AFRICAN DEVELOPMENT FUND

PROJECT TO SUPPLY DRINKING WATER TO BAMAKO FROM THE KABALA LOCALITY (PAEP BAMAKO/KABALA)

COUNTRY: MALI

APPRAISAL REPORT

OWAS DEPARTMENT
September 2013
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CURRENCY EQUIVALENTS
(May 2013)
UA 1 = CFAF 757.22
UA 1 = EUR 1.15
UA 1 = USD 1.51

Fiscal Year
1 January – 31 December

Weights and Measures
1 ton(t) = 2204 pounds
1 millimetre (mm) = 0.03937 inch
1 kilogramme (kg) = 2.20 pounds
1 kilometre (km) = 0.62 mile
1 metre (m) = 3.28 feet
1 hectare (ha) = 2.471 acres

Acronyms and Abbreviations
ADF : African Development Fund
AFD : French Development Agency
ANGESEM : National Water Treatment Plants Management Agency of Mali
CREE : Electricity and Water Regulatory Commission
DNACPN : National Sanitation, Pollution and Nuisance Control Department
DNH : National Water Resources Department
DWSS : Drinking Water Supply and Sanitation
EDM : Mali Energy Corporation
EIB : European Investment Bank
EU : European Union.
FD : Final Design
GPRSF : Growth and Poverty Reduction Strategy Framework
IsDB : Islamic Development Bank
IWRM : Integrated Water Resource Management
LPSEE : Energy and Drinking Water Sector Policy Letter
MDG : Millennium Development Goal
MEA : Ministry of Environment and Sanitation
MEAH : Ministry of Economy and Humanitarian Action
MEE : Ministry of Energy and Water Resources
MF : Ministry of Finance
PAGAM-GFP : Government Action Plan for the Modernization and Improvement of Public Finance Management
PD : Preliminary Design
PEFA : Public Expenditure and Financial Accountability
PEMFAR : Public Expenditure Management and Financial Accountability Review
PIU : Project Implementation Unit
PROSEA : Water and Sanitation Sector Programme
PRSP : Poverty Reduction Strategy Paper
PUARE : Economic Recovery Emergency Support Programme
RBCSP : Results-based Country Strategy Paper
SME/SMI : Small- and Medium- Sized Enterprise/ Small- and Medium-Sized Industry
SOMAGEP-s.a : Société Malienne de Gestion de l’Eau Potable (Mali Drinking Water Management Corporation)
SOMAPEP-s.a : Société Malienne de Patrimoine de l’Eau Potable (Mali Drinking Water Heritage Corporation)
UNDP : United Nations Development Programme
WADB : West African Development Bank
WB : World Bank
PROJECT INFORMATION SHEET

Client Information Sheet

BORROWER: Republic of Mali

EXECUTING AGENCY: Ministry of Energy and Water Resources (MEE)
B P: 1909
Cité Administrative – ACI 2000; Bâtiment n°02
Bamako - MALI
Tel: (223) 20 22 41 84 or 20 22 78 51 or 20 79 60 11
E-mail (Secretary General): Idiabate@yahoo.fr

Financing Plan

<table>
<thead>
<tr>
<th>Source of Financing</th>
<th>Amount (UA)</th>
<th>Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF</td>
<td>50.000 million</td>
<td>ADF Loan</td>
</tr>
<tr>
<td>AFD</td>
<td>33.913 million</td>
<td>AFD</td>
</tr>
<tr>
<td>EU</td>
<td>16.000 million</td>
<td>EU</td>
</tr>
<tr>
<td>EIB</td>
<td>43.500 million</td>
<td>EIB</td>
</tr>
<tr>
<td>World Bank</td>
<td>49.004 million</td>
<td>WB</td>
</tr>
<tr>
<td>IsDB</td>
<td>22.029 million</td>
<td>IDB</td>
</tr>
<tr>
<td>Italian Cooperation</td>
<td>8.059 million</td>
<td>Italian Cooperation</td>
</tr>
<tr>
<td>GVT</td>
<td>16.438 million</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td><strong>238.943 million</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

Timeframe – Key Milestones (Expected)

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept Note Approval</td>
<td>July 2013</td>
</tr>
<tr>
<td>Project Approval</td>
<td>October 2013</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>November 2013</td>
</tr>
<tr>
<td>Last Disbursement</td>
<td>December 2018</td>
</tr>
<tr>
<td>Completion</td>
<td>December 2017</td>
</tr>
<tr>
<td>Last Reimbursement Date</td>
<td>December 2067</td>
</tr>
</tbody>
</table>
Project Executive Summary

Project Overview

1. This project will help to produce an additional 144,000 cubic metres of water per day to ensure the supply of drinking water to Bamako City. This volume of water represents 68% of the current production and will significantly ease the task of fetching water by the beneficiary population, notably women. The cost of the project, estimated at UA 238.943 million, will be financed jointly by AFD, EU, EIB, WB, IsDB, Italian Cooperation and the Government. It will be implemented over a 48-month period.

2. The project will benefit about 1.6 million people, that is 64% of the population of Bamako, of which 50.4% women. In addition to the construction of a water treatment plant capable of producing the entire expected volume of water per day and equipped with a warning station to monitor the quality of water produced, the project will finance: (i) 8 water tanks with storage capacity ranging from 2,000 m³ to 10,000 m³; (ii) an 880 km distribution network, that is 53% of the current network; (iii) 66,144 low-cost connections for the most underprivileged households; and (iv) 1108 standpipes, notably in poor neighbourhoods, the increase of the number of such standpipes and bringing them closer to users, thereby contributing to reducing the price of water for vulnerable consumers. The project will also support the building of the capacity of intervention entities - Société de Patrimoine de l’Eau Potable (the Drinking Water Heritage Corporation, SOMAPEP-s.a.), Société de Gestion de l’Eau Potable (the Drinking Water Management Corporation, SOMAGEP-s.a.), the Electricity and Water Regulatory Commission (CREE) and the Ministry of Environment and Sanitation (MEA). Project implementation will involve local SMEs and SMIs as well as youths through labour-intensive works to dig trenches and construct standpipes. Besides saving time, the project will also encourage the management of standpipes by women and disabled persons. All these measures will have a significant impact on urban poverty reduction.

Needs Assessment

3. This operation is justified by the water shortage that Bamako is currently experiencing. Bamako’s current rate of access to drinking water, estimated at 36%, is low. It is not uncommon for such shortage to create tensions in some neighbourhoods of the capital. While waiting for additional production which is expected from the second phase scheduled to be implemented by 2020, this project will help to increase the access rate to 60%.

Bank’s Value Added

4. The Bank is currently the leading donor in the DWSS sector in Mali. On the strength of its experience in implementing this type of project, the Bank is one of the engines on which the Government can count to solve the water shortage problem in Bamako. The problem is so serious that almost all sector donors have also mobilized to help in reducing the water shortage. Therefore, this Bank operation is judicious and salutary for the Government.

Knowledge Management

5. Through training sessions organized and studies conducted for MEA and CREE, project implementation will help to: (i) update Bamako’s sanitation master plan; (ii) identify a sanitation component related to this DWS project; (iii) propose an appropriate organizational and institutional framework for the urban sanitation sub-sector; (iv) regulate the price of water at standpipes to make access to water easier for the poor; and (v) establish a geographic information system (GIS) for SOMAPEP-s.a.
**COUNTRY AND PROJECT NAME:** Mali – Bamako Drinking Water Supply Project (PAEP – Bamako/Kabala).

**PROJECT GOAL:** Contribute to sustainably improve the drinking water supply and health conditions of Bamako’s population.

<table>
<thead>
<tr>
<th>RESULTS CHAIN</th>
<th>PERFORMANCE INDICATORS (including CSIs)</th>
<th>MEANS OF VERIFICATION</th>
<th>RISKS/ MITIGATION MEASURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPACT</td>
<td>1) Rate of access to drinking water in Bamako.</td>
<td>Sources: MEE, PROSEA, INS, SOMA-PeP-s.a and SOMAGEP-s.a reports</td>
<td>Risks: SOMA-PeP-s.a and SOMAGEP-s.a capacity to undertake activities and ensure project sustainability.</td>
</tr>
<tr>
<td></td>
<td>2) Mortality rate of children below five.</td>
<td></td>
<td>Mitigation Measures: The project includes provision to build the capacity of these entities.</td>
</tr>
<tr>
<td></td>
<td>3) Gross average enrolment rate of children (GER)</td>
<td></td>
<td>Mitigation Measures: SOMA-PeP-s.a and SOMAGEP-s.a remunerations are based on a model to maintain overall financial balance, monitored by CREE.</td>
</tr>
<tr>
<td>OUTCOMES</td>
<td>1.1 Volume of water produced per day; 1.2) Rate of access to drinking water in Bamako (CSI); 2. Number of new households connected and additional population (CSI); 3. Number of SPs and population supplied by SPs (CSI); 3.3) Number of households and population supplied by low-cost connections (CSI); 3.4) Overall rate of losses in the network; 4) Price of water at standpipes.</td>
<td>Sources: MEE, INS, SOMAGEP-s.a and CREE reports.</td>
<td>Mitigation Measures: The non-implementation of the sanitation component of the project.</td>
</tr>
<tr>
<td></td>
<td>1.1) 213 000 m³/day in 2017 1.2) 36% in 2013 2) 34 850 0 0 0 3.4) 30.5% 4) 22 x the price of SOMAGEP-s.a social segment 5.1) 10 l/d/pers. 5.2) 80 l/d/pers.</td>
<td>Method: INS urban surveys.</td>
<td>Mitigation Measures: The sanitation aspect is already taken into account in Component (B).</td>
</tr>
<tr>
<td>OUTPUTS</td>
<td>1) Quality warning plant 2) Treatment plant 3) Number of water tanks 4) New networks 5) Rehabilitated networks 6) Number of new home connections 7) Number of standpipes (SPs) constructed</td>
<td></td>
<td>Risks: Insufficient resources for project financing.</td>
</tr>
<tr>
<td></td>
<td>1) 0 station 2) 0 plant 3) 0 tank 4) 1600 km 5) 0 km 6) 0 connection 7) 0 SP 8) 0 connection 9) 0 meter</td>
<td>Sources: MEE, MEA, INS, SOMA-PeP-s.a and CREE reports.</td>
<td>Mitigation Measures: All the donors have confirmed their participation in financing the project and most of them have already approved their contribution.</td>
</tr>
<tr>
<td></td>
<td>1) 1 warning station 2) 1 treatment plant 3) 8 water tanks 4) 2 480 km of network, of which 830 km new (68% by ADF) 5) 50 km of network rehabilitated (100% by ADF) 6) 52 000 connections, of which 68% by ADF 7) 1 108 SPs (64% by ADF)</td>
<td>Method: INS urban surveys.</td>
<td>Mitigation Measures: Failure to mobilize Government’s counterpart contribution owing to the political mitigation.</td>
</tr>
<tr>
<td></td>
<td>6) 144 low-cost connections, of which 70% by ADF 9) 32 065 meters</td>
<td></td>
<td>Mitigation Measures: Preventive measure taken by the Government and Bank support through PUARE will help to mitigate this risk.</td>
</tr>
</tbody>
</table>

**COMPONENTS**

<table>
<thead>
<tr>
<th>COMPONENTS</th>
<th>RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component A: Development of drinking water infrastructure: (i) Construction of a treatment plant with a quality warning station; (ii) Construction of water tanks; (iii) Construction of new DWS networks and rehabilitation of old ones; (iv) Construction of standpipes and low-cost connections; and (v) implementation and monitoring of ESMP. Component B: Institutional Support and Project Management: (i) Support to MEA; (ii) Support to CREE; and (iii) Project Management and Coordination.</td>
<td>Sources of Financing: ADF Loan: UA 50 000 000 Other Donors: UA 172 505 000 GVT: UA 16 438 000 TOTAL: UA 238 943 000</td>
</tr>
</tbody>
</table>
### Project Approval

- ADB Financing Approval
- Signing of Loan Agreement: GVT/Bank

### Effectiveness

- Loan Ratification by GVT
- Fulfilment of General Conditions GVT/ADB

### First Disbursement Conditions

- Fulfilment of Conditions and Establishment of PCU
- Fulfilment of Other Conditions

### Activity 1: Right Bank DWS Works

- Preparation and Publication of IBDs
- Evaluation of Bids
- Approval of Bid Review Results
- Works Execution
- Last Payment of Contractors

### Activity 2: Left Bank DWS Works

- Preparation and Publication of IBDs
- Evaluation of Bids
- Approval of Bid Review Results
- Works Execution
- Last Payment of Contractors

### Activity 3: Procurement of Water Meters

- Preparation and Publication of IBDs
- Evaluation of Bids, Contract Approval and Start-up
- Procurement of Meters
- Last Payment of Supplies

### Activity 4: Studies & RB and LB Works

- Preparation and Publication of TRs
- Evaluation of Bids
- Approval of Bid Review Results
- Service Delivery
- Last Payment of Consultants

### Activity 5: Studies Sanitation Aspects & CREE

- Preparation and Publication of TRs
- Evaluation of Bids
- Approval of Bid Review Results
- Service Delivery
- Last Payment of Consulting Engineers

### Activity 6: Project Audit

- Recruitment of Audit Firm
- Approval
- Signing of Audit Contract
- Conduct of Accounts Audit
- Payment of Auditor

### Activity 7: Project Management and Coordination

- Management and Supervision of Project Activities
- Project Monitoring and Evaluation
- Submission of Quarterly and Final Reports
REPORT AND RECOMMENDATION OF MANAGEMENT TO THE BOARD OF
DIRECTORS CONCERNING A PROPOSAL TO GRANT A LOAN TO MALI TO
FINANCE THE PROJECT TO SUPPLY DRINKING WATER TO BAMAKO FROM
THE KABALA LOCALITY (PAEP – BAMAKO/KABALA)

Management hereby submits this report and recommendation concerning a proposal to grant a
UA 50 million ADF loan to Mali to finance the Bamako DWS Project.

I. STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages with Country Strategy and Objectives

1.1.1 The priority operations contained in Mali’s Growth and Poverty Reduction Strategic
Framework for the 2012-2017 period (GPRSF 2012-2017) seek to ensure sustainable growth
and poverty reduction. Top among the priority strategic thrusts of the framework is “the long-
term reinforcement of the development base and equitable access to quality social services”,
including water and sanitation in urban and rural areas, to ensure the achievement of the
Millennium Development Goals (MDGs). This project, which seeks to contribute to
improving access to drinking water by the population of Bamako’s municipal councils and
vicinity, is squarely in line with this GPRSF 2012-2017 strategic thrust. Moreover, the project
addresses one of the priorities of the Government’s Emergency Priority Action Plan for the

1.1.2 The Bamako DWS project is in keeping with the Bank’s intervention strategy in Mali
strategy is hinged on the following two pillars: (i) Pillar 1: Mitigate the Impact of the Crisis
and Strengthen the Population’s Resilience; and (ii) Consolidate the Stability of the Rule of
Law and the Bases for Economic Recovery. This project, which seeks to contribute to
improving the population’s access to drinking water, plugs into the first pillar of the Strategy
Paper. It also aligns with the Bank’s Urban Development Policy. Lastly, given its impact on
improving the income of some social categories (thanks to jobs to be created by the
significant quantity of works), and on the social and health conditions of Bamako’s
population, this operation to develop drinking water infrastructure interlaces with the Bank’s
long-term strategy (2013-2022), which also prioritizes green and inclusive growth.

1.2 Rationale for Bank’s Involvement

1.2.1 The Bank’s involvement is justified by the fact that this project addresses the
Government’s urgent concern to curb Bamako’s current water stress. Indeed, water shortage
has become so acute that the outbreak of serious shortage-related tensions is common in some
neighbourhoods of the capital. This phenomenon is compounded by the influx of part of the
population of the North into Bamako in the wake of the political and security crisis. This
situation accounts for the low rate of access to drinking water by Bamako’s population (36%),
below the general average rate of above 65% in other African capital cities South of the
Sahara.

1.2.2 To address this stressful situation, the Government appealed to AfDB, AFD, EU,
EIB, WB, IsDB and Italian Cooperation, which agreed to support it in financing the project,
with AfDB contributing 21% and the other six donors 72% of the required funding. Within
this financing arrangement, AfDB, EU, EIB and WB have already appraised their components
while IsDB and Italian Cooperation plan to do same before October 2013. Expected to
produce an additional 144 000 cubic metres of water a day, this operation is the first phase of
the project. The second phase is scheduled for 2020 and should produce an additional 96 000 cubic metres of water a day. Once the structures of the first phase are set up and running, the city’s water access rate should increase from 36% to 60%, pending the implementation of the second phase. However, the resolution of the issue of drinking water for the population should not mask sanitation-related issues. Consequently, the Bank will also support the preparation of sanitation projects by updating Bamako’s Sanitation Master Plan, which it financed in 2008. Some donors have already expressed an interest to participate in implementing such projects.

1.3 Aid Coordination

1.3.1 Overall sector coordination is done through the Water and Sanitation Sector Programme - PROSEA (see Annex A.5). External resources cover 85% of Mali’s water supply and sanitation sector financing. Public spending in the sector for the period 2012-2014 is estimated at UA 193 million. There are 14 major donors currently operating in the sector in Mali. Besides its dynamism in the DWSS sector, the Bank is currently the lead donor in the energy and private sectors. For this project, the Bank has been very active in donor coordination, going as far as financing the April 2013 Donors’ Round Table.

<table>
<thead>
<tr>
<th>Stakeholders – Annual Public Spending in the Sector (Average) **</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government</strong></td>
</tr>
<tr>
<td>UA 29 million (15%)</td>
</tr>
<tr>
<td><strong>UA 164 million (85%)</strong></td>
</tr>
</tbody>
</table>

Aid Coordination

- Existence of thematic working groups: Yes
- Existence of a comprehensive sector programme: Yes
- AfDB’s role in aid coordination: Lead

1.3.2 During PROSEA annual reviews that bring together sector players, including donors, a programming exercise is undertaken to prepare a programme budget (PBO) and a Medium-Term Expenditure Framework (MTEF) for a three-year rolling period for water and sanitation. The sector currently has a PBO and an MTEF for water and sanitation, which include both access to drinking water and aspects of integrated water resource and sanitation management validated during annual water and sanitation sector reviews held between March and June.

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1 Major donors: AfDB, World Bank, European Union (EU), Islamic Development Bank (IsDB), French Development Agency (AFD), KFW, European Investment Bank (EIB), Italian Cooperation, West African Development Bank (WADB), BADEA, EBID, WAEMU and such United Nations agencies as UNICEF and UNDP.
II. PROJECT DESCRIPTION

2.1 Project Components

2.1.1 The project comprises the following components:

<table>
<thead>
<tr>
<th>Number</th>
<th>Component Name</th>
<th>Estimated Cost in UA million and %</th>
<th>Component Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Development of Drinking Water Infrastructure.</td>
<td>227.059 - (95%)</td>
<td>(i) Construction of a pumping station on the banks of River Niger; (ii) construction of a 144 000 m$^3$/day capacity water treatment plant with a warning mechanism for quality monitoring; (iii) laying of large-diameter transfer pipes; (iv) construction of water storage tanks with capacity ranging from 2 000 m$^3$ to 10 000 m$^3$; (v) construction of 880 km of drinking water distribution networks, of which 50 km to be rehabilitated; and (vi) construction of 1 108 standpipes, 66 144 low-cost connections and 44 000 normal home connections.</td>
</tr>
<tr>
<td>B</td>
<td>Support to Project Operation and Management Structures.</td>
<td>11.884 - (5%)</td>
<td>(i) Studies to update Bamako’s Sanitation Master Plan (SDAB) and design of a related priority sanitation project; (ii) study of urban sanitation-related organizational, institutional and pricing aspects; (iii) standpipe water pricing regulation study; (iv) establishment of the SOMAPEP-s.a. GIS and strengthening of the monitoring/evaluation system; (v) training of SOMAGEP-s.a. staff assigned for the repair and maintenance of facilities operated; and (vi) project management and coordination.</td>
</tr>
</tbody>
</table>

2.2 Technical Solutions Adopted and Alternatives Explored

2.2.1 The project’s technical design is mainly based on benchmark technical solutions for supply from the surface waters of River Niger, which flows through the capital Bamako. Groundwater currently harnessed through boreholes at a rate of 4000 m$^3$/day to partially supply the city has reached its exploitation limit. Given the huge needs to be met, the groundwater thus solicited is gradually being exhausted. In the long run, this may cause an imbalance in the local ecosystem.

2.2.2 Consequently, within Bamako’s current context, the benchmark or “technical package” of possible project solutions for drinking water supply are: (i) the construction of a pumping station on the right bank of the river; (ii) the construction of a treatment plant with a 144 000 m$^3$ daily production capacity; (iii) the construction of a warning station to control the fluctuation and quality of available water resources; (iv) the construction of storage tanks with capacity ranging from 2 000 m$^3$ to 10 000 m$^3$; (v) the construction of 880 km of treated water distribution networks; and (vi) the construction of standpipes to supply inaccessible neighbourhoods, normal home connections and low-cost connections (subsidized) for vulnerable households.

2.3 Project Type

This operation will be carried out using the project loan approach. This choice is dictated by the fact that Mali is yet to have an appropriate system for budget support within the framework of a common basket. In addition, the approach started under PROSEA has not yet reached the stage where a sector financing method could be adopted.
2.4 Project Cost and Financing Arrangements

2.4.1 The project is estimated to cost UA 238.943 million, net of taxes, of which UA 200.169 million in foreign exchange (84%) and UA 38.774 million in local currency (16%). It includes provisions for physical contingencies (10%) and annual price escalation (3% for foreign exchange and 6% for local currency). The detailed cost by component is shown in Annex B.2.8.

Table 2.1: Project Cost by Component

<table>
<thead>
<tr>
<th>Components</th>
<th>CFAF Million</th>
<th>L.C.</th>
<th>Foreign Exchange</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Development of Drinking Water Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network Extension and Right Bank Standpipe Construction Works</td>
<td>941.844</td>
<td>5 337.116</td>
<td>6 278.960</td>
<td>1.244</td>
</tr>
<tr>
<td>Low-cost Connections, Meters and Leakage Detection Equipment</td>
<td>1 481.915</td>
<td>9 879.436</td>
<td>11.090</td>
<td></td>
</tr>
<tr>
<td>Sikoro Tank and Related Left Bank Network Construction Works (Lot No.1)</td>
<td>883.528</td>
<td>5 890.186</td>
<td>6.612</td>
<td></td>
</tr>
<tr>
<td>Ntomikoro Tank and Related Left Bank Network Construction Works (Lot No.2)</td>
<td>830.796</td>
<td>5 538.637</td>
<td>7.314</td>
<td></td>
</tr>
<tr>
<td>Warning and Pumping Stations and Treatment Plant Construction Works (EIB, AFD and EU Lot)</td>
<td>8 825.883</td>
<td>58 807.556</td>
<td>77.663</td>
<td></td>
</tr>
<tr>
<td>Facilities and Network Construction Works (World Bank Lot)</td>
<td>4 827.609</td>
<td>32 183.394</td>
<td>42.503</td>
<td></td>
</tr>
<tr>
<td>Facilities and Network Construction Works (IsDB Lot)</td>
<td>2 245.250</td>
<td>14 968.336</td>
<td>19.767</td>
<td></td>
</tr>
<tr>
<td>Facilities and Network Construction Works (Italian Cooperation-IC Lot)</td>
<td>8 21.393</td>
<td>5 475.952</td>
<td>7.232</td>
<td></td>
</tr>
<tr>
<td>Right and Left Bank Works Studies and Control</td>
<td>567.111</td>
<td>3 780.740</td>
<td>4.993</td>
<td></td>
</tr>
<tr>
<td>Sub-total Development of DWS Infrastructure</td>
<td>21 418.330</td>
<td>136 203.197</td>
<td>188.591</td>
<td></td>
</tr>
<tr>
<td>C. Support to Project Operation and Management Structures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to the Ministry of Environment and Sanitation (MEA)</td>
<td>204.330</td>
<td>1 157.870</td>
<td>1.529</td>
<td></td>
</tr>
<tr>
<td>Organizational, Institutional and Price Studies for MEA</td>
<td>98.888</td>
<td>560.363</td>
<td>0.740</td>
<td></td>
</tr>
<tr>
<td>Support to the Electricity and Water Regulatory Commission (CREE)</td>
<td>7.500</td>
<td>42.500</td>
<td>0.066</td>
<td></td>
</tr>
<tr>
<td>Project Management and Coordination</td>
<td>1 431.800</td>
<td>6 491.400</td>
<td>8.571</td>
<td></td>
</tr>
<tr>
<td>Sub-total Support to Project Operation and Management Structures</td>
<td>1 742.518</td>
<td>8 562.850</td>
<td>11.306</td>
<td></td>
</tr>
<tr>
<td>Total Base Cost</td>
<td>23 160.847</td>
<td>151 366.047</td>
<td>199.897</td>
<td></td>
</tr>
<tr>
<td>Physical Contingencies</td>
<td>2 316.085</td>
<td>15 136.605</td>
<td>19.990</td>
<td></td>
</tr>
<tr>
<td>Price Escalation</td>
<td>3 883.727</td>
<td>14 429.607</td>
<td>19.056</td>
<td></td>
</tr>
<tr>
<td>TOTAL PROJECT COST</td>
<td>29 360.659</td>
<td>180 932.259</td>
<td>238.943</td>
<td></td>
</tr>
</tbody>
</table>

Table 2.2: Project Cost by Expenditure Category

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>L.C.</th>
<th>CFAF Million</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. GOODS</td>
<td>1 011.247</td>
<td>5 730.397</td>
<td>6 741.644</td>
</tr>
<tr>
<td>B. WORKS</td>
<td>19 839.972</td>
<td>132 280.813</td>
<td>174.695</td>
</tr>
<tr>
<td>C. SERVICES</td>
<td>1 174.228</td>
<td>6 298.190</td>
<td>8.318</td>
</tr>
<tr>
<td>D. PROJECT MANAGEMENT AND OPERATION</td>
<td>1 135.400</td>
<td>6 045.400</td>
<td>7.982</td>
</tr>
<tr>
<td>Total Base Cost</td>
<td>23 160.847</td>
<td>151 366.047</td>
<td>199.897</td>
</tr>
<tr>
<td>Physical Contingencies</td>
<td>2 316.085</td>
<td>15 136.605</td>
<td>19.990</td>
</tr>
<tr>
<td>Price Escalation</td>
<td>3 883.727</td>
<td>14 429.607</td>
<td>19.056</td>
</tr>
<tr>
<td>TOTAL PROJECT COST</td>
<td>29 360.659</td>
<td>180 932.259</td>
<td>238.943</td>
</tr>
</tbody>
</table>
2.4.2 The project will be financed by: (i) a UA 50 million ADF loan: 21%; (ii) the French Development Agency (AFD) to the tune of UA 33.913 million: 14%; (iii) the European Union (EU) with UA 16.000 million: 7%; (iv) the European Investment Bank (EIB) with UA 43.500 million; (v) the World Bank (WB) with UA 49.004 million: 21%; (vi) the Islamic Development Bank (IsDB) with UA 22.029 million; (vii) Italian Cooperation (IC) with UA 8.059 million: 3%; and (viii) the Government to the tune of UA 16.438 million: 7%.

2.4.3 The ADF financing will help to: (i) construct 600 km of water distribution network out of the projected 880 km; (ii) construct 708 standpipes out of the 1 108 planned; (iii) construct 46 144 low-cost connections out of the 66 144 earmarked; (iv) construct 30 000 normal home connections out of the 44 000 planned; (v) construct two water storage tanks with capacity of 2 000 m$^3$ and 2 500 m$^3$, respectively; and (vi) carry out all the works control and studies financed by the Bank.

<table>
<thead>
<tr>
<th>Sources of Financing</th>
<th>UA Million</th>
<th>L.C.</th>
<th>Foreign Exchange</th>
<th>Total</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF Loan</td>
<td>5.728</td>
<td>44.272</td>
<td>50.000</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>European Investment Bank (EIB)</td>
<td>4.188</td>
<td>39.312</td>
<td>43.500</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>French Development Agency (AFD)</td>
<td>3.265</td>
<td>30.648</td>
<td>33.913</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>European Union (EU)</td>
<td>1.540</td>
<td>14.460</td>
<td>16.000</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>World Bank (WB)</td>
<td>4.718</td>
<td>44.286</td>
<td>49.004</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Islamic Development Bank (IsDB)</td>
<td>2.121</td>
<td>19.908</td>
<td>22.029</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Italian Cooperation (IC)</td>
<td>0.776</td>
<td>7.283</td>
<td>8.059</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>16.438</td>
<td>0.000</td>
<td>16.438</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL PROJECT COST</strong></td>
<td><strong>38.774</strong></td>
<td><strong>200.169</strong></td>
<td><strong>238.943</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Table 2.4

#### Expenditure Schedule by Component

<table>
<thead>
<tr>
<th>Components</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Development of Drinking Water Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network Extension and Right Bank Standpipe Construction Works</td>
<td>0.000</td>
<td>3.631</td>
<td>3.061</td>
<td>3.222</td>
<td>9.915</td>
</tr>
<tr>
<td>Low-cost Connections, Meters and Leakage Detection Equipment</td>
<td>1.371</td>
<td>4.562</td>
<td>4.720</td>
<td>4.885</td>
<td>15.537</td>
</tr>
<tr>
<td>Sikoro Tank and Related Left Bank Network Construction Works (Lot No.1)</td>
<td>0.000</td>
<td>4.502</td>
<td>3.947</td>
<td>0.737</td>
<td>9.186</td>
</tr>
<tr>
<td>Ntomikoro Tank and Related Left Bank Network Construction Works (Lot No.2)</td>
<td>0.000</td>
<td>3.546</td>
<td>3.669</td>
<td>1.473</td>
<td>8.688</td>
</tr>
<tr>
<td>Warning and Pumping Stations and Treatment Plant Construction Works (EIB, AFD and EU Lot)</td>
<td>0.000</td>
<td>30.293</td>
<td>31.414</td>
<td>32.577</td>
<td>94.284</td>
</tr>
<tr>
<td>Facilities and Network Construction Works (World Bank Lot)</td>
<td>0.000</td>
<td>16.478</td>
<td>17.067</td>
<td>17.677</td>
<td>51.222</td>
</tr>
<tr>
<td>Facilities and Network Construction Works (IsDB Lot)</td>
<td>0.000</td>
<td>7.628</td>
<td>7.892</td>
<td>8.167</td>
<td>23.687</td>
</tr>
<tr>
<td>Facilities and Network Construction Works (Italian Cooperation-IC Lot)</td>
<td>0.000</td>
<td>2.791</td>
<td>2.887</td>
<td>2.988</td>
<td>8.666</td>
</tr>
<tr>
<td>Right and Left Bank Works Studies and Control</td>
<td>1.465</td>
<td>1.458</td>
<td>1.509</td>
<td>1.443</td>
<td>5.875</td>
</tr>
<tr>
<td><strong>Sub-total Development of DWS Infrastructure</strong></td>
<td><strong>2.836</strong></td>
<td><strong>74.888</strong></td>
<td><strong>76.166</strong></td>
<td><strong>73.169</strong></td>
<td><strong>227.059</strong></td>
</tr>
<tr>
<td><strong>C. Support to Project Operation and Management Structures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to the Ministry of Environment and Sanitation (MEA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Updating of SDAB and Definition of “Priority Project for Kabala”</td>
<td>0.834</td>
<td>1.220</td>
<td>0.000</td>
<td>0.000</td>
<td>2.054</td>
</tr>
<tr>
<td>- Organizational, Institutional and Pricing Studies for MEA</td>
<td>0.379</td>
<td>0.615</td>
<td>0.000</td>
<td>0.000</td>
<td>0.995</td>
</tr>
<tr>
<td>Support to the Electricity and Water Regulatory Commission (CREE)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Standpipe Water Pricing Regulation Study</td>
<td>0.000</td>
<td>0.076</td>
<td>0.000</td>
<td>0.000</td>
<td>0.076</td>
</tr>
<tr>
<td>Project Management and Coordination</td>
<td>0.406</td>
<td>2.851</td>
<td>2.745</td>
<td>2.757</td>
<td>8.759</td>
</tr>
<tr>
<td><strong>Sub-total Support to Project Operation and Management Structures</strong></td>
<td><strong>1.619</strong></td>
<td><strong>4.762</strong></td>
<td><strong>2.745</strong></td>
<td><strong>2.757</strong></td>
<td><strong>11.884</strong></td>
</tr>
<tr>
<td><strong>TOTAL PROJECT COST</strong></td>
<td><strong>4.455</strong></td>
<td><strong>79.650</strong></td>
<td><strong>78.911</strong></td>
<td><strong>75.927</strong></td>
<td><strong>238.943</strong></td>
</tr>
</tbody>
</table>
2.5  Project Target Area and Beneficiaries

2.5.1  This project will concern Bamako and its vicinity. It will help to significantly improve drinking water supply to close to 1.6 million people, that is about 64% of the city’s population (of which 50.4% women). In particular, the project will help to significantly offset the drinking water supply infrastructure deficit in neighbourhoods such as Kalabankoro. Water will be supplied mainly through standpipes, normal home connections and subsidized low-cost connections. Bamako’s current low drinking water supply rate (36%) largely justifies the implementation of such a project, which will help to increase the rate to 60%.

2.5.2  In addition to improving drinking water supply and the social and health conditions of the population, the project will: (i) build the institutional capacity of Société Malienne de Patrimoine d’Eau Potable (Mali Drinking Water Heritage Corporation - SOMAPEP-s.a.), Société Malienne de Gestion d’Eau Potable (Mali Drinking Water Management Corporation - SOMAGEP-s.a.) and the Electricity and Water Regulatory Commission (CREE); (ii) support the Ministry of Environment and Sanitation (MEA) in updating SDAB, designing a priority sanitation project for Bamako and initiating an institutional and pricing study for the sub-sector; and (iii) create direct and indirect jobs owing to the large quantity of project works and the execution of some of such works using the labour-intensive approach.

2.6  Participatory Approach for Project Identification, Design and Implementation

2.6.1  This project was the subject of a broad-based consultation between donors and Malian authorities right from its design stage. Several round tables and meetings were organized in Mali and in France on sector reform and project design, resulting in the finalization of project financing. In addition, for ESIA preparation needs, a series of public consultations were organized with the beneficiary population to take into account their different points of view in project design. At the same time, meetings were held with the representatives of Bamako municipal councils as well as those of water user associations. It should also be noted that the decentralization policy adopted by Mali encourages the involvement of Bamako’s councils, grass-roots organizations (NGOs and others) and the beneficiary population in project implementation, and subsequent monitoring through their various associations.

2.6.2  At the current stage of project study, consultations already held have helped to note the following key issues of concern to the beneficiary population: (i) a favourable reception of the project, given the current acute water shortage and the resulting tough task of fetching water, notably by women and children; (ii) the need for increased involvement of women’s associations in the management and operation of standpipes, while also building their capacity to manage this type of facility; (iii) the wish for the involvement of a major proportion of Bamako’s jobless labour force, notably the many unemployed youths, in facility construction works, given the fact that this component takes up about 95% of project financing and that a significant part of the works will be executed using the labour-intensive approach.

2.6.3  Thus, the adoption of a participatory approach as a means of achieving project objectives will enable all stakeholders to participate actively in the Steering Committee comprising all stakeholders (State and others). The Steering Committee will be set up to ensure the proper design and implementation of project activities, as well as its auto-evaluation. The participatory approach adopted by the Government through the effective involvement of grassroots communities in project design and implementation will enhance their sense of ownership, thus ensuring the sustainability of facilities built. This public consultative mechanism will continue during project study and implementation.
2.7  Bank Group Experience and Lessons Reflected in Project Design

The following key lessons reflected in the project design were drawn from the Bank’s experience in the sector in Mali: (i) the need to reduce the timeframe for loan effectiveness and to lift conditions precedent to first disbursement: to this end, from the project preparation phase, the Malian party was apprised of the conditions precedent to loan effectiveness, helping it to anticipate their fulfilment. Furthermore, the Bank’s Field Office will assist the Government to avoid any delays; (ii) the need to improve quality at project entry in order to reduce procurement time and accelerate works execution: the project design is based on reports on the preliminary design of all project facilities and reports on the final design of facilities located upstream of networks (pumping stations and treatment plants), thus helping to design the project using quality inputs; and (iii) the need to build the capacity of project implementation structures, particularly with regard to procurement: to this end, the capacity of project implementation structures will be built, notably through skills transfer by technical assistance staff to be recruited and the organization of seminars to train the staff of such structures for efficient and rapid project implementation.

2.8  Key Performance Indicators

2.8.1  The contractual arrangements put in place for urban water sector reform, namely the SOMAPEP-s.a. Programme Contract, the SOMAGEP-s.a. Performance Contract and the Electricity and Water Regulatory Commission (CREE) financial model provide a suitable framework for monitoring the drinking water access rate, service quality and sector financial balance, which are the project’s key performance indicators. SOMAGEP-s.a. will carry out monitoring and evaluation, in collaboration with CREE. SOMAPEP-s.a. will be responsible for providing information to the monitoring and evaluation system. This information will also be used to establish a geographic information system (GIS) and produce various thematic maps. The capacity of the structures charged with the monitoring and evaluation system will be strengthened within the project framework to gradually improve the overall performance of the system and ensure its adequate and continuous updating. All donors concerned and the Government will monitor and analyse indicators generated by the system during the two joint annual reviews. The following project indicators will be monitored, among others:

<table>
<thead>
<tr>
<th>Indicators of the Effectiveness of Project Achievements by 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence and effectiveness of a system for monitoring the quality and level of River Niger water resources</td>
</tr>
<tr>
<td>Existence and effectiveness of a system for monitoring the construction of DWS infrastructure</td>
</tr>
<tr>
<td>Quality warning station built (1)</td>
</tr>
<tr>
<td>Water treatment plant built (1)</td>
</tr>
<tr>
<td>Networks established (880 Km)</td>
</tr>
<tr>
<td>Number of storage facilities with a capacity of between 2 000 and 10 000 m³ constructed (8)</td>
</tr>
<tr>
<td>Number of standpipes constructed (1 108)</td>
</tr>
<tr>
<td>Number of home connections made (44 000)</td>
</tr>
<tr>
<td>Number of low-cost connections made (66 144)</td>
</tr>
<tr>
<td>Rate of loss in the networks drops from 30.5% to 20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicators of Project Effectiveness in Terms of Impact on Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>The drinking water access rate increases from 36% to 60% on average in Bamako (1.6 million people supplied with water)</td>
</tr>
<tr>
<td>Number of women or women’s associations managing standpipes set up and trained (30% standpipes)</td>
</tr>
<tr>
<td>Number of standpipe managers set up (1 108)</td>
</tr>
<tr>
<td>Number of cholera and diarrhoea cases drops from 34 850 to 11 278 in 2017</td>
</tr>
<tr>
<td>Number of jobs created by the project before 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicators of Project Effectiveness in Terms of Impact on Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant mortality rate decreases from the current average level of 175 per thousand to 133 per thousand in 2020</td>
</tr>
<tr>
<td>Average consumption of drinking water per capita in Bamako reaches 20 litres/day/person per standpipe and 100 litres/day/person per individual connection</td>
</tr>
</tbody>
</table>
III. PROJECT FEASIBILITY

3.1 Economic and Financial Performance

Table 3.1
Key Economic Data

<table>
<thead>
<tr>
<th>Financial Return</th>
<th>Economic Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRR</td>
<td>EIRR</td>
</tr>
<tr>
<td>3.28%</td>
<td>24%</td>
</tr>
<tr>
<td>NPV (10%) in CFAF million</td>
<td>6 386.78</td>
</tr>
</tbody>
</table>

3.1.1 Financial analysis. The project is financially viable. The financial internal rate of return (FIRR), calculated over a forty-year period, is estimated to be 3.28%, which is more than the 0.80% weighted average cost of financial resources. Regarding operation, the projected operating account presented in Table A4 in the Annex shows a positive gross margin from the second year, whose cumulative amount over ten years stands at CFAF 90.365 billion. This will help to finance new extension or replacement investments on the one hand, and contribute to ensuring sub-sector balance on the other hand, since the Government has decided to repay the debt.

3.1.2 Economic analysis. The economic rate of return, calculated over a forty-year period and based on the assumptions presented in the Annex, is 24% with a net present value (NPV) of CFAF 96 028 million. This indicates a strong project impact from the social standpoint. It will provide numerous benefits, particularly: (i) improved access to drinking water for about 1.6 million people; (ii) a better lifestyle for the population, particularly women, who will cover shorter distances and carry less weight, and may engage in other income-generating activities; (iii) reduced prevalence of waterborne diseases, particularly infant diarrhoea for which Bamako has the highest disease rate (18 cases per 1 000 children, against a national average of 14 cases per 1 000); (iv) improved school enrolment of girls, which was 70% against 84% for boys between 2007 and 2010; and (v) improved income for the population, thanks to the involvement of local SMEs and SMIs in project works, construction of more than 1 000 standpipes and the subsequent recruitment of workers to manage them on a daily basis.

3.1.3 Sensitivity. The sensitivity analysis was carried out with respect to: (i) a 10% and 20% increase in investment costs; (ii) a 10% and 20% increase in operating costs; and (iii) a 10% and 15% drop in revenue. This analysis shows that the project is sensitive, in order of importance, to change in revenue, investments and operating costs, making pricing and collection essential for coverage of operating expenses and for DWS sub-sector balance (see details in Annex B.7). In all these scenarios, the financial return, which varies from 3.28% to 1.52%, is assured.

3.2 Environmental and Social Impact

3.2.1 Environmental aspects. Given the nature of the works to be carried out and the ensuing potential direct and indirect impacts, the project is classified under Environmental Category 2, in accordance with the Bank’s rules and procedures. Accordingly, an Environmental and Social Management Plan (ESMP) has been finalized based on the Environmental and Social Impact Assessment (ESIA) already available. The ESMP provisions will be an integral part of work contractors’ specifications. The ESMP implementation will help to mitigate potential adverse impacts. In this regard, the environmental expert of the Project Implementation Unit, supported by the works control firm, will monitor the implementation of social mitigation and compensation measures recommended by the ESMP. Overall, the project will provide many environmental, social and health benefits, while its environmental impact will be more easily cushioned through the
implementation of appropriate mitigation measures. Besides increasing access to drinking water for the population, the main expected positive impacts are: (i) the creation of direct and indirect jobs for several occupational groups during construction works; (ii) the reduction in the prevalence of waterborne diseases; and (iii) the significant lessening of the burden of fetching water for women and children. The main anticipated negative impacts are: the decline in the river water level due to its exploitation and climate change, water quality-related risks, interruption of public services, obstruction of movement and urban activities during the execution of works, spread of communicable diseases, site waste and noise-related nuisance. However, these environmental impacts will be limited, reversible and controllable through the implementation and monitoring of appropriate mitigation measures proposed in the ESMP. In addition, the potential nuisance caused during works execution will be mitigated by establishing a mechanism to inform the population about public service interruptions due to work execution, at least one day before such interruption.

3.2.2 Climate change. Climate change manifests itself in Mali through: (i) a higher variability of and reduction in rainfall; (ii) a continuous downward slide of isohyets towards the South; and (iii) increased frequency of heavy rainfall and drought. The main potential impacts on the water resources of River Niger are: (i) high fluctuation of the water level of the river, accompanied by lack of predictability; and (ii) the deterioration of water quality. The options of resilience and adaptation to climate change considered under the project concern the monitoring of water resources from the quantitative and qualitative standpoints, resulting in: (i) the construction of a warning station upstream of the pumping station on the river for hydrological monitoring, the monitoring of the level of potential pollution and management of related data; and (ii) the training of SOMAPEP-s.a. and SOMAGEP-s.a. senior officers in charge of operating the station.

3.2.3 Social aspects. Socially, the most important project challenge is to improve the population’s water-related health situation. The range of infrastructure to be built under the project will significantly improve access to drinking water, thus reducing the prevalence of waterborne diseases. The project will help to increase the water access rate in Bamako from 36% to 60%. To facilitate access to water by the most vulnerable social segments, the project will undertake approximately 66 144 subsidized low-cost connections intended primarily for poor households.

3.2.4 Another project stake is its contribution to the creation of direct and indirect jobs for several occupational groups, particularly many young underemployed workers. In fact, much of the work will be done by using the labour-intensive method. Furthermore, the management of the 1 108 standpipes built under the project will be a source of income for their operators.

3.2.5 Gender aspects. One of the major project impacts for women and children will be the time saved (about 3 hours per day) from the chore of fetching water by bringing water points closer to homes (standpipes), notably in neighbourhoods suffering water shortage and still inadequately served with respect to drinking water. With such time saved, women will become more involved in income-generating activities. In particular, girls will record improved school attendance and academic performance. In addition, the approach which promotes gender mainstreaming and empowerment of women and vulnerable social groups (e.g. the disabled and youths in jobs related to the management of standpipes constructed under the project) will help to focus on the specific constraints that they face, to better integrate them in society. Thus, the project will provide permanent jobs, notably related to the management of standpipes, for women and disadvantaged social groups. These population segments will be given priority in managing about 30% of the 1 108 standpipes built. Specific training seminars will be organized to build the capacity of associations in accounting, hygiene and sanitation around water points, basic maintenance and routine repairs, to avoid a high rate of interruption in the operation of the standpipes. Furthermore, as part of the
extension of standpipes, Bamako will be sanitized. Washing points operated by the structures managing the standpipes will also be built within the project framework. This will help to diversify sources of income for these categories of beneficiaries.

3.2.6 Forced resettlement: on the river water catchment site, the project will affect persons who extract sand from the river for sale. These project works exclusively concern the lots financed by AFD, EU and EIB. The displacements caused are not of a nature to require conditionalities for ADF financing. In addition, it is worth noting that as compensation, the Government has already resettled individuals affected on a new production site. This activity has been preserved in its entirety and operators are carrying on their activity normally.

IV. PROJECT IMPLEMENTATION

4.1 Implementation Arrangements

4.1.1 Executing Agency: the Ministry of Energy and Water Resources (MEE) will serve as project owner through SOMAPEP-s.a., which will be responsible for technical and financial implementation. This structure has enough experienced staff in project implementation. It already enjoys technical assistance support financed by AFD, pending various planned support operations by other donors during project implementation.

4.1.2 SOMAPEP-s.a. will establish a Project Implementation Unit (PIU) consisting exclusively of its staff. The PIU will be headed by a coordinator, assisted by five other experts to monitor project implementation. The Ministry in charge of sanitation will also designate a focal point (engineer specialized in wastewater collection and treatment) to the PIU to monitor the project’s sanitation component. SOMAPEP-s.a. already has an implementation procedures manual that has been validated by donors involved in the project. The SOMAPEP-s.a. Director of Planning and Investment will coordinate the project. Besides the coordinator, the PIU will comprise SOMAPEP-s.a. staff with the following profiles: hydraulic engineer or civil engineer for the technical supervision of works, a procurement expert, an environmentalist, an administrative and finance officer, an expert in internal control and support staff, including an accounting officer and a secretary. The designation of all PIU experts will be a condition precedent to first disbursement. All PIU activities will be executed under a performance contract for each of its members, covering the project implementation period.

4.1.3 Steering Committee. Given the nature of project outcomes and the different stakeholders involved in its implementation, a steering committee specific to the Bamako DWS project will be established within the PROSEA framework. This committee will ensure the proper coordination and implementation of project activities, therefore it’s monitoring and auto-evaluation. Experience shows that such a committee would not only benefit from bringing together all stakeholders without exception, but would also hold regular half-yearly meetings with the relevant representatives. At any rate, the committee should include a representative of the Ministries of Economy, Finance, Environment, Sanitation, Local and Regional Authorities, Health, Transport, Town Planning, State Property and Telecommunications, as well as a representative of DNH, DNACPN, DNR, ANGESEM, SOMAPEP-s.a., SOMAGEP-s.a., CREE, EDM, NGOs, the Bamako District City Council and the Bamako District Governorate.

in keeping with the provisions set forth in the financing agreement. Procurements through Local Competitive Bidding (LCB) will be undertaken in accordance with national regulations on public procurement (Decree No. 8-485/P-RM of 11 August 2008 setting forth the procedures governing public and para-public procurement, execution and payment), using the country’s standard bidding documents, as per provisions set forth in the financing agreement. Details of procurements provided for under the project are presented in the table in Annex B.5

4.1.5 Disbursement procedures. ADF resources will be disbursed through the following three methods: (i) the special account method; (ii) the direct payment method; and (iii) the reimbursement method. Under the special account method, a special account will be opened in a local bank acceptable to the ADF as soon as the loan becomes effective. This account will function under the double signature of two authorized officials. It will receive Bank resources as working capital. The direct payment method will be used for works and control expenditure as well as other consulting services, particularly accounts auditing, etc. The reimbursement method will be used only for repayment to the project of eligible expenditure whose pre-financing with counterpart contributions is authorized beforehand by the Bank. Disbursements under counterpart contributions will be done through a special counterpart contribution account opened in a local bank and functioning under the double signature of two authorized officials. This account will receive funds to pay for expenditure eligible under counterpart contributions.

4.1.6 Financial management arrangements. The project executing agency - Société Malienne de Patrimoine de l’Eau Potable (the Mali Drinking Water Heritage Corporation - SOMAPEP-s.a.) - will set up a Project Implementation Unit composed, among others, of: (i) a Coordinator; (ii) an Administrative and Finance Officer (AFO); (iii) an Internal Auditor; and (iv) an Accounting Officer. The PIU will be provided with sufficient technical, human and material resources to enable it to: (i) keep proper and detailed accounts of all transactions during the project’s life cycle; (ii) ensure the safekeeping of project financial data and assets; and (iii) inform on and audit the financial resources provided. In this respect, an evaluation of the current financial management system was carried out. It deemed the system as fairly satisfactory as presented above, and able to meet the Bank’s expectations in this regard. The system is based on: (a) an integrated management software adapted to fully operational development projects; (b) a project implementation procedures manual covering all the administrative, accounting and financial procedures used; and (c) staff trained on the use of the software and hence having the necessary technical and academic competence to use it. However, the following actions are recommended to improve the existing system: (1) train the project management team on the Bank’s procurement, disbursement and financial management rules and procedures at the latest by the project launch date; and (2) recruit an independent external audit firm based on terms of reference acceptable to the Technical and Financial Partners (TFPs) involved in the project latest within three months following the effectiveness of the financing agreement. Ultimately, in light of the foregoing, the financial management risk, broken down into inherent and non-control risks, was deemed moderate.

4.1.7 Audit arrangements. The project accounts will be audited by an independent audit firm recruited on a competitive basis and in accordance with the terms of reference agreed upon with all the Technical and Financial Partners involved in the project, within three months following the effectiveness of the financing agreement. It will produce a report in accordance with the terms of reference referred to above and validated by all stakeholders. The report will be submitted to the Bank latest six months following the end of the financial year audited.
### 4.2 Monitoring

#### 4.2.1 Implementation schedule

The project will be implemented over 48 months, starting January 2014. Works will begin in July 2014 and span 36 months, up to May 2017. To monitor project implementation, the Bank will field a launching mission as well as regular supervision missions, in accordance with the provisions in force. The indicative project implementation schedule is summarized below:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsibility</th>
<th>Date /Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval of financing</td>
<td>ADF</td>
<td>Early October 2013</td>
</tr>
<tr>
<td>Effectiveness and fulfilment of conditions</td>
<td>GVT/ADF</td>
<td>November 2013</td>
</tr>
<tr>
<td>Preparation and launching of BDs</td>
<td>SOMAPEP-s.a./ADF</td>
<td>October 2013 to March 2014</td>
</tr>
<tr>
<td>Signing of contracts</td>
<td>SOMAPEP-s.a.</td>
<td>January to May 2014</td>
</tr>
<tr>
<td>Start-up of service delivery</td>
<td>SOMAPEP-s.a.</td>
<td>February 2014</td>
</tr>
<tr>
<td>Works</td>
<td>SOMAPEP-s.a./Contractors</td>
<td>July 2014</td>
</tr>
<tr>
<td>Project’s physical completion</td>
<td>SOMAPEP-s.a.</td>
<td>December 2017</td>
</tr>
</tbody>
</table>

### 4.3 Governance

#### 4.3.1

The latest assessments of the public finance system (Public Expenditure Management and Financial Accountability Review - PEMFAR) and Public Expenditure and Financial Accountability - PEFA) carried out in 2010 showed progress in budget preparation, implementation and control, although there are still weaknesses in internal and external control. The mitigation of these weaknesses is taken into account as part of implementation of the Government’s Action Plan to Modernize and Improve Public Finance Management (PAGAM-GFP) by operationalizing the National Internal Control Strategy (SNCI) and building the capacity of the Audit Bench of the Supreme Court. Economic and financial governance residual risks at the central and project level remain linked to the political and security crisis experienced by the country since March 2012, but now being resolved. However, it should be noted that despite the crisis, the country’s fiduciary framework has not deteriorated and that the Government has succeeded in maintaining some degree of budgetary discipline. Furthermore, although the defence budget increased by 37% in 2013, it is controlled by the Ministry of Finance.

### 4.4 Sustainability

#### 4.4.1

The key sustainability factors of the drinking water services provided by the project can be measured by: (i) the capability of SOMAPEP-s.a. and SOMAGEP-s.a. to repair and maintain the works built; (ii) the willingness of municipal councils to entrust the management of standpipes to trained and competent structures; and (iii) judicious management (water pricing regulation, repair and maintenance) of standpipes to guarantee quality and continuity of services provided to the public by these water points, which are crucial in areas experiencing severe water shortage. In this regard, the project will provide targeted support to various structures concerned (SOMAPEP-s.a., SOMAGEP-s.a., CREE, municipal councils and structures responsible for operating standpipes). The following support operations may be listed, among others, within the project framework: (a) procurement of equipment for detecting leakages in buried pipes, replacement of defective water meters (32,500) and rehabilitation of part of the dilapidated water network (about 50 km); these actions will be carried out to improve the overall performance of the DWS system in Bamako, thus significantly reducing water losses estimated at about 30% of the volume currently distributed; (b) training of SOMAGEP-s.a. workers responsible for works repair and
maintenance; (c) conduct of a study to identify ways and means of regulating and standardizing standpipe water pricing in order to keep prices at acceptable levels; and (d) training of structures responsible for the management of standpipes in accounting, repair and minor maintenance.

4.5 Risk Management

4.5.1 Risks: to attain its objectives, the project faces five main risks: (i) the weak implementation capacity of SOMAPEP-s.a. and the weak management capacity of SOMAGEP-s.a.; (ii) the uncertainty over the financial viability of the institutional set up; (iii) the non-implementation of the project’s sanitation component; (iv) inadequate financial resources to finance the project; and (v) the fiduciary risk related to the mobilization of Government’s counterpart contributions to the project, following the country’s current political crisis.

4.5.2 Mitigation measures: (i) the risks associated with the capacity of SOMAPEP-s.a. and SOMAGEP-s.a. will be mitigated by the fact that: (a) technical assistance to the project owner has already been sent to SOMAPEP-s.a.; (b) an implementation manual is available; (c) two senior officers of SOMAPEP-s.a. have already been trained in procurement and a procurement plan is being prepared; and (d) the project will build the capacity of these structures; (ii) the risk associated with financial viability will be mitigated by: (a) the determination of the remuneration of SOMAPEP-s.a. and SOMAGEP-s.a. and the validation of modelling, which will be consistent with the setting of contract objectives; and (b) the clear setting of an objective to restore and maintain the sector’s financial balance; (iii) the risk associated with the non-implementation of the project’s sanitation component is mitigated by the fact that the Bank is currently financing the design of a wastewater collection and treatment project related to Kabala, within the framework of Component B. Furthermore, besides the Bank, other donors like IsDB have already expressed interest in financing the project; (iv) the roundtable organized in April 2013 confirmed the availability of the financing package. Some donors have already approved their financing, thus limiting the risk related to the financing package; and (v) the fiduciary risk associated with counterpart contributions will be mitigated by: (a) all the precautionary measures adopted by the Government to maintain budgetary discipline, following the political crisis. Furthermore, the Government adopted a Revised Budget in October 2012 to ensure macro-economic stability and public finance sustainability. All these measures enabled the Government to maintain its spending under the Revised 2012 Budget, despite financial difficulties; (b) the implementation of activities to build capacity and provide technical assistance under the Emergency Economic Recovery Support Programme (PUARE) being financed by the Bank.

4.6 Knowledge Building

4.6.1 The project will support the establishment and updating of a Geographic Information System (GIS) developed within SOMAPEP-s.a. This GIS will be an important medium for summarizing all data, in real time, to ensure the long-term monitoring of the status of works built as well as their immediate environment. The GIS data will be obtained from various technical, environmental and other studies initiated by donors financing the project. Concurrent with setting up the GIS, a similar system will also be deployed for the Ministry of Environment and Sanitation (MEA) and fed by data obtained from the following studies financed under the project: (i) Update of the Bamako City Sanitation Master Plan (SDAB); (ii) Design of a Priority Sanitation Project related to the Kabala Project, accompanied with the preparation of an ESIA as well as a Compensation and Resettlement Plan (CRP); and (iii) an Organizational, Institutional and Pricing Study of the Urban Sanitation Sub-sector. Furthermore, a study to regulate the fluctuating price of water at standpipes will be initiated to support CREE.
Besides consolidating the knowledge built through the systems and studies listed above, the project will also help to train: (i) SOMAPEP-s.a. and SOMAGEP-s.a. workers involved in project implementation; and (ii) standpipe management structures in accounting, repair and minor maintenance of works. Furthermore, all the data obtained from these initiatives will be used to produce project quarterly progress reports and supervision reports.

V. LEGAL FRAMEWORK

5.1 Legal Instrument

The project will be financed with an ADF loan.

5.2 Conditions Associated With Bank’s Involvement

5.2.1 Conditions Precedent to ADF Loan Effectiveness. The effectiveness of the loan agreement shall be subject to fulfilment by the Borrower of the conditions set forth in Section 12.01 of General Conditions.

5.2.2 Conditions Precedent to First Disbursement. Besides the effectiveness of the loan agreement, the first disbursement of loan resources shall be subject to fulfilment by the Borrower, to the satisfaction of the Fund, of the following conditions:

(i) Provide evidence of the appointment of the following members of the Project Implementation Unit (PIU): (a) from among SOMAPEP-s.a. staff: (1) a hydraulic engineer or civil engineer for works monitoring; (2) a procurement expert; (3) an administrative and financial officer; (4) an environmentalist; and (5) an internal controller; and (b) from among MEA staff: an engineer to act as a focal point. The professional qualifications and experience of the designated officers shall be approved beforehand by the Bank; and

(ii) Provide evidence of opening: (a) a special account in the name of the Project into which ADF loan resources will be deposited and bearing the full bank account credentials; and (b) a bank account into which the Government’s counterpart contributions will be deposited.

5.2.3 Other condition. The Borrower shall, to the satisfaction of the Fund, also:

(i) Provide, latest six months following the first disbursement, evidence of the establishment of the Project Steering Committee comprising at least one representative each of the Ministries of Economy, Finance, the Environment, Sanitation, Regional and Local Authorities, Health, Transport, Urban Development, State Property and Telecommunications; a representative of DNH, DNACPN, DNR, ANGESEM, SOMAPEP-s.a., SOMAGEP-s.a., CREE, EDM, NGOs, the Bamako District City Council and Bamako District Governorate.
5.2.4 **Commitments.** The Borrower shall undertake to:

(i) Implement the Project and the Environmental and Social Management Plan (ESMP) and ensure their implementation by its contractors, in accordance with national laws, recommendations, provisions and procedures contained in the ESMP, as well as the relevant rules and procedures of the Fund; and

(ii) Provide to the Fund quarterly reports on the implementation of the ESMP, including weaknesses and corrective measures to be taken, where applicable.

5.3 **Compliance with Bank Policies**

This project is in line with all applicable Bank policies.

VI. **RECOMMENDATION**

Management hereby recommends that the Board of Directors approve the proposal to grant a UA 50 million ADF loan to the Republic of Mali for the purpose and under the conditions set forth in this report.
## Country Comparative Socio-economic Indicators

### Mali

### COMPARATIVE SOCIO-ECONOMIC INDICATORS

<table>
<thead>
<tr>
<th>Year</th>
<th>Mali</th>
<th>Africa</th>
<th>Developing Countries</th>
<th>Developed Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Basic Indicators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area ('000 Km²)</td>
<td>2011</td>
<td>1240</td>
<td>30,323</td>
<td>98,458</td>
</tr>
<tr>
<td>Total Population (millions)</td>
<td>2012</td>
<td>16.3</td>
<td>1,070.1</td>
<td>5,807.6</td>
</tr>
<tr>
<td>Urban Population (% of Total)</td>
<td>2012</td>
<td>37.4</td>
<td>40.8</td>
<td>46.0</td>
</tr>
<tr>
<td>Population Density (per Km²)</td>
<td>2012</td>
<td>12.8</td>
<td>34.5</td>
<td>70.0</td>
</tr>
<tr>
<td>GNI per Capita (US $)</td>
<td>2011</td>
<td>610</td>
<td>1,609</td>
<td>3,304</td>
</tr>
<tr>
<td>Labor Force Participation - Total (%)</td>
<td>2012</td>
<td>27.7</td>
<td>37.8</td>
<td>68.7</td>
</tr>
<tr>
<td>Labor Force Participation - Female (%)</td>
<td>2012</td>
<td>35.2</td>
<td>42.5</td>
<td>39.1</td>
</tr>
<tr>
<td>Gender-Related Development Index Value</td>
<td>2007-2011</td>
<td>0.353</td>
<td>0.502</td>
<td>0.694</td>
</tr>
<tr>
<td>Human Develop. Index (Rank among 186 countries)</td>
<td>2012</td>
<td>182</td>
<td>11,4</td>
<td></td>
</tr>
<tr>
<td>Popul. Living Below $ 1.25 a Day (% of Population)</td>
<td>2010-2011</td>
<td>50.4</td>
<td>40.0</td>
<td>22.4</td>
</tr>
</tbody>
</table>

| **Demographic Indicators** |        |        |                      |                     |
| Population Growth Rate - Total (%) | 2012  | 3.0    | 2.3                 | 1.3                 |
| Population Growth Rate - Urban (%) | 2012  | 5.1    | 3.4                 | 2.3                 |
| Population % 15 years (years) | 2012  | 47.1   | 40.0                | 28.5                |
| Population % 65 years (years) | 2012  | 2.2    | 3.6                 | 6.0                 |
| Dependency Ratio (%) | 2012  | 97.3   | 77.3                | 52.5                |
| Sex Ratio (per 100 female) | 2012  | 100.1  | 100.0               | 103.4               |
| Female Population 15-49 years (% of total population) | 2012  | 22.7   | 49.8                | 53.2                |
| Life Expectancy at Birth - Total (years) | 2012  | 51.9   | 58.1                | 67.3                |
| Life Expectancy at Birth - Female (years) | 2012  | 52.9   | 59.1                | 69.2                |
| Crude Birth Rate (per 1,000) | 2012  | 45.3   | 33.3                | 20.9                |
| Crude Death Rate (per 1,000) | 2012  | 13.8   | 10.9                | 7.9                 |
| Infant Mortality Rate (per 1,000) | 2012  | 93.1   | 71.4                | 46.4                |
| Child Mortality Rate (per 1,000) | 2012  | 175.0  | 111.3               | 66.7                |
| Total Fertility Rate (per woman) | 2012  | 6.2    | 4.2                 | 2.6                 |
| Maternal Mortality Rate (per 100,000) | 2010  | 540.0  | 417.8               | 230.0               |
| Women Using Contraception (%) | 2012  | 10.4   | 31.6                | 62.4                |

| **Health & Nutrition Indicators** |        |        |                      |                     |
| Physicians per 100,000 people | 2004-2010  | 4.9    | 49.2                | 112.2               |
| Nurses per 100,000 people | 2004-2009  | 29.7   | 134.7               | 187.6               |
| Births attended by Trained Health Personnel | 2006-2010  | 49.0   | 53.7                | 65.4                |
| Access to Safe Water (% of Population) | 2010  | 64.0   | 67.3                | 86.4                |
| Access to Health Services (% of Population) | 2000  | 40.0   | 65.2                | 80.0                |
| Access to Sanitation (% of Population) | 2010  | 22.0   | 39.8                | 56.2                |
| Percent of Adults (aged 15-49) Living with HIV/AIDS | 2011  | 1.1    | 4.6                 | 0.9                |
| Incidence of Tuberculosis (per 100,000) | 2011  | 62.0   | 234.6               | 146.0               |
| Child Immunization Against Tuberculosis | 2011  | 89.0   | 81.6                | 83.9                |
| Child Immunization Against Measles | 2011  | 56.0   | 76.5                | 83.7                |
| Underweight Children (% of children under 5 years) | 2006-2011  | 27.9   | 19.8                | 17.4                |
| Daily Calorie Supply per Capita | 2009  | 2,624  | 2,481               | 2,675               |
| Public Expenditure on Health (as % of GDP) | 2010  | 5.0    | 5.9                 | 2.3                 |

| **Education Indicators** |        |        |                      |                     |
| Gross Enrolment Ratio (%) | 2010-2012  | 81.7   | 101.9               | 103.1               |
| Primary School - Total | 2010-2012  | 78.4   | 96.4                | 105.1               |
| Secondary School - Female | 2010-2012  | 39.5   | 42.3                | 66.3                |
| Secondary School - Female | 2010-2012  | 32.7   | 38.5                | 65.0                |
| Primary School Female Teaching Staff (% of Total) | 2011  | 28.1   | 43.2                | 58.6                |
| Adult literacy Rate - Total (%) | 2010  | 31.1   | 67.0                | 89.8                |
| Adult literacy Rate - Male (%) | 2010  | 43.4   | 75.8                | 86.4                |
| Adult literacy Rate - Female (%) | 2010  | 20.3   | 58.4                | 75.5                |
| Percentage of GDP Spent on Education | 2009-2011  | 4.9    | 9.3                 | 9.0                 |

| **Environmental Indicators** |        |        |                      |                     |
| Land Use (Agricultural Land as % of Total Land Area) | 2011  | 5.6    | 7.6                 | 10.7                |
| Annual Rate of Deforestation (%) | 2000-2009  | 0.7    | 0.6                 | 0.4                |
| Forest (As % of Land Area) | 2011  | 10.2   | 23.0                | 28.7                |
| Per Capita CO2 Emissions (metric tons) | 2009  | 0.0    | 1.2                 | 3.1                |

Sources: AfDB Statistics Department Databases; World Bank: World Development Indicators; UNAIDS; UNSD: WHO, UNICEF, WRI, UNDP: Country Reports.
Note: n.a.: Not Applicable; ...: Data Not Available.

Appendix I
### Table of Bank’s Active Portfolio in Mali as at 26 August 2013

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>Approval Date</th>
<th>Signature Date</th>
<th>Effectiveness Date</th>
<th>Closing Date</th>
<th>Amount Approved (UA M)</th>
<th>Amount Disbursed (UA M)</th>
<th>Disbursement Rate</th>
<th>IP</th>
<th>DO</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bani and Sélingué Basin Irrigation Development Programme</td>
<td>27/5/2009</td>
<td>17/6/2009</td>
<td>12/11/2009</td>
<td>31/12/2016</td>
<td>44.00</td>
<td>8.58</td>
<td>19.51%</td>
<td>2.86</td>
<td>2</td>
<td>2.43</td>
</tr>
<tr>
<td>Kayes Sud Livestock Production Development Project</td>
<td>18/4/2009</td>
<td>17/5/2007</td>
<td>14/11/2007</td>
<td>31/12/2014</td>
<td>15.00</td>
<td>7.05</td>
<td>47.05%</td>
<td>1.93</td>
<td>2</td>
<td>1.97</td>
</tr>
<tr>
<td>Sustainable Ruminant Livestock Management Project, Mali</td>
<td>25/1/2006</td>
<td>16/10/2006</td>
<td>18/1/2008</td>
<td>31/12/2013</td>
<td>5.32</td>
<td>3.36</td>
<td>63.13%</td>
<td>2.07</td>
<td>2.25</td>
<td>2.16</td>
</tr>
<tr>
<td><strong>RURAL DEVELOPMENT (4)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>74.32</td>
<td>22.91</td>
<td>30.83%</td>
<td>2.23</td>
<td>2.12</td>
<td>2.18</td>
</tr>
<tr>
<td>Bamako Urban Road Project</td>
<td>27/9/2010</td>
<td>14/10/2010</td>
<td>15/3/2011</td>
<td>31/12/2013</td>
<td>12.00</td>
<td>7.77</td>
<td>64.82%</td>
<td>Not indicated</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TRANSPORT (1)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12.00</td>
<td>7.77</td>
<td>64.82%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gao, Koulikoro and Segou DWSS Project</td>
<td>11/6/2008</td>
<td>30/7/2008</td>
<td>6/2/2009</td>
<td>31/12/2014</td>
<td>31.42</td>
<td>9.25</td>
<td>29.43%</td>
<td>2.15</td>
<td>2</td>
<td>2.08</td>
</tr>
<tr>
<td>IWRM Plan Support Project</td>
<td>7/1/2010</td>
<td>28/5/2010</td>
<td>22/10/2010</td>
<td>30/6/2013</td>
<td>1.66</td>
<td>0.61</td>
<td>36.49%</td>
<td>1.36</td>
<td>2</td>
<td>1.68</td>
</tr>
<tr>
<td><strong>WATER &amp; SANITATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33.08</td>
<td>9.86</td>
<td>29.8%</td>
<td>1.75</td>
<td>2</td>
<td>1.88</td>
</tr>
<tr>
<td>Community Development Support Project</td>
<td>3/5/2006</td>
<td>2/6/2006</td>
<td>30/10/2006</td>
<td>31/12/2012</td>
<td>15.00</td>
<td>12.29</td>
<td>81.97%</td>
<td>2.23</td>
<td>2.67</td>
<td>2.45</td>
</tr>
<tr>
<td>Emergency Humanitarian Assistance</td>
<td>12/7/2012</td>
<td>6/9/2012</td>
<td>6/9/2012</td>
<td>30/11/2012</td>
<td>0.65</td>
<td>0.65</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SOCIAL (2)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15.65</td>
<td>12.94</td>
<td>82.68%</td>
<td>2.23</td>
<td>2.67</td>
<td>2.45</td>
</tr>
<tr>
<td>Guinea-Mali Interconnection Study</td>
<td>12/1/2011</td>
<td>2/6/2011</td>
<td>19/11/2012</td>
<td>30/6/2014</td>
<td>0.83</td>
<td>0.0</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SREP Investment Plan</td>
<td>15/11/2011</td>
<td>24/1/2012</td>
<td>24/1/2012</td>
<td>30/9/2013</td>
<td>0.13</td>
<td>0.13</td>
<td>100%</td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>ENERGY (2)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.96</td>
<td>0.13</td>
<td>13.54%</td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>TOTAL PORTFOLIO (11)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>136.01</td>
<td>53.61</td>
<td>39.41%</td>
<td>2.09</td>
<td>2.17</td>
<td>2.13</td>
</tr>
</tbody>
</table>
### Appendix III

**Major Related Projects Financed by the Bank and Other Development Partners of Mali**

<table>
<thead>
<tr>
<th>GPRSF 2012-2017 Priority Thrusts</th>
<th>Sector Priority Thrusts</th>
<th>Project</th>
<th>Estimated Cost</th>
<th>Period</th>
<th>Donor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure development</td>
<td>- Drinking water</td>
<td>Gao, Koulikoro and Segou Region Drinking Water Supply and Sanitation Project: this project will enable adequate access by about 567,000 people to DWSS services in rural areas</td>
<td>UA 36 315 million</td>
<td>2007-2014</td>
<td>AfDB</td>
</tr>
<tr>
<td></td>
<td>- Liquid sanitation (sludge management)</td>
<td>Bamako Drinking Water Supply Improvement Project</td>
<td>CFAF 9 406 million</td>
<td>2010-2013</td>
<td>IsDB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>National Water Resource Mobilization Programme</td>
<td>CFAF 21 318 million</td>
<td>2010-2016</td>
<td>KFW</td>
</tr>
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<td></td>
<td></td>
<td>Danish-Swedish Support for the Water and Sanitation Sector Programme (PADS-PROSEA) – Koulikoro</td>
<td>CFAF 35 997 million</td>
<td>2010–2014</td>
<td>Denmark, Sweden</td>
</tr>
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<td></td>
<td></td>
<td>DWS Security in Bamako - SCP Missaboughou</td>
<td>CFAF 8 199 million</td>
<td>2010-2013</td>
<td>AFD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DWSS Project in 18 Municipal Councils in Mopti Region: drilling of 157 boreholes, 102 of which are positive boreholes and 4 tank wells</td>
<td>CFAF 7 907 million</td>
<td>2008-2013</td>
<td>AFD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Project for the Extension of the Compact Plants at Bacodji-Corona and Magnambougou (Bamako): increase the drinking water supply capacity of the neighbourhoods situated on the right bank with 2 compact plants of 1 10m³/hour, 53 BF, 2 BP, 38 km pipeline</td>
<td>CFAF 11 410 million</td>
<td>2010 - 2013</td>
<td>National Budget</td>
</tr>
</tbody>
</table>
Appendix IV

Map of Project Area

PROJET DE KABALA - ZONES D'INTERVENTION
REPUBLIQUE DU MALI

DÉPARTEMENT DE BAMAKO

RIVE GAUCHE
EXTENSION ET RENOUVELLEMENT DU RESEAU
RESERVOIR DE SIKORO
RESERVOIR DE N'TOMIKOROBOUGOU

RIVE DROITE
EXTENSION ET RENOUVELLEMENT DU RESEAU

KAYES
KOULIKORO
SEGOU
MOPTI
BAMAKO
SIKASSO

TOMBOUCTOU
GAO
KIDAL