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President's report

Republic of Senegal

Agriculture and Livestock Competitiveness Programme for Results

Project ID: 2000002666

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Abbreviations and acronyms

COSOP	country strategic opportunities programme
CPM	country programme manager
CSA	climate-smart agriculture
DLI	disbursement-linked indicator
ESSA	Environment and Social Systems Assessment
IDA	International Development Association
IPL	investment project lending
KM	knowledge management
M&E	monitoring and evaluation
MAER	Ministry of Agriculture and Rural Equipment
MEPA	Ministry of Livestock and Animal Production
PADAER	Support to Agricultural Development and Rural Entrepreneurship Programme
PAFA	Agricultural Value Chains Support Project
PAFA-E	Agricultural Value Chains Support Project – Extension
PCAE-PforR	Agriculture and Livestock Competitiveness Programme for Results
PDO	programme development objective
PforR	programme for results
PNDE	National Livestock Development Plan
PPA	programme preparation advance
PRACAS	Programme for Accelerated Pace of Agriculture
PSE	Emerging Senegal Plan
RBL	results-based lending
SDG	Sustainable Development Goal
TCT	technical coordination team
WBG	World Bank Group

Map of the programme 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 | 02-09-2021

Financing summary

Initiating institution:	World Bank
Borrower/recipient:	Ministry of Finance and Budget
Executing agency:	Ministry of Agriculture and Rural Equipment Ministry of Livestock and Animal Production
Total programme cost:	US\$233 million
Amount of IFAD loans:	EUR 17.32 million (equivalent to approximately US\$20 million) under the programme for results modality EUR 2.50 million (equivalent to approximately US\$3 million) as additional financing for the ongoing Support to Agricultural Development and Rural Entrepreneurship Programme – Phase II
Terms of IFAD loan:	Highly concessional loans
Cofinancier[s]:	International Development Association
Amount of cofinancing:	International Development Association: US\$150 million
Contribution of borrower/recipient:	US\$60 million
Cooperating institution:	World Bank

Recommendation for approval

The Executive Board is invited to approve the recommendation contained in paragraph 58.

I. Context

A. National context and rationale for IFAD involvement

National context

1. Senegal's structural reforms and favourable exogenous conditions have enabled the country to achieve one of the world's highest rates of economic growth in 2015–2019 – more than 6 per cent. Due to the COVID-19 pandemic, this rate fell sharply to 0.7 per cent in 2020 and to 3.0 per cent in 2021, but is expected to gain momentum from 2022 onwards. Offshore oil and gas discoveries will come into production in 2022–2023, easing the country's fiscal and development challenges, and laying the foundation for broad-based economic growth. The share of people living in poverty (on less than US\$1.90 per day) fell from 47 per cent in 2011 to 38 per cent in 2018, with agriculture as the main driver.
2. The Government of Senegal aims to achieve middle-income status by 2035. The Emerging Senegal Plan (PSE) 2035 details how this vision is to be achieved through strategies such as: (i) the Programme for Accelerated Pace of Agriculture, phase II (PRACAS-II); and (ii) and the National Livestock Development Plan (PNDE). The proposed modality of programme for results (PforR), to be financed by the World Bank and IFAD, supports the PSE through its focus on promoting competitive agriculture and livestock value chains for resilient and inclusive growth.
3. Agriculture has grown at the robust rate of 3.2 per cent in the past two decades. Under PRACAS-I and PNDE,¹ crop and livestock production have grown strongly in recent years. The development of sedentary, mixed crop/livestock farming systems has diversified revenues and provided a critical asset and safety net for farmers. This progress occurred through a combination of financial and pricing incentives (subsidized inputs – seeds, fertilizer and farm equipment – as well as crop price-setting) and production enhancement measures (technology transfer). Expanded agricultural credit also contributed, as did subsidies to agricultural insurance. Rural people, who account for 62 per cent of Senegal's population, have benefited significantly from this progress given that agriculture employs 69 per cent of rural dwellers and 36 per cent of the national labour force.² However, rural poverty remains high in the groundnut basin and agropastoral areas.

Rationale for IFAD involvement and choice of instrument

4. Given IFAD's comparative advantage in diversifying smallholder farming and introducing climate-smart agriculture (CSA) in Senegal's groundnut basin and agropastoral areas, the Government asked IFAD on 12 February 2019 to cofinance its flagship Agriculture and Livestock Competitiveness Programme for Results (Pcae-PforR), which is also being funded by the World Bank. For the Senegalese agriculture and livestock sectors, it marks the first results-based lending (RBL) operation, making it a significant milestone for the Government, IFAD and the World Bank Group (WBG).
5. Participating in the Pcae-PforR with the WBG will help work towards the strategic objectives of IFAD's country strategic opportunities programme (COSOP) 2019-2024 in Senegal. Given the size and outreach of the programme, joining forces with the WBG in supporting sustainable rural livelihoods, food security and

¹ PRACAS concluded its first phase (2014–2017) and a second is underway (2018–2023); PNDE (2014–2017) will be extended to 2023.

² International Labour Organization Labour Force Survey (2015) and <https://qfc.ucdavis.edu/profiles/rst/sen.html>.

nutrition in the Sahel is a strategic investment for IFAD at a time when the country is moving from classic project implementation towards national programmes. Since January 2020, all ministries involved have used a budget programme approach. In addition, participating in an innovative undertaking like PforR makes it possible to scale up IFAD's experience in the region, where it has helped strengthen the resilience of smallholder farmers by diversifying their production systems and promoted increased rural employment and revenues. These expected outcomes are key at a time when climate change and the COVID-19 pandemic are threatening the livelihoods of the rural poor in the Sahel.

6. The PCAE-PforR will address all IFAD's core commitments, with a strong focus on climate change and food and nutrition security, while building on good practices identified in the Agricultural Value Chains Support Project (PAFA) and the Agricultural Value Chains Support Project – Extension (PAFA-E). CSA is at the core of the strategies of the Ministry of Agriculture and Rural Equipment (MAER) and the Ministry of Livestock and Animal Production (MEPA), as climate poses the main risks to livelihoods in the targeted areas. CSA practices for sustainable productivity growth, together with adaptation strategies for resilient production and livelihoods, as well as climate change mitigation strategies were integrated into the PCAE-PforR design.
7. As MAER and MEPA will implement the PCAE-PforR, focus will also be on the availability of healthy and varied food. Rural households will benefit from better food security and greater access to nutritious foods, leading to improved overall health. The focus on nutrition will be reinforced in the programme through: (i) diversification of farming systems to promote increased consumption of fruit, dairy products, meat and pulses; and (ii) reduction of risks that contribute to food insecurity and seasonal hunger (e.g. storage, warehouse receipt systems, agricultural insurance). Improving food security through more nutrition-sensitive food production systems lies at the heart of IFAD's work. The Fund can contribute to improving rural households' diets by using its experience with past programmes (PAFA, PAFA-E and the Support to Agricultural Development and Rural Entrepreneurship Programme [PADAER]) and ongoing ones (PADAER-II and the Rural Youth Agripreneur Support Project [Agrijeunes Tekki Ndawñii]) in Senegal.
8. IFAD's financial contribution to the operation is also an opportunity to improve further IFAD's visibility through policy dialogue in partnership with the WBG.
9. IFAD's participation in the design of the PCAE-PforR also enabled a reframing of the targeting strategy to enhance inclusion of poor rural people and ensure gender and youth sensitivity. These are also among the Government's priorities, as reflected in PRACAS-II and PNDE. Given the marginalization of women and youth in agriculture and livestock systems, the programme will pay close attention to the inclusion of these two groups through a specific strategy that is being developed with technical assistance provided by PADAER-II. Thanks to its extensive experience and expertise in women's economic empowerment and in the inclusion of youth in agrifood value chains, IFAD will make a valuable contribution to involving more women and youth during programme implementation.

B. Lessons learned

10. The 2019-2024 COSOP highlighted that IFAD project outcomes are not sufficiently scaled up or used to inform government policy reforms. Participating in the PCAE-PforR allows IFAD to join forces with the WBG and provide the required leverage to scale up innovations developed through IFAD initiatives.
11. The IFAD country programme has contributed to increasing the incomes of the rural poor, reducing gender inequality and empowering rural women and youth. In addition, the programme has contributed to increasing crop yields and agricultural production, as well as marketing surpluses, through agribusiness linkages. As a partner in the design and financing of the PCAE-PforR, IFAD drew on its experience

with projects and programmes including: (i) PAFA (2010–2016, US\$37.51 million); (ii) PADAER (2011-2019, US\$59.12 million); (iii) PAFA-E (2014-2020, US\$47.48 million); and (iv) PADAER-II (2018–2024, US\$84.7 million). These investments contributed to transforming traditional subsistence agriculture into market-oriented agropastoral farming systems with significant help from the private sector. Important too was the promotion of a structured dialogue between all value chain stakeholders (so-called interprofessional organizations).

12. Finally, experience gained in the following partnerships helped inform the design stage. IFAD has established a transparent and graduation grant mechanism with emphasis on building relationships between farmers' organizations and financial service providers. In response to environmental and climate challenges, and in partnership with the Global Environment Facility, IFAD established the Agricultural Value Chains Resilience Support Project grant (2017–2021) to strengthen the resilience of vulnerable households. Furthermore, IFAD in partnership with the World Food Programme and the National Agricultural Insurance Company of Senegal developed agricultural insurance programmes for rainfed crops and small ruminants.

II. Programme description

A. Government programme

13. The PCAE-PforR supports investments and policy reforms embedded in two national programmes, namely the PRACAS-II under MAER, and the PNDE under MEPA. Both programmes are promoting sustainable, resilient and inclusive growth as set out in the PSE.

B. World Bank PforR scope

14. The PCAE-PforR was designed by the WBG, IFAD and the Government to reduce rural poverty and improve food and nutrition security for smallholder farmers, women and young people alike in the poorest regions of Senegal. At the design stage, an expenditure framework review of PRACAS-II and PNDE helped select those budget lines that contribute to achieving the programme development objective (PDO) and the outcomes/outputs of the PCAE-PforR. Consequently, 10 disbursement-linked indicators (DLIs) were defined to capture the required investments and policy reforms.

C. Objectives, geographical area of intervention and target groups

15. The PDO is to enhance productivity and market access of priority commodity value chains and livestock in the extended groundnut basin and agropastoral areas.
16. The beneficiaries are a broad range of stakeholders (smallholders, cooperatives, research and development agencies, traders, processors and exporters) involved in priority crop and livestock value chains. This target group is essentially the same as that of IFAD-supported projects like PAFA, PAFA-E and PADAER.
17. The targeting strategy of the programme, in line with IFAD guidelines, is based on geographical and self-targeting mechanisms. It is estimated that approximately 950,000 farmers will benefit from one or more activities, with women and youth respectively accounting for 50 per cent and 30 per cent of total beneficiaries.
18. IFAD's cofinancing will enhance the focus on diversifying smallholder farming systems and on women and young farmers. An additional 50,000 farmers will be provided with more assets, 50,000 more will adopt improved agricultural technology and a further 450,000 will benefit from the vaccination of their horses and small ruminants. IFAD funding will also give 72,000 more farmers access to agricultural insurance. The indicators in the results framework will be

disaggregated by gender and age in the monitoring and evaluation (M&E) system, while the capacity of MAER and MEPA to monitor these indicators will be improved.

D. Result areas and disbursement-linked indicators

19. The PCAE-PforR has three results areas, or components, namely: (i) improved crop and livestock productivity and resilience; (ii) improved business environment and market integration; and (iii) improved sector governance, coordination and programme management. Table 1 below presents the 10 DLIs.
20. **Contribution to the disbursement-linked indicators.** US\$20 million of IFAD's contribution to the PCAE-PforR will be allocated strategically to further enhance sustainable diversification of farming and livestock systems, and inclusiveness in line with the IFAD core commitments and the 2019-2024 COSOP. The core investments (DLIs 2, 3, 7 and 10) were identified in the expenditure framework of PRACAS-II and PNDE as follows:
 - (i) Under results area 1, DLI 2 and DLI 4 will be cofinanced, with a focus on diversification and productivity increases in crop and livestock systems. Under DLI 2, IFAD will contribute to the multiplication of quality seeds for crop diversification (millet, sorghum, maize, cowpea, Irish potato, vegetables, sweet potato and fonio). Under DLI 4, vaccination for small ruminants and horses will be promoted.
 - (ii) Under results area 2, DLI 7 was prioritized. IFAD support will help provide insurance coverage for smallholder farmers. This DLI is under the responsibility of the Ministry of Finance and Budget.
 - (iii) Under results area 3, DLI 10 will be cofinanced. IFAD support will be used to further digitalize and decentralize the MAER and MEPA M&E system, and promote policy dialogue and knowledge management (KM), in particular the consolidation of the crop diversification measures established under PAFA and PAFA-E.
21. As part of IFAD's contribution to the PCAE-PforR, US\$3 million will be earmarked for institutional support and capacity-building, using an investment project lending (IPL) approach. As this institutional capacity-building support is considered essential, the Government and the WBG strongly insisted on including an "Institutional support and capacity-building component" to mitigate implementation risks. This support will build on the initial US\$3.5 million already provided by PADAER, a sum that proved fundamental in starting up the programme. This support contributes to the Programme Action Plan (PAP),³ defining the accompanying measures undertaken by the Government to mitigate implementation risks. The plan includes actions aimed at strengthening implementing agencies (mainly MAER and MEPA at national and local levels) in four areas: (i) technical implementation capacity; (ii) programme management, M&E and KM; (iii) fiduciary systems; and (iv) environmental and social management. Furthermore, this support will help improve the core IFAD mandate with respect to farmers' organizations, gender and youth empowerment.
22. Despite its relatively small financial contribution to the operation, IFAD will gain in overall visibility and weight in policy dialogue due to its partnership with the WBG. The ambitious policy conversation under the PCAE-PforR is designed to address the needs of small- and medium-scale farms. This dialogue is essential to IFAD's core target group and consists of the following elements:
 - (i) DLIs 1, 2, 3 and 5 aim to fundamentally change MAER and MEPA's budget allocation so as to ensure that smallholders have more equitable access to

³ World Bank. PCAE. Programme Appraisal Report. Annex 6.

- certified seeds (groundnuts, diversification crops) and quality CSA inputs and vaccination.
- (ii) DLIs 6 and 10 include policy measures to support multi-stakeholder platforms, including the recognition and organization of interprofessional bodies for groundnuts and diversification crops (maize, sorghum/millet, cowpea).
- (iii) DLIs 5 and 10 support preparation of laws, regulations, policies and strategies, including a strategy to control Newcastle disease and fowlpox, a national genetic improvement strategy and plan, an animal health and veterinary public health code, and a livestock masterplan.

Table 1

Disbursement-linked indicators and allocation of International Development Association (IDA) and IFAD financing

(Millions of United States dollars)

<i>DLI⁴</i>	<i>IDA</i>	<i>IFAD</i>
Results area 1. Improved crop and livestock productivity and resilience		
1 Quantity of certified groundnut seeds acquired annually (tons)	35.0	-
2 Cumulative quantity of certified seeds acquired for diversification crops (tons)	15.0	6.0
3 Percentage of subsidy targeted to smallholder producers and climate-smart technologies (% of subsidy amount)	20.0	
4 Vaccination coverage rates for small ruminant plague (% coverage)	30.0	7.0
5 Cumulative quantity of certified fodder seeds acquired by the producers (tons)	10.0	-
Results area 2. Improved business environment and market integration		
6 National Interprofessional Committee for Groundnut restructured	10.0	-
7 Number of producers with access to agricultural insurance for crops and livestock (per year)	10.0	5.0
8 Operationalization of the warehouse receipt system in the extended groundnut basin	4.01	-
9 Number of milk collection centres supported and/or equipped and operational	5.0	-
Results area 3. Improved sector governance, coordination and programme management		
10 M&E system at both MAER and MEPA for agriculture and livestock performance in place and functioning	10.0	2.0
Total allocation – DLIs	149.01	20.0
Programme preparation advance (PPA) (not DLI)	0.99	-
Institutional support and capacity-building (IPL, not DLI)	-	3.0
Total	150.0	23.0

E. Theory of change

23. The PCAE-PforR is positioned as a rural transformation initiative aimed at enhancing food security, rural incomes, equity and economic growth. In order to achieve this long-term outcome, the programme is structured around twin complementary areas: (i) increased productivity, agriculture resilience and livestock productivity (results area 1); and (ii) improved business environment and market integration for groundnuts, diversification crops and dairy products (results area 2). In parallel, the institutional capacity of the main implementing entities (MAER and MEPA) will be enhanced (results area 3).
24. At the outcome and output levels, the DLIs will monitor the required changes (access to inputs, technologies, investments and policy measures) to achieve the PDO.

⁴ All DLIs except DLI 10 are scalable; in other words, funds will be disbursed annually in line with progress made.

F. Alignment, ownership and partnerships

25. The PCAE-PforR will contribute to the achievement of Sustainable Development Goal (SDG) 1 through a sustainable increase in the incomes of poor family farmers and young rural entrepreneurs. It will also help achieve SDG 2 (zero hunger) as it addresses the food and nutrition of beneficiary families. The programme will further contribute to SDG 5 (gender equality) and 10 (reduced inequalities) as well as SDG 13 on climate change.
26. Within the United Nations system, IFAD has the sole mandate for investing in agriculture development. The Fund has a unique approach to supporting smallholders, organizing their value chains and making them more competitive and resilient. As indicated in its 2019-2024 COSOP, IFAD's comparative advantage in Senegal and the subregion is its expertise in: (i) agriculture value chain development; (ii) support for rural entrepreneurship, especially for women and young people; and (iii) empowerment of farmers' organizations. IFAD will use this expertise to make sure those activities are reflected and scaled up in the PCAE-PforR.

G. Costs, benefits and financing

Programme costs

27. The RBL approach calls for all activities to be prefinanced by the Government under its annual sector budgets and reimbursed by WBG and IFAD up to an agreed amount once the DLIs are achieved. The total programme cost is estimated at US\$233 million. The WBG has allocated US\$150 million to the PCAE-PforR, of which US\$149.01 million as RBL and US\$0.99 million as a PPA. IFAD will contribute US\$23 million (reallocation of the Eleventh Replenishment of IFAD's Resources), of which US\$20 million will be in the form of RBL and US\$3 million in the form of IPL through PADAER-II. The Government will contribute US\$60 million.

Table 2

Programme cost by financier and by type of lending
(Millions of United States dollars)

Type of lending	Financing source	Amount	Percentage
PPA	IDA	0.99	0.4
RBL	IDA	149.01	64.0
	IFAD	20.00	8.6
	Government	60.00	25.8
IPL	IFAD	3.00	1.3
Total		233.00	100.0

Disbursement arrangements

28. The table below presents IFAD disbursements by DLI and by year.

Table 3

Programme costs by DLI and by year
(Millions of United States dollars)

	2022	2023	2024	2025	2026	Total
DLI 2	0.00	1.58	1.58	1.58	1.58	6.35
DLI 4	0.00	1.76	1.76	1.76	1.76	7.00
DLI 7	0.00	1.16	1.16	1.16	1.16	4.64
DLI 10	0.00	1.00	1.00	0.00	0.00	2.00
Institutional support and capacity-building	2.10	0.51	0.35	0.04	0.00	3.00
Total	2.10	6.01	5.85	4.54	4.50	23.00

Summary of benefits and economic analysis

29. An ex ante economic and financial analysis was prepared to demonstrate the financial and economic soundness of the PCAE-PforR. The economic net present

value of the programme is estimated at US\$374 million, and the economic rate of return at 24.2 per cent. Sensitivity analysis shows that the results are robust under most scenarios.

30. A greenhouse gas analysis was performed using the EX-Ante Carbon Balance Tool. Results show that the PCAE-PforR can constitute a sizeable net carbon sink of -3.3 million tCO₂eq over 20 years, thus -167,000 tCO₂eq annually, due to the introduction of improved crop and grassland management practices and technologies. The cropping activities constitute a carbon balance of -266,864 tCO₂eq per annum in the with-programme scenario, which would largely compensate the increase in the livestock sector (81,436 tCO₂eq per annum). Increased transportation, processing and use of fertilizer and agrochemicals would lead to an annual increase of 18,493 tCO₂eq.

Exit strategy and sustainability

31. In a PforR, initial funding comes from national-sector budgets, which ensures the availability of funds. Regular missions and a system of checks and balances are being put in place to ensure that public budget allocations and incurred expenditures are in line with the ambition of the PCAE-PforR.

III. Risks

A. Risks and mitigation measures

32. As per IFAD's design policy of January 2020, risk for type C projects is addressed by the programme initiator, the WBG in this case.
33. The overall risk of the PCAE-PforR is considered substantial when assessed with the World Bank's Systematic Operations Risk-rating Tool, driven mostly by political and governance issues, sector policies, weak institutional capacity for implementation, and sustainability and fiduciary aspects. This is exacerbated by the uncertainty surrounding the COVID-19 pandemic.
34. Fiduciary risk is considered high by the WBG and many mitigation measures have been put in place, including: (i) agreement on the multi-year programme expenditures framework with the Government,; (ii) limiting the programme expenditures framework annual budget variation to +/-3 per cent; (iii) formal approval of the PRACAS-II and Livestock Sector Development Policy; (iv) appointment of programme managers and filling a vacant internal inspection position; (v) opening a separate and dedicated account with the National Treasury to receive funds that will flow from the World Bank; (vi) National Treasury to appoint dedicated accountants to handle and report on payments made at the request of the line ministries on the dedicated account; (vii) roll-out of an integrated financial management information system and procurement system; and (viii) development of a multi-year contract framework.
35. The institutional capacity for implementation and sustainability risk is substantial, reflecting the need for close collaboration between the entities involved in implementation. This risk will be mitigated by establishing dedicated technical coordination teams (TCTs) at MAER and MEPA to ensure coordination, and through capacity-building incorporated into programme design, DLIs and PAP.
36. Regarding the Social, Environmental and Climate Assessment Procedures, the World Bank procedures were followed and an IFAD integrated programme risk matrix was prepared.

B. Environment and social category

37. An Environment and Social Systems Assessment (ESSA) was prepared to gauge Senegal's authority and organizational capacity to achieve environmental and social objectives against the environmental and social impacts that may be associated with the programme. Although the investments are unlikely to have substantial

adverse impacts, the cumulative effect of the intensification of groundnuts, livestock and horticultural production, paired with weak environment and social management systems at national and regional levels, raises the risk classification to substantial. The programme design and PAP mitigate many of these risks.

C. Climate risk classification

38. The IFAD climate risk classification does not apply as the Fund will align with ESSA procedures. The climate risk is assessed by the World Bank as high.

D. Debt sustainability

39. The debt sustainability analysis from January 2021 indicates that Senegal's debt remains sustainable with a moderate risk, but with limited scope to absorb shocks in the near term. This is in line with the previous debt sustainability analysis update of April 2020, which accompanied Senegal's rapid credit facility/rapid financial instrument request. The moderate risk of debt distress is predicated on a gradual recovery from the pandemic-induced shock, continued adherence to a prudent fiscal path (in line with regional convergence criteria) and sound debt management. The outlook for Senegal remains highly uncertain and subject to significant downside risks, primarily a reflection of broader global risks related to COVID-19. A prudent borrowing strategy that prioritizes concessional external borrowing and domestic regional financing in line with programmed financing needs, combined with continued efforts to strengthen debt management and contain fiscal risks, will be the anchor for continued debt sustainability. The public debt-to-GDP ratio stood at 65.81 per cent in 2020 and is projected to peak at around 68 per cent in 2021–2022 before gradually declining over the medium term as oil and gas investments come online. Debt service is projected to be about 21 per cent of total revenues and grants in 2020, before gradually rising to about 24 per cent on average over the medium term due to borrowing related to the hydrocarbon sector.

IV. Implementation

A. Organizational framework

Programme management and coordination

40. The programme has a three-tiered governance structure with a steering committee, two technical committees and two TCTs as well as two technical focal points, within MAER and MEPA. The teams are operational already. The steering committee held its first meeting in March 2021, when it approved the first annual workplan and budget. In March 2021, the first supervision mission, held with IFAD participation, assessed progress realized thus far.
41. Achievement of the DLIs will be verified by the independent verification agent (IVA). The demand for non-objection for the recruitment of the IFAD IVA is expected soon. A DLI verification protocol has been defined.
42. The PCAE-PforR is a PforR operation, which means that no COSTAB cost analysis or expenditure categories were prepared. The PCAE-PforR will be implemented through the national systems and no programme implementation manual was prepared.

Financial management, procurement and governance

43. The RBL approach calls for all activities to be prefinanced by the Government under its annual budgets for agriculture and livestock programmes, and reimbursed by the World Bank and IFAD up to an agreed amount once the DLIs are achieved.
44. Under a letter of appointment negotiated between the parties, the World Bank will be appointed as a cooperating institution within the meaning of article III of the General Conditions of Agricultural Development Financing dated 29 April 2009, and last amended in December 2020.

45. Financial reporting and auditing will be the responsibility of the programme management unit and the public expenditure authorization directorate at the Ministry of Finance and Budget. The PADAER-II project implementation financial and administrative manual will be updated to include specific procedures applicable for the PCAE-PforR. A designated account will be opened at the National Treasury to receive funds from IFAD. A separate designated account will be opened by PADAER-II for PCAE-related funds once the first disbursement criteria are met.
46. An assessment of the national fiduciary systems was undertaken by the World Bank during design and concluded that the fiduciary risk is "substantial", as detailed in the fiduciary summary. The PADAER-II's inherent financial management risk is thus substantial also. As per the aide-memoire⁵ of the midterm review, the financial management quality rating is 3, or moderately unsatisfactory. The funds will be made available to PADAER-II only once the financial management quality is rated 4, or satisfactory as a disbursement condition. Given the RBL approach, the Government will be responsible for procurement, using its own mechanisms and no classic procurement plan was prepared. However, the World Bank has specific guidelines for procurement in RBL projects.

Project/programme target group engagement and feedback, and grievance redress⁶

47. A preparatory study to establish a grievance mechanism has been made. Comments from the WBG are being taken into account.

Grievance redress

48. In line with its procedures, the World Bank supported the establishment of a grievance redress service. The service ensures that complaints received from communities and individuals are promptly reviewed in order to address pertinent concerns.⁷

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

49. The results framework (appendix II), developed by MAER, MEPA, the WBG and IFAD, will be used for M&E purposes. To monitor IFAD's cofinancing, six indicators were added, while for other indicators the quantitative targets (DLIs 2, 4, 7) were increased.
50. The programme has a strong focus on M&E and KM. IFAD will be at the forefront of M&E and KM activities through the provision of capacity-building and technical assistance (mainly mobilized by the IPL through PADAER-II). To encourage the Government to invest in digitalization and decentralize the MAER and MEPA M&E system, the PCAE-PforR includes DLI 10, associated with a disbursement of US\$10 million from IDA and US\$2 million from IFAD, conditional to the setting up of M&E systems able not only to track performance and results, but also to develop related policy documents and knowledge products. IFAD will further contribute to this area through the use of global capacity-building grants, while the IFAD Regional Hub in Dakar will ensure the quality of KM, a key element for IFAD.

C. Implementation plans

Implementation readiness and start-up plans

51. The WBG provided a PPA to ensure implementation readiness, while the Government and IFAD mobilized technical assistance through PADAER-II.

Supervision, midterm review and completion plans

⁵ World Bank. PCAE virtual implementation support mission. 8-15 March 2021. Aide-memoire.

⁶ See Framework for Operational Feedback from Stakeholders <https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-13.pdf?attach=1>.

⁷ For details: <http://www.worldbank.org/GRS>.

52. In light of the letter of agreement, the World Bank will be formally responsible for supervising the PCAE-PforR, administering the loan and authorizing payments. In practice, supervision will be carried out jointly by the WBG, IFAD and the Government. In conformity with IFAD's policy on supervision and implementation support, at least one supervision mission will be held annually, with regular follow-up on progress and results. The presence of the World Bank office and IFAD Regional Hub in Dakar will facilitate close monitoring of progress and provide implementation support. IFAD's long-standing strategic partnership with MAER and MEPA will ensure efficient targeting of women and youth. In addition, all partners will work together to strengthen M&E systems.
53. The midterm review will be organized at the beginning of year 3 of programme implementation. It will be led by MAER and MEPA through their TCTs and will be conducted jointly with IFAD and the WBG.
54. The programme completion review will be initiated by the Government according to guidelines issued by IFAD and the WBG, and reviewed by the three parties. It will document the achievement of the overall targets and PDO as well as lessons learned during implementation and possibilities for scaling up.

V. Legal instruments and authority

55. A project financing agreement between the Government of Senegal and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient, under the new PforR modality (EUR 17.3 million). The second loan (EUR 2.5 million) will be incorporated as additional financing to the PADAER-II and for which an amendment to the already existing financing agreement between the Government 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 is attached as appendix I.
56. The Government of Senegal is empowered under its laws to receive financing from IFAD.
57. I am satisfied that the proposed financings will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

58. 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 seventeen million three hundred twenty thousand euros (EUR 17.32 million) in order to finance the programme for results modality 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 highly concessional terms to the Republic of Senegal in an amount of two million five hundred thousand euros (EUR 2.5 million) as additional financing to the already existing Support to Agricultural Development and Rural Entrepreneurship Programme – Phase II and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Hougbo
President

Accord de financement négocié:

Programme de compétitivité pour l'agriculture et l'élevage au Sénégal (Pcae-PforR)

(Négociations conclues le 17 novembre 2021)

Prêt No.: _____

Nom du Projet: Programme de compétitivité pour l'agriculture et l'élevage au Sénégal (Pcae-PforR) (le "Programme")

ENTRE

La République de Sénégal (l'"Emprunteur")

Et

Le Fonds international de développement agricole (le "Fonds" ou le "FIDA")

(désignés individuellement par une "Partie" et collectivement par les "Parties")

ATTENDU QUE:

A. Le Programme est une opération de prêt basée sur les résultats (le "RBL") qui a pour objectif d'améliorer la productivité et l'accès au marché des chaînes de valeur des produits de base prioritaires et de l'élevage, dans le bassin arachidier élargi et les zones agropastorales, comme définies dans l'Annexe 1 de cet accord de financement;

B. Le 12 Février 2019, l'Emprunteur a officiellement demandé au FIDA de financer le Programme;

C. Ainsi, l'Emprunteur a sollicité du Fonds un prêt pour le financement du Programme décrit à l'Annexe 1 du présent accord de financement;

D. Dans le cadre de la contribution du FIDA pour le Programme, un financement sera aussi mobilisé pour l'appui institutionnel et le renforcement des capacités via le Projet FIDA PADAER II;

E. Le Programme sera cofinancé par la Banque Mondiale (la "BM"). Le 12 mai 2020, le Conseil d'administration (le "CE de la BM") de la BM a approuvé un crédit de 150 millions de dollars pour le financement du Programme. L'accord de financement de la BM pour le Programme est entré en vigueur le 2 septembre 2020 et sera clôturé le 31 décembre 2025; et

F. L'Emprunteur s'est engagé à fournir un soutien supplémentaire, financier ou en nature, qui pourrait être nécessaire au Programme.

Considérant que le Fonds a accepté de financer le Programme,

Par conséquent, les Parties conviennent de ce qui suit:

Section A

1. Le présent accord de financement (l'"Accord") comprend l'ensemble des documents suivants: le présent document, la description du Programme et les dispositions relatives à l'exécution (Annexe 1), le tableau d'affectation des fonds (Annexe 2) et les clauses particulières (Annexe 3).

2. Les Conditions générales applicables au financement du développement agricole en date du 29 avril 2009, telles que modifiées en décembre 2020 et toutes éventuelles modifications postérieures (les "Conditions générales") sont annexées au présent document, et l'ensemble des dispositions qu'elles contiennent s'appliquent au présent Accord à l'exception des dispositions indiquées à la section E, paragraphe 4 ci-dessous, les cas échéants. Aux fins du présent Accord, les termes dont la définition figure dans les Conditions générales ont la signification qui y est indiquée.

3. Le Fonds accorde à l'Emprunteur un prêt (le "Prêt" ou le "Financement"), que l'Emprunteur utilise aux fins de l'exécution du Programme, conformément aux modalités et conditions énoncées dans le présent Accord.

4. Aux fins du présent Accord:

i) l'"Indicateur lié au décaissement" ou l'"ILD" désigne, pour une catégorie donnée, l'indicateur lié à ladite catégorie qui sera utilisé pour déclencher le décaissement des fonds, et comme indiqué dans le tableau de l'Annexe 2 du présent Accord;

ii) le "Résultat lié au décaissement" ou le "DLR" désigne pour une catégorie donnée, le résultat au titre de ladite catégorie tel qu'il est indiqué dans le tableau de l'Annexe 2 du présent Accord, sur la base de l'atteinte de laquelle, le montant du Financement affecté audit résultat pourra être retiré.

5.1. Les exceptions suivantes à la section 4.02 a) et à la section 4.03 d) des Conditions générales s'appliquent:

i) le décaissement sera déclenché par des DLI vérifiables au lieu de dépenses éligibles;

ii) le Fonds n'exigera pas de l'Emprunteur qu'il fournisse la preuve que les retraits antérieurs ont été correctement dépensés pour des dépenses éligibles, mais plutôt la preuve que les DLR convenus ont été respectés;

iii) les dépenses seront considérées comme éligibles lorsque les DLR convenus seront atteints;

iv) l'Emprunteur peut retirer le produit du Financement afin de financer des dépenses sur la base des résultats (les "Résultats liés au décaissement" ou le "DLR") obtenus par l'Emprunteur, mesurés par rapport aux indicateurs spécifiques (les "Indicateurs liés au décaissement" ou l'"ILD") dans le montant alloué par rapport à la catégorie du tableau de l'Annexe 2;

5.2. Les exceptions suivantes au Cadre conceptuel pour l'établissement de rapports financiers et l'audit des projets financés par le FIDA et le Manuel relative mentionnés à la section 9.03 des Conditions générales, sont applicables, conformément aux lois et réglementations applicables de l'Emprunteur;

i) les audits ne sont pas nécessaires pour retracer les fonds du FIDA jusqu'aux bénéficiaires finaux; et

ii) le contenu minimum prescrit, tel que prévu au tableau 3 du Manuel, des états financiers annuels du Programme n'a pas à être soumis au FIDA.

Section B

1. Le montant du Prêt est de dix-sept millions trois cent vingt mille Euro (17 320 000 EUR).
2. Le Prêt est accordé à des conditions particulièrement favorables exempt d'intérêt mais assorti d'une commission de service de 0,75% l'an et un délai de remboursement de quarante (40) ans dont un différé d'amortissement de dix (10) ans, à compter de la date d'approbation du Prêt par le Conseil d'administration du Fonds. Le Principal du Prêt sera remboursé à un taux de 4,5 % du montant total du Principal per annum à partir de l'année onze (11) et jusqu'à l'année trente (30), et à un taux de 1 % du montant total du Principal à partir de l'année trente-et-un (31) et jusqu'à l'année quarante (40).
3. La monnaie de paiement au titre du service du Prêt est l'euro (EUR).
4. L'exercice financier débute 1^{er} janvier et clôture le 31 décembre.
5. Le remboursement du principal et le paiement de la commission de service du Prêt sont exigibles le 15 avril et le 15 octobre.
6. Il y aura un compte désigné libellé en euro (EUR), pour l'utilisation exclusive du Programme ouvert à la Banque Centrale au nom du Trésor Public du Sénégal.

Section C

1. L'agent principal du Programme est le Ministère en charge des finances (le "MFB") avec le Ministère en charge de l'agriculture (le "MAER") responsable des activités agricoles et le Ministère en charge de l'élevage (le "MEPA") responsable des activités de l'élevage.
2. Des supervisions annuelles conjointes seront organisées desquelles le FIDA fera partie intégrante.
3. Un examen à mi-parcours sera effectué conformément aux dispositions des alinéas 8.03 b) et c) des Conditions générales. Toutefois, les Parties peuvent convenir d'une date différente pour l'examen à mi-parcours de la mise en œuvre du Programme.
4. La date d'achèvement du Programme est fixée au 31 décembre 2025 et la date de clôture du financement sera 6 mois plus tard, ou toute autre date désignée par le Fonds par notification à l'Emprunteur.
5. L'acquisition de biens, travaux et services financés par le Financement est effectuée conformément aux dispositions de la réglementation de l'Emprunteur en matière de passation des marchés, dans la mesure où elles sont conformes aux directives pour la passation des marchés relatifs aux projets du FIDA.

Section D

1. Le Financement sera administré et le Programme sera supervisé par la Banque Mondiale (la "BM"), en tant qu'institution coopérante, au sens de l'Article III des Conditions générales en vertu d'une lettre de nomination (la "LdN") qui sera conclue entre le FIDA et la BM.

Section E

1. Les éléments suivants constituent des conditions additionnelles préalables aux décaissements:

- a) Le personnel clé du Programme a été nommé.
- b) La LdN entre le FIDA et la BM comme décrit plus en détail dans la section D ci-dessus, est conclue et est entrée en vigueur.
- c) L'accord de financement entre l'Emprunteur et la BM pour le Programme n'est pas entré pleinement en vigueur dans les 180 jours suivant la date de la signature du présent Accord, et les fonds de remplacement ne sont pas mis à la disposition de l'Emprunteur selon des modalités acceptables pour le Fonds.
- d) Le droit de l'Emprunteur de retirer le montant du financement de la BM n'a pas été suspendu, annulé ou résilié, en tout ou en partie, ou le financement de la BM est devenu exigible et payable avant l'échéance convenue de celui-ci; ou aucun événement n'est survenu qui, avec le passage du temps pourrait entraîner l'une ou l'autre de ces situations.
- e) Aucun décaissement ne sera effectué tant que et à moins que l'Emprunteur, par l'intermédiaire de l'agence principal du Programme, n'ait fourni des preuves satisfaisantes pour le FIDA (rapport de vérification) que les DLR ont été atteints et confirmés par un organisme de vérification tiers indépendant conformément au protocole de la vérification, tel que prévu entre les Parties.

2. Toutes les communications ayant trait au présent Accord doivent être adressées aux représentants dont le titre et l'adresse figurent ci-dessous:

Pour l'Emprunteur:

[cliquez et tapez le titre du représentant]
[cliquez et tapez le nom et l'adresse du ministère]

Pour le Fonds:

[Cliquez et tapez le titre]
Fonds international de développement agricole
Via Paolo di Dono 44
00142 Rome, Italie

[Copie à:]⁸

⁸ Le cas échéant. Lorsqu'un Prêt ou un Don est lié à un autre projet du FIDA, il est recommandé de toujours copier le pays du FIDA/ou le chargé de projet du FIDA afin d'assurer une bonne coordination.

Le présent Accord, [en date du _____]⁹, a été établi en langue française en deux (2) exemplaires originaux, un (1) pour le Fonds et un (1) pour l'Emprunteur.

NOM OFFICIEL DU PAYS

[(Nom du Représentant autorisé)]
[(Titre du Représentant autorisé)]

Date: _____¹⁰

FONDS INTERNATIONAL
DE DEVELOPPEMENT AGRICOLE

Gilbert F. Houngbo
Président

Date: _____

⁹ À conserver uniquement si l'Accord de Financement est signé par les deux parties à la même date et au même endroit.

¹⁰ Dans le cas où l'Accord de Financement n'est pas signé au siège du FIDA.

Annexe 1

Description du Programme et dispositions relatives à l'exécution

I. Description du Programme

1. *Population cible.*

Le PCAE est un programme basé sur les résultats (RBL) dans l'agriculture et l'élevage, qui a été conçu comme un outil pour réduire la pauvreté rurale et améliorer la sécurité alimentaire et nutritionnelle des petits exploitants agricoles, des femmes et des jeunes dans les régions les plus pauvres du Sénégal. Les bénéficiaires sont un large éventail d'acteurs (petits exploitants, coopératives, agences de R&D, commerçants, transporteurs, exportateurs) impliqués dans les chaînes de valeur prioritaires des cultures et de l'élevage. Le groupe cible du Programme est essentiellement le même que celui des projets soutenus par le FIDA (PAFA, PAFA-E et PADAER).

2. *Zone d'intervention du Programme.*

Le Programme pourra intervenir sur tout le territoire national, principalement dans le bassin arachidier élargi et les zones agro-pastorales¹¹, qui ont la plus forte incidence de pauvreté et de malnutrition dans le pays, qui sont également les plus vulnérables à l'impact de la variabilité et du changement climatique et de la dégradation des sols.

3. *Finalité.*

La finalité du Programme est de soutenir les éléments de transformation, comme indiqué dans le Programme de relance et d'accélération de la cadence de l'agriculture, phase II (PRACAS II) et le Plan National de Développement de l'Elevage (PNDE). Deux points d'entrée stratégiques pour s'attaquer à la faible productivité du secteur agricole du Sénégal et améliorer le bien-être des ménages ruraux pauvres dans le cadre du PforR sont i) les systèmes à base d'arachide et ii) les systèmes d'élevage.

4. *Objectif.*

L'objectif du Programme est d'améliorer la productivité et l'accès au marché des chaînes de valeur des produits de base prioritaires et de l'élevage, dans le bassin arachidier étendu et les zones agropastorales.

5. *Composantes.*

Le Programme étant un programme basé sur les résultats ne comprend pas de composante au sens strict, mais des domaines de résultats comme suit:

- *Amélioration de la productivité et de la résilience des cultures et de l'élevage;*
- *Amélioration de l'environnement des affaires et intégration des marchés;*
- *Gestion du programme et la gouvernance sectorielle;*
- *L'appui institutionnel et le renforcement des capacités;*
- *Dialogue Politique.*

¹¹ Le bassin arachidier élargi signifie les départements avec des activités de production arachidière dans les régions de Kaffrin, Kaolack, Sedhiou, Fatik, Tambacounda, Kolda et Diourbel et toute autre zone agréée entre les Parties.

II. Dispositions relatives à l'exécution

6. *Les agents techniques du Programme.*

Les ministères MAER et MEPA, chargés de la mise en œuvre, préfinanceront et exécuteront le programme par le biais de leurs budgets annuels de programme sectoriel. Lorsque les DLI seront atteints et que la preuve de réalisation sera partagée à la suite d'une série de vérifications approfondies et convenues, le GBM et le FIDA autoriseront le décaissement du montant encouru conformément à l'accord de financement PCAE/P4R et convenu pour chaque DLI.

7. *Comité de surveillance du programme.*

Il est prévu que la Banque mondiale soit désignée en tant qu'institution coopérante, au sens de l'article III des Conditions générales applicables au financement du développement agricole en date du 29 avril 2009, telles que modifiées en dernier lieu en décembre 2020, en vertu d'une lettre de nomination (la "LdN") qui est actuellement en cours de rédaction et de négociations entre les parties. Au regard de la LoA, la BM sera donc formellement chargée de l'administration du prêt et de la supervision du PCAE. En pratique, la supervision sera effectuée conjointement par le GBM, le FIDA et le GoS.

8. *Unité de gestion du Programme.*

Le Programme a une structure de gouvernance à trois niveaux avec un Comité de Pilotage (SC), deux Comités Techniques (TC), des Comités régionaux de coordination et de suivi, et deux Equipes Techniques de Coordination (TCT), ainsi que des points focaux techniques, au sein du MAER et du MEPA, qui ont été mis en place et sont opérationnels.¹² Le CP a organisé sa première réunion en mars 2021 et a approuvé le premier plan de travail et budget annuels (PTBA). L'Unité de Gestion se partage entre le MAER et le MEPA.

9. *Partenaires stratégiques.*

Les partenaires Stratégiques du FIDA dans le cadre de ce programme sont le Groupe de la Banque mondiale (GBM), le Ministère de l'agriculture et de l'équipement rural (MAER), du Ministère de l'élevage et de la production animale (MEPA) et le Ministère des finances et du budget (MFB).

10. *Suivi et évaluation.*

Le Programme est fortement axé sur le S&E, et le FIDA sera en première ligne des activités de suivi et d'évaluation grâce à l'appui au renforcement des capacités et d'assistance technique à la mise en place de systèmes de suivi et d'évaluation capables de suivre les performances et les résultats, d'élaborer des documents d'orientation connexes. Le FIDA aura la possibilité de contribuer davantage à ce domaine grâce à l'utilisation de dons mondiaux pour le renforcement des capacités.

11. *Gestion des connaissances.*

La préparation d'une stratégie de gestion des savoirs et les activités seront également financées grâce au volet "appui institutionnel et renforcement des capacités". Les approches et pratiques de mise en œuvre sont développées/adaptées en fonction des défis et/ou des risques identifiés. Ils s'appuieront sur le renforcement des systèmes de S&E pour documenter les meilleures pratiques et analyses.

¹² Banque mondiale. Mission virtuelle d'appui à l'exécution du PCAE du 8 au 15 mars 2021. Aide-mémoire.

III. Indicateurs liés aux décaissements et allocation des financements IDA et FIDA

ILD ^[1]		IDA millions de dollars US	FIDA millions de dollars US
Domaine de résultats 1: amélioration de la productivité et de la résilience des cultures et du bétail			
1	Quantité de graines d'arachide certifiées acquises annuellement (tonnes)	35.0	0.0
2	Quantité cumulée de semences certifiées acquises pour les cultures de diversification (tonnes)	15.0	6.0
3	Pourcentage de la subvention destiné aux petits producteurs et aux technologies intelligentes du point de vue climatique (% du montant de la subvention)	20.0	0.0
4	Taux de couverture vaccinale contre la peste des petits ruminants (PPR) (% de couverture)	30.0	7.0
5	Quantité cumulée de semences certifiées fourragères acquises par les producteurs (tonnes)	10.0	0.0
Domaine de résultats 2: amélioration de l'environnement des entreprises et de l'intégration des marchés			
6	Restructuration de l'interprofession de l'arachide (CNIA)	10.0	0.0
7	Nombre de producteurs ayant accès à une assurance agricole pour les cultures et le bétail (par an)	10.0	5.0
8	Opérationnalisation du système de réception des entrepôts (WRS) dans le bassin arachidier étendu	4.01	0.0
9	Nombre de centres de collecte de lait soutenus et/ou équipés et opérationnels	5.0	0.0
Domaine de résultats 3: amélioration de la gouvernance, de la coordination et de la gestion des programmes dans le secteur			
10	Mise en place et fonctionnement d'un système de suivi et d'évaluation (S&E) au MAER et au MEPA pour les performances en matière d'agriculture et d'élevage	10.0	2.0
Allocation totale DLIs		149.01	20.0
Avance sur la préparation du programme (pas de DLI)		0.99	-
Soutien institutionnel et renforcement des capacités (IPL, pas DLI)			3.0
TOTAL GÉNÉRAL		150.0	23.0

^[1] Tous les DLI sauf le DLI 10 sont extensibles, ce qui implique que les fonds seront déboursés annuellement en fonction des progrès réalisés.

Annexe 2

Tableau d'affectation des fonds

1. Affectation du produit du Prêt FIDA.

a) Le tableau ci-dessous indique les ILDs de dépenses admissibles à un financement sur le paiement du Prêt ainsi que le montant du prêt affecté à chaque ILD:

Programme de compétitivité de l'agriculture et de l'élevage axé sur les résultats Retrait du produit du Prêt FIDA

	Cofinancement de la Banque mondiale (IDA) et du FIDA		
Catégorie (y compris l'indicateur lié au déboursement, le cas échéant)	Résultat lié au déboursement (le cas échéant)	Montant du crédit total alloué (exprimé en EUR)	Montant du crédit alloué par le FIDA (exprimé en EUR)
(2) DLI #2: Quantité cumulée de semences certifiées acquises pour les cultures de diversification	DLR #2: 53.000 tonnes métriques de semences certifiées, comprenant entre autres le fonio, le maïs et le sésame, acquises par les producteurs du bassin arachidier étendu, à partir d'une base de 0 tonne métrique.	13 700 000 (de l'IDA) + 5 480 000 (du FIDA) = 19 180 000 Formule: pour chaque tranche supplémentaire de 10 600 tonnes métriques par rapport à la situation de référence, 2 740 000 (de l'IDA) + 1 096 000 (du FIDA) = 3 836 000 peuvent être mis à disposition pour être retirés par le bénéficiaire, jusqu'à concurrence de 13 700 000 + 5 480 000 = 19 180 000. Pour chaque tranche de 10 600 tonnes, les proportions de décaissement de l'IDA et du FIDA sont respectivement de 71% et 29%.	5 480 000
(4) DLI #4: Taux de couverture vaccinale contre la peste des petits ruminants (PPR)	DLR #4: 80% de ruminants vaccinés dans les zones agropastorales à partir d'une base de 30%.	27 400 000 (de l'IDA) + 6 120 000 (du FIDA) = 33 520 000 Formule: Pour chaque augmentation supplémentaire de 10 points de pourcentage par rapport à la situation de référence, 5 480 000 (de l'IDA) + 1 224 000 (du FIDA) = 6 704 000 peuvent être mis à disposition pour être retirés par le bénéficiaire, jusqu'à concurrence de 33 520 000. Pour chaque tranche supplémentaire de 10%, les proportions de décaissement de l'IDA et du FIDA sont respectivement de 82% et 18%.	6 120 000
(7) DLI #7: Nombre de producteurs ayant accès à l'assurance agricole pour les cultures et le bétail	DLR #7.1: Les arriérés de primes d'assurance dus par le bénéficiaire au CNAAS ont été entièrement réglés.	DLR #7.1: 1 825 000 Les proportions de décaissement de l'IDA et du FIDA sont respectivement de 100% et 0%.	0

		DLR #7.2: 7 300 000 (de l'IDA) + 4 020 000 (du FIDA) = 11 320 000 Formule: Pour chaque tranche supplémentaire de 41 200 agriculteurs et éleveurs couverts par rapport à la situation de référence, 1 460 000 (de l'IDA) + 804 000 (du FIDA) = 2 264 000 peuvent être mis à disposition pour être retirés par le bénéficiaire, jusqu'à concurrence de 7 300 000 (de l'IDA) + 4 020 000 (du FIDA) = 11 320 000 Pour chaque tranche supplémentaire de 41 200 agriculteurs, les proportions de décaissement de l'IDA et du FIDA sont respectivement de 64% et 36%.	4 020 000
(10) DLI #10: Système de suivi et d'évaluation des performances de l'agriculture et de l'élevage	DLR #10a Un système de suivi et d'évaluation adéquat est en place et fonctionne dans chaque MAER et MEPA pour suivre les performances du programme.	9 130 000 (de l'IDA) + 850 000 (du FIDA) = 9 980 000 DLR10a: Formule: Par système de suivi et d'évaluation mis en place et fonctionnant dans chaque MAER ou MEPA, 4 565 000 (de l'IDA) + 425 000 (du FIDA) = 4 990 000 peuvent être mis à disposition pour être retirés par le bénéficiaire, jusqu'à 9 130 000 + 850 000 = 9 980 000 EUR Les proportions de décaissement de l'IDA et du FIDA sont respectivement de 91% et 9 %.	850 000
	DLR10b: Finalisation de la restructuration des interprofessions.	DLR10b: Formule: pour la restructuration interprofessionnelle finalisée au MAER et au MEPA, 850 000 peuvent être mis à disposition pour être retirés par le bénéficiaire, jusqu'à concurrence de 850 000 (425 000 pour chaque ministère). Les proportions de décaissement de l'IDA et du FIDA sont respectivement de 0% et 100%	850 000
MONTANT TOTAL FIDA (EUR)			17 320 000

Annexe 3

Clauses particulières

Conformément aux dispositions de la section 12.01 a) xxiii) des Conditions générales, le Fonds peut suspendre, en tout ou partie, le droit de l'Emprunteur de solliciter des retraits du compte du prêt du Fonds si l'Emprunteur n'a pas respecté l'une quelconque des clauses énoncées ci-dessous, et si le FIDA a établi que ladite défaillance a eu, ou risque d'avoir, un effet préjudiciable important sur le Programme:

1. Dans les six mois suivant l'entrée en vigueur de l'Accord, le Programme achètera et installera un logiciel de comptabilité personnalisé, conformément aux pratiques en vigueur dans les projets soutenus par le FIDA, afin de satisfaire aux normes comptables internationales et aux exigences du FIDA.

2. *Planification, suivi et évaluation.* L'Emprunteur veillera à ce qu'un système de Planification, de Suivi et d'Évaluation (PM&E) soit mis en place dans les douze (12) mois à compter de la date d'entrée en vigueur du présent Accord.

3. *Genre.* La stratégie pour l'inclusion et l'autonomisation des femmes tiendra compte des principales contraintes auxquelles elles sont confrontées selon les cinq dimensions d'autonomisation des femmes: i) dimension production: faible participation aux décisions sur la conduite de l'exploitation familiale et/ou autonomie limitée à des petites parcelles de terre et/ou à des terres exploitées en groupements, et/ou à certaines activités de post-récolte (transformation); ii) dimension ressources: faible accès et pouvoir de décision sur les ressources et facteurs de production: terre, matériel agricole, nouvelles technologies de production et transformation, formation/information, financement/crédit, etc.; iii) dimension revenus: faible accès et décisions sur les revenus des exploitations familiales dirigées par les hommes; iv) dimension leadership: faible capacité de prise de parole en public et de manifestation de leurs besoins au sein des ménages, des communautés, des OP et autres structures associatives dont elles sont membres; v) dimension temps: charges de travail agricole et domestiques occupant la totalité de la journée et répartition non équilibrée par rapport aux hommes.

4. *Mesures anticorruption.* L'Emprunteur doit se conformer à politique du FIDA en matière de prévention de la fraude et de la corruption dans le cadre de ses activités et opérations.

5. *Harcèlement sexuel, exploitation sexuelle et abus.* L'Emprunteur et les Parties au Programme doivent s'assurer que le Programme est exécuté conformément aux dispositions de la politique du FIDA en matière de prévention du harcèlement sexuel, de l'exploitation sexuelle et des abus sexuels, qui peut être modifiée de temps à autre.

6. *Conformité aux procédures d'évaluation sociale environnementale et climatique (SECAP).* L'Emprunteur veillera à ce que le Programme soit mis en œuvre conformément au SECAP de la banque mondiale (la "BM") et plus précisément aux mesures suivantes:

L'Emprunteur veille à ce que: a) toutes les activités du Programme soient mises en œuvre dans le strict respect des lois/réglementations pertinentes de l'Emprunteur; b) les propositions de travaux de génie civil incluent la confirmation qu'aucune acquisition forcée de terres ou réinstallation involontaire n'est requise dans le cadre du Programme. En cas d'acquisition de terres non prévue ou de réinstallation involontaire dans le cadre du Programme, l'Emprunteur devra immédiatement informer le Fonds et préparer les documents de planification nécessaires conformément à la déclaration de politique de sauvegarde; c) les hommes et les femmes reçoivent une rémunération égale pour un travail de valeur égale au titre du Programme; d) le recours au travail des enfants n'est

pas prévu dans le Programme; e) les mesures incluses dans le plan d'action pour l'égalité des sexes préparé pour le Programme sont entreprises et les ressources nécessaires à leur mise en œuvre sont mises à disposition en temps utile; et f) toutes les mesures nécessaires et appropriées pour mettre en œuvre le plan d'action en faveur de l'égalité des sexes afin de garantir que les femmes puissent participer et bénéficier équitablement du Programme sont dûment prises.

7. *Evaluation des systèmes environnementaux et sociaux.* Une évaluation des systèmes environnementaux et sociaux a été réalisée par la BM dans le cadre de ce Programme, et qui comprend une liste des investissements exclus du financement. Ainsi, le Programme ne devrait pas financer de grandes infrastructures, l'extension des terres agricoles ou toute expansion des réseaux d'irrigation. Toute activité ayant un risque environnemental et social élevé sera exclu du Programme. Selon cette évaluation, les systèmes de gestion environnementale et sociale applicables au Sénégal sont généralement appropriés et complets.

IFAD Logical framework

Results hierarchy	Indicators ¹³					Means of verification			Assumptions
	Name	Baseline	Mid-term	WB Target	End target	Source	Frequency	Responsibility	
Outreach									
	1.Estimated corresponding total number of households members - C.I.-1.b	2,152,000	4,800,000	7,200,000	7,800,000	M&E Survey	Baseline Midterm Endline	TCTs MAER MEPA	Appropriate women and young farmers targeting and inclusion mechanism (based on IFAD funded projects' experience)
	2.Corresponding number of households reached - C.I.-1.a	269,000	600,000	900,000	975,000				
	of which women	0	115,000	100,000	357,500				
	of which young farmers	0	90,000	n/a	130,000				
Project development objective									
To enhance productivity and market access of priority commodity value chains and livestock, in the extended groundnut basin and agro-pastoral areas	Number of households reporting adoption of new or improved inputs, technologies or practices	0	100,000	150,000	200,000	Survey	Baseline Midterm Endline	TCTs MAER MEPA	Better MAER and MEPA Financial Management and staffing
	of which women	0	40,000	60,000	85,000				
	of which young farmers	0	12,500	n/a	25,000				
	Yield increase (metric ton) of diversification crops								
	Maize	2.50	2.70	n/a	3.00				
	Millet	1.00	1.20		1.50				
	Cowpea	0.80	1.10		1.50				
	Irish potato	25.00	29.00		30.00				
Onion	23.00	26.00		27.00					
Sweet potato	38.00	42.00		45.00					
Results Area 1: Improved crop and livestock productivity and resilience									
Sub-Results Area 1.1.a: Increased crop productivity	Metric ton of cumulative quantity of certified seeds acquired for diversification crops (DLI 2)	0	40	53	70	M&E	Annually	MAER	Environmental safeguards plan
Sub-Results Area 1.1.b:	Vaccination coverage rates for African horse sickness (percentage)	35	55	n/a	65	M&E	Annually	MEPA	

¹³ To be disaggregated by gender and youth for all "people related" indicators.

Results hierarchy	Indicators ¹³					Means of verification			Assumptions
	Name	Baseline	Mid-term	WB Target	End target	Source	Frequency	Responsibility	
Increased livestock productivity	Vaccination coverage rates for pasteurellosis of small ruminants (percentage)	4	25	n/a	30		Annually	MEPA	properly implemented
Results Area 2: Improved business environment and market integration									
Sub-Results Area 2.3: increased access to financial services	Number of persons in rural areas accessing financial services (DLI 7: agriculture insurance for crops and livestock)	269,000	346,000	400,000	472,000	M&E	Annually	Ministry of finance	Continuation of related policy reforms
	of which women	0	115,000	120,000	145,000				
	of which young farmers	0	100,000	n/a	130,000				
Results Area 3: Improved sector governance, coordination, and Program management									
Output 3.1.: policy dialogue on agriculture and livestock strengthened	Coordination platforms of diversification value chains organized by MAER/MEPA	No	Set-up	n/a	Efficient	Reporting	Annually	TCTs MAER MEPA	Efficient technical assistance
	Number of existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification, amendment	0	5	5	8				
Output 3.2.: capacity at MAER and MEPA for program planning, statistics, and M&E enhanced	Monitoring and evaluation system for agriculture and livestock performance (DLI 10)	Draft M&E system at MAER and MEPA	Adequate M&E system to track Program performance		Adopted by central/ decentralized services	Survey	Endline		
	Share of targeted beneficiaries with rating 'satisfied' or above on project interventions / support (Percentage)	0	n/a		85				

ORIGINAL WB RESULTS FRAMEWORK

Attachment 2. Results Framework from Cofinancier with IFAD Indicators and Targets Integrated (in red)

Indicator Name (** IFAD Core Indicators)	IFAD co-financ.	DLI	Baseline	Intermediate Targets				Final Target
				1	2	3	4	
PDO: Enhance productivity and market access of priority commodity value chains and livestock								
Yield increase of groundnut (Metric ton)			0.98	1.00	1.00	1.10	1.20	1.50
Yield increase of diversification crops (Metric ton)	IFAD							
Maize (Metric ton)	IFAD		2.50	2.60	2.70	2.80	2.90	3.00
Millet (Metric ton)	IFAD		1.00	1.10	1.20	1.20	1.40	1.50
Cowpea (Metric ton)	IFAD		0.80	1.00	1.10	1.20	1.30	1.50
Irish potato (Metric ton)	IFAD		25.00	27.00	29.00	30.00	30.00	30.00
Onion (Metric ton)	IFAD		23.00	25.00	26.00	27.00	27.00	27.00
Sweet potato (Metric ton)	IFAD		38.00	40.00	42.00	44.00	44.00	45.00
Increase exports of shelled groundnuts (Metric ton)			215,000	230,000	255,000	280,000	315,000	350,000
Decrease in mortality rate of small ruminants (Percentage)			0,00			8,00		15,00
Increase in dairy farms productivity (Percentage)			0,00	0,00	5,00	10,00	15,00	20,00
Increase in volume of milk commercialized (Liters (Million))			270.000	280.000	295.000	310.000	325.000	340.000
Farmers reached with agricultural assets or services (CRI, Number) ***	IFAD ¹⁷ core		0.00	50,000	125,000	225,000	255,000	300,000
Farmers reached with agricultural assets or services - Female (CRI, Number) – target 50%	IFAD		0.00	25,000	62,500	112,000	130,000	150,000
Farmers reached with agricultural assets or services - Young farmers (Number)- target 30%	IFAD		0.00	50,000	10,000	20,000	25,000	25,000

⁷ Additional 50,000 beneficiaries; in addition, specific indicator to monitor young farmers added.

Republic of Senegal
Agriculture and Livestock Competitiveness Program for Results (PCAE/PforR) – IFAD Additional Financing
Restructuring Note

Nom de l'indicateur	IFAD	DLI	Baseline	Intermediate Targets				End Target
				1	2	3	4	
Results Area 1: Improved crop and livestock productivity and resilience								
Quantities of certified groundnut seed acquired annually (Metric ton)		DLI 1	40,00	56,00	72,00	88,00	104,00	120,00
Cumulative quantity of certified seeds acquired for diversification crops (Metric ton)	IFAD ¹⁸	DLI 2	0,00	10,60	27,60	40,80	55,20	69,60
Percentage of subsidy targeted to small producers and climate-smart technologies (Percentage)	IFAD	DLI 3	40,00	50,00	60,00	70,00	80,00	90,00
Farmers adopting improved agricultural technology (CRI, Number) ^{***}	IFAD ¹⁹ core		0,00	30,000	90,000	130,000	170,000	200,000
Female Farmers adopting improved agricultural technology (CRI, Number) – target 50%	IFAD							85.000
Young Farmers adopting improved agricultural technology (Number) – target 50%	IFAD							12.500
Hectares with water management infrastructures (rehabilitated, constructed)	IFAD				50	50		100
Vaccination coverage rates for African horse sickness (percentage)	IFAD		35.00		40.0	55.00	65.00	65.00
Vaccination coverage rates for pasteurellosis of small ruminants (percentage)	IFAD		4.00		15.00	30.00	30.00	30.00
Vaccination coverage rates for small ruminant plague (PPR) (Percentage)		DLI 4	30,00	40,00	50,00	60,00	70,00	80,00
Strategy for the control of Newcastle Disease and fowlpox established and validated (Yes/No)			No	No	No	Yes	Yes	Yes
Cumulative quantity of fodder certified seeds acquired by the producers (Metric ton)		DLI 5	0,00	0,00	0,00	100	200	300
National Genetic Improvement Strategy & Plan developed and validated (Yes/No)			No	No	No	Yes	Yes	Yes
Livestock husbandry guidelines (housing and management best practices) developed and			No	No	No	Yes	Yes	Yes

¹⁸ IFAD contributes starting year 2, with 20 percent additional.

¹⁹ IFAD contributes starting year 2, with 30 percent additional.

Republic of Senegal
Agriculture and Livestock Competitiveness Program for Results (PCAE/PforR) – IFAD Additional Financing
Restructuring Note

Nom de l'indicateur	IFAD	DLI	Baseline	Intermediate Targets				End Target
				1	2	3	4	
disseminated (Yes/No)								

Indicator Name	IFAD	DLI	Baseline	Intermediate Targets				End Target
				1	2	3	4	
Results Area 2: Improved business environment and market integration								
Groundnut interprofession (CNIA) restructured (new action plan and framework agreement with government) (Text)		DLI 6	No existing action plan to restructure the National Committee on the Groundnut Value chain (CNIA)		CNIA restructured with an action plan to be autonomous, in an acceptable way to the WB	Framework agreement is signed between CNIA and the Government, encompassing new price setting mechanism for groundnut	Action plan is implemented	Groundnut interprofession (CNIA) restructured (new action plan and framework agreement with GoS)
Level of groundnut production under contract farming agreements (Percentage)			0,00	5,00	10,00	15,00	20,00	30,00
Number of producers with access to agriculture insurance for crops and livestock (Number) ***	IFAD Core	DLI 7	269,000	292,000	319,000	366,000	400,000	475,000
of which women (Number)	IFAD		80,000	87,000	100,000	115,000	130,000	145,000
of which young farmers (Number)	IFAD				90,000	100,000	115,000	130,000
Operationalization of the WRS in the Extended Groundnut Basin (Text)		DLI 8	The WRS regulatory body (OSRE) has not been implemented	ORSRE's key personnel has been appointed or recruited, and ORSRE has been provided with its own approved budget	10 warehouses meet ORSRE's licensing requirements allowing warehouse operators to issue warehouse receipts, from a baseline of 0	US\$ 10,000,000 financed by financial institutions through warehouse receipts, from a baseline of US\$ 0		The WRS is operational in the extended groundnut basin and facilitating access to credit

Republic of Senegal
Agriculture and Livestock Competitiveness Program for Results (Pcae/PforR) – IFAD Additional Financing
Restructuring Note

Indicator Name	IFAD	DLI	Baseline	Intermediate Targets				End Target
				1	2	3	4	
Results Area 2: Improved business environment and market integration								
Warehouses in the groundnut basin licensed by the Warehouse Receipt System regulatory body (ORSRE) (Number)			0,00					10,00
Number of milk collection centers supported and/or equipped and operational (Number)***	core	DLI 9	12,00	27,00	42,00	57,00	72,00	72,00

Integrated programme risk matrix

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	High	Substantial
Political Commitment	High	Moderate
Governance	Moderate	Moderate
Macroeconomic	High	High
Fragility and Security	High	Moderate
Sector Strategies and Policies	Low	Low
Policy alignment	Low	Low
Policy Development and Implementation	Low	Low
Environment and Climate Context	Substantial	Moderate
Project vulnerability to environmental conditions	High	Moderate
Project vulnerability to climate change impacts	Moderate	Moderate
Project Scope	Low	Low
Project Relevance	Low	Low
Technical Soundness	Low	Low
Institutional Capacity for Implementation and Sustainability	Moderate	Low
Implementation Arrangements	Moderate	Low
Monitoring and Evaluation Arrangements	Moderate	Low
Project Financial Management	Substantial	Moderate
Project Organization and Staffing	Substantial	Moderate
Project Budgeting	Substantial	Moderate
Project Funds Flow/Disbursement Arrangements	Moderate	Low
Project Internal Controls	Substantial	Moderate
Project Accounting and Financial Reporting	Substantial	Moderate
Project External Audit	Substantial	Moderate
Project Procurement	Low	Low
Legal and Regulatory Framework	Low	Low
Accountability and Transparency	Low	Low
Capability in Public Procurement	Moderate	Low
Public Procurement Processes	Low	Low
Environment, Social and Climate Impact	Substantial	Moderate
Biodiversity Conservation	Low	Low
Resource Efficiency and Pollution Prevention	Low	Low
Cultural Heritage	Moderate	Moderate
Indigenous People	High	Moderate
Labour and Working Conditions	Substantial	Moderate
Community Health and Safety	High	Moderate
Physical and Economic Resettlement	Moderate	Moderate
Greenhouse Gas Emissions	Moderate	Moderate
Vulnerability of target populations and ecosystems to climate variability and hazards	High	Moderate
Stakeholders	Moderate	Moderate
Stakeholder Engagement/Coordination	Moderate	Low
Stakeholder Grievances	Moderate	Moderate
Overall	Moderate	Moderate
Country Context	High	Substantial
Political Commitment	High	Moderate
Risk:		
Lack of political will, resistance from vested interests, and well-grounded practices in the administration may hinder the implementation of reforms that would lead to more	High	Moderate

transparency in systems of subsidies and oligopolies, in particular in the groundnut value chain and in the current system of seed multiplication and input supply.

Mitigations:

Continuous support for these key Program elements through the policy dialogue with the GoS will help mitigate this risk.

The World Bank Group is experienced in coordinating a PforR, in addition to the policy dialogue with Government. In addition, several DLIs have been developed that focus on policy reforms and that put pressure on vested interests in the current system of subsidizing and elite capturing, including: (a) DLI1 and DLI2 that encourages Ministry of Agriculture to subsidized only certified seed;(b) DLI3 that obliges channeling support to small producers; (c) DLI6 that pushes for restructuring of the Groundnut inter-profession; (d) DLI7 that encourages making agriculture insurance available for small farmers; (e) DLI8 and DLI9 that push for support to small farmers (warehouse receipt system and dairy cooperatives).

Governance

Moderate Moderate

Risk:

Moderate Moderate

Government may underfinance implementation of PRACAS II and PNDE.

Mitigations:

The Program Action Plan (PAP), adopted by Government, the WBG and IFAD, includes a Sector Expenditures Review in order to monitor financing of the agriculture and livestock sector. In addition, first assessments have been made during the design mission. In addition, the implementation support mission in March 2021 discussed the issue of the updating of agriculture strategies and financing of the sector with Government. Two recommendations were made: (1) finalizing and adopting the PASAE of the Ministry of Agriculture; (7) linking the PforR proposals to existing budgetary programmes for agriculture and livestock.

The Technical Coordination Teams (TCT) will receive the required backstopping and capacity building.

Macroeconomic

High High

Risk:

The expected positive economic growth in Senegal (expected at 6,3 percent for 2020 (AfDB, 2020) may severely be affected by the measures of restrictions to fight the COVID-19 pandemic. The closure of borders may severely affect the vital trade of agricultural and animal products in the region.

High High

Mitigations:

Existing economic, crucial for the local economies are and will be used to develop sane and safe trade behaviors to keep them functioning and supplying both rural and urban areas.

Fragility and Security

High Moderate

Risk:

Senegal is not directly confronted with a war situation, however it shares borders with Mali in its eastern regions. Senegal host refugees camps and population fleeing Mali whose extreme economic vulnerability is even exacerbated with the COVID-19 pandemic.

High Moderate

Mitigations:

The overall approach favours a shift of support from the Ministries of Agriculture and Livestock towards smallholder farmers and livestock owners, and rural poor.

Sector Strategies and Policies

Low Low

Policy alignment

Low Low

Risk:

Low Low

Internal discussions within the MAER on the modernization and streamlining of Sector Strategies and Policies.

Mitigations:

The instrument used—the PforR—is designed to ensure full ownership by the Government. The DLIs will be linked to the implementation of the selected critical sector reforms, providing a strong incentive for their implementation.

Policy Development and Implementation

Low Low

Risk:

The sector strategies and policies risk is substantial and also relates to the implementation of key reforms as discussed above.

Low Low

Mitigations:

Continuous support for these key Program elements through the WBG and IFAD policy dialogue with the GoS will help mitigate this risk. In addition, the PCAE/PforR pushes for updating and implementing national agriculture and livestock policies, as starting point and precondition of the design of a PforR.

Environment and Climate Context

Substantial Moderate

Project vulnerability to environmental conditions

High Moderate

Risk:

The environmental issues associated with the Program are related to the potential increase of water, fertilizer and pesticide use resulting from the intensification of the targeted value chains (groundnuts, horticultural crops and milk production). The ESSA found that the applicable Environmental and Social Management systems in Senegal are generally appropriate and comprehensive

High Moderate

Mitigations:

An Environmental safeguards plan will be implemented, as agreed. Monitoring was already undertaken by the Implementation Support Mission in March 2021.

Project vulnerability to climate change impacts

Moderate Moderate

Risk:

Climate risk is high in Senegal. So they are exposed to climate change effects on agriculture and natural resources. The high risk in the Groundnut Basin and pastoral areas can lead to:

Moderate Moderate

- i) Decrease in crops productivity because of heat stress due to high temperature
- iii) Decrease of rainfall pattern in the Groundnut Basin

Mitigations:

The PCAE/PforR has developed a comprehensive ESSA that propose some mitigation measures like:

- i) use of certified drought-tolerant seeds and crops shifting to be used to cope with heat stress impacts on crops.
- ii) improve the capacity of storage facilities and promotion of cultivation practices that reduce water loss;
- iii) promotion of climate-smart agriculture and adapted technology packages.

Project Scope

Low Low

Project Relevance

Low Low

Risk:

The programme scope is rather broad with regards to the actual needs and fully aligned with national priorities.

Low Low

Mitigations:

The programme is complementing and up scaling existing interventions implemented by the development partners. The programme activities were discussed in detail with the national stakeholders, including relevant public services (research, agriculture and livestock services) and farmers' organizations.

Technical Soundness

Low Low

Risk:

Capacity to implement the proposed technical solutions.

Low Low

Mitigations:

The Programme supports and up-scales existing and proven technical interventions whose the main implementing partners are familiar with. The programme activities were discussed in detail with the national stakeholders, including relevant public services (research, agriculture and livestock services) and farmers' organizations.

Institutional Capacity for Implementation and Sustainability	Moderate	Low
Implementation Arrangements	Moderate	Low

Risk:

Areas of intervention may induce heavy governance processes and delay actual implementation	Moderate	Low
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Mitigations:

The Programme will be implemented in Senegal within existing programmes and directly supervised by WBG and GoS in collaboration with IFAD. The approach of the PCAE/PforR in new in the Ministries of Agriculture and Livestock, but is at the same time an opportunity. In order to mitigate risks, technical assistance was mobilized by IFAD through the PADAER2 as well as through an additional financing (3 million USD), mainly to build the internal capacity of the implementing entities.

Monitoring and Evaluation Arrangements	Moderate	Low
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Risk:

M/E tools may differ from the one used by existing IFAD and WBG projects	Moderate	Low
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Mitigations:

TCTs will be put in place and capacity building will be supported. Technical assistance was mobilized by IFAD through the PADAER2 as well as through an additional financing (3 million USD), mainly to build the internal capacity of the implementing entities.

Project Financial Management	High	Substantial
Project Organization and Staffing	Substantial	Moderate

Risk:

The Program is implemented by MAER, MEPA, and their affiliates, such as their central and regional departments, ISRA, ANCAR, and ANIDA. The roles and functions are not clearly defined and the Procedures Manual is still under development. The accounting function needs additional staff. The personnel while experienced in implementing IFAD projects needs additional capacity building on IFAD procedures and accounting. Financial management will be the responsibility of DAGE as head of the ministerial financial function (RFFIM cf. decree on State budget management). This management will be carried out with the assistance of the heads of the administrative and financial offices (BAF) of the national and regional departments, as well as the administrative and financial departments (DAF) or accounting officers (AC) of the autonomous structures. However, the DAGE does not have visibility and regular monitoring of the financial execution of autonomous structures (Agencies, public establishments, national companies and other similar structures).

Mitigations:

Roles and functions to be clarified in the Procedures manual and additional trainings to be performed on IFAD policies and procedures and accounting. The minister to recruit additional accounting agents.	High	Substantial
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Have a reporting framework and regular monitoring (monthly or quarterly) of the execution of the transfer expenses of autonomous structures, as well as expenses on external financing. Systematize quarterly budget execution reports by program and structure.

Project Budgeting	Substantial	Moderate
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Risk:

The 2020 budgets of all line ministries, including MAER and MEPA, have been prepared in a program-based format. This major change aims to increase the links between public policy objectives and resource allocation and institutionalize the results-based approach in public resource management. All RAs and result indicators supported by	Substantial	Moderate
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the Program and the corresponding resource allocations are not yet comprehensively included in the 2020 budget approved by Parliament in December 2019 and the three-year Medium-Term Expenditure Framework (DPPD, 2020–22).

There is a need to further improve the credibility of the budget. The World Bank analysis suggests that multiple factors require attention, such as inadequate costing, shortcomings in procurement planning and implementation, changes in priorities, and lack of capacity to plan for complex projects.

The execution of budget credits is subject to modulation and authorization from the services of the Ministry of Finance (mainly Budget Directorate) with cuts and cancellations.

Mitigations:

Adjustments to the DPPD will be undertaken during the budget revision process, since the planning process is dynamic. In future years of Program implementation, to further enhance the policy alignment of the budget, technical assistance should be provided to MAER and MEPA. In addition, the year n+1 draft program budget, PAP, and DPPD shall be shared with the World Bank and IFAD for discussion and technical advice to ensure with the government that the planning and budgeting document includes RAs, results indicators, and budget allocation for the World Bank and IFAD financed portion of the Program .

The Program has embedded actions to enhance the realism of the multiyear expenditure plans, such as: (i) approval of the PRACAS II and LPDE to signal high-level commitment to deliver the strategic objectives for the sector; (ii) Government's commitment to allocate resources at a level consistent with the delivery of Program results over the five years of the Program as reflected in the Program expenditure framework; and (iii) the PAP stipulating that the initially approved annual Program budget should not to deviate by more or less than 3 percent to comply with best international practice.

The ministry of Finance should notify the MAER and MEPA of the monthly or quarterly commitment ceilings.

Clearly identify in the SYSBUDGEP the budget lines of P4R activities so that they are carried out without constraints.

Ensure that the credits necessary for the implementation of the project will not be blocked or cancelled.

Project Funds Flow/Disbursement Arrangements

Moderate Low

Risk:

The MAER and MEPA staff is experienced in using and managing temporary advances and statement of expenditures and disbursements for with various financing institutions. The counterpart funds of the State are entered in the State finance laws (initial, amended) or by amending acts (orders or decrees of transfer or transfer of credits) signed by the Ministry in charge of Finance or the president of the Republic.

Moderate Low

Mitigations:

Disbursement will be processed as per World Bank instructions and into a distinct dedicated account with the State Treasury.

Project Internal Controls

Substantial Moderate

Risk:

The texts governing public finances establish the principle of the separation of the functions of authorizing officer of expenditure and of accountant.

The P4R with the World Bank has an operations manual that clearly defines the role of each stakeholder.

The update should be done whenever necessary and with the approval of the Program Steering Committee.

Reconciliation is not yet a frequent operation.

Substantial Moderate

The principle separation exists on the texts. But in practice, the same department and the same actors can exercise ordering and receiving functions, as a member of the procurement commission and the materials receiving commission.

The Ministry does not yet have an internal audit service. It is necessary to study the content of the new decree on internal inspections adopted by the Council of Ministers of June 16, 2021 to assess whether it takes into account the functions assigned to an internal audit service.

Mitigations:

The segregation of duties should be enforced by differentiating between agents who are members of procurement committees and those of reception committees.

MAER and MEPA need to create dedicated internal audit functions if the new decree on internal inspections adopted by the Council of Ministers of June 16, 2021 does not take into account the functions assigned to an internal audit service.

Project Accounting and Financial Reporting

Substantial Moderate

Risk:

For the execution of the budget, the DAGE works on the SYSBUDGEP software developed by the Information Systems Department (DSI) of the DGB of the MFB. This software only allows monitoring of operating expenses and investment on internal resources. Thus, the monitoring of staff costs (category 2) and expenditure on external resources is not possible as well as the transfer expenditure of autonomous structures.

There are internal shortcomings in the archiving and the original documents of the expenditure files are always sent to the Treasury.

Substantial Moderate

The decree on the preparation of the state budget requires the MAER to produce an annual performance report (RAP) which details the technical and financial results by budget program.

An Independent Verification Agent (AVI) is also recruited within the framework of P4R to measure the results of the Program being financed.

Mitigations:

If proved to be needed, acquire software that supports all the specifics and necessary reports while awaiting the commissioning of SIGIF, a new application dedicated to the financial management of the State.

Ensure sufficient archiving conditions for supporting documents.

Project External Audit

Substantial Moderate

Risk:

Since the line ministries are not required to prepare a full set of financial statements, including statements of revenue and expenditures, financial position, statement of cash flow, and notes to the financial statement, for the purposes of the proposed Program, a fit-for-purpose annual financial statement format that will be subject to external audit has been agreed upon during negotiations. Each line ministry (MEPA, MAER, Ministry of Finance and Ministry in charge of Trade) will prepare its fit-for-purpose financial statement under the responsibility of DAGE. Other line ministries will submit their financial statement to the MAER DAGE not later than two months after the end of the period for consolidation. The fit-for-purpose financial statement will be prepared each semester and will feed the program progress report.

Substantial Moderate

Mitigations:

The annual fit-for-purpose financial statement will be subject to external audit by the Supreme Audit Institution (SAI) with the support of a private audit firm. The information to prepare the fit-for-purpose financial statement will be extracted from the new IFMIS.

Project Procurement

Low Low

Legal and Regulatory Framework

Low Low

Risk:

Low Low

Inexperience of staff in the MAER and MEPA with the PforR tool.

Mitigations:

An assessment was made during design and measures proposed. The WBG in Dakar has a dedicated team and will provide backstopping to the implementing entities. The implementation support mission of World Bank in collaboration with IFAD that was undertaken in March 2021, monitored the progress that was made with respect to procurement and formulated recommendations. The Autorité de Régulation des Marchés Publics du Sénégal did an audit of the system.

Accountability and Transparency Low Low

Risk:

The risk that accountability, transparency and oversight arrangements (including the handling of complaints regarding, for example, SH/SEA and fraud and corruption) are inadequate to safeguard the integrity of project procurement and contract execution, leading to the unintended use of funds, misprocurement, SH/SEA, and/or execution of project procurements outside of the required time, cost and quality requirements.

Low Low

Mitigations:

The WBG in Dakar has a dedicated team and will provide backstopping.

Capability in Public Procurement Moderate Low

Risk:

Moderate Low

Inexperience of staff in the MAER and MEPA with the PforR tool.

Mitigations:

Training sessions with the main implementing agencies will be organized to ensure that their dedicated staff is well acquainted to the requirements. An assessment was made during design and measures proposed.

Public Procurement Processes Low Low

Risk:

Low Low

Inexperience of staff in the MAER and MEPA with the PforR tool.

Mitigations:

An assessment was made during design and measures proposed In addition to the alignment on their respective procurement manuals, TA short-term support missions will be planned. The WBG in Dakar has a dedicated team and will provide backstopping.

Environment, Social and Climate Impact Substantial Moderate

Biodiversity Conservation Low Low

Risk:

The ESSA notes that the promotion of water resource efficiency and increased land productivity is not expected to have substantial downstream impacts in terms of water quantity and quality.

Low Low

Mitigations:

The proposed Program can be used strategically to strengthen Senegal's Environmental and Social Management Systems by reinforcing the human, financial and logistical capacities of the key institutions to promote best practices, provide quality assurance and monitor for compliance.

Training on sustainable use of pesticides and introduction to organic pesticides like Neem oil.

Resource Efficiency and Pollution Prevention Low Low

Risk:

Low Low

The intensification of the groundnuts, horticultural crops and livestock value chains may result in increased use of fertilizers and pesticides.

Mitigations:

Guidelines on FAO norms, as well as training and awareness was included in the mitigation plan.

Cultural Heritage	Moderate	Moderate
Risk:		
Cultural heritage are under threat in the region because of the presence of armed groups and terrorist groups and desire to migrate	Moderate	Moderate
Mitigations:		
Programme itself provide opportunities and working towards peace and development nexus		
Indigenous People	High	Moderate
Risk:		
Social exclusion of women and youth due to limited access to land, elite capture.	High	Moderate
Mitigations:		
Technical assistance has been provided to prepare a gender action plan and youth action plan to address such risks.		
Labour and Working Conditions	Substantial	Moderate
Risk:		
Child labor and poor labor conditions	Substantial	Moderate
Mitigations:		
Integration of labor and decent working conditions into the ESSA		
Community Health and Safety	High	Moderate
Risk:		
The COVID- 19 is a real threat for human health and people in the region. Unsafe and non-healthy working conditions	High	Moderate
Mitigations:		
Activities to be considered are: remote sensing tools to better understand immediate impacts of COVID 19 on food security and agricultural productivity, trainings on safe labor practices, access to more protective equipment such as masks and gloves, restrictions on workers on producer's field, use of drones and other digital extension tools for labor and input saving practices, shared mechanization. Additionally, risk sharing mechanism such as insurance including pandemic insurance, digital marketing platforms and logistics, sanitary and phyto-sanitary controls and good practices gender dimension to COVID-19 to reduce women exposure.		
Physical and Economic Resettlement	Moderate	Moderate
Risk:		
It is not expected that populations could be physically or economically resettled according to the assessment that was made during the design.	Moderate	Moderate
Mitigations:		
An ESSA has been prepared		
Greenhouse Gas Emissions	Moderate	Moderate
Risk:		
CO2 emission from the investment is limited and would contribute to the climate change	Moderate	Moderate
Mitigations:		
FAO Exact tool was used to assess the volume of CO2 reduced or avoided and adaptation activities under this programme are the response to this risk. The environmental impact was quantified and included in the economic analysis of the Programme. In addition, the CSA technologies and certified seeds that would be promoted, lead to a better soil coverage and lower greenhouse gas emissions.		
Vulnerability of target populations and ecosystems to climate variability and hazards	High	Moderate

Risk:

Rural Communities/ ecosystems, which they depend on, are extremely vulnerable to natural hazards, which are, frequents in the region. Droughts, floods, sand storms, locusts and pandemic	High	Moderate
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Mitigations:

The program itself is a response to climate variability and natural hazards. Adaptation and mitigation activities are identified to enhance the resilience of communities and their ecosystems to climate variability and hazards

Stakeholders	Moderate	Moderate
Stakeholder Engagement/Coordination	Moderate	Low

Risk:

Various national initiatives differ and lack regional cohesiveness.

Moderate	Low
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Mitigations:

All stakeholders- government, implementing entities, farmers' organizations, etc., expressed their commitment and are involved in the project design. Coordination mechanisms at national and regional levels will allow decision makers to grasp mutual challenges and achievements and act on them accordingly.

Stakeholder Grievances	Moderate	Moderate
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Risk:

In terms of information, public consultations and grievance management, the mechanisms set up for citizen participation at the local level, are moderately effective.

Moderate	Moderate
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Mitigations:

The project governance is combined with a grievances set-up that will allow the feedback from beneficiaries facilitated by the first line implementation partners (local NGOs, CSOs as women and youth organisations, FOs that all strengthen social bounds within communities) to be aired and reach out the coordination mechanisms. The implementation support mission of World Bank in collaboration with IFAD that was undertaken in March 2021, monitored the progress that was made with respect to the setting up of a grievances mechanism. The mission was informed that a draft document was prepared regarding the establishment of a grievance mechanism.

Disbursement-linked indicators

ILD ^[1]		IDA millions de dollars US	FIDA millions de dollars US
Domaine de résultats 1 : amélioration de la productivité et de la résilience des cultures et du bétail			
1	Quantité de graines d'arachide certifiées acquises annuellement (tonnes)	35.0	0.0
2	Quantité cumulée de semences certifiées acquises pour les cultures de diversification (tonnes)	15.0	6.0
3	Pourcentage de la subvention destiné aux petits producteurs et aux technologies intelligentes du point de vue climatique (% du montant de la subvention)	20.0	0.0
4	Taux de couverture vaccinale contre la peste des petits ruminants (PPR) (% de couverture)	30.0	7.0
5	Quantité cumulée de semences certifiées fourragères acquises par les producteurs (tonnes)	10.0	0.0
Domaine de résultats 2 : amélioration de l'environnement des entreprises et de l'intégration des marchés			
6	Restructuration de l'interprofession de l'arachide (CNIA)	10.0	0.0
7	Nombre de producteurs ayant accès à une assurance agricole pour les cultures et le bétail (par an)	10.0	5.0
8	Opérationnalisation du système de réception des entrepôts (WRS) dans le bassin arachidier étendu	4.01	0.0
9	Nombre de centres de collecte de lait soutenus et/ou équipés et opérationnels	5.0	0.0
Domaine de résultats 3 : Amélioration de la gouvernance, de la coordination et de la gestion des programmes dans le secteur.			
10	Mise en place et fonctionnement d'un système de suivi et d'évaluation (S&E) au MAER et au MEPA pour les performances en matière d'agriculture et d'élevage.	10.0	2.0
Allocation totale DLIs		149.01	20.0
Avance sur la préparation du programme (pas de DLI)		0.99	-
Soutien institutionnel et renforcement des capacités (IPL, pas DLI)			3.0
TOTAL GÉNÉRAL		150.0	23.0

[¹] Tous les DLI sauf le DLI 10 sont extensibles, ce qui implique que les fonds seront déboursés annuellement en fonction des progrès réalisés.