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**President's report**  
**Proposed loan**  
**Republic of Senegal**  
**Support to Food Sovereignty Project**

Project ID: 2000004098

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**Action:** The Executive Board is invited to approve the recommendation contained in paragraph 56.

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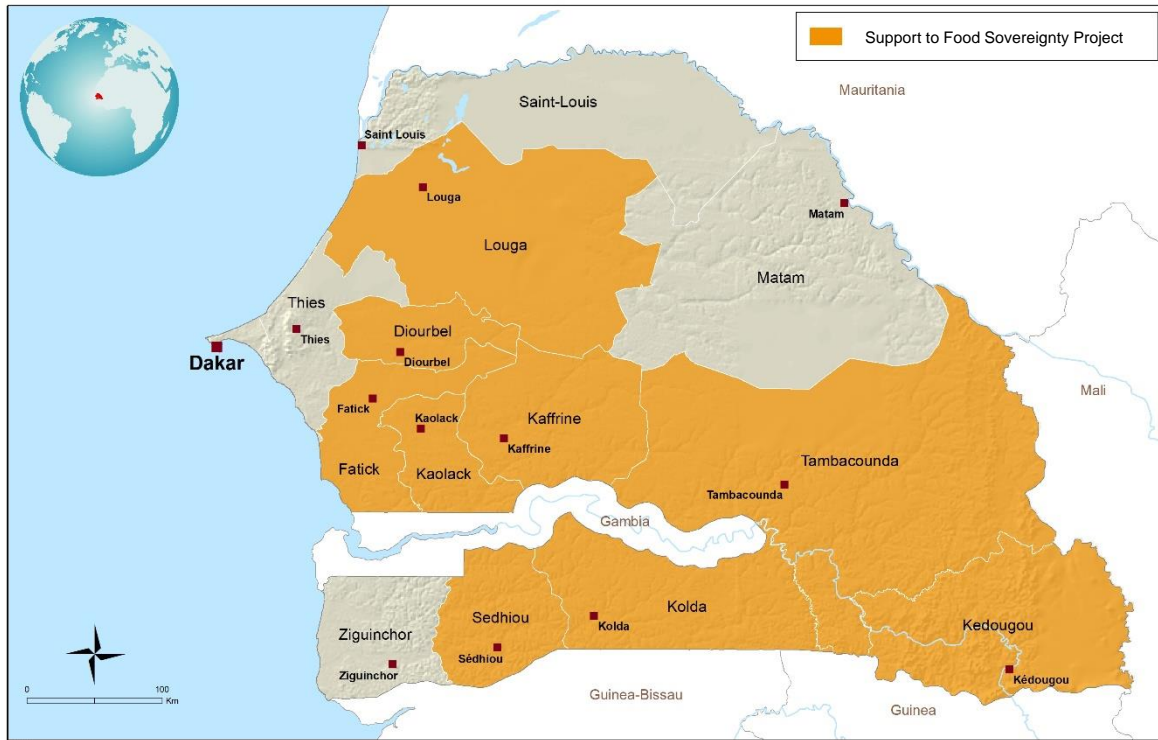
### Project delivery team


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## Map of the project area



 The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.  
Map compiled by IFAD | 22-04-2024

## Financing summary

|  |   |
|--|---|
| <b>Initiating institution:</b>         | IFAD  |
| <b>Borrower/recipient:</b>             | Ministry of Economy, Planning and Cooperation                               |
| <b>Executing agency:</b>               | Ministry of Agriculture, Food Sovereignty and Livestock (MASAE)             |
| <b>Total project cost:</b>             | US\$235 million   |
| <b>Amount of IFAD loan 1:</b>          | US\$6.625 million   |
| <b>Amount of IFAD loan 2:</b>          | US\$13.452 million  |
| <b>Amount of IFAD loan 3:</b>          | US\$69.920 million  |
| <b>Terms of IFAD loan 1:</b>           | Highly concessional (HC)  |
| <b>Terms of IFAD loan 2:</b>           | Blend   |
| <b>Terms of IFAD loan 3:</b>           | Ordinary  |
| <b>Cofinanciers:</b>                   | Italian Climate Fund<br>OPEC Fund for International Development (OPEC Fund) |
| <b>Amount of cofinancing:</b>          | Italian Climate Fund: US\$65 million<br>OPEC Fund: US\$31.5 million         |
| <b>Terms of cofinancing:</b>           | US\$95 million: loan<br>US\$1.5 million: grant                              |
| <b>Contribution of borrower:</b>       | US\$4.25 million  |
| <b>Contribution of beneficiaries:</b>  | US\$19.25 million   |
| <b>Financing gap:</b>                  | US\$25 million  |
| <b>Amount of IFAD climate finance:</b> | US\$48.901 million  |
| <b>Cooperating institution:</b>        | IFAD  |

## I. Context

### A. National context and rationale for IFAD involvement

#### National context

1. **The rural context:** About half the population (46 per cent) of the Republic of Senegal lives in rural areas, where the incidence of poverty (54 per cent) is almost twice that of urban areas (30 per cent). Despite economic progress in recent years, rural poverty reduction has not kept pace with the country's strong overall economic growth.
2. **The agricultural and food security context.** Agriculture remains a key driver of the economy, employing 60 per cent of the population, with around 70 per cent of rural people depending on agriculture or related activities for their livelihood. Yet, current agriculture performance is weak. The agriculture sector is made up primarily of small-scale family producers engaged in subsistence and small-scale livestock farming characterized by: (i) low productivity and unsustainable practices that lead to the degradation of natural resources, and (ii) vulnerability to multiple shocks. Small-scale family producers struggle to meet their household's food needs throughout the year. Senegal imports nearly 70 per cent of its food. Due to the rise in food prices in the international markets, food imports had a negative impact on the balance of trade in the period 2014–2021, with the cost of agricultural imports rising by nearly 6 per cent per year. The balance of trade deficit with respect to agricultural products increased by 9 per cent. Numerous shocks – climate change, the COVID-19 pandemic and the recent war in Ukraine – exacerbated this situation.
3. **The rationale for a national food sovereignty strategy.** In response to these challenges, Senegal has launched a national food sovereignty strategy, a cross-sectoral strategy aimed at strengthening the country's food sovereignty, reducing its dependence on food imports and increasing the resilience of the country's food systems to various shocks. The strategy focuses on: (i) increasing the production, productivity and value of agricultural products, with particular emphasis on priority value chains; and (ii) increasing the supply of products by diversifying agricultural production. The main strategic orientations include: (i) sustainably increasing the availability of quality food in sufficient quantities; and (ii) promoting physical and economic access by the Senegalese population to healthy and diversified nutritious food.

#### Special aspects relating to IFAD's corporate mainstreaming priorities

4. In line with IFAD's mainstreaming commitments, the project has been validated as:
  - Including climate finance
  - Gender-transformational
  - Nutrition-sensitive
  - Youth-sensitive
  - Including adaptive capacity

#### Rationale for IFAD involvement

5. To guarantee the success of the food sovereignty strategy, it is important to ensure that: (i) increased food production benefits the rural population, particularly the most vulnerable, in terms of employment opportunities, higher income and greater food and nutrition security; (ii) increased food production is sustainable and does not deplete the country's natural resources; and (iii) production risks, including climate change, weather hazards, pests and diseases, as well as commodity price volatility, are reduced. Through its approach of social inclusion, nutritional and environmental improvement and its targeting strategy, IFAD can make a significant contribution to meeting the country's food sovereignty goals. Specifically, the project will support implementation of the national food sovereignty strategy by

ensuring that efforts under the strategy are inclusive, sustainable and climate-resilient and mitigate potential risks.

## **B. Lessons learned**

6. The project will build on results and lessons learned from the programmes and projects of IFAD and other technical and financial partners in Senegal and other countries, including those related to (i) the environmental benefits of adopting agroecological practices; (ii) the importance of social engineering to ensure the good operation and sustainability of territorial markets; and (iii) the importance of involving farmer umbrella organizations in the targeting of grassroots producers' organizations.

## **II. Project description**

### **A. Objectives, geographical area of intervention and target groups**

7. **Project goal and development objective.** The goal of the project is to strengthen the country's food sovereignty and resilience to shocks. The development objective is to increase the production, productivity, sustainability and climate resilience of selected value chains and the income of vulnerable agricultural producers, particularly women and youth.
8. **Geographical area of intervention.** The geographical areas of intervention include the production basins and sub-basins around territorial markets in the areas of the extended Groundnut Basin and Upper Casamance. This intervention area has the dual advantage of: (i) consolidating IFAD's experience in these areas and capitalizing on the investments of past and ongoing projects; and (ii) being particularly relevant to IFAD's target groups in Senegal.
9. **Target group.** The main target groups are: (i) small-scale family farmers who rely on mixed crop-livestock farming; and (ii) vulnerable agripreneurs with entrepreneurial activities in relevant value chains in and around the territorial markets. Within these target groups, priority will be given to young people, women and persons with disabilities. Other direct or indirect beneficiaries include: (i) producers' organizations, youth groups and women's groups involved in post-production activities; (ii) public institutions, both territorial and national; and (iii) private-sector players active in local markets, including those involved in production partnerships with producers' organizations.
10. **Estimated number of beneficiaries.** The number of direct beneficiaries is estimated at 200,000 households, or around half of all households in the project area. This corresponds to approximately 2.4 million<sup>1</sup> people benefiting from the project. It is estimated that 50 per cent of the beneficiaries will be women, 50 per cent young people and 5 per cent persons with disabilities.

### **B. Components, outcomes and activities**

11. The project will have the following components: (i) securing and diversifying the productive base and increasing productivity, sustainability, climate resilience and nutrition; (ii) product enhancement and the development of territorial markets; and (iii) project management, coordination and knowledge management.
12. **Component 1. Securing and diversifying the productive base and increasing productivity, sustainability, climate resilience and nutrition.** This component has three subcomponents: (1.1) integrated water and soil management and development; (1.2) the diversification, sustainability and resilience of agricultural

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<sup>1</sup> The average household size in rural Senegal is 12 people. Nonetheless, it is expected that four household members will receive direct services from the project, implying a total of 800,000 people directly receiving project services.

production; (1.3) improving family nutrition security and supporting women's empowerment.

13. **Component 2. Product enhancement and the development of territorial markets.** The component has two subcomponents: (2.1) territorial market access; (2.2) development of market services related to agricultural production.
14. **Component 3. Project management, coordination and knowledge management.**
15. **Policy and South-South cooperation.** A budget line is foreseen to finance sectoral policy activities at the Government's request (e.g. formulation, review and evaluation of food sovereignty policies and strategies; the stakeholder consultation process and/or citizen engagement, etc.), and exchanges, study tours and learning routes.
16. **Expected results.** At the end of the project, it is expected that: (i) at least 80 per cent of producers will have increased their income by at least 30 per cent; (ii) yields of the main crops will have increased by at least 30 per cent; (iii) at least 1,350 hectares will be irrigated and under sustainable water management practices; (iv) approximately 23,600 hectares will be under improved and climate-resilient agricultural practices; (v) 50 per cent of households will have improved their nutrition; (vi) 300 km of rural feeder roads will have been rehabilitated; (vii) 36 existing local markets will have been rehabilitated and modernized; (viii) at least 2,000 entrepreneurial initiatives (subprojects) will have been financed; (ix) there will have been at least a 30 per cent increase in the marketing of surplus agricultural products; (x) greenhouse gas emissions will have been reduced, among other results.

### C. Theory of change

17. **Theory of change.** Food sovereignty in Senegal faces three major challenges: (i) poorly performing production basins; (ii) discontinuous food systems; and (iii) limited participation of women and young people in value chains. The Support to Food Sovereignty Project seeks to address these bottlenecks by supporting family farming to strengthen food sovereignty and the country's resilience to shocks. The project will increase the production, productivity, sustainability and climate resilience of selected value chains and the capacity and competitiveness of small-scale family producers to meet local food market demand at remunerative prices, thereby increasing their income, food security and nutrition. The ultimate impact of the project is strengthened country food sovereignty and resilience to shocks and inclusive benefits. The project will also seek to address key factors limiting women's and young people's participation in value chains, including their limited access to agricultural production factors and social barriers linked to heavy domestic burdens and the lack of autonomy and a voice in decision-making.

### D. Alignment, ownership and partnerships

18. **Alignment with national strategies and priorities.** The project is fully aligned with the country's key strategies and sectoral plans, including: (i) the Emerging Senegal Plan; (ii) the national food sovereignty strategy and draft strategic plan for food sovereignty 2024–2029; (iii) the Community Agricultural Cooperatives programme; and (iv) the Great Green Wall Initiative.
19. **Alignment with Sustainable Development Goals (SDGs).** The objective and activities of the proposed project are aligned with and will contribute to the 2030 Agenda, with a focus on SDG 1 (no poverty), SDG 2 (zero hunger), SDG 5 (gender equality), SDG 13 (climate action) and SDG 15 (life on land).
20. **Alignment with the country strategic opportunities programme (COSOP) 2019–2025.** The project is fully aligned with the strategic objectives of the COSOP 2019–2025.

21. **Alignment with the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2024–2028.** The project supports several objectives and priorities of the UNSDCF 2024–2028, including: (i) strengthening the resilience and accelerating the structural, sustainable and inclusive transformation of the economy; (ii) improving the production of food systems by stimulating the entrepreneurship and employment of the most vulnerable groups; (iii) addressing environmental and climate considerations, including disaster risk management; and (iv) developing sustainable and inclusive agrifood value chains.
22. **Synergies and complementarities with other initiatives.** The project will also create synergies and seek complementarity with other initiatives in the intervention areas, in particular: (i) the Inclusive Green Financing Initiative (IGREENFIN), financed by the Green Climate Fund (GCF), to access green finance; (ii) the Africa Integrated Climate Risk Management Programme (AICRM), financed by GCF, for agricultural risk management; (iii) the Food System Resilience Program (FSRP), cofinanced by the World Bank and IFAD; and (iv) the AGROPOLE Centre project.

## **E. Costs, benefits and financing**

23. **Climate finance.** Project components 1 and 2 are counted as climate finance. As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total IFAD climate finance for this project is estimated at US\$48,901,000 (54.3 per cent of IFAD financing).

### **Project costs**

24. The total cost of the project is estimated at US\$235 million.



Table 1  
**Project costs by component and subcomponent and financier**  
(Thousands of United States dollars)

| Component/subcomponent  | IFAD PBAS (blend) |           | IFAD PBAS (HC) |           | IFAD BRAM (ordinary) |           | Italian Climate Fund |           | OPEC Fund loan |           | OPEC Fund grant |          | Financing gap |               | Beneficiaries |           | Government, including municipalities (in-kind) |           | Total          |            |
|---|-------------------|-----------|----------------|-----------|----------------------|-----------|----------------------|-----------|----------------|-----------|-----------------|----------|---------------|---------------|---------------|-----------|--|-----------|----------------|------------|
|   | Amount            | %         | Amount         | %         | Amount               | %         | Amount               | %         | Amount         | %         | Amount          | %        | Amount        | %             | Amount        | %         | Amount   | %         | Amount         | %          |
| <b>1. Securing and diversifying the productive base and increasing productivity, sustainability, climate resilience and nutrition</b> | <b>13 184</b>     | <b>98</b> | <b>4 028</b>   | <b>61</b> | <b>8 142</b>         | <b>12</b> | <b>57 340</b>        | <b>88</b> | <b>3 510</b>   | <b>12</b> | <b>1 500</b>    |          |               | <b>-</b>      | <b>12 274</b> | <b>64</b> | <b>771</b>                                     | <b>18</b> | <b>100 749</b> | <b>43</b>  |
| 1.1. Integrated water and soil management and development   | 919               | 7         | 35             | 1         | 7 979                | 11        | 27 140               | 42        | -              | -         | -               |          |               | -             | -             | -         | 771  | 18        | 36 845         | 16         |
| 1.2. Diversification, sustainability and resilience of agricultural production  | 9 434             | 70        | 974            | 15        | 163                  | 0         | 22 638               | 35        | 1 284          | 4         | -               |          |               | -             | 12 274        | 64        | -  | -         | 46 766         | 20         |
| 1.3. Improving family nutrition security and supporting women's empowerment   | 2 831             | 21        | 3 019          | 46        | -                    | -         | 7 561                | 12        | 2 226          | 7         | 1 500           |          |               | -             | -             | -         | -  | -         | 17 139         | 7          |
| <b>2. Product enhancement and development of territorial markets</b>  | <b>268</b>        | <b>2</b>  | <b>4</b>       | <b>0</b>  | <b>53 738</b>        | <b>77</b> | <b>-</b>             | <b>0</b>  | <b>23 042</b>  | <b>77</b> | <b>-</b>        |          |               | <b>25 000</b> | <b>6 975</b>  | <b>36</b> | <b>1 568</b>                                   | <b>37</b> | <b>110 596</b> | <b>47</b>  |
| 2.1. Territorial market access  | 268               | 2         |                |           | 40 573               | 58        | -                    | 0         | 20 128         | 67        | -               |          |               | 25 000        | -             | -         | 1 568  | 37        | 87 537         | 37         |
| 2.2. Development of market services related to agricultural production  | -                 | -         | 4              | 0         | 13 165               | 19        | -                    | 0         | 2 914          | 10        | -               |          |               | -             | 6 975         | 36        | -  | -         | 23 059         | 10         |
| <b>3. Project management, coordination and knowledge management</b>   | <b>-</b>          | <b>-</b>  | <b>2 593</b>   | <b>39</b> | <b>8 040</b>         | <b>11</b> | <b>7 660</b>         | <b>12</b> | <b>3 448</b>   | <b>11</b> | <b>-</b>        |          |               | <b>-</b>      | <b>-</b>      | <b>-</b>  | <b>1 914</b>                                   | <b>45</b> | <b>23 655</b>  | <b>10</b>  |
| 3.1. Project management and coordination  | -                 | -         | 2 537          | 38        | 6 910                | 10        | 2 670                | 4         | 3 086          | 10        | -               |          |               | -             | -             | -         | 1 914  | 45        | 17 118         | 7          |
| 3.2. Knowledge management   | -                 | -         | 56             | 1         | 1 130                | 2         | 4 990                | 8         | 361            | 1         | -               |          |               | -             | -             | -         | -  | -         | 6 537          | 3          |
| <b>Total</b>  | <b>13 452</b>     | <b>6</b>  | <b>6 626</b>   | <b>3</b>  | <b>69 920</b>        | <b>30</b> | <b>65 000</b>        | <b>28</b> | <b>30 000</b>  | <b>13</b> | <b>1 500</b>    | <b>1</b> | <b>25 000</b> | <b>11</b>     | <b>19 249</b> | <b>8</b>  | <b>4 253</b>                                   | <b>2</b>  | <b>235 000</b> | <b>100</b> |

Table 2  
**Project costs by expenditure category and financier**  
(Thousands of United States dollars)

| Expenditure category            | IFAD PBAS (blend) |           | IFAD PBAS (HC) |           | IFAD BRAM (ordinary) |           | Italian Climate Fund |           | OPEC Fund loan | OPEC Fund grant | Financing gap |            | Beneficiaries |            | Government, including municipalities (in-kind) |           | Total          |            |
|---------------------------------|-------------------|-----------|----------------|-----------|----------------------|-----------|----------------------|-----------|----------------|-----------------|---------------|------------|---------------|------------|--|-----------|----------------|------------|
|                                 | Amount            | %         | Amount         | %         | Amount               | %         | Amount               | %         | Amount         | Amount          | Amount        | %          | Amount        | %          | Amount   | %         | Amount         | %          |
| <b>I. Investment costs</b>      |                   |           |                |           |                      |           |                      |           |                |                 |               |            |               |            |  |           |                |            |
| A. Works                        | 2 312             | 17        |                |           | 36 915               | 53        | 20 930               | 32        | 14 947         |                 |               | 23 519     |               |            |  |           | 98 623         | 42         |
| B. Equipment and vehicles       | 1 200             | 9         | 13             | 0         | 6 473                | 9         | 66                   | 0         | 1 087          |                 |               |            |               |            |  |           | 8 838          | 4          |
| C. Goods and services           | 4 128             | 31        | 4 017          | 61        | 11 982               | 17        | 28 895               | 44        | 10 705         | 358             | 1 481         |            |               |            | 2 339  | 55        | 63 905         | 27         |
| D. Grants and subsidies         | 5 560             | 41        |                |           | 7 851                | 11        | 8 664                | 13        |                | 1 142           |               |            | 19 249        | 100        |  |           | 42 466         | 18         |
| <b>Total investment costs</b>   | <b>13 199</b>     | <b>98</b> | <b>4 030</b>   | <b>61</b> | <b>63 221</b>        | <b>90</b> | <b>58 555</b>        | <b>90</b> | <b>26 739</b>  | <b>1 500</b>    | <b>25 000</b> | <b>100</b> | <b>19 249</b> | <b>100</b> | <b>2 339</b>                                   | <b>55</b> | <b>213 833</b> | <b>91</b>  |
| <b>II. Recurrent costs</b>      |                   |           |                |           |                      |           |                      |           |                |                 |               |            |               |            |  |           |                |            |
| A. Salaries and operating costs | 253               | 2         | 2 595          | 39        | 6 699                | 10        | 6 445                | 10        | 3 261          |                 |               |            |               |            | 1 914  | 45        | 21 167         | 9          |
| <b>Total recurrent costs</b>    | <b>253</b>        | <b>2</b>  | <b>2 595</b>   | <b>39</b> | <b>6 699</b>         | <b>10</b> | <b>6 445</b>         | <b>10</b> | <b>3 261</b>   | <b>-</b>        | <b>-</b>      | <b>-</b>   | <b>-</b>      | <b>-</b>   | <b>1 914</b>                                   | <b>45</b> | <b>21 167</b>  | <b>9</b>   |
| <b>Total</b>                    | <b>13 452</b>     | <b>6</b>  | <b>6 626</b>   | <b>3</b>  | <b>69 920</b>        | <b>30</b> | <b>65 000</b>        | <b>28</b> | <b>30 000</b>  | <b>1 500</b>    | <b>25 000</b> | <b>11</b>  | <b>19 249</b> | <b>8</b>   | <b>4 253</b>                                   | <b>2</b>  | <b>235 000</b> | <b>100</b> |

Table 3  
**Project costs by component and subcomponent and project year**  
 (Thousands of United States dollars)

| <i>Component/subcomponent</i>   | <i>2025</i>   |           | <i>2026</i>   |           | <i>2027</i>   |           | <i>2028</i>   |           | <i>2029</i>   |           | <i>2030</i>   |           | <i>Total</i>   |
|---|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|----------------|
|   | <i>Amount</i> | <i>%</i>  | <i>Amount</i> | <i>%</i>  | <i>Amount</i> | <i>%</i>  | <i>Amount</i> | <i>%</i>  | <i>Amount</i> | <i>%</i>  | <i>Amount</i> | <i>%</i>  | <i>Amount</i>  |
| <b>1. Securing and diversifying the productive base and increasing productivity, sustainability, climate resilience and nutrition</b> | <b>6 905</b>  | <b>7</b>  | <b>32 916</b> | <b>33</b> | <b>22 940</b> | <b>23</b> | <b>24 167</b> | <b>24</b> | <b>9 874</b>  | <b>10</b> | <b>3 948</b>  | <b>4</b>  | <b>100 749</b> |
| 1.1. Integrated water and soil management and development   | 2 162         | 6         | 16 948        | 46        | 8 068         | 22        | 7 934         | 22        | 1 663         | 5         | 70            | 0.2       | 36 845         |
| 1.2. Diversification, sustainability and resilience of agricultural production  | 3 912         | 8         | 9 199         | 20        | 10 705        | 23        | 12 031        | 26        | 7 256         | 16        | 3 664         | 8         | 46 767         |
| 1.3. Improving family nutrition security and supporting women's empowerment   | 832           | 5         | 6 769         | 39        | 4 167         | 24        | 4 202         | 25        | 954           | 6         | 214           | 1         | 17 138         |
| <b>2. Product enhancement and development of territorial markets</b>  | <b>4 075</b>  | <b>4</b>  | <b>16 586</b> | <b>15</b> | <b>34 131</b> | <b>31</b> | <b>33 964</b> | <b>31</b> | <b>17 655</b> | <b>16</b> | <b>4 184</b>  | <b>4</b>  | <b>110 596</b> |
| 2.1. Territorial market access  | 2 080         | 2         | 15 253        | 17        | 29 710        | 34        | 28 474        | 33        | 11 439        | 13        | 582           | 1         | 87 537         |
| 2.2. Development of market services related to agricultural production  | 1 996         | 9         | 1 333         | 6         | 4 422         | 19        | 5 490         | 24        | 6 215         | 27        | 3 602         | 16        | 23 058         |
| <b>3. Project management, coordination and knowledge management</b>   | <b>5 281</b>  | <b>22</b> | <b>3 541</b>  | <b>15</b> | <b>3 762</b>  | <b>16</b> | <b>3 604</b>  | <b>15</b> | <b>3 644</b>  | <b>15</b> | <b>3 822</b>  | <b>16</b> | <b>23 655</b>  |
| 3.1. Project management and coordination  | 4 225         | 25        | 2 485         | 15        | 2 537         | 15        | 2 591         | 15        | 2 645         | 15        | 2 634         | 15        | 17 118         |
| 3.2. Knowledge management   | 1 056         | 16        | 1 056         | 16        | 1 225         | 19        | 1 013         | 15        | 999           | 15        | 1 188         | 18        | 6 537          |
| <b>Total</b>  | <b>16 261</b> | <b>7</b>  | <b>53 043</b> | <b>23</b> | <b>60 834</b> | <b>26</b> | <b>61 734</b> | <b>26</b> | <b>31 173</b> | <b>13</b> | <b>11 955</b> | <b>5</b>  | <b>235 000</b> |

### **Financing and cofinancing strategy and plan**

25. **Financing and cofinancing.** IFAD will contribute to the project an amount equivalent to US\$89.997 million (US\$20.077 million from PBAS and US\$69.920 million from BRAM); the Italian Government will cofinance US\$65 million through its Climate Fund; the OPEC Fund will cofinance US\$31.5 million. In addition, US\$19.25 million is expected from the beneficiaries through resources leveraged from the private sector, and US\$4.25 million from the Government.
26. The financing gap of US\$25 million may be sourced through subsequent PBAS cycles and/or BRAM (under financing terms to be determined, subject to internal procedures and subsequent Executive Board approval) or by cofinancing identified during implementation.

### **Disbursement**

27. A designated account will be opened at a reputable commercial bank and managed by the Public Expenditure Scheduling Directorate of the Ministry of Finance and Budget, the entity with the overall responsibility for payments. This account will receive the funds via the disbursement procedures indicated in the letter to the borrower. Cash requirements will be based on the available balance and IFAD's disbursement procedures. The project coordination and management unit (PCMU) will submit withdrawal applications to IFAD, which will review them and process payments in line with disbursement methods. The documentation of advances will be based on transactions (statements of expenditure).

### **Summary of benefits and economic analysis**

28. **Benefits.** The project will generate two main streams of quantifiable, mutually reinforcing benefits. First, it will increase the production, productivity and resilience of diversified smallholder farming systems. Second, it will increase the value and availability of agricultural products in local and national markets, while ensuring better distribution of added value among stakeholders in the value chain.
29. **Economic and financial analysis.** The results of the economic and financial analysis show that, overall, the project's interventions are economically profitable. The economic internal rate of return of the project stands at 19.4 per cent and the net present value, at the opportunity cost of capital of 6 per cent, amounts to US\$163.7 million over a period of 20 years. These economic results are robust when testing multiple sensitivity scenarios, including implementation delays, cost overruns and reduced benefits.

### **Exit strategy and sustainability**

30. **Exit strategy.** The key elements of the exit strategy, including the process for each key activity, are spelled out in the project implementation manual. In particular, the principles of the exit strategy are based on: (i) reliance, through partnerships, on national actors for the implementation of project activities; (ii) capacity-building for national actors during project implementation; and (iii) the expectation that the activities will be handed over at the end of the project. The exit strategy will be regularly updated during supervision missions.
31. **Sustainability.** The sustainability of the project is ensured by: (i) its alignment with the Government's food sovereignty strategy and the strategic plan for food sovereignty 2024–2029, which the project will help operationalize; (ii) alignment of its financing mechanisms with public and private financing instruments; and (iii) strengthening of the existing dynamics of territories and farmers' organizations.

## **III. Risk management**

### **A. Risks and mitigation measures**

32. Based on the risk management analysis, the project's overall risk is assessed as "substantial".

Table 4  
Overall risk summary

| <i>Risk areas</i>  | <i>Inherent risk rating</i> | <i>Residual risk rating</i> |
|--|-----------------------------|-----------------------------|
| Country context  | Substantial                 | Substantial                 |
| Sector strategies and policies                               | Moderate                    | Moderate                    |
| Environment and climate context                              | Substantial                 | Substantial                 |
| Project scope  | Moderate                    | Moderate                    |
| Institutional capacity for implementation and sustainability | Substantial                 | Substantial                 |
| Financial management   | Substantial                 | Substantial                 |
| Project procurement  | Substantial                 | Substantial                 |
| Environment, social and climate impact                       | Substantial                 | Substantial                 |
| Stakeholders   | Moderate                    | Moderate                    |
| <b>Overall</b>   | <b>Substantial</b>          | <b>Substantial</b>          |

## B. Environmental and social category

33. **Environmental and social category.** The project poses a substantial environmental and social risk. The potentially significant extraction of water for agricultural use and the presence of small-scale livestock production are the main risks. With regard to land use risks, consultations on land distribution and access to land will be held in a participatory manner, adhering to Free, Prior and Informed Consent requirements. Based on prior social and environmental impact studies, hydro-agricultural assessments of irrigated farms will be conducted with a view to limiting water abstraction to preserve the recharging capacity of the resource. Finally, the project will support the restoration activities necessary for the provision of long-term ecosystem services.

## C. Climate risk classification

34. **Climate risk assessment.** The project poses a substantial level of climate risk. The intervention area was assessed as being at significant risk of floods, extreme heat and water scarcity. An exposure assessment showed that agricultural production and productivity, as well as biodiversity, are frequently affected by rainfall variability, prolonged droughts and temperature changes. An adaptation capacity assessment indicated an average level of adaptation. The resilience of family farms and agroecosystems is limited, while people's livelihoods depend mainly on the agricultural sector. The project will adopt measures to strengthen the resilience of family farms and ecosystems.

## D. Debt sustainability

35. According to the assessment by the Joint World Bank-International Monetary Fund Debt Sustainability Analysis of June 2023, Senegal is at moderate risk of external and overall public debt distress, with limited room to absorb shocks. A prudent borrowing strategy that prioritizes concessional external borrowing and domestic regional financing in keeping with programmed financing needs, combined with continued efforts to improve debt management and contain fiscal risks, will be the anchor for continued debt sustainability.

## IV. Implementation

### A. Organizational framework

#### Project management and coordination

36. **Supervisory ministry.** The project will be entrusted to the Ministry of Agriculture, Food Sovereignty and Livestock (MASAE), the Government-designated supervisory ministry.

37. **National steering committee.** A national steering committee will oversee and guide the project's implementation and provide strategic direction, ensuring consistency with government policies. The committee will be chaired by MASAE and include representatives of the main ministries concerned and representatives of local authorities, organized civil society and the private sector.
38. **Project coordination and management unit.** A PCMU integrated into MASAE will be in charge of day-to-day project coordination and management. The PCMU will have technical, administrative and fiduciary management autonomy for project implementation.
39. **Local coordination.** Territorial coordination units will be responsible for coordinating territorial and social engineering in the project intervention area.
40. **Strategic partnerships.** The various project activities will be implemented by strategic partners and/or service providers contracted by PCMU through collaboration agreements or results-based management contracts.

#### **Financial management, procurement and governance**

41. **Financial management.** The PCMU, which enjoys administrative and financial autonomy, will be responsible for the implementation of the project, including its financial management. The Directorate General for Cooperation and External Financing of the Ministry of Economy, Planning and Cooperation (MEPC) plays an important role in monitoring the disbursement of resources from official development assistance (ODA) projects, including those of IFAD. The role of the MEPC project support unit will be limited to the selection of auditors and the signing of contracts; the unit will not intervene in the distribution of financial and audit reports to IFAD and the project's other cofinanciers.
42. **Procurement.** Procurement of goods, works and services funded by the IFAD financing will be carried out in accordance with the recipient's procurement methods and regulations to the extent that such are consistent with the IFAD Project Procurement Guidelines. The procurement unit and the procurement commission of MASAE will be responsible for procurement under IFAD financing. This will require the presence of a procurement officer within the PCMU. The project's procurement methods will be consistent with national and IFAD procedures. The standard national tender documents will be used but will need to be supplemented with information on the standards and requirements of IFAD's Social, Environmental and Climate Assessment Procedures (SECAP) procedures.

#### **Target group engagement and feedback and grievance redress**

43. **Engagement and feedback of the project's target group.** The search for target group engagement and feedback will be integrated into all project activities. The PCMU will require feedback and results reporting from all implementing partners, disaggregating the information for the different categories of key target groups (youth, women, vulnerable groups).

### **Grievance redress**

44. **Grievance redress mechanism.** The project will establish a grievance redress mechanism in line with IFAD procedures to facilitate the resolution of concerns and complaints about the implementation of the project. The mechanism will ensure that affected complainants receive a fair and timely response to their concerns through an independent process.

## **B. Planning, monitoring and evaluation, learning, knowledge management and communications**

45. **Planning.** The project will be based on an annual work programme and budget (AWPB), approved by the steering committee with a no objection from IFAD. The logical framework, project costs and the phasing matrix are the basic tools that will be used to identify the activities in the AWPB.
46. **Monitoring and evaluation.** The monitoring and evaluation system will be built around the logical framework that translates the theory of change. It is based on the existing mechanisms of the implementing partners. The project will set up a results-based monitoring and evaluation system in line with IFAD guidelines and aligned with the results framework of Senegal's food sovereignty strategy.
47. **Learning, knowledge management and communication.** The PCMU will develop a knowledge management and communication strategy that includes a communication plan to inform and involve stakeholders, making it possible to benefit from the lessons learned and knowledge gained from the implementation of the project. The aim is to improve the project's performance by promoting learning, adaptation and the scaling up of good practices.
48. **Policy engagement.** The project provides an instrument for the Government to implement its national food sovereignty strategy and learn from its implementation, thus providing an important feedback mechanism. In order to maximize opportunities for the Government to learn from the implementation of the project and to ensure that the project informs policy and decision-making, two mechanisms are included in the project: (i) a PCMU integrated with MASAE to facilitate the link between project implementation and policy development; and (ii) a specific budget line in the project budget to finance sectoral policy activities at the Government's request.

### **Innovation and scaling up**

49. **Innovation.** Some of the project's innovative elements include: (i) an agroecological transition approach and focus on the development of innovations applied to production; (ii) digitalization applied to agricultural advisory support, market information systems and the weather information system; (iii) implementation of a pilot project for total water control through the creation of nine irrigated farms for young incubators; and (iv) the establishment of results-based partnership agreements or service delivery contracts.
50. **Scaling up.** The project design employs a modular approach, with each investment unit corresponding to a territorial market. Thus, the project can easily be scaled up by replicating the modules in other territorial markets. Some of the approaches that the project tested, such as irrigated farms for young incubators, can easily be replicated in the country.

## **C. Implementation plans**

### **Implementation readiness and start-up plans**

51. **Implementation readiness.** In order to accelerate the preparations for implementation and ensure implementation readiness, the project will request access to IFAD's pre-financing facility to advance its start-up activities, which will include recruiting PCMU staff, conducting baseline and feasibility studies and preparing technical dossiers for the launch of procurement procedures.

**Supervision, midterm review and completion plans**

52. IFAD and the Government of Senegal will conduct at least one joint supervision mission per year to assess progress in the implementation of project activities. During the third year of the project, the Government and IFAD will conduct a joint midterm review to assess overall project performance and make appropriate adjustments. At the end of the project, a completion mission will be organized to assess the project's results and impact and document lessons learned and experiences to be capitalized on.

**V. Legal instruments and authority**

53. A financing agreement between the Republic of Senegal and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement will be made available prior to the session.
54. The Republic of Senegal is empowered under its laws to receive financing from IFAD.
55. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

**VI. Recommendation**

56. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Republic of Senegal in an amount of six million six hundred and twenty-five thousand United States dollars (US\$6,625,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a loan on blend terms to the Republic of Senegal in an amount of thirteen million four hundred and fifty-two thousand United States dollars (US\$13,452,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a loan on ordinary terms to the Republic of Senegal in an amount of sixty-nine million nine hundred and twenty thousand United States dollars (US\$69,920,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario  
President



## **Negotiated financing agreement**

(To be made available prior to the session)

## Logical framework

| Results Hierarchy  | Indicators  | Baseline | Mid-Term | End Target |
|--|---|----------|----------|------------|
| <b>Outreach</b><br>SFSP  | <b>1 Persons receiving services promoted or supported by the project</b>  |          |          |            |
|  | Males - Males   | 0        | 160000   | 400000     |
|  | Females - Females   | 0        | 160000   | 400000     |
|  | Young - Young people  | 0        | 160000   | 400000     |
|  | Total number of persons receiving services - Number of people   | 0        | 320000   | 800000     |
|  | Male - Percentage (%)   | 0        | 50       | 50         |
|  | Female - Percentage (%)   | 0        | 50       | 50         |
|  | Young - Percentage (%)  | 0        | 50       | 50         |
|  | Persons with disabilities - Number  | 0        | 16000    | 40000      |
|  | <b>1.b Estimated corresponding total number of households members</b>   |          |          |            |
|  | Household members - Number of people  | 0        | 1920000  | 2400000    |
|  | <b>1.a Corresponding number of households reached</b>   |          |          |            |
|  | Women-headed households - Households  | 0        | 16000    | 20000      |
|  | Non-women-headed households - Households  | 0        | 144000   | 180000     |
| Households - Households  | 0   | 160000   | 200000   |            |
| <b>Project Goal</b><br>Contribute to improving the country's food sovereignty and resilience to shocks   | <b>Improve the national contribution to intra-Community trade in agricultural products in the sectors concerned ***</b> |          |          |            |
|  | Import of agricultural products - Rates - Percentage (%)  |          |          | -10        |
|  | Export of agricultural products - Rates - Percentage (%)  |          |          | 10         |
|  | <b>Policy dialogue on food sovereignty (SAS)</b>  |          |          |            |
|  | Knowledge products relevant to SAS policy dialogue - Platforms  |          | 10       | 25         |
| <b>Development Objective</b><br>Improve production, productivity, and climate resilience of value chains selected to meet market food demands, at affordable and remunerative prices that improve producers' incomes | <b>SF.2.1 Households satisfied with project-supported services</b>  |          |          |            |
|  | Household members - Number of people  | 0        | 576000   | 1920000    |
|  | Women-headed households - Households  | 0        | 4800     | 16000      |
|  | Households (%) - Percentage (%)   | 0        | 30       | 80         |
|  | Households (number) - Households  |          | 48000    | 160000     |
|  | <b>1.2.8 Women reporting minimum dietary diversity (MDDW)</b>   |          |          |            |
|  | Women (%) - Percentage (%)  |          | 20       | 80         |
|  | Women (number) - Females  |          | 13481    | 19200      |
|  | Households (%) - Percentage (%)   |          | 20       | 80         |
|  | Households (number) - Households  |          | 2000     | 64000      |
|  | Household members - Number of people  |          | 24000    | 768000     |
|  | Women-headed households - Households  |          | 200      | 6400       |
|  | <b>IE.2.1 Individuals demonstrating an improvement in empowerment</b>   |          |          |            |
|  | Young - Percentage (%)  | 0        | 50       | 50         |
|  | Young - Young people  | 0        | 48000    | 320000     |
|  | Total persons - Percentage (%)  | 0        | 30       | 80         |
|  | Total persons - Number of people  | 0        | 96000    | 640000     |
|  | Females - Percentage (%)  | 0        | 50       | 50         |
|  | Females - Females   | 0        | 48000    | 320000     |
|  | Males - Percentage (%)  | 0        | 50       | 50         |
|  | Males - Males   | 0        | 48000    | 320000     |
|  | Persons with disabilities - Number  | 0        | 4800     | 32000      |
|  | Persons with disabilities - Percentage (%)  | 0        | 5        | 5          |

|   |  |     |        |         |
|---|--|-----|--------|---------|
| <b>Outcome</b><br>1 - Diversified agricultural production increased by improving climate resilience and nutrition of rural households                     | <b>1.2.4 Households reporting an increase in production</b>  |     |        |         |
|   | Total number of household members - Number of people   |     | 20736  | 207360  |
|   | Households - Percentage (%)  |     | 20     | 80      |
|   | Women-headed households - Households   |     | 173    | 1728    |
|   | Households - Households  |     | 1728   | 17280   |
|   | <b>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</b>         |     |        |         |
|   | Total number of household members - Number of people   |     | 20736  | 155520  |
|   | Households - Percentage (%)  |     | 20     | 60      |
|   | Women-headed households - Households   |     | 173    | 1296    |
|   | Households - Households  |     | 1728   | 12960   |
|   | <b>1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)</b>  |     |        |         |
|   | Women-headed households - Households   | 0   | 1000   | 8000    |
|   | Households (number) - Households   | 0   | 10000  | 80000   |
|   | Households (%) - Percentage (%)  | 0   | 20     | 80      |
|   | Household members - Number of people   | 0   | 120000 | 960000  |
|   | <b>2.2.2 Supported rural enterprises reporting an increase in profit</b>   |     |        |         |
|   | Number of enterprises - Enterprises  | 0   | 55     | 402     |
|   | Percentage of enterprises - Percentage (%)   | 0   | 5      | 20      |
|   | <b>2.2.1 Persons with new jobs/employment opportunities</b>  |     |        |         |
|   | Males - Males  |     | 1659   | 3015    |
|   | Females - Females  |     | 1659   | 3015    |
|   | Young - Young people   |     | 1659   | 3015    |
|   | Total number of persons with new jobs/employment opportunities - Number of people  |     | 3318   | 6030    |
|   | Persons with disabilities - Number   |     | 166    | 302     |
|   | <b>SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers</b> |     |        |         |
|   | Household members - Number of people   | 0   | 10368  | 64800   |
|   | Women-headed households - Households   | 0   | 86     | 540     |
| Households (%) - Percentage (%)   |  | 40  | 100    |         |
| Households (number) - Households  | 0  | 864 | 5400   |         |
| <b>Outcome</b><br>C2: Agricultural products are valued and supply territorial/national markets with the involvement of the cooperative and market sectors | <b>2.2.6 Households reporting improved physical access to markets, processing and storage facilities</b>                           |     |        |         |
|   | Households reporting improved physical access to markets - Percentage (%)  |     | 10     | 60      |
|   | Size of households - Number of people  |     | 240000 | 1440000 |
|   | Women-headed households - Households   |     | 2000   | 12000   |
|   | Households reporting improved physical access to processing facilities - Percentage (%)  |     | 5      | 25      |
|   | Size of households - Number of people  |     | 12000  | 360000  |
|   | Women-headed households - Households   |     | 100    | 3000    |
|   | Households reporting improved physical access to storage facilities - Percentage (%)   |     | 10     | 50      |
|   | Size of households - Number of people  |     | 24000  | 720000  |
|   | Women-headed households - Households   |     | 200    | 6000    |
|   | Households reporting improved physical access to markets - Households  |     | 20000  | 120000  |
|   | Households reporting improved physical access to processing facilities - Households  |     | 1000   | 30000   |
|   | Households reporting improved physical access to storage facilities - Households   |     | 2000   | 60000   |
|   | <b>Increase in the volume marketed of agricultural products in territorial markets***</b>  |     |        |         |
|   | Increase in the volume marketed of agricultural products in territorial markets - Percentage (%)                                   |     | 5      | 30      |

## Integrated project risk matrix

| Risk categories and subcategories   | Inherent           | Residual           |
|---|--------------------|--------------------|
| <b>Country context</b>  | <b>Substantial</b> | <b>Substantial</b> |
| Political commitment  | Moderate           | Moderate           |
| <p><b>Risk:</b><br/>The new President who was elected by a large popular support, has nominated a proactive development-oriented government with a strong commitment of the new leadership at the head of the Ministry of Agriculture, Food Sovereignty and Livestock (MASAE) that confirmed (i) that Food Sovereignty is a top priority in the agenda of his Ministry, and (ii) his renewed interest in the PASS operation. Minister in charge of agriculture to support food sovereignty is also in charge of enhancing the role of farmers organisations through the development of cooperatives. The contributions of the Ministry during design showed their ownership and high expectations for delivery.</p> |                    |                    |
| <p><b>Mitigations:</b><br/>As the collaboration between IFAD country team and the new leadership at the MASAE is starting, the IFAD country team will establish some regular lines of exchanges to discuss with Government of Senegal (GoS) on the PASS design process and also more broadly on the IFAD-GoS overall partnership and the specific areas where IFAD support can be instrumental. This has already started in the area of support to farmers' organizations / cooperatives where MASAE has already engaged with IFAD.</p>   |                    |                    |
| <b>Governance</b>   | <b>Substantial</b> | <b>Substantial</b> |
| <p><b>Risk:</b><br/>In 2022, Senegal has a moderate level of corruption risk, with a corruption perception index of 43 points according to Transparency International (down 10 points compared to 2021), placing it in 72nd position out of 180 countries (compared to 67th position in 2018). According to the World Bank's Country Policy and Institutional Assessment (CPIA) 2021, Senegal is considered a good reformer, scoring 3.7 (unchanged from the previous year), well above the regional score of 3.0. However, there are gaps in structural policies, particularly in the financial sector, rated 3.</p>   |                    |                    |
| <p><b>Mitigations:</b><br/>In collaboration with the implementing agencies, the project will undertake various critical studies and proceed with the competitive recruitment of key personnel essential, either from within the Ministry or from the market to establish the effective Project Management Unit (PMU) before the effective date of project inception. The programme will leverage other ongoing IFAD projects to address risks associated with governance issues and potential misappropriation of funds.</p>  |                    |                    |
| <b>Macroeconomic</b>  | <b>Substantial</b> | <b>Substantial</b> |
| <p><b>Risk:</b><br/>The protracted conflict in Ukraine could lead to inflationary pressures, undermine Senegal's fiscal space, and restrict access to public services, leading to discontent. Senegal is also affected by insecurity in the subregion, increased social and geopolitical tensions, as well as tighter financing conditions at the international and regional levels. At the project levels, prices fluctuations on the territorial markets may discourage producers to increase their production beyond their needs. Agricultural inputs prices may increase and affect the productivity of the family farms ;</p>  |                    |                    |
| <p><b>Mitigations:</b><br/>The project activities are in line with the Senegalese government's National Food Sovereignty Strategy, which aims to encourage local production and</p>   |                    |                    |

|   |                    |                    |
|---|--------------------|--------------------|
| regional trade to reduce the agricultural sector's dependence on external economic fluctuations. In addition, the project provides economic incentives, such as matching grants, to producers to encourage them to adopt agroecological and climate-resilient practices, thereby reducing their dependence on chemical inputs whose prices can be highly volatile. The PASS encourages the production of traditional dry cereals whose demand remains high whatever the trends of international cereal markets ; short circuits outlets will also be supported to promote a basket of outlets less depending on a single value chain potentially impacted by macroeconomic context. |                    |                    |
| <b>Fragility and security</b>   | <b>Substantial</b> | <b>Substantial</b> |
| <b>Risk:</b><br>Senegal, although not directly in a war situation, shares its borders with Mali in its eastern regions. The country hosts refugee camps and populations fleeing Mali, whose economic vulnerability is accentuated by the impact of the war in Ukraine. The good management of Senegal's recent elections confirmed the independence and robustness of the country's electoral management and judicial bodies.   |                    |                    |
| <b>Mitigations:</b><br>At the project level, no specific mitigation measures are currently being considered. The programme will adopt a robust targeting strategy designed to strengthen the livelihoods of the most disadvantaged rural groups, including smallholder farmers, poor households, unemployed youth, women and female-headed households, with the aim of maintaining community unity. Alignment of the new Governments' orientations with PASS' objectives to reach out more directly the smallholder farmers with agricultural subsidies will more probably strengthen the social cohesion in the communities  |                    |                    |
| <b>Sector strategies and policies</b>   | <b>Moderate</b>    | <b>Moderate</b>    |
| <b>Policy alignment</b>   | <b>Low</b>         | <b>Low</b>         |
| <b>Risk:</b><br>As mentioned in the Background section, the operation is fully aligned with the PES, following the Dakar 2 Summit held in January 2023, on the 'Pact' on Food Sovereignty and Resilience including a plan for priority investments to increase food production and achieve food sovereignty over the next five years (2024-2028) and confirmed by the new government who took over after recent presidential elections.   |                    |                    |
| <b>Mitigations:</b><br>The PASS will build on implemented activities to draw lessons and produce policy notes to feed the ministry's policy on food sovereignty.  |                    |                    |
| <b>Policy development &amp; implementation</b>  | <b>Moderate</b>    | <b>Moderate</b>    |
| <b>Risk:</b><br>The risk related to sectoral strategies and policies relates to the implementation of key reforms to support food sovereignty as the promotion of agricultural cooperatives, access to irrigating farming for youth, and the promotion of dry cereals farming as a substitution to cereal importation. With the new Government,, there is appetite at a high level to develop these reforms and policies, that is also reflected in the civil society organizations and other public and private actors to be active in proposing contributions and reflexions.   |                    |                    |
| <b>Mitigations:</b><br>Continued support to these key elements of the programme as part of the policy dialogue between IFAD and the Government of Senegal will help mitigate this risk. IFAD will proactively follow up on several areas where PASS (and other on-going IFAD funded initiatives) can support GoS policy reform processes; as for PASS some key topics were pre-identified during the design: access to land; the agro-ecological transition of family farms; role   |                    |                    |

|  |                    |                    |
|--|--------------------|--------------------|
| of FOs to connect local production to local/national public purchase of food; cross-border trade in agricultural products within the framework of ECOWAS, etc.   |                    |                    |
| <b>Environment and climate context</b>   | <b>Substantial</b> | <b>Substantial</b> |
| <b>Project vulnerability to environmental conditions</b>   | <b>Substantial</b> | <b>Substantial</b> |
| <p>Risk(s): The project area is characterized by rather fragile ecosystems: degraded forest and plant cover, associated to biodiversity loss; salinisation and acidification of the land, especially Saloum and Middle Casamance; recurrent bush fires in agro-sylvopastoral areas causing significant damage to wildlife habitats, ecosystem services and natural resources; low water availability for various ecosystem uses.</p> <p>All these combined factors can affect the project and mainly its component 1 orient to production of agricultural goods. As a spillover effect, low production can also affect component 2 dedicated to agricultural market which could not have sufficient production to sell.</p>  |                    |                    |
| <p>Mitigations:</p> <p>Component 1 has been designed to adopt at local level, an integrated approach of water and soil management based on community approach, setting local rules for long terms natural resources management. A specific focus is put on water resources mobilisation for irrigation with a specific attention to community management of the resource and infrastructure and smart irrigation practices. The subcomponent dedicated to support for the transition and sustainable intensification of family farms will help farmers in adopting more resilience practices. In particular, activities linked to seed sovereignty will contribute to access to traditional cereals adapted to local conditions and to the dissemination of their use.</p>   |                    |                    |
| <b>Project vulnerability to climate change impacts</b>   | <b>Substantial</b> | <b>Substantial</b> |
| <p>Risk:</p> <p>Analysis of the current climatic context in Senegal, and specifically in the PASS-Senegal eco-geographical zones, is marked by a clear deterioration in climatic parameters as a result of the negative effects of climate change. Senegal's ND-GAIN index for 2023 is 41.5, placing the country 137th in the World. Senegal ranks as the 37th most vulnerable country and the 126th least prepared to face the challenges of climate change. This indicates that Senegal has great urgency to act on climate change, but limited capacity to adapt and implement solutions.</p> <p>These scores also show the need for investment and innovation to improve Senegal's climate resilience, while highlighting critical areas requiring priority attention.</p> <p>With their focus on agriculture, PASS activities are highly sensitive to the effects of climate change. Market facilities and rural feeder roads may also be affected by higher temperatures (storage and market conditions) and more intense rainfall (rural road).</p> |                    |                    |
| <p>Mitigations:</p> <p>The aim of the project is to strengthen the resilience of family farmers and ecosystems and to support adaptation options (water access and irrigation, agroecological practices, agroecosystem restoration and management, selection of traditional cereals and seed adapted to climate).</p> <p>Feeder roads and market facilities will be designed according to the weather conditions forecast for the next 10/20 years.</p>  |                    |                    |
| <b>Project scope</b>   | <b>Moderate</b>    | <b>Moderate</b>    |
| <b>Project relevance</b>   | <b>Moderate</b>    | <b>Moderate</b>    |
| <p>Risk:</p> <p>In 2023, Senegal approved a national cross-sectoral food sovereignty strategy whose overall objective is to improve the country's food self-sufficiency, and thus reduce the country's dependence on food imports and</p>  |                    |                    |

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| <p>improve its resilience to various shocks. The objective of the strategy is to ensure sustainable food and nutrition security for the Senegalese population, to develop better resilience in the face of various hazards, and to boost economic and social development by 2035. The approach of the strategy is to develop a food and nutrition policy for sufficient quality production, so as to avoid recourse to food imports as much as possible. This production must be accessible to the population and conform to economic, social and cultural standards while respecting the environment.</p> <p>The PASS aligns with the National Food Sovereignty Strategy. The potential risk identified is in the technical itineraries and the approach (e.g. agroecological approach) for the promotion of this food sovereignty which may vary according to the teams in the ministry.</p>  |             |             |
| <p><b>Mitigations:</b><br/>Work carried out before and during the design of the project aims to properly identify and document the benefits as well as comparisons of agroecological technical itineraries and conventional agriculture. This will be done through the pilot work of the EFA+ Economic and Financial Analysis, which will present and analyse investment options. In addition, backstopping work will also be carried out on cases identified by the various technical partners in Senegal, which could provide additional technical information.</p>   |             |             |
| <b>Technical soundness</b>  | Moderate    | Moderate    |
| <p><b>Risk:</b><br/>Technical risk can be linked to (i) multi-area facilitation and approach in the territories, linked to agroecological transition support that is not only focusing on one crop or activity, but on agricultural diversification and integration of landscape and natural resource management in agricultural development; (ii) new approach of social facilitation around market infrastructure prior to civil works is accepted in principle but needs to be well rolled out during implementation;</p>  |             |             |
| <p><b>Mitigations:</b><br/>Mitigation measures will include (i) several preliminary studies undertaken with use of the PMI managed FARM P3 facility and FIPS resources to inform the technical start-up of the PASS ; (ii) identification of technically qualified implementing partners during the design that will be strategic partners for implementation of quality activities; (iii) similar type of IFAD funded projects in WCA region with territorial market approach will help PASS by feeding lessons learned; (iv) adapted coordination mechanisms facilitated by the fact that the PMU is set within the Ministry and led by a High level public servant (Director level). It is also to be noted that a real demand of the actors met during the design on the need to upgrade and strengthen the territorial markets (backed also with existing experiences from farmers' organizations or local communes) is confirming the technical overall soundness and relevance of the PASS. Finally, a robust strategy for stakeholder engagement and close collaboration with other relevant ministries and development actors will also be put in place.</p> |             |             |
| <b>Institutional capacity for implementation and sustainability</b>   | Substantial | Substantial |
| <b>Implementation arrangements</b>  | Substantial | Substantial |
| <p><b>Risk:</b><br/>Although the client has some capacity and experience in managing IFAD-funded projects, weaknesses remain in the areas of financial management (FM) and procurement management (PM) as well as the lack of coherence between AWPB and implemented activities. In particular, the lack of clear accountability, defined responsibilities and delegation of authority for public procurement decisions is a significant risk. The different levels of management that are still under discussion can lead to delays. .</p>   |             |             |
| <b>Mitigations:</b>   |             |             |

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| <p>A strong, experienced team that is aware of these multi-layered management risks in advance will be integrated into the project. The requirements for the implementation of adequate fiduciary arrangements has been defined during the preparation of the project. This will include the adoption of a financial, accounting, disbursement and procurement manual, the externalisation of the accounting system in line with IFAD's financial management requirements, the conduct of annual internal and external financial audits, the recruitment of competent fiduciary staff, and capacity building through customized training and supervision.</p>   |                    |                    |
| <p><b>M&amp;E arrangements</b></p>  | <p>Moderate</p>    | <p>Moderate</p>    |
| <p><b>Risk:</b><br/>The implementation of past projects have delivered a set of lessons with regard to M&amp;E, in particular the risk for the PMU M&amp;E system to be fully disconnected to public M&amp;E systems and also to implementing partners' M&amp;E processes and initiatives that could be strategically supported to inform public policies' orientations.</p>  |                    |                    |
| <p><b>Mitigations:</b><br/>Lessons learned from other projects have guided the design of PASS in a number of ways. The PASS monitoring and evaluation (M&amp;E) system will include both IFAD's core results indicators and project-specific outcome indicators. The PMU will have dedicated M&amp;E staff responsible for developing a robust and easy-to-update system aligned with IFAD's Business Results Management System (ORMS). Baseline studies will be carried out at the design stage to collect sex-disaggregated data on project indicators, thus ensuring the continuous collection of disaggregated data during implementation. Integration of key partners' own M&amp;E systems and tools will be a key value added of the PASS in order to strengthen existing processes pursuing the same objective as PASS (for example the "Observatory of Family farm" that is the internal tool developed by FONGs to monitor and support family farmers and local FOs in line with their food and nutritional security level).<br/>The PMU, fully integrated in MASAE, will directly contribute to strengthen the capacities of the ministry staff to ensure a continuity of the service delivery and instil new dynamics in the institutionalisation of the monitoring and evaluation processes of the food sovereignty strategy incorporating PASS outcomes.<br/>With regard to the financial management of the project - budgeting, cash flows, internal controls, accounting, financial reporting – will be externalised to accounting firm competitively recruited a digitalised system will be set up to import financial reports in order to allow the on-time production of physical and financial monitoring dashboards, for external audit and procurement, appropriate arrangements will be put in place in accordance with best practices and lessons learned.</p> |                    |                    |
| <p><b>Procurement</b></p>   | <p>Substantial</p> | <p>Substantial</p> |
| <p><b>Legal and regulatory framework</b></p>  | <p>Substantial</p> | <p>Substantial</p> |
| <p><b>Risk:</b><br/>L'évaluation globale des résultats consolidés pour le pilier 1 donne un résultat global situé à un niveau substantiel<br/>Il existe une Loi portant code de marchés publics et délégations de service public et des textes réglementaires relatifs aux marchés publics. Il s'agit entre autres du Décret portant organisation et fonctionnement de la Direction Générale des Marchés Publics, le Décret portant organisation et fonctionnement de l'Autorité de Régulation des Marchés Publics, etc. Ces réglementations sont dépassées par rapport aux exigences du FIDA (PESEC, etc.).</p>  |                    |                    |
| <p><b>Mitigations:</b></p>  |                    |                    |



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| <p>Mettre en œuvre toutes les recommandations ci-dessus afin de circonscrire les risques et améliorer le niveau global par rapport à la conformité. En particulier, les projets doivent respecter les obligations des directives du FIDA "Directives pour la passation des marchés relatifs aux projets" dans ce domaine et utiliser les dispositions du Guide de passation des marchés du FIDA.</p> <p>o Le projet doit respecter les obligations des directives du FIDA "Directives pour la passation des marchés relatifs aux projets" dans ce domaine et utiliser les dispositions du Guide de passation des marchés du FIDA.</p> <p>o S'assurer qu'au niveau du projet le public a accès aux informations relatives à la passation des marchés initiée à son niveau. Par exemple, en publiant sur le web site du projet (Publication d'un avis général de passation des marchés, publication systématique des avis d'appel d'offres par les canaux appropriés et une publication des résultats par les mêmes canaux)</p> |             |             |
| Accountability and transparency   | Substantial | Substantial |
| <p>Risk:</p> <p>L'évaluation globale des résultats consolidés du pilier 2 est évalué à Substantiel. Les articles 56 et 87 disposent des conditions de publication des opportunités de marchés et des avis d'attribution sur le Portail officiel des marchés publics et dans au moins un journal quotidien de grande diffusion. La pratique de publication des informations dans les médias de large diffusion (support papier et/ou électronique) est respectée dans une large mesure par les autorités contractantes. Le critère (b) est satisfait. Le Portail des Marchés publics du Sénégal (<a href="http://www.marchespublics.sn">www.marchespublics.sn</a>), dont l'accès est libre fournit des informations actualisées sur les marchés publics.</p>   |             |             |
| <p>Mitigations:</p> <p>Mettre en œuvre l'ensemble des recommandations ci-dessus pour améliorer le niveau global de conformité par rapport au critère 2. Particulièrement, au niveau du projet, s'assurer de l'utilisation des instruments du FIDA (politique pour la lutte contre la corruption, etc.) pour atténuer ce risque au niveau du projet.</p>   |             |             |
| A.3 Accountability, Integrity and Transparency of the Public Procurement System   | Substantial | Substantial |
| <p>Risk: L'évaluation globale des résultats consolidés pour le pilier 3 est à un niveau substantiel</p>   |             |             |
| <p>Mitigations:</p> <p>Mettre en œuvre l'intégralité des recommandations ci-dessous pour améliorer le niveau global du critère 3.</p>   |             |             |
| A.4 Public Procurement Operations and Market Practices.   | Substantial | Substantial |
| <p>Risk:</p> <p>L'évaluation globale des résultats consolidés pour le pilier 4 donne un niveau substantiel. Niveau de perception de corruption élevé dû aux interventions encore limitées des différentes institutions en charge de la mise en œuvre de la stratégie de lutte contre la corruption et entraînant l'augmentation des pratiques non- conformes aux règles de l'art.</p>   |             |             |
| <p>Mitigations:</p> <p>Mettre en œuvre toutes les recommandations ci-dessus pour améliorer le critère 4.</p> <p>Au niveau du projet, s'assurer de l'utilisation des instruments du FIDA (politique pour la lutte contre la corruption, etc.) pour atténuer ce risque au niveau du projet.</p> <p>Réaliser des campagnes de sensibilisation et de formation sur la Politique du FIDA en matière de prévention de la fraude et de la corruption dans le cadre de ses activités et opérations pour tous les acteurs concernés par la PM (Equipe du projet, Administration, Partenaires, Prestataires, etc.)</p> <p>Mettre au niveau des contrats du personnel du projet des clauses spécifiques en cas de manquement sur l'éthique.</p>  |             |             |

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| S'assurer que tous les documents utilisés sur la passation de marchés contiennent des clauses très claires sur la politique du FIDA en matière de prévention de la fraude et de la corruption dans le cadre de ses activités et opérations   |             |             |
| <b>B.1 Assessment of Project Complexity</b>  | Moderate    | Moderate    |
| <b>Risk:</b><br>La zone d'intervention du Projet couvre partiellement les régions du bassin arachidier élargi au Sénégal oriental et à la Haute Casamance (couvrant partiellement les régions de Diourbel, Fatick, Kaolack, Kafrine, Kedougou, Kolda, Louga, Matam, Sediou, Tambacounda). Le projet ne présente pas de complexité particulière.  |             |             |
| <b>Mitigations:</b><br>S'assurer de la prise en compte des expériences des partenaires dans la mise en œuvre   |             |             |
| <b>B.2 Assessment of Implementing Agency Capacity</b>  | Moderate    | Moderate    |
| <b>Risk:</b><br>L'évaluation globale du critère est modérée. Les principaux risques relevés concernent la gestion des contrats. Cet aspect devrait bien être détaillé dans le Manuel du Projet.  |             |             |
| <b>Mitigations:</b><br>Mettre en œuvre les ajustements proposés. Prendre en compte la gestion détaillée des contrats dans le Manuel du Projet.   |             |             |
| <b>Project Procurement Overall</b>   | Substantial | Substantial |
| <b>Risk:</b><br>L'équipe du projet n'est pas encore mise en place. Le recrutement du personnel en charge de la passation des marchés dans le respect des qualifications requises et la prise en charge par le Manuel du projet des procédures préalablement identifiées comme à risque, peuvent contribuer à atténuer le risque attaché à la Partie B. Le risque concernant le critère 2 est évalué comme modéré. Les dispositions seront prises pour s'assurer de capacités adéquates du personnel à recruter. Compte tenu de l'expérience des projets en cours et de la pratique des autorités contractantes, la gestion des contrats et la conservation des dossiers connaissent souvent des insuffisances. |             |             |
| <b>Mitigations:</b><br>Le système sénégalais de passation des marchés est conforme aux directives de l'UEMOA et substantiellement conforme aux normes internationales. À l'instar des projets FIDA en cours, la réglementation nationale qui est conforme aux Directives du FIDA sera appliquée pour les acquisitions du projet.<br>Les procédures de contestations et de recours sont également conformes aux bonnes pratiques internationalement reconnues.<br>Mettre en œuvre les recommandations, notamment en prévoyant dans le Manuel des dispositions claires pour la gestion des contrats et la conservation des dossiers de marchés.  |             |             |
| <b>Financial management</b>  | Substantial | Substantial |
| <b>Organization and staffing</b>   | Substantial | Substantial |
| <b>Risk:</b><br>Les anciennes équipes des projets au Sénégal n'ont pas fait preuve d'autonomie et indépendance de gestion.<br>Le recrutement du RAF sur un projet antérieur n'a pas obtenu l'ANO de FIDA.  |             |             |
| <b>Mitigations:</b>  |             |             |

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| Recrutement transparent et sur base compétitive du personnel clé du projet.<br>Processus d'évaluation annuel formel avant l'ANO de FIDA pour l'extension du contrat de travail.   |                    |                    |
| <b>Budgeting</b>  | <b>Substantial</b> | <b>Substantial</b> |
| <b>Risk:</b><br>Le suivi budgétaire par les Partenaires d'Implémentation est difficile a cause des compétences technique disponibles dans leurs équipes.  |                    |                    |
| <b>Mitigations:</b><br>Le sujet sera adrese au moment de l'atelier de démarrage et a chaque mission de supervision.   |                    |                    |
| <b>Funds flow/disbursement arrangements</b>   | <b>Substantial</b> | <b>Substantial</b> |
| <b>Risk:</b><br>Le financement par des multiples bailleurs des fonds complexifie le suivie, les écritures comptables et les rapports financières.<br>L'utilisation des payement direct n'est plus acceptable au FIDA.   |                    |                    |
| <b>Mitigations:</b><br>Paramétrage exacte et complet du système de gestion comptable.<br>Suppression de la méthode de payement direct de la Lettre a l'Emprunteur et du Manuel des Procédures.  |                    |                    |
| <b>Internal controls</b>  | <b>Substantial</b> | <b>Substantial</b> |
| <b>Risk:</b><br>L'auditeur interne n'as pas fait preuve d'Independence et les rapports d'audit interne ont été insatisfaisantes.<br>Les anciennes équipes des projets au Sénégal n'ont pas fait preuve d'indépendance et d'autonomie de gestion.  |                    |                    |
| <b>Mitigations:</b><br>La sélection d'un nouvel auditeur interne sur la base des TDR non-objectées par FIDA.<br>Le sujet sera adrese au moment de l'atelier de démarrage et a chaque mission de supervision.  |                    |                    |
| <b>Accounting and financial reporting</b>   | <b>Substantial</b> | <b>Substantial</b> |
| <b>Risk:</b><br>Les projets ont eu des difficultés significatives dans la préparation des IFR et des états financiers annuelles acceptables au FIDA.<br>Le besoin d'un logiciel de gestion comptable moderne et permettant la saisie en ligne à distance.<br>La différence de traitement comptable qui génère des différences entre SYSCOHADA et IFRS dans le compte de résultat et le Bilan. |                    |                    |
| <b>Mitigations:</b><br>Le paramétrage immédiat du système de gestion comptable pour la production automatique des rapports financières annuelles et intérimaires (IFR).<br>L'achat et le paramétrage d'un logiciel de gestion comptable.  |                    |                    |
| <b>External audit</b>   | <b>Substantial</b> | <b>Substantial</b> |
| <b>Risk :</b><br>Sur un projet antérieur au Sénégal, les TDR d 'audit externe ont été modifié après l'ANO du FIDA et le rapport d'audit externe as été rejeté.<br>Des rapports d 'audit précédents ont été rejeté par FIDA pour des erreurs matérielles d'éligibilité des dépenses.   |                    |                    |
| <b>Mitigations :</b><br>La Cellule d'Appui aux Projets (CAP) du Ministère de l'économie, du Plan et de la Coopération (MEPC) aura un rôle limité au processus de sélection des auditeurs et à la signature des contrats mais n'interviendra pas dans la distribution des rapports financières et d'audit vers FIDA et les autres co-financeurs du projet.                                     |                    |                    |

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| Les montants déclarés inéligibles doivent être remboursés et les états financiers doivent être corrigés.   |                    |                    |
| <b>Environment, social and climate impact</b>  | <b>Substantial</b> | <b>Substantial</b> |
| <b>Biodiversity conservation</b>   | <b>Low</b>         | <b>Low</b>         |
| <p><b>Risk:</b><br/>Among the activities supported by the project that may affect the conservation of biodiversity and the sustainable management of natural resources are productive development. In the Casamance regions, agricultural activities on the edge of forested areas could occur from time to time, albeit with a minor impact, as component 1 of the project specifically aims to support the agro-ecological transition and the sustainable management of natural resources (in particular by helping rural communities with participatory planning and the implementation of sustainable development and management practices for natural resources on land used in common in village territories). In addition, the project will generate contracts whose main suppliers will mobilise materials from natural resources: sand and gravel for the renovation of markets and rural tracks.</p>   |                    |                    |
| <p><b>Mitigations:</b><br/>The agroecological approach proposed by the project has traditionally integrated biodiversity enhancement as a means of ensuring the diversity and resilience of agroecosystems both environmentally and economically. Component 1 activities provide an opportunity to integrate/transverse the sustainable use of biodiversity and by enhancing plant and animal varieties that are already adapted to the social and environmental conditions of the regions. To promote the sustainable management of natural resources, the Environmental and Social Management Framework provides guidance on risk assessment, the hierarchy of mitigation measures, and precautionary principles in the design and implementation of these activities that may have unintended negative consequences on the ecological functions of habitats and the biodiversity they support.<br/>Subsequently, the ESAs that will be prepared during the implementation phase will include mitigation measures to ensure that project activities do not alter or cause the destruction of any natural habitat</p> |                    |                    |
| <b>Resource efficiency and pollution prevention</b>  | <b>Substantial</b> | <b>Substantial</b> |
| <p><b>Risk:</b><br/>The PASS provides for the implementation of pilot projects for total water control in the form of an irrigated farm for young people in incubation (FIJI) of 100 ha for each of the nine regions where the project will be implemented. Five small market garden areas of 10 hectares will be also created in each of the nine regions. In addition, even if not promoted by PASS, the use of agrochemicals is common in rural areas. Livestock production (small ruminant and chicken) will be supported.<br/>Furthermore, infrastructure works (rehabilitation of markets and rural tracks) may generate occasional waste, and the markets themselves, in the course of their operations, will regularly generate organic and non-organic waste.</p>   |                    |                    |
| <p><b>Mitigations:</b><br/>Impact studies will be carried out before irrigated farms and market gardens are set up. A particular attention will be put on the sustainable use of the mobilised water resources with groundwater monitoring and user management committees.<br/>To mitigate the risk of use of agrochemicals by project beneficiaries on their properties in non-project-funded activities, it is recommended that beneficiaries and extension workers be trained in the appropriate use of these substances.<br/>Livestock production will be supported mainly to boost agricultural resilience with crop/livestock integration.<br/>The project will pay particular attention to waste management at different</p>  |                    |                    |

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| levels (worksite and markets facilities). It will also apply appropriate selection of infrastructure sites, taking into account the proximity of water bodies, rural settlements and rural facilities. This approach aims to avoid water contamination, soil degradation, as well as social conflicts associated with inadequate waste management. Organic waste from markets will be recovered as much as possible to support soil quality of the surrounding rural areas.  |          |          |
| Cultural heritage  | Low      | Low      |
| Risk:<br>The project presents a very low risk of degradation of cultural heritage.   |          |          |
| Mitigations:<br>Any accidental discovery of heritage elements on the sites during the works (which is not anticipated), would give rise to the execution of the national procedure after notification of the cultural heritage directorate and the local authorities.  |          |          |
| Indigenous peoples   | Low      | Low      |
| Risk:<br>The project will not work in areas with indigenous peoples  |          |          |
| Mitigations:<br>No mitigation measures were identified as necessary  |          |          |
| Community health and safety  | Moderate | Moderate |
| Risk:<br>The growth of market activities may lead to increased flows of people with associated health risks such as HIV AIDS and other sexually contagious diseases. The rehabilitation of runways and markets and the construction of water catchment works may lead to the storage of small quantities of fuel oil. The influx of people during construction work, but above all at market places, generates employment and rural development opportunities that may indirectly lead to new pressures on women and risks of gender-based violence or sexual exploitation. The rehabilitation of rural tracks and the revitalisation of markets could generate an increase in traffic, the consequences of which will remain limited given the improvements to these infrastructures.   |          |          |
| Mitigations:<br>The use of GALs+, which includes both men and women in household decision-making discussions, offers an opportunity to change knowledge, attitudes and practices within households with regard to gender equality, while simultaneously reinforcing positive changes with regard to nutrition and climate adaptation. In addition, women's voice and leadership in farmers' organisations will be strengthened, both in women-only groups and in mixed groups.<br>The new market infrastructures will be covered by a ten-year guarantee to prevent the risk of poor workmanship. The recruitment of market surveillance and security staff is a prerequisite for the success of the commercial dynamics, in order to secure stocks at night. Placed under the responsibility of the local authorities, these staff will be local, unarmed and integrated into the population. |          |          |
| Labour and working conditions  | Moderate | Moderate |
| Risk:<br>Sustainable intensification of agricultural production and local management of natural resources (component 1) may lead to an increase in the workload, particularly for women and young people. Child labour is prevalent in rural areas of Senegal, and while the project will not directly involve child labour there are nevertheless risks inherent in the context.<br>Markets for agricultural produce (targeted by component 2) can be places where jobs are faced with difficult working conditions because they are  |          |          |

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| poorly regarded (handling, cleaning and waste). Occupational risks can be significant (carrying loads, for example) as well as poor working conditions (pay below the minimum wage, excessive hours).  |          |          |
| <p>Mitigations:</p> <p>Promoting small-scale mechanization will reduce the workload of farmers, especially women. The mobilization and organization into cooperatives of young people involved in the collection and transport of agricultural products, as well as the facilitation of access to credit, will help these categories of beneficiaries to acquire improved means of transport (including bicycles and electric motorcycles) to work effectively, and clean cookstoves and drinking water access will also reduce women's labour burden, as well access to creches. GALS+ activities will aim to improve the balance of labour within households and tackle root causes of gender-based violence. Behaviour change communication material will be disseminated with respect to child labour, encouraging households to prioritise children's schooling and avoid hazardous and onerous working conditions.</p> <p>All contracts with contractors, suppliers and third parties funded by IFAD resources will include provisions prohibiting child labour and promoting decent working conditions.</p> <p>The PMU will set up a mechanism to supervise and monitor the actions set out in the agreement signed with IFAD, taking into account issues relating to working conditions.</p> <p>Through sensitisation on rights and the project's complaints and grievances mechanism, stakeholders or society at large will be able to submit anonymous complaints about abusive labour practices (e.g. forced labour or child labour), cases of gender-based violence, discriminatory working conditions, and unsafe or unhealthy working conditions, that will be addressed and resolved as set out in the Mechanism. The project will therefore improve working and employment conditions.</p> |          |          |
| Physical and economic resettlement   | Moderate | Moderate |
| <p>Risk:</p> <p>The project undertakes not to promote activities that result in the resettlement of smallholder farmers and the local population. The construction of infrastructure provided for by the project, such as water infrastructure and market rehabilitation, will be carried out on sites identified by the communities through highly participatory community development processes, accepted by the government, and in consultation with local authorities. The project will work to strengthen land tenure security, working through these same processes.</p>   |          |          |
| <p>Mitigations:</p> <p>With regard to the risks associated with land tenure and access to irrigated land, consultations involving the most vulnerable should be organised, including women and young people, in a conflict-sensitive manner, in full accordance with the requirements of FPIC (free, prior and informed consent) principles,.</p>  |          |          |
| Greenhouse gas emissions   | Moderate | Moderate |
| <p>Risk:</p> <p>The project is not likely to result in significant greenhouse gas emissions. The growth of local agricultural markets will generate economic activity that emits larger quantities of greenhouse gases.</p>  |          |          |
| <p>Mitigations:</p> <p>The project is not likely to result in significant greenhouse gas emissions. The proposed natural resource restoration and conservation activities, support both adaptation and mitigation of emissions. The limited activities related to livestock will lead to avoid emissions compared to a without project scenario thanks to better animal feed and health. The improvement of market facilities will contribute to reduce useless emissions from trucks.</p>   |          |          |

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| Storage facilities will be developed with alternative solutions for cooling systems. Investments supported by C1 and C2 will use renewable energy. The aim of the project is to strengthen food sovereignty and thus contribute to reducing the intensity of global food imports into Senegal.  |             |             |
| Vulnerability of target populations and ecosystems to climate variability and hazards   | Substantial | Substantial |
| <b>Risk:</b><br>Most of the project implementation area exposes farmers to unfavorable soil conditions (low organic matter and subject to erosion and desertification processes) as well as restrictions on water availability (quality and quantity), which can affect the productive activities supported by the project. Some traditional practices such as clear-cutting, the use of fire to clear pastures, accentuate the negative effects of any environmental restrictions on project activities.   |             |             |
| <b>Mitigations:</b><br>To mitigate these risks, measures to adapt to environmental conditions will be implemented. These measures include the promotion of crop- livestock integration with species that are better adapted or resilient to climate shocks, the promotion of management practices that promote soil and water conservation, as well as the training of producers in the implementation and management of these agroecological systems. These project activities contribute to mitigating the residual environmental risk.<br>Other measures: Strengthening climate change knowledge and skills and disseminate climate information services to smallholder farmers; Use of climate-resilient infrastructure (e.g. storage facilities).  |             |             |
| <b>Stakeholders</b>   | Moderate    | Moderate    |
| <b>Stakeholder engagement/coordination</b>  | Moderate    | Moderate    |
| <b>Risk:</b><br>At the government level, stakeholder risk is lower, as engagement and visibility will remain high. However, the private sector, in particular producer organizations, and the financial institutions, which are essential parts of value chain support activities, are underfunded and insufficiently supported. Stakeholders at the local level may have limited capacity to sustainably own technology and finance. Their irregular and unstructured organization can undermine effectiveness, even though they are expected to play an important role in formulating project design and implementation, and as policy disseminators.<br>A number of civil society organisations represent different interests relevant to the project and were consulted during the design process to ensure buy-in and active participation of stakeholders.<br>Another risk is that the land reform agenda could overshadow or hold investment hostage. Complex land tenure underpins all discussions about agriculture and the use of natural resources. As a result, conflicts over land use can spill over into the development of agricultural infrastructure or communal resources. |             |             |
| <b>Mitigations:</b><br>The Ministry has coordinated the participation of stakeholders during the design and will do the same for the implementation of the project. During the design, a number of civil society organizations were consulted, as well as various secretariats of the Ministry and other ministries. At the community, POs and rural household levels, the project will implement a participatory process to define the details of activities that meet the needs and aspirations of the beneficiaries. The project will also establish continuous communication, awareness-raising and coordination with the different partners at all levels (local, regional and national) from the design phase of the project, and will encourage visibility activities with the aim of making known and clarifying doubts regarding the results of the project activities,  |             |             |

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| both for the target groups and for the partners involved in the implementation. It is essential to promote awareness and participation of local communities, farmers and other key stakeholders in order to ensure buy-in and commitment to the proposed activities.   |          |          |
| Stakeholder grievances   | Moderate | Moderate |
| <p>Risk:</p> <p>The execution of the project may give rise to complaints from various stakeholders involved in or affected by the project activities, which could jeopardize the continuity of the activities and the established schedule. There is a risk that the project will have ineffective redress procedures, leading to unaddressed grievances that jeopardise the achievement of the project's development objectives.</p>  |          |          |
| <p>Mitigations:</p> <p>The project will include a clear and effective grievance mechanism, in line with IFAD's guidance documents (Framework for Operational Stakeholder Feedback and IFAD Guidelines 2021 on Project Target Group Engagement, Feedback, and Grievance Redress) and based on the experience that is currently developed in the portfolio (PADAER2 is testing grievance mechanism piloted by the CNCR rural citizen engagement set up at village level. The procedure includes the mechanisms for expressing the complaint, the time limit for response, and the spheres of resolution. This mechanism must be easily accessible to the public and have a rapid resolution, ensuring that the complaints submitted are quickly analysed and that the situations are mutually accepted in a satisfactory manner by the parties involved. The project will also raise awareness among stakeholders of the complaint and grievance mechanisms available. It will also include this information in IFAD's missions, as well as in the training of technical assistance teams that will work with beneficiaries.</p> |          |          |