disbursement colleagues.

- e. **Procurement.** With regards to procurement activities, implementation support will include prior procurement reviews. The World Bank’s procurement specialist will perform at least two missions per year to provide support to the implementation of procurement activities and as need arises. This support will include setting up and operationalizing the procurement unit and the implementation of procurement activities listed in the procurement plan. One post review of procurement activities will be also carried out every year and an annual compliance verification monitoring will be carried out by an independent consultant.
- f. **Safeguards.** The World Bank team’s social and environmental safeguards specialists will provide technical support and oversight throughout project implementation. The World Bank task team will assist the Government teams in reviewing the ToRs for safeguards instruments as well as the finalized products, and ensure their scope and quality is satisfactory to the World Bank. The task team will also follow up on the safeguards instrument implementation and application through regular ISMs during which document reviews, site visits, and spot-checks will be conducted. The team will use concrete tasks and challenges in the project as platforms for capacity building which—depending on demand—will be expanded by targeted training and hands on exercises.
- g. **Communications:** The World Bank team will provide support for the design, development, and implementation of the communication strategy for the project targeting project beneficiaries, the general public, and internal and external clients.
- h. **Mid-Term Review:** A Mid-Term Review (MTR) will be carried out after 1 year of project implementation. In preparation for the MTR, an independent review of implementation progress will be carried out, including audits. Results will provide input to any potential project revisions or restructuring at the time. The MTR will cover *inter alia* review of the Results Framework, SORT, country ownership, stakeholder participation, financial management, procurement processing, and sustainability aspects.

Implementation Support Plan

3. Implementation support will be provided by direct support from the World Bank team and additional consultants to provide technical assistance as needed. During the first year of the project, regular technical assistance missions will most likely take place to essential areas to support the client in initiating activities given the complexity and nature of the project. The World Bank team will carry out ISMs in distant areas as well as in Bamako and provide additional support in between these missions. The volume of support is expected to be particularly high in the first two years of project implementation. An implementation support plan is provided below including required skills mix.

4. *Financing of implementation support.* The World Bank team will require a World Bank Budget to support this project commensurate with the risk profile and complexity of the activities.³³ Project funds will be used by the implementing agencies to hire individuals and firms as required.

Implementation Support Plan

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First 12 months	Project start-up, baseline survey, pre-assessments/needs assessment, conducting training for fiduciary staff, setting-up support for ex-combatants	As per skills mix required table below		
12-28 months	Supporting (i) implementation of project activities; (ii) research and knowledge sharing	As per skills mix required table below		

Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
TTL	10	As much as needed	HQ-based
Social Development Specialist	10	As much as needed	HQ-based
FM Specialist	6	2	CO-based
Procurement Specialist	10	2	CO-based
Safeguards Specialist	1	-	HQ-based

Partners

Name	Institution/Country	Role
MINUSMA	United Nations	Cantonment Phase activities
UNOPS	United Nations agency	Construction of cantonment camps (not part of Mali Reinsertion Project)

³³ In addition, some World Bank-executed resources will be made available from the MDTF that will be established to support the implementation.

Annex 5: Climate and Disaster Risk Screening Results Report MALI: Reinsertion of Ex-combatants Project (P157233)

Overview

1. Mali is a landlocked country in West Africa that is one of the poorest in the world, with over 60 percent of the population living in poverty. Mali is a highly diverse country, both in terms of culture and the diversity of its environments. The country can be divided along a north-south axis, with the northern areas extending into the Sahara and Sahel, and the southern region, where most of the country's economic activity is concentrated. Agriculture is the mainstay of the Malian economy, accounting for 50 percent of the country's GDP and employing a substantial portion of the country's workforce. Cereals dominate the Malian diet, and the main subsistence crops grown are rain fed millet and sorghum millet, with commercial agriculture devoted to cotton and rice, the latter of which is irrigated. In spite of this heavy reliance on agriculture, only 14 percent of the country's land area is considered suitable for agriculture, making sustainable land management a major concern. Furthermore, most of the major investments and advancements in Malian agriculture to date, including extension services, market development and increased use of inputs, have been focused on cotton and rice production, with relatively little emphasis placed on increasing production of crops critical to the country's food security like sorghum and millet, whose yields have remained constant over nearly half a century.

Climate Vulnerability

2. *Exposure.* Mali is exposed to a number of climate hazards. These hazards will pose a moderate to high risk to the project. The country is currently at risk to erratic rainfall, drought, floods and crop pests. These hazards are a natural occurrence in Mali, which nevertheless pose serious constraints on development and food security and their intensity and frequency are likely to increase under a changing climate. In the future, these risks will be exacerbated as temperature increases and precipitation becomes increasingly unpredictable.

3. *Extreme Temperature:* The mean annual temperature is expected to increase 1.2 to 3.6 degree C by 2060 and increase 1.8 to 5.9 degree C by 2090.

4. *Extreme Precipitation and Flooding.* As yet it is not possible to get a clear picture for precipitation change for Mali under a future climate. This is due to large model uncertainties, with multi model analyses of the Sahel suggesting a drying trend, and some individual models suggesting a more humid future. What is clear, however, is that the future will increase climate variability and extreme events. Expanding agriculture, coupled with poor land management practices, particularly on the Niger River flood plain, has significantly increased erosion and sedimentation, and the propensity of some areas to experience severe flooding and subsequent crop loss.

5. *Drought:* The 2004 drought across the north, brought about by rainfall deficits seriously affected transhumant populations, forcing pastoralists to remain near permanent water sources and leading to considerable overgrazing. Droughts have become more frequent, especially in the northern areas, which have seen increased migration. Unpredictable precipitation trends make it difficult to predict future drought trends. More frequent El Niño events could also increase the frequency and intensity of droughts across Mali.

6. *Sensitivity*. Vulnerability is a key factor that could be influenced by expected changes in climates. The poor have limited access to resources and few income-generating opportunities, and their living conditions are often affected by laws, policies, and economic forces over which they have little or no control. Extreme temperature, flooding and increased dryness all increase the chance of certain diseases. Water-related diseases such as cholera and diarrhea represent a large majority of the diseases in the country. The predicted increases in maximum and minimum temperatures for Mali, coupled with reduced or erratic rainfall are likely to make natural hazards more frequent and severe. Without improved planning and management, the incidence and impacts of these disasters could increase.

7. *Adaptive Capacity and Resilience Measures*. The project aims to raise awareness of the demobilized and other community beneficiaries of possible impact on their livelihoods by disaster, the project will incorporate a module within the training activities on climate change and extreme events. Adaptive and resilience measures must be adapted to address the identified vulnerabilities:

a. Public Infrastructure Development

- Water and irrigation infrastructure investment
- Social and rural infrastructure development
- Early warning systems to enable timely remedial measures

b. Sustainable Land Management

- Integrated soil fertility management
- Rehabilitation of degraded lands
- Soil and water conservation

8. To further ensure sustainability of the project, the underlying causes of land degradation in Mali must be considered. These include socio-economic and policy related issues inter alia land tenure, access to inputs, population pressure, poverty, agricultural and natural resource policies.

Hazard	Time Frame	Description of hazards for your location
Extreme Temperature	Current	It is observed that there are more high temperatures in the dry season, and the number of "hot nights" are increasing.
	Future	The mean annual temperature is expected to increase by 1.2°C to 3.6°C by 2060.
Extreme Precipitation and Flooding	Current	In Northern Mali, the rainy season lasts about 2 months in the summer.
	Future	Multi model analyses of the Sahel suggesting a drying trend in the region. The unpredictability of the rainy season across Mali has been a subject of much debate and reporting, nevertheless statistical analyses will need to be conducted in order to substantiate these claims.
Drought	Current	Droughts have become more frequent, especially in the northern areas, which have seen increased migration. While erratic rainfall is to be expected, more frequently and longer droughts that have plagued Mali in recent decades, exacerbating natural adaptive capacities.
	Future	More frequent El Niño events could also increase the frequency and intensity of droughts across Mali.
Strong Winds	Current	There is no particular record on the wind conditions in Northern Mali, nor the experience of project work being affected by strong winds in the region.
	Future	The maximum wind speed from tropical cyclones is expected to increase, but estimates are highly uncertain

Annex 6: Donor Roundtable Conclusions
MALI: Reinsertion of Ex-combatants Project (P157233)

Summary of Mali DDR Program Donor Meeting, Bamako, Mali, December 08, 2016

On December 8, 2016, the Government of Mali, with support from the World Bank and the MINUSMA, organized a donor meeting to bridge the financing needs of the Mali DDR Program. H.E. Prime Minister Modibo Keita chaired the opening ceremony of the meeting, which was attended by over 150 participants comprising of cabinet members and the donor community, including Algeria, France, Germany, Russia, Mauritania, the Netherlands, Saudi Arabia, South Africa, Sweden, Turkey, as well as the African Development Bank (AfDB), European Union (EU), Islamic Development Bank (IsDB), and the World Bank.

Participants commended the progress to the date led by the Government, particularly underscoring the quality of the Nation DDR Program Document jointly developed by the Government and the signatory movements, with technical assistance from the World Bank and MINUSMA.

While participants acknowledged delays in implementing the DDR program, they took note of key milestones achieved including the operationalization and staffing of DDR Commission and Integration Commission as underlined in the peace agreement and the construction of eight cantonment sites to receive eligible ex-combatants for disarmament and demobilization program.

The participants unanimously urged the Government and signatory groups to take necessary steps to start the cantonment and demobilization process of ex-combatants. Given that eight cantonment sites have been completed and are ready to receive eligible ex-combatants for disarmament and demobilization, the participants underlined the need to operationalize the reinsertion program to offer a sustainable path following cantonment process. It was noted that the cantonment process will take approximately 45 days for each group of ex-combatants and will need to be followed by social and economic reinsertion activities.

The signatory group representatives reiterated their readiness and support to the DDR process, particularly stressing their support to the World Bank Reinsertion of Ex-combatants Project, highlighting it as a critical stability piece for the Mali peace agreement process.

The development partners unanimously expressed strong support to DDR in Mali, no specific commitment was made. Some partners indicated that they will communicate their funding intentions as soon as they can project their budget for the new fiscal year. The following are the main conclusions of the donor meeting:

- The Government of Mali committed to contribute US\$ 10 million towards the DDR program.
- The total cost of reinsertion activities is estimated at US\$ 50 million. The World Bank noted that it plans to contribute with US\$ 15 million, subject to the approval by the World Bank Board of Executive Directors.
- The IsDB expressed its interest to contribute financially, and noted that it was considering a parallel financing along the World Bank-financed project. The IsDB plans to go to its board in the second quarter of 2017.
- Germany, Sweden and AfDB noted that they will look into their options to contribute to the project in the next fiscal year.

- France and Turkey noted their support to the reinsertion program through their existing community development projects in Northern Mali.
- The EU noted that it is providing budget support to the Government of Mali and that the Government could use to channel more resources if need be to finance activities. In this context, the EU also noted its willingness to request additional funds from the European Commission at a later stage.
- Russia suggested that the DDR financing needs be discussed at the UN Security Council to further raise the profile of the case and draw more support by UN Security Council members.
- The World Bank indicated its readiness to manage donor financing through a multi-donor trust fund to finance reinsertion activities in Mali.

**Compte rendu des travaux de la
TABLE RONDE DES DONATEURS
Pour le financement du volet
Réinsertion du Programme national
de Désarmement, Démobilisation et
Réinsertion (DDR)**

Bamako, le 08 décembre 2016

1. Le 8 décembre 2016, s'est tenue à Bamako, République du Mali, une Table Ronde des donateurs pour le financement du volet réinsertion du Programme National de Désarmement, Démobilisation et Réinsertion (DDR).
2. La cérémonie solennelle d'ouverture de cette Table Ronde a été présidée par le Premier Ministre, Chef du Gouvernement en présence des Membres du Gouvernement et des Représentants des Institutions de la République, le Corps diplomatique et les Représentants des organisations Internationales.

AU TITRE DES INTERVENTIONS PRONONCÉES LORS DE LA CEREMONIE D'OUVERTURE

3. La cérémonie d'ouverture a été marquée par les interventions des personnalités ci-après :
 - le Représentant de la Banque mondiale ;
 - le Représentant des Partenaires Techniques et Financiers ;
 - le Représentant Spécial du Secrétaire Général, Chef de la MINUSMA ;
 - le Ministre de la Défense et des Anciens Combattants.

A l'issue de ces différentes interventions, le Premier ministre, Chef du Gouvernement, a procédé à l'ouverture solennelle de la Table Ronde.

Les textes de ces interventions sont annexés au présent compte rendu.

Les Partenaires Techniques et Financiers (PTFs), au niveau ambassadeur/représentant ayant répondu présents à l'invitation incluait (par ordre alphabétique) :

- Ambassades : l'Afrique du Sud, l'Algérie, l'Allemagne, l'Arabie Saoudite, la France, la Mauritanie, les Pays-Bas, la Russie, la Suède, la Turquie et l'Union Européenne ;
- Institutions financières : la Banque Africaine de Développement et la Banque Islamique de Développement ;
- Agences des Nations Unies : le Programme des Nations Unies pour le Développement (PNUD).

AU TITRE DES POINTS ABORDÉS LORS DE LA TABLE RONDE

4. Les travaux de la Table Ronde étaient présidés, au nom du Ministre de la Défense et des Anciens Combattants, par le Président de la Commission Nationale DDR.

Les travaux de la Table Ronde se sont déroulés de la manière suivante :

- (i) Présentation du Programme National DDR ;

- (ii) Commentaires des autorités, des partenaires techniques et financiers, et des mouvements signataires de l'Accord pour la paix et la réconciliation au Mali ;
- (iii) Discussions.

De façon plus spécifique, les discussions ont porté sur les points suivants :

- Le séquençage du processus de Désarmement, Démobilisation et Réinsertion (DDR) et son déclenchement sans délai ;
 - La volonté des parties signataires à adhérer au processus DDR ;
 - L'inscription du DDR dans la stratégie nationale de développement ;
 - La question des effectifs et de l'éligibilité des bénéficiaires de la réinsertion socio-économique ;
 - L'intégration des ex-combattants dans les forces de défense et de sécurité.
5. Le Président de la Commission Nationale DDR a rappelé les mesures déjà prises par le Gouvernement de la République du Mali pour le démarrage effectif du programme Nationale DDR. Ces mesures sont les suivantes :
 - La mise en place de la Commission Nationale DDR et de la Commission d'Intégration, à travers l'adoption des décrets respectifs.
 - La nomination des présidents et des membres respectifs de chaque commission ;
 - L'opérationnalisation de la Commission de DDR et de la Commission d'Intégration.
 6. Les partenaires techniques et financiers ont tous affirmé leur intérêt et leur soutien au Programme National DDR qui a été présenté.
 7. Les mouvements signataires de l'Accord ont réaffirmé leur volonté d'adhérer au programme DDR, à l'élaboration duquel ils ont contribué. Le caractère inclusif qui a prévalu lors de l'élaboration de ce programme a été salué par l'ensemble des participants.
 8. Les mouvements signataires ont également souligné l'urgence du démarrage du programme DDR. Ils ont estimé que tout retard dans le démarrage de ce processus serait susceptible de favoriser le recrutement des combattants par d'autres réseaux illicites.
 9. Il a été souligné que la phase de désarmement et démobilisation, devrait être suivie immédiatement par la réinsertion socio-économique. Dès lors, la nécessité de préparer dès à présent la phase de réinsertion socioéconomique s'impose.
 10. L'ensemble des participants ont salué les avancées notoires, ainsi que les discussions abordées lors de la treizième Session du Comité de Suivi de l'Accord.

11. Enfin, la sensibilisation et l'information des combattants sur les dividendes de la réinsertion socio-économique ont été fortement recommandées.

AU TITRE DU FINANCEMENT DU PROGRAMME NATIONAL DDR ET DE LA MISE EN PLACE DU FONDS D'AFFECTATION SPECIALE MULTI-DONATEURS

12. La Banque mondiale a convenu d'établir et d'administrer un fonds d'affectation spéciale multi-donateurs (*Multi-Donor Trust Fund*) afin de réunir les contributions des donateurs.

13. La mise en œuvre du volet Réinsertion du Programme National de DDR est estimée à 50 millions de dollar US, sur lesquels :

- a. Le Gouvernement de la République du Mali a décidé d'allouer 10 millions de dollars US et ;
- b. La Banque mondiale a annoncé 15 millions dollars US.

14. Après ces deux annonces, le besoin de financement à mobiliser s'élève à 25 millions de dollar US.

AU TITRE DES ANNONCES DES PARTENAIRES TECHNIQUES ET FINANCIERS

15. Tout en admettant ne pouvoir communiquer d'annonces chiffrées au moment de la Table Ronde, certains PTFs se sont prononcés sur l'opportunité d'apporter leur contribution directe ou indirecte au Projet de Réinsertion des Ex-Combattants au Mali :

- La Banque Islamique de Développement (BID) a manifesté son intérêt à contribuer au financement du Projet aux côtés de la Banque mondiale. La BID prévoit de présenter cette opportunité pour approbation auprès de son Conseil d'Administration au deuxième trimestre 2017 ;
- La Banque Africaine de Développement, la Suède et l'Allemagne ont promis d'examiner comment ils pourraient contribuer au Projet à l'année fiscale prochaine. Leurs directions respectives ont été sollicitées peu de jours avant la Table Ronde à cet effet ;

- Les autres partenaires tels que la France et la Turquie ont exprimé leur soutien au Projet de Réinsertion à travers leurs projets existants de développement communautaire dans le Nord du Mali ;
- L'Union Européenne (UE) a annoncé qu'elle fournit actuellement un appui budgétaire global au Mali que le Gouvernement peut utiliser pour consacrer davantage de ressources, si nécessaire, au Projet de Réinsertion. L'Ambassadeur de l'UE au Mali a ajouté qu'il était disposé à demander des fonds additionnels spécifiques pour le Projet de Réinsertion à un stade ultérieur ;
- La Russie a suggéré que les besoins de financement du DDR au Mali soient abordés au Conseil de Sécurité des Nations Unies pour mieux faire connaître la situation afin de recueillir plus d'appui de la part des membres du Conseil de Sécurité.

AU TITRE DES CONCLUSIONS

16. Les partenaires techniques et financiers ont tous affirmé leur intérêt et leur soutien au Programme National DDR qui a été présenté ;
17. L'ensemble des participants à la Table Ronde s'accordent sur la nécessité de déclencher sans délai le processus DDR afin de soutenir la nouvelle dynamique en cours. Il a été souligné que le financement ne devrait pas être considéré comme un facteur de blocage au processus de DDR ;
18. Une recherche continue de synergies est souhaitée entre les activités de réinsertion socio-économique à mettre en œuvre, et les programmes communautaires en cours dans les zones cibles, à savoir les régions du nord et la région de Mopti ;
19. Le Gouvernement de la République du Mali et la Banque mondiale demeurent confiants quant aux offres de contributions permettant de compléter les besoins de financement du Projet de réinsertion des ex-combattants.
20. Les textes des différentes interventions de la cérémonie solennelle d'ouverture et la liste des participants à la Table Ronde sont annexés au présent compte-rendu.

Fait à Bamako, le 08 décembre 2016.