

BOARD APPROVAL
Lapse-of-time Procedure
3 December 2018

FOR INFORMATION

MEMORANDUM

TO : THE BOARDS OF DIRECTORS

FROM : Vincent O. NMEHIELLE
Secretary General

SUBJECT : MALI: PROJECT FOR THE ECONOMIC EMPOWERMENT OF WOMEN IN THE SHEA BUTTER SUBSECTOR (PAEFFK)*

NTF LOAN OF UA 2.8 MILLION
ADF LOAN OF UA 2.2 MILLION

The above-mentioned **Appraisal Report** together with the **Draft Resolutions** were submitted for your **consideration on a Lapse-of-time basis**, on 19 November 2018.

Since **no objection** was recorded by 5.00 pm on 3 December 2018, the said Proposal is considered as **approved** and the Resolutions **adopted**.

Attch.

Cc: The President

* Questions on this document should be referred to:

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AFRICAN DEVELOPMENT BANK GROUP



PROJECT FOR THE ECONOMIC EMPOWERMENT OF WOMEN IN THE SHEA BUTTER SUBSECTOR (PAEFFK)

COUNTRY : REPUBLIC OF MALI

PROJECT APPRAISAL REPORT

Date: November 2018

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AFRICAN DEVELOPMENT BANK GROUP



MALI

PROJECT FOR THE ECONOMIC EMPOWERMENT OF WOMEN IN THE SHEA BUTTER SUBSECTOR (PAEFFK)

RDGW DEPARTMENT

November 2018

Translated document

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CURRENCY EQUIVALENTS
(October 2018)

Currency unit = CFA Franc
1 Unit of Account (UA) = CFAF 790.625

FISCAL YEAR
January – December

WEIGHTS AND MEASURES

1 metric tonne	=	2,204 pounds
1 kilogramme (kg)	=	2.200 pounds
1 metre (m)	=	3.28 feet
1 millimetre (mm)	=	0.03937 inch
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 ares

ACRONYMS AND ABBREVIATIONS

ACOD	«Association Conseil pour le Développement» (Advisory Association for Development - Local NGO)
ADF	African Development Fund
AfDB	African Development Bank Malian Agency for Standardisation and Quality
AMANORM	Promotion
APEX	Malian Export Promotion Agency
API	Malian Investment Promotion Agency
BSS	Business Support Services
CCIM	Malian Chamber of Commerce and Industry
CECI	Canadian Centre for International Studies and Cooperation, International NGO
	Environmental and Social Management Plan
ESMP	
FAPA	Fund for African Private Sector Assistance
ICCO	ICCO Cooperation, International NGO
ICRISAT	International Crops Research Institute for Semi-Arid Tropics
IER	Institute of Rural Economics
IGA	Income-Generating Activity
INSTAT	National Institute of Statistics
LOA	Agricultural Orientation Law
LTA	Food Technology Laboratory
MEADD	Ministry of Environment, Sanitation and Sustainable Development
MPFEF	Ministry for the Promotion of Women, Children and the Family
NTF	Nigeria Trust Fund
OHADA	Organisation for the Harmonisation of Business Law in Africa
PDSEC	Economic, Social and Cultural Development Programmes
PNG	National Gender Policy
PRODESS	Socio-health Development Programme
PTBA	Annual Work and Budgeting Programme
RGPH	General Population and Housing Census
SIDO	Malian National Network of Shea Butter Producers
SME	Small and Medium-sized Enterprise
SNV	Netherlands Cooperation, International NGO
SYCREF	Credit and Savings System for Women
UA	Unit of Account
UMOCI	Integrated Framework Implementation Unit
UNIDO	United Nations Industrial Development Organisation
UNWOMEN	United Nations Entity for Gender Equality and the Empowerment of Women
WAEMU	West African Economic and Monetary Union

PROJECT BRIEF

Client Brief

BORROWER: Republic of Mali

EXECUTING AGENCY: Ministry for the Promotion of Women, Children and the Family (MPFEF).

Financing Plan

Source	Amount (UA)	Instrument
NTF	2.80 million	NTF loan
ADF	2.20 million	ADF loan
Government	0.62 million	Counterpart contribution
TOTAL COST	UA 5.62 million	

Key AfDB (ADF) Financial Information

ADF loan currency	Unit of Account
Government currency	CFA Franc
Interest type	N-A
Interest rate margin	N-A
Commitment charge	0.5%
Service charge	0.75%
Maturity	40 years
Grace period	10 years
ERR	29.40%
NPV (baseline scenario)	CFAF 11.6 billion

Key AfDB (NTF) Financial Information

NTF loan currency	USD
Government currency	CFA Franc
Interest type	N-A
Interest rate margin	N-A
Commitment charge	0.5%
Service charge	0.75%
Maturity	20 years
Grace period	7 years
IRR	26.25%
NPV (baseline scenario)	CFAF 10.3 billion

Duration – Key Milestones (projected)

Concept note approval	May 2018
Project approval	November 2018
Effectiveness	January 2019
Last disbursement	July 2023
Completion	December 2023

PROJECT SUMMARY

1.1. General Project Overview: The Shea Butter Subsector offers the greatest potential for increasing incomes, reducing gender and development inequalities and ensuring inclusive growth in southern, central and western Mali. The Government of Mali has therefore requested financial support from the Bank to implement the Project for the Empowerment of Women in the Shea Butter Subsector (PAEFFK), especially in the Segou, Sikasso, Kayes and Koulikoro regions, where some 50,000 women belong to 400 cooperative associations working in the subsector, most of which are informal. The Project aims to increase women's income and sustainably ensure their economic empowerment. At a cost of about UA 5.6 million, and spanning a period of five years, PAEFFK will support the establishment and formalisation of 400 cooperatives as well as the improvement of the competitiveness of their products, both in terms of quantity and quality. The project's benefits are manifold, namely: (i) an increase in the average annual income of each cooperative association from CFAF 300,000 to CFAF 3,000,000; (ii) the creation of 2,000 decent permanent jobs and 40,000 temporary jobs and (iii) the improvement of the living conditions of 50,000 women (direct beneficiaries) and more than 800,000 indirect beneficiaries.

1.2. Needs Assessment: A national study, conducted by the division responsible for promoting the subsector and supporting the rural sector, noted that about 3 million women are involved in shea gathering, collection and artisanal processing activities. However, the mainly artisanal work is done using rudimentary knowledge, without adapted modern equipment. These are the constraints that PAEFFK intends to remove to enable women's cooperatives to improve their potential in terms of economic opportunities, so as to increase their incomes and improve their living condition in a sustainable way.

1.3. Value Added for the Bank: With 46 years of experience in Mali, the Bank is a partner of choice for PAEFFK's financing. Indeed, the Bank has financed many projects in the social development sector. These, among others, are the Women's Poverty Alleviation Project (1996-2007) to the tune of UA 3.07 million; the Poverty Reduction Project (PRP, 1999-2005) in the amount of UA 13.74 million; and the Community Development Support Project (PADEC, 2006-2014) amounting to UA 15 million. The lessons learnt from these operations have positively impacted the formulation of the present project. PAEFFK will contribute to implementing three of the Bank's High Fives, namely: i) Feed Africa, ii) Integrate Africa and iii) Improve the Quality of Life of the People of Africa.

1.4. Knowledge Building: The project will help improve the Bank's knowledge and know-how in the development of agricultural value chains in order to promote agro-industry in Africa and the economic empowerment of women. A similar project is being implemented in the shea subsector in Burkina Faso. Producing and exporting countries (Nigeria, Mali, Burkina-Faso, Ghana) will be able to share their know-how in terms of industrial shea butter processing with the solely producing countries (Benin, Côte d'Ivoire, Cameroon, Chad, Niger, Central African Republic, Guinea, Togo, Sudan, Senegal and Uganda) that do very little processing. The lessons learnt and the best practices identified will be widely disseminated and taken into account in the formulation of similar operations geared mainly towards women's entrepreneurship.

Results-Based Logical Framework

Country and Project Name: Mali - Project for the Economic Empowerment of Women in the Shea Butter Subsector (PAEFFK)

Project Goal: Contribute to strengthening economic empowerment through shea butter and stimulate inclusive growth of rural women

	RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/ MITIGATION MEASURES
		Indicator (including ISCs)	Baseline Situation (2016)	Target (2023)		
IMPACT	Contribute to the empowerment of women in the shea butter subsector through training and modernisation of production, storage and marketing tools.	Women's unemployment rate in Mali (%)	13.6	10	CREDD (regional reports), National Institute of Statistics, Household economy survey report (EMOP)	
OUTCOMES	Increased income for women in the shea butter subsector (CFA).	Average annual additional income from the shea butter subsector (in CFA) by cooperative Number of permanent jobs created	2018 300,000 150	2023 3,000,000 2000	Projet impact evaluation (MPFEF) Monitoring/evaluation report	Risk 1: Security context in the intervention areas. Mitigation measure 1: Satisfactory implementation of the peace agreement and resolution of inter-communal conflicts.
Component 1 – Creation and Professionalisation of Rural Enterprises Specialised in Shea Butter Production and Processing						
OUTPUTS	1.1 Women's cooperatives and women-led shea butter SMEs will operate according to OHADA standards.	1.1 Number of women-led shea butter SMEs operating according to OHADA standards	2016 150	2020 400	API reports Activity and supervision mission reports	Risk 2: Non-ownership of management models and lack of leadership at cooperative level. Mitigation measure 2: Awareness-raising and capacity building for cooperative members.
	1.2 Women's cooperatives and women-led SMEs have modern and operational management tools	1.2 Number of women's cooperatives and women-led SMEs with modern and operational management tools	150	400		Risk 3: Conflicts between umbrella organisations. Mitigation measure 3: Take ownership again of the interprofession by subsector organisations.
	1.3 The shea butter subsector is structured through consultation between its actors and positioning within an interprofessional structure.	1.3 Number of women's umbrella organisations established in the shea butter subsector	01	05		
	1.4 Women's cooperatives and women-led SMEs increase their market share	1.4.1: %age of annual sales of shea butter in Mali from cooperatives and women's SMEs 1.4.2: %age of annual sales of shea butter by-products in Mali from cooperatives and women's SMEs	0 0	50 50	Market survey reports Activity report	Risk 4: Inadequacy of financial products offered by financing institutions Mitigation measure 4: Information and awareness of the financial sector for a better knowledge of the subsector.
	1.5 Financial mechanisms are available to support women's cooperatives and women-led shea butter SMEs in the 4 regions of the project.	1.5.1: Number of financial mechanisms developed 1.5.2: % of women's cooperatives and women-led SMEs benefiting from financing through the defined mechanism. 1.5.3: Amount of financing mobilised in CFAF by women's cooperatives and SMEs through the financial mechanism.	2015 1 0 0	2021 2 25 AD	Activity report	

Component 2: Increased women's production in quality and quantity						
	2.1 Cooperatives have modern and quality production, storage and packaging installations.	2.1: Number of women's cooperatives benefiting from modern and quality production, storage and packaging installations	<u>2016</u> 150	<u>2020</u> 400	Activity report, project monitoring system and supervision missions.	Risk 5: Non-application of technological packages which guarantee that products meeting market requirements. Mitigation measure 5: Establishment of incentives for cooperatives to apply the quality approach through information, awareness and training
	2.2 Modern training centres operational in the shea butter subsector.	2.2: Number of shea centres set up and/or strengthened integrating women's training activities	10	36		
	2.3 Improved maintenance of shea orchards per hectare (ha)	2.3: Number of hectares (ha) of shea orchard maintained and planted by H+Fs (at the rate of 2ha/cooperative in 2022)	<u>2016</u> -	<u>2022</u> 800		
Component 3: Project management						
PROJECT MANAGEMENT	3. The project is run in an effective and efficient manner	3.1 Project management team operational (%)	-	<u>2019</u> 100	Technical and financial reports: PP, disbursements, annual audit and quarterly activity reports, mid-term review and impact studies	Risk 6: Low capacity of the management team and the technical supervision team. Mitigation measure 6: Technical assistance provided by the project
		3.2 Study results available (%)	-	100		
		3.3 Management tools operational, including the ME system (%)	-	100		
		3.4 Number of technical and financial reports available on time	-	<u>(2020)</u> <u>2023</u>		
		3.5 Impact study carried out (%)		40		
				100		
PROJECT ACTIVITIES					RESOURCES	
<p>Component 1: Professionalisation of rural enterprises specialised in shea-butter processing. 1. Formalise processing and marketing units. 2. Build capacity in group dynamics, business management, production planning and cooperative management. 3. Improve the market share of cooperatives.</p> <p>Component 2: Increased women's production in term of quality and quantity. 1. Acquire modern and quality production and storage units. 2. Create new jobs in cooperatives. 3. Strengthen the capacities of cooperatives in the quality approach 4. Improve the quantity of shea butter products, adopt new packaging technologies. 5. Increase the production of shea fruits.</p> <p>Component 3: Project management. 1. Establish the project team and management tools (procedures manual, financial and accounting management software, monitoring-evaluation system, etc.). 2. Carry out studies. 3. Monitor activities (communication and capacity building), and 4. Assess results.</p>					<p>Costs by component in UA: Component 1: 2.04 million Component 2: 2.65 million Component 3: 0.93 million</p> <p>Source of financing (in UA) : NTF: 2.80 million ADF: 2.20 million State: 0.62 million Total: 5.62 million</p>	

Project Implementation Schedule

	Year Quarter	2018			2019				2020				2021				2022				2023			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	INITIAL ACTIVITIES																							
	Country team meeting																							
	Loan negotiation																							
	Project approval																							
	Loan signing and first disbursement																							
2	IMPLEMENTATION ACTIVITIES																							
	Recruitment of project team																							
	Common PAEFFK/AfDB launching mission																							
	Action to procure the services of service providers																							
3	Component 1: Creation and professionalisation of rural enterprises specialised in shea butter processing																							
	1. Training of 400 cooperatives/formal regularisation																							
	2. Capacity building for 50,000 women in business and cooperative financial management																							
	3. The 400 cooperatives increase their market share																							
4	Component 2: Increased production levels and improved final product quality																							
	1. The 400 cooperatives have quality production and storage units.																							
	2. Contribution to job creation (42,000) in cooperatives.																							
	3. Capacity building for cooperatives in the quality approach.																							
	4. Improvement of the quantity of shea butter products.																							
	5. Cooperatives (400) improve packaging.																							
	6. Increase (T) in production.																							
	7. Improved maintenance of shea trees by (100 ha).																							
5	Component 3: Project management																							
	1. Management, M&E, communication activities. MP; M&E management software																							
	2. Annual audit of accounts																							
	3. AfDB supervision missions																							
	4. Studies; impact assessment and mid-term review																							
	5. Bank and Government completion report.																							

REPORT AND RECOMMENDATION OF BANK GROUP MANAGEMENT TO THE BOARD OF DIRECTORS ON THE GRANTING OF A NTF LOAN AND AN ADF LOAN TO THE REPUBLIC OF MALI TO FINANCE THE PROJECT FOR THE ECONOMIC EMPOWERMENT OF WOMEN IN THE SHEA BUTTER SUBSECTOR (PAEFFK).

Management submits this report to the Board of Directors on the proposed *loan of UA 2.8 million from the Nigeria Trust Fund (NTF) and a loan of UA 2.2 million from the African Development Fund (ADF)* to the Republic of Mali, to finance the Project for the Economic Empowerment of Women in the Shea butter Subsector (PAEFFK).

I. STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages with the Country Strategy and Objectives

1.1.1 The economic empowerment of women is aligned on the Strategic Framework for Economic Revival and Sustainable Development (CREDD–2016-2018), which aims to lay the foundations for, and accelerate the future emergence of Mali. Indeed, CREDD intends to promote: (i) the development of sectors with high potential for growth, including shea butter; and (ii) the strengthening of economic infrastructure. The project is also in line with Mali’s National Gender Policy (PNG-Mali) adopted in 2011 and its action plan, which specifically targets rural women. It contributes to achieving the objectives of Mali’s PNG, especially in its third strategic thrust, which advocates the integration of women into productive networks as well as equal access to employment opportunities and factors of production.

1.1.2 The project is consistent with the pillars of Mali’s Country Strategy Paper (CSP 2015-2019), particularly Pillar 2 on the transformation of agriculture and the development of agricultural value chains. The project is also in line the Bank’s High 5 priorities (notably Feed Africa, Industrialise Africa, and Improve the Quality of Life of the People of Africa) and with Pillar 2 of the Bank’s 2014-2018 Gender Strategy on Women’s Economic Empowerment. The programme is also closely linked to the Affirmative Finance Action for Women in Africa (AFAWA) initiative, which aims essentially to close the financing gap for women and unlock their entrepreneurial capacities.

1.2 Rationale for Bank Involvement

1.2.1 The Bank’s intervention responds to the Government’s will to professionalise the informal cooperatives and to overcome the lack of modern infrastructure for processing in the shea-butter growth subsector. The project aims to strengthen the economic empowerment of women by developing and strengthening women’s entrepreneurship. It will help reduce the arduousness of the tasks, through the acquisition of modern equipment and the use of new materials in shea-butter processing.

1.2.2 The project will provide specialised assistance to cooperatives to enable them to become exporters, especially to the United States of America. The cooperatives supported under the project will be sustained and bolstered by USAID’s West Africa Trade and Investment Hub, through the US African Growth and Opportunities Act (AGOA), which allows eligible businesses to export duty-free over 7,000 products to the United States.

1.2.3 To this end, Mali adopted an AGOA national strategy in June 2016, which prioritises four strategic thrusts, including shea butter. The strategy strongly encourages shea-butter processing in Mali to create added value.

1.2.4 Support for the economic empowerment of women will consist in assisting them to have better access to financing for their cooperatives. Throughout the shea-butter subsector, women are organised into cooperatives, but they do not have the necessary resources to enhance their operations and productivity. The project will support the creation and strengthening of existing processing units and centres; it will support organisational capacity building and enhance capacity in financial and administrative management. The project will also connect them with Mali’s Export Promotion Agency (APEX) and the Ministry in Charge of Industrial Development and Investments (MDI) to better build their capacity on export opportunities. Finally, the project will train them to ensure that they are better equipped to understand and benefit from financing mechanisms.

1.3 Aid Coordination

The Aid Harmonization Secretariat (SHA) and the National Aid Policy Management Office (PONAGA) are tasked with defining the cooperation framework together with the partners who are in agreement national priorities. They shall also mreview the aid-management practices with a view to gradually rationalizing and harmonizing the national structures and the management procedures. The main projects financed by donors are described in Annex 3 of this report. Coordination is ensured by the Gender Thematic Group (GTG), with UN Women as leader. The AfDB is an active member of the GTG. The institutional anchoring of the GTG is the Permanent Secretariat for Monitoring the National Gender Policy. The GTG works in close collaboration with the MPFEF on the new stakes and challenges at national and international level, namely: (i) review of the PNG Action Plan, which will culminate in the preparation of a ten-year plan; (ii) the tabling before Government of a document against GBV, which could become a bill for adoption by Parliament; (iii) strengthening of the institutional mechanism for PNG implementation; (iv) the ongoing preparation of the Ten-year Development Plan for the Empowerment of Women, Children and the Family; (v) presidential and legislative elections; (vi) the process of establishing peace and national reconciliation; (vii) the CREDD review; and (viii) holding of the 62nd session of the UN Commission on the Status of Women (CSW). The formulation of this project benefited from experience-sharing on a shea-butter project financed by Canadian bilateral cooperation.

Stakeholders – 2016-2017 Annual Public Expenditure	
Government	Donors
UA 51 million [22%]	Germany, AfDB , Belgium, Canada, Spain, USAID, UN WOMEN, Netherlands, Sweden, UNESCO, UNFPA, UNICEF,
	UA 183 million [78 %]
Level of Aid Coordination	
Existence of thematic working groups	Yes
Existence of an overall sectoral programme	Yes
AfDB role in aid coordination	Member

II. PROJECT DESCRIPTION

2.1 Project Components

2.1.1 The project will be structured around three components presented in Table 1.

Table 1: Project Components

Components	Cost Estimate (UA)	Component Description
Component 1: Creation/professionalisation of shea-butter production and processing cooperatives	2.04 million	<ol style="list-style-type: none">1. Support 400 women's cooperatives to formalise.2. Build the capacity of 50,000 women beneficiaries in cooperative and financial management.3. Support 400 cooperatives to market labelled products and their by-products.
Component 2: Increased output by women in terms of quality and quantity	2.65 million	<ol style="list-style-type: none">1. Acquire modern production, storage and marketing units for 400 cooperatives.2. Train 42,000 actors in the shea-butter subsector to create decent jobs (2,000 direct and 40,000 temporary jobs) in cooperatives.3. Build the capacity of 400 cooperatives in the quality approach.4. Improve the quantity of shea-butter products and product presentation (packaging and labelling).6. Increase the production of shea seeds.7. Improve the maintenance of shea orchards (100 ha).
Component 3: Project management	0.93 million	<ol style="list-style-type: none">1. Set up the management team2. Operationalise management tools3. Carry out studies4. Monitor activities (communication and training)5. Assess project results
Total cost	5.62 million	

2.2 Technical Solutions Retained and Alternatives Explored

The technical solutions retained are based on criteria guaranteeing project success and sustainability. Two alternatives were considered and rejected for their weaknesses in generating the expected impact on a sustainable basis (Table 2).

Table 2. Technical Solutions

Alternative Solution	Brief Description	Reasons for Rejection
Support women to acquire land titles for exploited shea surfaces.	During public discussions, women said they never had to be relocated or deprived of land, because it is they who exploit it for market gardening and shea harvesting for generations.	Socio-cultural constraints prevent women from owning land. The ministry in charge of land cannot therefore guarantee the acquisition of land titles, because access to land is a matter of customary law by family inheritance or by the husband.
Create a guarantee/revolving fund for cooperatives and women-led SMEs.	This involves setting up a fund dedicated to women's entrepreneurship with the assistance of local commercial banks, local microfinance institutions and/or private equity companies.	This option was not retained because the majority of private actors are reluctant to vouch for loans when they do not master the activity and the actors are not members of the private sector. This type of fund mainly supports urban start-ups with a certain threshold of capital and investment.

2.2.1 Women's cooperatives were provided access to plots by local authorities (mayors, district prefects and village chiefs in collaboration with micro-projects financed by international NGOs and TFPs). To this end, the project will favour cooperatives that already have access to plots, and those that are formally registered and have statutes with OHADA. The final approach chosen for the implementation of processing units and storage warehouses planned in the project is to comply with the standard plans defined by the MPFEF for the rehabilitation of cooperatives with sustainable materials.

2.2.2 The project will help to gradually develop women-led cooperatives in the shea-butter subsector, and mitigate the perceived excessive risk for the subsector's financing. To this end, training activities on access to financing, entrepreneurship and vocational training in the refining and extraction of shea by-products will be intended primarily for already structured cooperatives and with OHADA statutes.

2.3 *Project Type*

PAEFFK is an investment project intended to provide specific support to the country in the implementation of technological scaling-up activities of the shea production, storage and marketing tool as well as training and entrepreneurship support for actors and the development of women-led cooperatives.

2.4 *Project Cost and Financing Mechanism*

The total project cost, net of taxes and customs duties, is estimated at UA 5,616,860. This cost comprises UA 3,239,230 in foreign exchange and UA 2,377,630 in local currency. Average provisions of 5% and 3% were applied to base costs for financial contingencies and physical contingencies, respectively. The summary of cost estimates by component, expenditure category and sources of financing as well as the expenditure schedule are presented in the tables below. The detailed cost tables and the list of project goods, works and services appear in Technical Annexes B2 of this report.

Table 3: Summary of Cost Estimates by Component

COMPONENT	XOF Million			UA 000			% F. Exch.	% BC
	Loc C.	F. Exch.	Total	Loc C.	F. Exch.	Total		
1. CREATION & PROFESSIONALISATION OF RURAL ENTERPRISES	715.63	772.67	1,488.30	905.14	977.29	1,882.43	52	36
2. PRODUCTION & QUALITY IMPROVEMENT	721.11	1,233.09	1,954.20	912.07	1,559.64	2,471.71	63	47
3. PROJECT MANAGEMENT	301.23	395.86	697.09	381.00	500.69	881.69	57	17
TOTAL BASE COST	1,737.97	2,401.62	4,139.59	2,198.22	3,037.62	5,235.84	58	100
Physical contingencies	45.91	65.96	111.88	58.07	83.43	141.50	59	3
Financial contingencies	95.93	93.44	189.37	121.34	118.18	239.52	49	5
TOTAL PROJECT COST	1,879.82	2,561.02	4,440.83	2,377.63	3,239.23	5,616.86	58	107

Table 4: Summary of Cost Estimates by Expenditure Category

EXPENDITURE CATEGORIES	XOF Million			UA 000			% F. Exch.	% BC
	Loc C.	F. Exch.	Total	Loc C.	F. Exch.	Total		
I. INVESTMENT COSTS	1,476.06	2,356.71	3,832.77	1,866.95	2,980.82	4,847.77	61	93
A. WORKS	427.05	521.95	949.00	540.14	660.17	1,200.32	55	23
B. GOODS	335.00	813.16	1,148.15	423.71	1,028.50	1,452.21	71	28
Vehicles	9.45	53.55	63.00	11.95	67.73	79.68	85	2
Equipment	325.55	759.61	1,085.15	411.76	960.77	1,372.52	70	26
C. SERVICES	714.01	1,021.61	1,735.62	903.10	1,292.15	2,195.25	59	42
Training	336.09	410.77	746.86	425.09	519.55	944.64	55	18
Technical assistance	15.35	291.61	306.96	19.41	368.84	388.25	95	7
Studies	63.00	117.00	180.00	79.68	147.98	227.67	65	4
Contractual services	295.08	196.72	491.80	373.22	248.82	622.04	40	12
Audit	4.50	5.50	10.00	5.69	6.96	12.65	55	-
II. RECURRENT COSTS	261.91	44.91	306.81	331.27	56.80	388.07	15	7
A. STAFF	159.03	-	159.03	201.14	-	201.14	-	4
B. TRAVEL ALLOWANCES	50.00	-	50.00	63.24	-	63.24	-	1
C. MAINTEN., OPERATION & REP.	21.73	31.56	53.28	27.48	39.91	67.39	59	1
1. Vehicles	18.00	27.00	45.00	22.77	34.15	56.92	60	1
2. Equipment	3.73	4.56	8.28	4.72	5.76	10.48	55	-
D. OVERHEADS	31.15	13.35	44.50	39.40	16.89	56.28	30	1
TOTAL BASE COST	1,737.97	2,401.62	4,139.59	2,198.22	3,037.62	5,235.84	58	100
Physical contingencies	45.91	65.96	111.88	58.07	83.43	141.50	59	3
Financial contingencies	95.93	93.44	189.37	121.34	118.18	239.52	49	5
TOTAL PROJECT COST	1,879.82	2,561.02	4,440.83	2,377.63	3,239.23	5,616.86	58	107

Table 5: Expenditure Schedule by Year and by Component (in UA thousand)

COMPONENTS	PROJECT YEARS					Total
	2019	2020	2021	2022	2023	
1. CREATION AND PROFESSIONALISATION OF RURAL ENTERPRISES	525.08	439.96	402.44	362.13	305.78	2,035.39
2. PRODUCTION & QUALITY IMPROVEMENT	150.57	2,232.60	266.29	-	-	2,649.46
3. PROJECT MANAGEMENT	265.00	149.91	159.91	155.03	202.16	932.01
TOTAL PROJECT COST	940.65	2,822.47	828.64	517.16	507.94	5,616.86

2.4.1 The project's financing mechanism will be ensured, respectively, by the NTF, with a loan of UA 2.8 million (49.80%); the ADF, with a loan of UA 2.2 million (39.20%); and Government, to the tune of UA 0.62 million (11.00%). NTF and ADF loan resources will finance about 88 % of investment expenditure (works, goods and services) and part of operating expenses. NTF and ADF loan resources will be fully allocated to women's entrepreneurship. The 11.00% Government contribution will finance operating and investment expenses (works, goods and services).

Table 6: Project Financing Plan

SOURCE OF FINANCING	XOF Million			(UA 000)			%
	Loc. C.	F. Exch.	Total	Loc. C.	F. Exch.	Total	
ADF	609.21	1,130.17	1,739.37	770.54	1,429.46	2,200.00	39.2
NTF	782.90	1,430.85	2,213.75	990.23	1,809.77	2,800.00	49.8
State of Mali	487.71	0.00	487.71	616.86	0.00	616.86	11.0
TOTAL	1,879.82	2,561.02	4,440.83	2,377.63	3,239.23	5,616.86	100.0

2.5 *Project Areas and Beneficiaries*

2.5.1 The shea production area is located in the Sudano-Sahelian strip and covers the regions of Sikasso and Koulikoro (in the south), Ségou (in the centre) and Kayes (in the west), on about 229,125 km². Shea harvesting is the main support activity for rural families in the lean season (from May to August).

2.5.2 In Mali, shea-related activities are dominated by women. Indeed, the shea subsector employs about 85% of the female population in production areas, or close to three (3) million rural women and provides 80% of the annual substantial income for women. However, women represent the poorest social segment of the rural community. They mainly carry out collection and processing activities according to traditional techniques, with a high level of strain. This project aims to contribute to the economic empowerment of women in the shea subsector and to increase their incomes. According to the MPFEF, women are organised into cooperatives of several sizes and there are over 1,000 women's cooperatives in the shea subsector on the national territory, 400 of which are targeted by the project. The project's implementation will make it possible to directly reach 50,000 women from the 400 targeted cooperatives in the project impact areas. Studies carried out by the MPFEF estimate that each cooperative will create a minimum of 5 decent direct jobs and 100 temporary jobs, which will enable the project to create 2,000 decent jobs and 40,000 temporary jobs, respectively. The indirect beneficiaries are estimated at over 800,000 people in the production regions (local buyers, wholesalers, distributors, economic operators, retailers, etc.).

2.6 *Participatory Process for Project Design*

2.6.1 The project's formulation was the subject of a wide consultation among donors, government authorities, communes and beneficiaries. Several validation workshops were organised during the entire project design process. Consultations were held with public sector (Ministries concerned, APEX, API, UMOCI) and private sector (National Employers' Council) institutions, NGOs/CSOs, and technical and financial partners active in vocational and technical training as well as the creation and support of cooperatives. The consultations will continue in the project's areas of intervention with beneficiary women, communities, heads of decentralised structures of the ministries involved, CSOs, and training institutions to accurately assess the needs of the structures that will participate in project implementation. All the actions to be undertaken are in compliance with the Economic, Social and Cultural Development Programmes (PDESC) of targeted localities. These documents are prepared as part of a participatory process required by the regulations of the Government of the Republic of Mali.

2.6.2 This population consultation mechanism will therefore continue during project implementation. The Steering Committee will bring together all stakeholders (State, private and others); it will be set up to monitor the proper articulation and implementation of project activities, as well as its self-assessment. The participatory approach thus adopted by Government, through the effective involvement of grassroots communities in project design and implementation, will enhance their sense of ownership, thus constituting a guarantee of sustainability of the activities that will be carried out.

2.7 *Consideration of the Bank Group's Experience and Lessons Learnt in Project Design*

2.7.1 The Bank-financed portfolio comprises 23 operations for a total approved amount of UA 430.3 million as at 30 September 2018. The gross disbursement rate is 35%. The portfolio includes 12 investment projects, 1 budget support operation, 2 project studies, 3 institutional support operations, 2 lines of credit to a banking institution and 4 targeted support operations,

including socio-economic reintegration, youth employment, gender promotion, resilience and climate change. Active portfolio performance is considered overall satisfactory with a rating of 3 on a scale of 4. The project learnt lessons from Bank-financed sectoral projects, which have had impacts on women in rural areas and the development of agricultural value chains, especially those approved from 2013 such as PRESA/DCI, PRESAN-KL, P2RS MALI, which have been oriented towards the development of agricultural value chains.

2.7.2 The Bank has wide experience supporting SMEs through many programmes, notably the Pilot Programme for Inclusive Industries (PII), whose objective is to develop a framework to optimise the participation of MPMEs in value chains in the fields of forestry, agro-industry, oil and gas, and mines in Liberia, South Africa, Nigeria, Mozambique and Gabon. In addition, the factories of the Moulins Modernes du Mali (M3) project in the private sector, have supported many SMEs.

2.7.3 Other similar programmes developed by the Bank increase its experience in direct support to SMEs, especially with the support of the Fund for African Private Sector Assistance (FAPA), including the Economic Entrepreneurship and Rural Income Programme in Egypt, the Support Project for the Integrated Development of the Shea-Butter Subsector for Economic Empowerment of Women (PADFIK) in Burkina Faso, approved in 2017 as well as support projects for microfinance institutions in Congo, Liberia, Nigeria, Tanzania and Zambia.

2.7.4 The lessons learnt from these projects were incorporated into this project's design, including: (i) the value of a baseline and measurable results indicators; (ii) the importance of effective supervision and regular meetings with stakeholders; (iii) the need for an integrated approach in the subsector involving key stakeholders; (iv) the usefulness of a good communication programme; (v) the need for a good mechanism for selecting contractors eligible for the project; (vi) the need to strengthen the technical and managerial capacities of social segments, specifically women entrepreneurs, beyond access to financing and (vii) the relevance of designing activities specifically targeting women, going beyond a targeting expressed solely in terms of the percentage of women affected.

2.7.5 The project will focus on industrial development and private sector involvement in that it will connect leading women's cooperatives, both in rural and urban areas, with local processing plants, with the Global Shea Alliance and with major shea buying groups at world level. Efforts will also focus on supporting modern plants in Mali to produce and process shea butter and its by-products for the benefit of women.

2.8 Key Performance Indicators

Project performance will be measured through the evolution of the indicators in the logical framework, which are three-fold:

2.8.1 At impact level, the indicator is the women's unemployment rate, which is expected to drop through activities in the shea sector. At outcome level, we expect an increase in women's annual incomes in the shea-butter subsector and the creation of permanent jobs.

2.8.2 The output indicators are: (i) for Component 1: the number of women-led shea product SMEs that operate according to OHADA standards; the number of shea cooperatives with modern financial management tools; the number of women's umbrella organisations established in the shea subsector; the rate of annual sales of shea butter in Mali coming from women's cooperatives and enterprises; the rate of annual sales of shea butter by-products in Mali coming from women's cooperatives and enterprises; the number of financial mechanisms developed; the rate of women's cooperatives and women-led SMEs receiving financing

through the defined mechanism; the amount of financing mobilised in CFAF by women's cooperatives and SMEs, through the financial mechanism; (ii) for Component 2: the number of women's cooperatives with production, storage and quality packaging installations; the number of shea centres set up or strengthened integrating women's training into their activities; the number of direct jobs created (100 % of women); the number of temporary jobs created (100 % of women); the number of women trained in the quality approach; the rate of organisations meeting the minimum standard specifications; the annual volume (tonnes) of shea produced by women; the number of hectares (ha) of shea maintained and planted. The targets to be achieved will be monitored through the overall report and regional CREDD implementation reports, the EMOP report, project activity reports and government's survey reports, and an impact assessment will be carried out at project end by a consultancy firm. In addition, the Bank's institutional performance indicators will also be monitored. These mainly are: (i) the deadline for implementation and fulfillment of the conditions precedent to the first disbursement; (ii) procurement deadlines; (iii) the average project progress indicator; and (iv) monitoring the disbursement rate. These indicators will be monitored through supervision missions and in daily project management.

2.8.3 The performance indicators of Component 3 "Project management" bring together three essential indicators, namely the operability of management tools, the conduct of various studies and the completion of the project's technical and financial reports on time.

III. PROJECT FEASIBILITY

3.1 *Economic and Financial Performance*

3.1.1 The project's financial and economic performances have been evaluated over a 20-year operating period. The calculation of benefits is based on an estimate of additional production of improved butter and soap, as a result of the Project. Basic data for financial and economic analyses are presented in the Annex on the Financial and Economic Analysis (Volume 2).

3.1.2 The project's financial profitability was assessed by analysing the following three (3) production models: Model 1 – Cooperatives with existing production units (25 in number); Model 2 – Cooperatives with production units to be set up by the project (11 in number); Model 3 – Cooperatives without production units (364 in number). The analysis took into account the characteristics of these production models, without and with the project, and increased production of improved butter and soap over the project's operating period (20 years). More precisely, project benefits come from: (i) the experience of beneficiary cooperatives in the shea-butter subsector and the additional support provided by the project (Model 1); (ii) implementation, through the project, of new infrastructure for beneficiary cooperatives (Model 2), and should impact on productivity, quality and product diversification; (iii) the provision of new production equipment and materials (Model 3); and (iv) supporting beneficiary cooperatives for marketing (the 3 models).

3.1.3 The analysis of the project's financial performance shows a positive additional gross margin for all the production models studied. The project's impact on the 400 beneficiary cooperatives is significant for all the three model types, with an internal rate of return of 26.25% and a net present value (NPV) of CFAF 10.3 billion. However, margin improvement is more important for cooperatives that already have production units (Model 1). This is justified especially by the existence of production centres in these cooperatives as well as the experience of cooperatives in the subsector. The additional income generated by the project in year 5 of the operation is as follows by model: CFAF 737 million for all 25 cooperatives of Model 1, or

an average of CFAF 49 million by cooperative; CFAF 232 million for all the 11 cooperatives of Model 2, or about CFAF 35 million by cooperative; CFAF 3 billion for all the 364 cooperatives of Model 3, or an average of CFAF 18 million per cooperative (this model consists of cooperatives without production units, which justifies the low income compared to the other two models). The benefits/costs ratio for the models is 1.27; the benefits are therefore higher than the cost of the investments. On the basis of these results, it can be concluded that the project has a profitability profile financially justifying the cost of the project investments.

3.1.4 In terms of economic profitability, the project has an economic rate of return (ERR) of 29.40 %, a NPV of CFAF 11.6 billion at a capital opportunity cost of 12%, and an A/C ratio of 1.31. These results are considered satisfactory.

Table 7: Key Economic and Financial Data

Results, Evaluation	Results, Financial analysis	Results, Financial analysis
NPV (baseline scenario, update rate: 12%)	CFAF 10.3 billion	CFAF 11.6 billion
Rate of return (IRR and ERR)	26.25 % (IRR)	29.40 % (ERR)

3.1.5 The sensitivity analysis was performed using the price variable, as that is the only one that escapes the project's management and therefore the exploitation. The sensitivity tests carried out on the basis of reduced prices for shea by-products (butter and soap) show that financial prices should be lowered to 90.2% and economic prices to 10% (break-even point) to cancel the additional benefits generated in financial and economic terms, respectively. The project's financial and economic performance indicators are therefore quite solid against product price variations. The summary of the sensitivity analysis is presented in the annex of the report.

3.2 Environmental and Social Impact

3.2.1 **Environment** : The project was classified in Category 2 of the Bank's Integrated Safeguards System (ISS). This category required the conduct of an Environmental and Social Impact Assessment (ESIA) and an Environmental and Social Management Plan (ESMP). The ESIA report, Annexes 10 (content of the ESMP report) and Annex 11 (summary of the ESMP) were reviewed and approved by the Bank, in accordance with the guidelines of 8 November 2017. Detailed information has been provided in Annexes 10 (content of the ESMP report) and Annex 11 (summary of the ESMP). Clarifications were provided on the frequency of the proposed follow-up measures; monitoring of the implementation of remediation or mitigation of negative impacts will be done in the last quarter of each year, in accordance with the ESMP implementation schedule.

3.2.1.1 Positive impacts: Support for artisanal processing will generate a rapidly growing and additional or new income-generating activities for many women's groups. The main impact would be the reconquest of part of the local market for basic traditional shea products at first, and then more sophisticated shea products for the national, regional and export market; which could also eventually generate thousands of activities/jobs in related operations.

3.2.1.2 Negative impacts: The main impact identified is deforestation, which will result from the construction of processing units and the use of firewood during scalding, roasting and baking operations.

3.2.1.3 Mitigation measures: To mitigate the potential negative impacts and especially enhance the positive impacts of these interventions, the project will undertake actions to sensitise cooperatives to the risks posed by indiscriminate deforestation of areas (ha) of shea

parks in certain sites of protected areas, and support efforts to limit deforestation by logging in protected areas lying within project areas. In addition, shea parks will consist of areas fenced with plants to protect the shea groves, and cooperatives will be equipped with water points for the planting of shea trees to facilitate assisted natural regeneration of the resource.

3.2.1.4 **Environmental monitoring:** Various environmental and social measures have been listed in the ESMP. Their implementation will be organised by the PIU and carried out by the competent services of the National Directorate of Water and Forests (MEADD), in accordance with the regulatory procedures in force. The environmental and social monitoring of the works will take place during the period of implementation of various storage, packaging, processing and marketing units of shea products. This environmental and social monitoring will identify the unanticipated impacts and the residual impacts, and if required, eliminate or mitigate them.

3.2.1.5 Impact analysis has shown that the project's negative impacts are overall low and could be technically and financially circumscribed within reasonable limits, or even sometimes offset by adequate corrective measures. These negative impacts will not have major irreversible ecological effects on nature reserves. In terms of local development, socio-economic benefits for the population will be significant. The mitigation measures proposed will mitigate and enhance the identified impacts.

3.2.2 **Climate Change:** The project has been reviewed by the Safeguards Department and has not been subject to any climate categorisation. The project will not have any negative impacts on climate. In addition, however, awareness-raising activities are planned on good practices in climate change resilience.

3.2.3 **Gender**

3.2.3.1 Women account for 52% of the rural population, and 64.2% of them live below the poverty line. Women are the majority in the shea-butter subsector. However, many inequalities persist such as access to land (only 5% of Malian women own land), low access to financing, poor ability to access modern high-performance technologies adapted to women's needs and market demands, as well as competition from men, who invade the sector with more resources and capacities. This project is classified in Category 1, according to the Bank's gender marker system.

3.2.3.2 By promoting equitable access by women beneficiaries to the decision-making process, basic infrastructure and investment operations, on the one hand, and increasing the technical and organisational capacities of women's groups, on the other hand, the project plays a strategic role in the development of inclusive growth and the improvement of the status of women in the regions covered by the project. A gender-sensitive communication strategy will be integrated into all the areas of intervention. There are plans to establish a monitoring-evaluation system based on gender-disaggregated data as well as gender-related indicators.

3.2.4 **Social:** PAEFFK will improve the quality of life of the people of the settlement localities. The economic and social benefits generated by the programme will restore social cohesion and prosperity, and facilitate the development of the Koulikoro, Kayes Sikasso, Kayes and Ségou regions. Indeed, in rural areas in general, responsibilities such as women's and children's clothing, bridal outfits, school fees and health care are, generally, incumbent on women. As a result, increases in shea-butter-generated income, following the implementation of the programme, are likely to facilitate the coverage of these basic social needs. Production and marketing activities for shea starch, shea butter and by-products offer possibilities for the creation of temporary jobs (work teams that operate in daily shifts) to ensure the operation of production and permanent units (administrative staff and commercial agents). These temporary

and permanent jobs have a certain economic impact on households and on the local economy. The project will help develop female leadership by enhancing awareness of its role in local development, increasing the presence of women in decision-making organs at local level (decentralised authorities) and defending their interests. The project will also have positive benefits for income-generating activities (IGA) in which women are already involved (market gardening, small business).

3.2.5 Fragility Analysis: The main fragility factors identified and analysed under project formulation can be summed up in three points.

3.2.5.1 Political, institutional and security factors emanating from multiple rebellions since the country's independence. The political context is marked by tensions between the regime and the opposition. Following the July 2018 presidential elections, the results are disputed by the losing candidate and protests were held in the Malian capital. This situation could lead to socio-political instability that would negatively affect the project. To that should be added difficulties encountered in the effective implementation of the Peace and Reconciliation Agreement that resulted from the Algiers Process (2015) and inter-communal conflicts in the country's central regions, some of which escape the authority of the State. The political situation represents a high risk in project implementation.

3.2.5.2 Social factors of poverty and precariousness: Mali is characterised by various forms of social exclusion and inequality, including gender-based inequalities. These socio-spatial factors play a role of accelerator of fragility and present potential sources of instability. Malian poverty is rural and female. Unemployment and under-employment are spreading and affecting more than 40% of the population, women and young people in particular being in the majority (50.2% of the population is female and more than 60% of young people are aged below 25). The issue of gender equality is more worrying. The State of Mali has also adopted several positive actions in favour of women, such as the Persons and Family Code. However, the fact remains that in practice, these policies are still struggling to be implemented because of the socio-cultural constraints that place the Malian women at the bottom of the economic value chain, due to gender discrimination and lack of access to land, resources and credit.

3.2.5.3 Natural, geographical and environmental factors: Mali is the 9th country most exposed to natural risks but the 49th country least prepared to take mitigation and adaptation measures. This is symptomatic of countries in great fragility, where multiple political, security, social, economic and financial challenges tend to mask the importance of environmental aspects, which nevertheless represent a potential source of instability. According to the Emergency Events Database (EM-DAT), launched at the initiative of the World Health Organisation and Belgium, the economic cost of natural risks for Mali is estimated at USD 1.5 billion per year, or 20% of GDP. The shea tree, despite its status as a protected species, is not immune to illegal woodcutting, especially in the centre of the country. Thus, despite the fact that Mali is the best-endowed country with shea, adequate measures for its preservation must be applied to ensure the continuity of the species.

3.2.6 Forced Resettlement: PAEFFK activities focus on capacity building for women engaged in shea production and the supply of equipment and materials to increase the capacity of production units. They do not induce population displacement.

IV. IMPLEMENTATION

4.1 *Implementation Arrangements*

4.1.1 Under the supervision of the Steering Committee (PSC), project activity implementation will be coordinated by the Implementation Unit (PIU). The MPFEF Secretariat General is the institutional anchor of PAEFFK. Chaired by the Minister of MPFEF or her representative, the PSC will consist mainly of representatives of the Ministries of the Economy and Finance, Promotion of Women, Children and the Family, Industrial Development, Planning and Development, Trade and Competition, Employment and Vocational Training, Environment and Sustainable Development, Agriculture, Livestock and Fisheries, Health and Public Hygiene, National Education, Energy and Water, and that of Territorial Administration. Private sector actors are also involved. The PSC will meet at least twice per year and the project implementation unit (PIU) will serve as its secretariat. The PSC will be responsible, inter alia, for ensuring the proper supervision of the activities; ensuring PAEFFK's monitoring through technical, financial and accounting reports; and making recommendations on corrective actions in case of malfunction. Project implementation will be entrusted to the PIU, which was established under the national empowerment programme.

4.1.2 A project implementation unit (PIU) exists since 2013 and it became the implementation unit of the programme adopted by the Government in 2017 by decree. This unit was responsible for preparing the project for submission to the ADF in 2016. It comprises a coordinator, an officer in charge of capacity building for the relevant organizations, an administrative assistant and a driver. This team will be maintained for implementation of the current project. To ensure proper implementation of PAEFFK, the PIU will comprise the current team and will be strengthened by key contractual staff, including a procurement specialist, an accountant, a shea butter value chain/market development expert, a private entrepreneurship development officer, an environmentalist/forest protection expert and a monitoring-evaluation officer. This additional staff will be recruited on a competitive basis before the first disbursement from the Bank. Other PIU members will be selected on the basis of their experiences and professional qualifications. The Department of Finance and Equipment (DFM) will provide overall technical support to the PIU.

4.1.3 In general, the protocols with Business Support Services (BSS) will address the following specific aspects: (a) implementation, (b) supervision, (c) production of monitoring reports, and (d) management costs relating to the services requested. These BSSs will implement the activities of Components 1 and 2 in the regions indicated and will rely on NGOs and local enterprises, with the support of decentralised technical services, especially those of the MPFEF. A charter of responsibilities will define the roles and methods of intervention of each actor involved. The PIU will use competition to recruit competent providers (BSS) in the 4 project regions. The specific purpose of BSSs is to monitor capacity building activities and the internal/external organisation of cooperative operations.

4.1.4 The implementation of activities will be based on "make or buy", which will be the most adapted approach for the project. The modest size of the programme coordination unit and the plural nature of the expertise to be mobilised for its implementation require make or buy as the flagship strategy. Indeed, the expected capacity building themes appear multifaceted and multidimensional, requiring specialised expertise, which could come from the public/semi-public and private sector, civil society and NGOs. This approach will have the advantage of enabling the PIU to use, through a competitive process, the most competent service providers in their respective fields and capable of intervening in the sector's activities. The PIU will be competent to advise the MPFEF on support to rural women in the shea subsector. It will also

work with certain structures of the MPFEF, notably the National Directorate for the Promotion of Women (DNPF) and FAFE.

4.1.5 **Procurement Arrangements:**

4.1.5.1 The procurement of goods (including services other than those of consultants), works and consultancy services, financed by the Bank under the project, will be carried out in accordance with the *Procurement Framework for Bank Group-financed Operations*, October 2015 edition, and in accordance with the provisions set out in the Financing Agreement.

4.1.5.2 More precisely, procurement will be carried out according to: (i) *the borrower's procurement system (PS)*: Procurement methods and procedures (PMP) under Mali's procurement system including its decrees (Decree No. 2015-0604/P-RM of 25 September 2015 on the Public Procurement Code and Delegations of Public Services and Decree No. 2016-0920/P-RM of 6 December 2016, as amended). Use will also be made of National Standard Bidding Documents (NSBD) or other tender documents, as approved during project negotiations for less complex and low-value commodity contracts, planned under the project and generally available in Mali, and for which the fiduciary risk is considered relatively low; (ii) *the Bank's Procurement Methods and Procedures (BMP)*: the Bank's standard PMPs, based on relevant standard bidding documents (SBD) for contracts of works, goods and consultancy services of greater size and complexity, for which the country fiduciary risk is deemed substantial.

4.1.5.3 Procurement risk and capacity assessment (PRCA): Risks at country, sector and project level as well as the Executing Agency (EA) capacity for procurement were assessed and the results used to guide the decision on the choice of BMPs for certain activities and the PS for activities with a low fiduciary risk. Appropriate risk mitigation measures were included in the PERCA action plan indicated in the Annex.

4.1.6 **Financial Management:** Responsibility for administrative, financial and accounting management will rest with the PIU. To acceptably manage this operation, the PIU, placed under the supervision of the Secretariat General of the Ministry of Women's Promotion, Children and the Family (MPFEF), will have to be strengthened in terms of human and material resources. It must have sufficient technical, human and material resources for the establishment of an efficient internal control mechanism and an acceptable financial management system, in particular through correct and exhaustive accounting for all the operations carried out during the project life cycle, safeguarding of financial information and assets, and information and auditing of the resources made available.

4.1.6.1 The assessment of the capacities of the PIU and the DFM, which is its financial arm, has shown that it does not yet have an administrative, financial and accounting procedures manual, nor integrated accounting and financial management software adapted to development projects. An accounts-management software will be procured from project resources (capacity building)..

4.1.6.2 In general, the accounts will be kept on the basis of private-type commitment accounting and on integrated software adapted to the management of development projects/programmes. The accounting plan will be developed on the basis of the accounting law standards of the Uniform Act of the Organisation for the Harmonisation of Business Law in Africa (OHADA) in force in Mali. In addition, the Shea Programme will produce an annual work programme and budget (AWPB), as well as quarterly financial monitoring reports, based on the execution of the AWPB, annexed to the quarterly activity reports transmitted to the Bank

and in which a clear analysis must be made between the budget forecasts and the achievements of the quarter.

4.1.7 **Audit:** Accounts will be audited by an independent external audit firm. This firm will be recruited on the basis of terms of reference previously agreed upon with the Bank and according to its rules and procedures, no later than three months after the entry into force of the financing agreement. The audit contract will be for three years non-renewable and the auditor will be required to submit his report no later than six months after the end of the fiscal year to which the mission relates.

4.1.8 **Disbursements and Fund Flows:** Disbursements on ADF and NTF resources, will be made through three (3) disbursement methods: (i) the direct payment method, (ii) the special account method, and (iii) the repayment method. The direct payment method will be used to finance eligible expenditure on works, goods and services categories. The special account method will be used to finance low-value expenditure, especially that related to operations, project staff allowances and training directly implemented by the project. Under this method, it is recommended at national level, to open two (2) separate special accounts (ADF, NTF) in a local bank deemed acceptable by the Bank. These accounts will operate under the principle of double signature. The repayment method will be used to reimburse the project for eligible expenditure pre-financed, with the Bank's prior approval, on counterpart contributions. The provisions of the disbursement manual will be fully applicable for the management and justification of disbursed resources. Disbursements on counterpart contributions will be made at national level through a special counterpart contribution account opened in a local bank and operating under the principle of double signature. This account will receive funds to pay for eligible expenses on the counterpart contribution.

4.2 **Monitoring**

4.2.1 The Results-Based Logical Framework will be the common framework for project monitoring-evaluation. Monitoring-evaluation will be carried out by the Project Implementation Unit (PIU) in collaboration with all State actors. Thus, the PIU will be responsible for compiling all the information needed to feed the monitoring-evaluation system. This information will help establish a traceability system and create a database to identify all women and young girls trained or who have training needs. At the institutional level, for purposes of monitoring access to subregional and international markets for the sale of all shea products, the PIU will develop a coordination mechanism with the bodies mentioned in the memoranda of understanding included in the technical annexes. The capacities of the structures concerned by the monitoring-evaluation tool will be strengthened under the project, in order to progressively improve the overall performance of the system and ensure its adequate and permanent update.

4.2.2 For all programmed actions, activity reports will be prepared at all stages by BSSs (providers) and regional focal points to report on the progress of the project. A monitoring and evaluation expert will be recruited under this project within the unit. At the end of year 1 and 2, studies will be carried out to determine economic and financial trends and/or women's use of income from shea. The PIU will produce, on the basis of these reports and its observations following its missions in the project area, a quarterly report and an annual report. At project start-up, the PIU will organise an orientation and planning workshop with the participation of all the actors involved in implementation. The PIU provides for national supervision of activities by the National Directorate for the Promotion of Women with two missions per year, organised during the planning and evaluation phases. Similarly, the Statistics and Planning Units (CPS) of the rural development and health sectors will conduct two (2) project evaluation

missions: the first will take place between one year and eighteen months after project start-up, to help the team improve the administrative implementation process and the monitoring-evaluation system; and the second during the third year, to assist in the review of the objectives and strategies implemented. Lastly, an average of 2 annual supervision missions will be carried out by the AfDB during the life of the project.

The project implementation schedule is presented below:

No.	Activities	Responsibility	Date/Period
1	Appraisal mission	AfDB	18-27 June 2018
2	Country team	AfDB	September 2018
3	Negotiations	GOV/AfDB	October 2018
4	Project approval	AfDB	November 2018
4	Signing of the loan memorandum of understanding	GOV/AfDB	December 2018
5	Execution of services	BSS (providers and operators retained)	1 st Quarter 2019
6	Mid-term review	AfDB/GOV	2 nd Quarter 2021
7	Audits	Consultants/Firm	Annually
8	Completion	GOV/AfDB	December 2023

4.3 Governance

Government's will to improve governance in the country is real. The authorities have embarked on an improvement dynamics with the creation in 2017 of the Central Office for Combating Illicit Enrichment. However, the perception of corruption remains high: In 2016, the country was ranked 116th out of 76 countries with a score of 32 in Transparency International's Corruption Perception Index (CPI). The country's CPIA rating, in 2016, was 3.7 and that of governance 3.8. In order to positively influence the perception and follow the characteristic elements of good governance, Government, with the support of technical and financial partners, developed a Governance Matrix. The latter proposes reforms in terms of institutional development, economic management, public finances, land, and the fight against corruption and financial crime. Project implementation could encounter governance problems (fraud, corruption and political interference in the procurement process) mainly in the procurement process, financial management and selection of women's cooperatives. To mitigate this risk, the Bank will carry out ex ante controls of bidding documents, contract award proposals and contracts, while audits by external accounting firms will be subject to ex post reviews.

4.4 Sustainability

The sustainability of project investments depends on the quality of the equipment and materials installed in the production and processing units of rural cooperatives and in the shea fractionation and refining plants in Bamako. It also depends on the maintenance of this equipment. In this respect and in order to ensure maintenance, vocational training is planned for women for equipment maintenance. In addition, women's cooperatives, which are the main beneficiaries of these structures, and their management committee members, will be trained. This mechanism will help guarantee project sustainability.

4.5 Risk Management

Risks	Level	Mitigation Measures
Political and security situation in the project areas especially in the centre of the country (Ségou-Niono).	Moderate	Strengthening by Government of the security system in the project intervention area. Involvement of women in the implementation of the Peace and Reconciliation Agreement resulting from the Algiers Process.
Conflicts between umbrella organisations.	Moderate	The repossession of the interprofession by organisations of the subsector.
Inadequacy of the financial products offered by financing institutions	Moderate	Information and awareness of the financial sector for better knowledge of the subsector, to provide adequate support to the various local actors by providing adapted products (lines of credit, season credit, guarantee fund, etc.).

4.6 Knowledge Building

Specifically, the project will increase the knowledge of the target group of women involved in the production of shea butter. This knowledge will be consolidated and disseminated by the project coordination. The project will also support the various structures involved to enable them to better capitalise on the project's benefits, particularly in the efficient and sustainable management and operation of the structures set up; the animation of training sessions, study trips and exchange of experiences.

V. LEGAL FRAMEWORK

5.1 Legal Instrument

The financing instruments retained are (i) an NTF loan agreement between the Republic of Mali and the African Development Bank, acting as administrator of the Nigeria Trust Fund (NTF) and (ii) an ADF loan agreement between the African Development Fund (ADF) and the Republic of Mali.

5.2 Conditions Associated with Bank Intervention

5.2.1 Conditions Precedent to Entry into Force of the NTF Loan Agreement

Entry into force of the NTF Loan Agreement will be subject to fulfillment by the Borrower of the conditions provided for in Article 12.01 of the General Conditions Applicable to Loan Agreements and Guarantee Agreements of the African Development Bank.

5.2.2 Conditions Precedent to Entry into Force of the ADF Loan Agreement

Entry into force of the ADF Loan Agreement will be subject to fulfillment by the Borrower of the conditions provided for in Article 12.01 of the General Conditions Applicable to Loan Agreements and Guarantee Agreements of the African Development Fund.

5.2.3 *Conditions Precedent to First Disbursement of the NTF and ADF Loans*

Apart from the entry into force of the loan agreements, the first disbursement of NTF and ADF loan resources will be subject to fulfillment by the borrower, to the satisfaction of the Bank, of the following conditions:

- a) show evidence to the Bank of the opening of an account in a local commercial bank deemed acceptable by the Bank to receive the NTF loan and ADF loan resources; and
- b) provide to the Bank with evidence of recruitment of key staff (cf. 4.1.2).

5.2.4 *Other Conditions:*

- a) show evidence to the Bank of the setting up of a Project Steering Committee (PSC);
- b) show evidence to the Bank of the acquisition, configuration and installation of integrated software adapted to the management of development projects, no later than six months after the first disbursement of NTF loan and ADF loan resources;
- c) show evidence to the Bank of the development of a Project Procedures Manual, no later than six (6) months after the first disbursement of NTF loan and ADF loan resources.

5.3 *Compliance with Bank Policies*

The project is compliant with all applicable rules and policies of the Bank.

VI. RECOMMENDATION

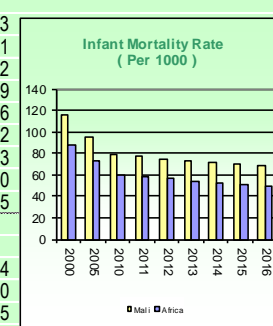
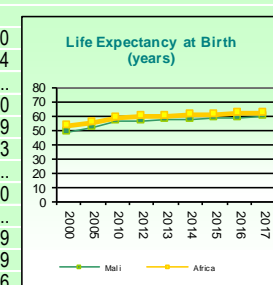
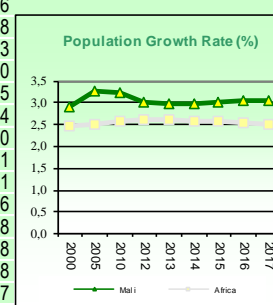
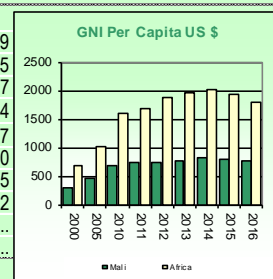
Management recommends that the Boards of Directors approve (i) the proposed NTF loan amounting to UA 2.8 million, and (ii) the proposed ADF loan in the amount of UA 2.2 million, to the Republic of Mali for the purpose and conditions set out in this report.

ANNEX I: COUNTRY COMPARATIVE SOCIO-ECONOMIC INDICATORS

Mali

COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Mali	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)	2017	1 240	30 067	80 386	53 939
Total Population (millions)	2017	18,7	1 184,5	5 945,0	1 401,5
Urban Population (% of Total)	2017	38,4	39,7	47,0	80,7
Population Density (per Km ²)	2017	15,3	40,3	78,5	25,4
GNI per Capita (US \$)	2016	770	2 045	4 226	38 317
Labor Force Participation * - Total (%)	2017	66,4	66,3	67,7	72,0
Labor Force Participation ** - Female (%)	2017	50,5	56,5	53,0	64,5
Sex Ratio (per 100 female)	2017	102,1	0,801	0,506	0,792
Human Develop. Index (Rank among 187 countries)	2015	175
Popul. Living Below \$ 1.90 a Day (% of Population)	2009	49,3	39,6	17,0	...
Demographic Indicators					
Population Growth Rate - Total (%)	2017	3,1	2,6	1,3	0,6
Population Growth Rate - Urban (%)	2017	5,1	3,6	2,6	0,8
Population < 15 years (%)	2017	47,3	41,0	28,3	17,3
Population 15-24 years (%)	2017	19,4	3,5	6,2	16,0
Population >= 65 years (%)	2017	2,5	80,1	54,6	50,5
Dependency Ratio (%)	2017	99,3	100,1	102,8	97,4
Female Population 15-49 years (% of total population)	2017	21,9	24,0	25,8	23,0
Life Expectancy at Birth - Total (years)	2017	59,5	61,2	68,9	79,1
Life Expectancy at Birth - Female (years)	2017	59,3	62,6	70,8	82,1
Crude Birth Rate (per 1,000)	2017	41,7	34,8	21,0	11,6
Crude Death Rate (per 1,000)	2017	9,4	9,3	7,7	8,8
Infant Mortality Rate (per 1,000)	2016	68,0	52,2	35,2	5,8
Child Mortality Rate (per 1,000)	2016	110,6	75,5	47,3	6,8
Total Fertility Rate (per woman)	2017	6,0	4,6	2,6	1,7
Maternal Mortality Rate (per 100,000)	2015	587,0	411,3	230,0	22,0
Women Using Contraception (%)	2017	14,4	35,3	62,1	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2010	8,5	46,9	118,1	308,0
Nurses and midwives (per 100,000 people)	2010	44,3	133,4	202,9	857,4
Births attended by Trained Health Personnel (%)	2013	58,6	50,6	67,7	...
Access to Safe Water (% of Population)	2015	77,0	71,6	89,1	99,0
Access to Sanitation (% of Population)	2015	24,7	51,3	57	69
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2016	1,0	39,4	60,8	96,3
Incidence of Tuberculosis (per 100,000)	2016	56,0	3,8	1,2	...
Child Immunization Against Tuberculosis (%)	2016	92,0	245,9	149,0	22,0
Child Immunization Against Measles (%)	2016	75,0	84,1	90,0	...
Underweight Children (% of children under 5 years)	2006	27,9	76,0	82,7	93,9
Prevalence of stunting	2006	38,5	20,8	17,0	0,9
Prevalence of undernourishment (% of pop.)	2015	4,	2 621	2 335	3 416
Public Expenditure on Health (as % of GDP)	2014	1,6	2,7	3,1	7,3
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2016	77,1	106,4	109,4	101,3
Primary School - Female	2016	72,2	102,6	107,6	101,1
Secondary School - Total	2016	42,9	54,6	69,0	100,2
Secondary School - Female	2016	36,6	51,4	67,7	99,9
Primary School Female Teaching Staff (% of Total)	2016	30,4	45,1	58,1	81,6
Adult literacy Rate - Total (%)	2015	33,1	61,8	80,4	99,2
Adult literacy Rate - Male (%)	2015	45,1	70,7	85,9	99,3
Adult literacy Rate - Female (%)	2015	22,2	53,4	75,2	99,0
Percentage of GDP Spent on Education	2015	3,8	5,3	4,3	5,5
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2015	5,3	8,6	11,9	9,4
Agricultural Land (as % of land area)	2015	33,8	43,2	43,4	30,0
Forest (As % of Land Area)	2015	3,9	23,3	28,0	34,5
Per Capita CO2 Emissions (metric tons)	2014	0,1	1,1	3,0	11,6



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update : May 2018

UNAIDS; UNSD; WHO, UNICEF, UNDP; Country Reports.

Note : n.a. : Not Applicable; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

ANNEX II: BANK PORTFOLIO IN MALI AS AT 31 DEC. 2017

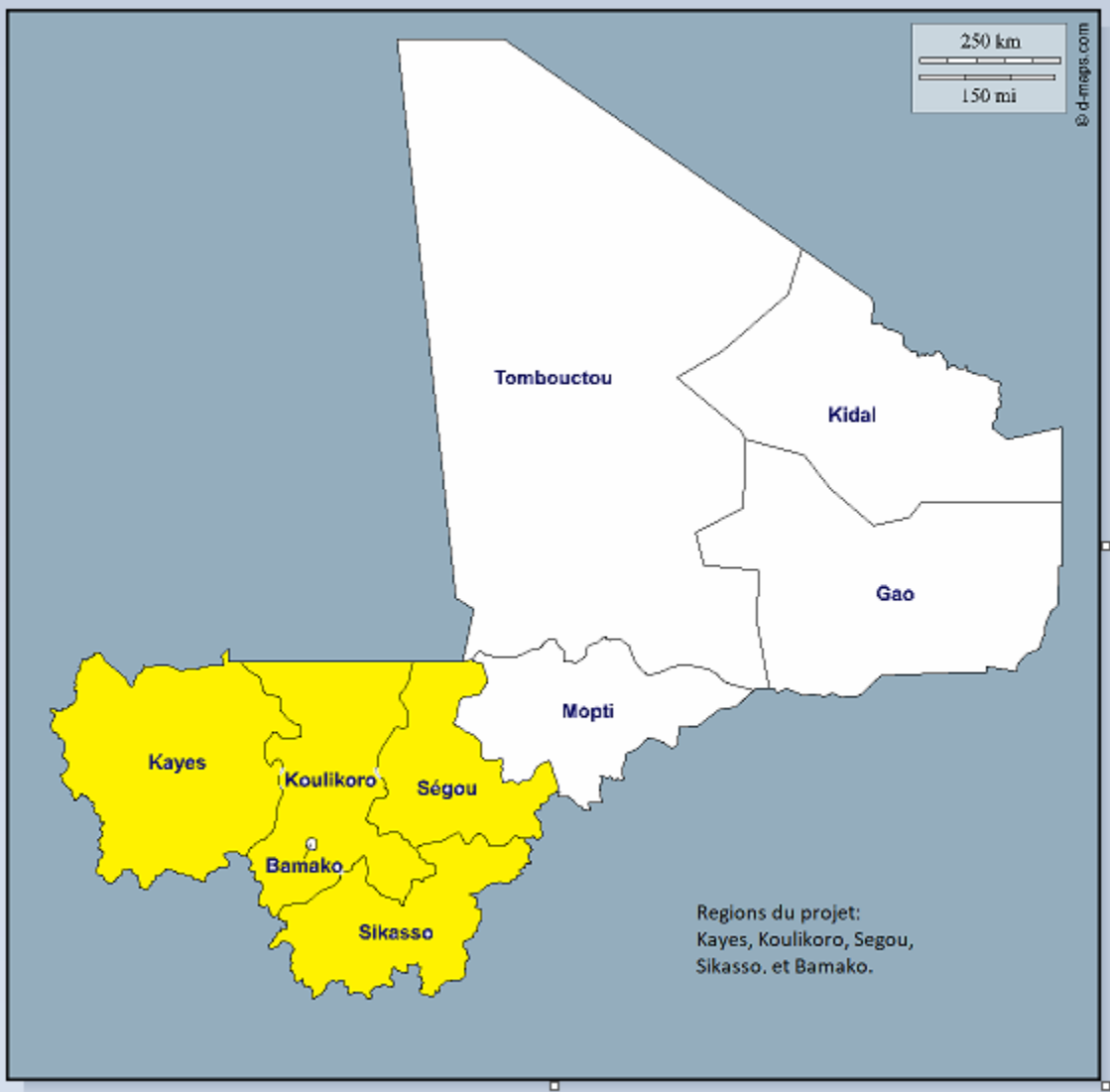
#	Secteur	Projet	Date d'approbation	Montant Financement BAD (Mil. UC)	Taux de décaissement
1	Agriculture	Programme de développement de l'irrigation dans les bassins du Bani et Selingue	27-mai-09	44,00	67,6%
2		Projet de renforcement de la sécurité alimentaire par le développement des cultures irriguées	3-déc.-13	36,00	30,1%
3		Projet de renforcement de la sécurité alimentaire et nutritionnelle dans la région de Koulikoro	17-sept.-14	33,64	18,6%
4		Programme de renforcement de la résilience à l'insécurité alimentaire et nutritionnelle au sahel	15-oct.-14	36,40	3,4%
5		PPF- Transformation de l'agriculture et emploi des jeunes	15-sept.-17	1,00	0,0%
6		Etude du Projet de développement intégré et de résilience climatique dans les plaines du Delta 2 (PDIR-PD2)	15-sept.-17	1,67	0,0%
7	Agro-Industrie	Projet de diversification des activités Moulin Moderne du Mali- M 3 (secteur privé)	17-sept.-14	14,00	86,8%
8	Eau&Assainissement	Projet d'adduction d'eau potable de Bamako	9-oct.-13	50,00	30,0%
9		Projet d'assainissement de la ville de Bamako	11-janv.-17	30,00	0,0%
10	Transport	Projet d'aménagement et de facilitation de transport entre le Mali et la Cote d'Ivoire	26-nov.-15	70,77	18,5%

11	Gouvernance	Projet d'appui à la gouvernance économique	1-juil.-13	10,00	53,1%
12		Programme d'appui à la compétitivité économique Phase I – Appui budgétaire	15-déc.-17	9,00	0,0%
13		Schémas directeur de l'aménagement du territoire	28-févr.-17	1,00	0,0%
14	Finance	Ligne de crédit à la Banque Malienne de Solidarité	6-juil.-11	4,97	100,0%
15	Energie	Projet d'appui à la promotion des énergies renouvel.	22-oct.-14	1,31	0,0%
16		Projet de Centrale Solaire de Ségou	31-oct.-16	24,71	12,7%
17		Projet d'interconnexion électrique en 220 kV Guinée-Mali	13-déc.-17	30,00	0,0%
18		Le projet de développement de mini centrales hydroélectriques et réseaux de distribution associés	4-déc.-17	20,00	0,0%
19	Changement Climatique	Accélérer la construction d'une économie verte et résiliente aux changements climatiques	17-août-15	0,30	0,0%
20		Projet d'amélioration du réseau d'observations météorologiques pour renforcer la résilience face aux CC	30-oct.-17	0,84	0,0%
21	Social/Genre	Renforcement des capacités du Centre national de la docum. et de l'information pour la femme et l'enfant	15-mars-16	0,08	80,0%
22		Projet d'appui à la réinsertion socio-économique des populations du Nord du Mali	30-nov.-16	10,50	0,0%
23		Forum des jeunes sur l'emploi et la paix par GYIN- Global Youth Innovation Network	15-févr.-17	0,06	22,4%

ANNEX III: KEY RELATED PROJECTS FINANCED BY OTHER DEVELOPMENT PARTNERS OF THE COUNTRY

Areas of Intervention	Intervening TFP
The Nigeria Technical Cooperation Fund (NTCF) granted USD 105.315 in March 2016 to the Ministry for the Promotion of Women, Children and the Family (MPFEF) to support the strengthening of the disaggregated statistical data and capacities of the National Centre for Documentation and Information on Women and Children (CNDIFE).	AfDB
Support Programme for Agricultural Subsectors including Shea (PAFA) 2009-2017. CFAF 5 billion	CANADA
The joint "Support Programme for the Valorisation of Agro-pastoral Products in Southern Regions (Sikasso and Ségou) (January 2008 to 31 December 2012). USD 1,373.626	LUXEMBURG, UNIDO, UNDP
Regional Pro-Shea Project with the "Global Shea Alliance" (2016-2020). USD 13 million. Senegal, Benin, Cote d'Ivoire, Ghana, Mali, Burkina-Faso, Nigeria	USAID (Common Fund for Commodities)
The "SHE SELLS SHEA" ICCO FDOV Project (2015 - 2018) amounting to about EUR 1,500,000	NETHERLANDS
Mali Agro-pastoral Subsector Quality Project (PQAPM), 36 months from the 1st quarter of 2012. Total project cost: USD 6,114,926	UNIDO
Support Project for the Valorisation of Agro-pastoral Products in the Southern (Ségou and Sikasso) and Northern (Kidal) Regions. CFAF 2 billion, 2004-2012	UNIDO and MPFEF

ANNEX IV: MAP OF PROJECT AREA



AFRICAN DEVELOPMENT BANK

BOARD OF DIRECTORS

Resolution N° B/ML/2018/134

Adopted by the Board of Directors, on a lapse-of-time basis, on 3rd December 2018

Loan to the Republic of Mali, from the resources of the Nigeria Trust Fund, to finance part of the costs of the Project for the Economic Empowerment of Women in the Shea Subsector (PAEFFK)

THE BOARD OF DIRECTORS,

HAVING REGARD to: (i) Articles 1, 2, 8, 12, 13, 14, 15, 16, 17, 18, 32 and 37 of the Agreement Establishing the African Development Bank (the “Bank”), in particular; (ii) the Agreement (the “NTF Agreement”) Establishing the Nigeria Trust Fund (the “NTF”), in particular, Articles I, II, III, IV, VI, and XIV; (iii) the Protocol of Agreement dated 15 May 2008, between the Bank and the Government of the Federal Republic of Nigeria, extending the duration of the NTF and providing the terms and conditions for such extension; (iv) the Protocol of Agreement dated 2 November 2018 between the Bank and the Government of the Federal Republic of Nigeria, extending the duration of the NTF and providing the terms and conditions for such extension; (v) the NTF Operational Guidelines; and (vi) the Appraisal Report contained in document ADB/BD/WP/2018/264/Approval - ADF/BD/WP/2018/183/Approval (the “Appraisal Report”);

DECIDES as follows:

1. To award to the Republic of Mali (the “Borrower”), from the resources of the NTF, a loan of an amount not exceeding the equivalent of Two Million Eight Hundred Thousand Units of Account (UA 2,800,000) (the “Loan”) to finance part of the costs of the Project for the Economic Empowerment of Women in the Shea Subsector;
2. To authorize the President to conclude a loan agreement between the Bank and the Borrower (the “Loan Agreement”) on the terms and conditions specified in the General Conditions Applicable to Loan Agreements and Guarantee Agreements of the Bank, in the Appraisal Report and, in particular, the terms and conditions specified herein below:
 - (i) The duration of the Loan shall be twenty-seven (27) years including a grace period of seven (7) years (the “Grace Period”) commencing on the date of signature of the Loan Agreement. During the Grace Period, the service charge and the commitment charge shall be payable;
 - (ii) The Loan shall be amortized over a period of twenty (20) years after the expiration of the Grace Period, in equal and consecutive semi-annual instalments payable on 15 May and 15 November of each year (each a “Payment Date”), and the first of such instalments shall be payable on the Payment Date immediately following the expiration of the Grace Period;

- (iii) A service charge at the rate of zero point seventy-five percent (0.75%) per annum on the disbursed and outstanding balance of the Loan shall be paid semi-annually on a Payment Date; and
 - (iv) A commitment charge at the rate of zero point five percent (0.5%) per annum on the undisbursed portion of the Loan shall begin to accrue one hundred and twenty (120) days after the date of signature of the Loan Agreement and shall be payable on a Payment Date;
3. The President may cancel the Loan if the Loan Agreement is not signed within ninety (90) days from the date of approval of the Loan by this Board; and
 3. This Resolution shall become effective on the date above-mentioned.

AFRICAN DEVELOPMENT FUND

BOARD OF DIRECTORS

Resolution N° F/ML/2018/135

Adopted by the Board of Directors, on a lapse-of-time basis, on 3rd December 2018

Loan to the Republic of Mali to finance part of the costs of the Project for the Economic Empowerment of Women in the Shea Subsector (PAEFFK)

THE BOARD OF DIRECTORS,

HAVING REGARD TO: (i) Articles 1, 2, 11, 12, 14, 15, 16, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (ii) the Report on the Fourteenth General Replenishment of the Resources of the Fund (“ADF-14”); (iii) the applicable ADF-14 Country Resource Allocation; and (iv) the appraisal report contained in document ADB/BD/WP/2018/264/Approval - ADF/BD/WP/2018/183/Approval (the “Appraisal Report”);

NOTING the availability of sufficient resources to enable the Fund to commit the amount of the Loan;

DECIDES as follows:

1. To award to the Republic of Mali (the “Borrower”), from the resources of the Fund, a loan of an amount not exceeding the equivalent of Two Million Two Hundred Thousand Units of Account (UA 2,200,000) (the “Loan”) to finance part of the costs of the Project for the Economic Empowerment of Women in the Shea Subsector (PAEFFK);
2. To authorize the President to conclude a loan agreement between the Fund and the Borrower (the “Loan Agreement”) on the terms and conditions specified in the General Conditions Applicable to the African Development Fund Loan Agreements and Guarantee Agreements (Sovereign Entities), the Appraisal Report and, in particular, the terms and conditions specified herein below:
 - (i) The duration of the Loan shall be forty (40) years including a grace period of ten (10) years (the “Grace Period”) commencing on the date of signature of the Loan Agreement. During the Grace Period, service charge and commitment charge shall be payable;
 - (ii) The Loan shall be amortized over a period of thirty (30) years after the expiration of the Grace Period, at the rate of two per cent (2%) per annum from the eleventh (11th) to the twentieth (20th) year inclusive and at the rate of four per cent (4%) per annum thereafter, in equal and consecutive semi-annual instalments payable on 15 May and 15 November of each year (each a “Payment Date”), and the first of such instalments shall be payable on the Payment Date immediately following the expiration of the Grace Period;
 - (iii) A service charge at the rate of zero point seventy-five percent (0.75%) per annum on the disbursed and outstanding balance of the Loan shall be payable semi-annually on a Payment Date; and

- (iv) A commitment charge at the rate of zero point five percent (0.5%) per annum on the undisbursed portion of the Loan shall begin to accrue one hundred and twenty (120) days after the date of signature of the Loan Agreement and shall be payable on a Payment Date;
- 3. The President may cancel the Loan if the Loan Agreement is not signed within ninety (90) days from the date of approval of the Loan by this Board; and
- 4. This Resolution shall become effective on the date above-mentioned