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INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL FINANCE CORPORATION

AND MULTILATERAL INVESTMENT GUARANTEE AGENCY

COUNTRY PARTNERSHIP FRAMEWORK

FOR THE

REPUBLIC OF SENEGAL

FOR THE PERIOD FY20–FY24

Country Department AFCF1
Africa Region

International Finance Corporation
Middle East and Africa Region

Multilateral Investment Guarantee Agency
Sub-Saharan Africa Department

The date of the last Country Partnership Strategy was February 19, 2013

REPUBLIC OF SENEGAL

GOVERNMENT FISCAL YEAR
January 1 – December 31

CURRENCY EQUIVALENTS
(Exchange Rate Effective as of January 31, 2020)

Currency Unit	=	West African CFA Franc (XOF)
US$1.00	=	XOF 597.00

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List of Abbreviations and Acronyms

ADIE	Agence de l'Informatique de l'Etat
ADM	Agence de Développement Municipal
AF	Additional Financing
AGEROUTE	Agence des Travaux et de Gestion des Routes
ANSD	*Agence Nationale de Statistique et de la Démographie*
AQIM	Al-Qaeda in the Islamic Maghreb
APIX	Agence de Promotion de l'Investissement et des Grands Travaux
ASA	Advisory Services and Analytics
BCEAO	*Banque Centrale des Etats de l'Afrique de l'Ouest*
BRT	Bus Rapid Transit
CAD	Current Account Deficit
CAT-DDO	Catastrophe Deferred Drawdown Option
CETUD	Conseil Exécutif des Transports Urbains de Dakar
CLR	Completion and Learning Review (CLR)
COMEX	*Comité exécutif*
CPAR	Country Procurement Assessment Report
CPIA	Country Policy and Institutional Assessment
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
CPSD	Country Private Sector Diagnostic
CREPMF	Regional Capital Market Authority
DE	Digital Economy
DE4A	Digital Economy for Africa
DECA	Digital Economy Country Assessment
DFS	Decentralized Financial Services
DII	Digital Infrastructure Initiative
DPF	Development Policy Financing
DPO	Development Policy Operation
DSA	Debt Sustainability Analysis
DSoG	Digital Sources of Growth
DT	Digital Technology
E-GP	E-Governance Procurement
ECOWAS	Economic Community of West African States
EDGE	Excellence in Design for Greater Efficiency
EITI	Extractive Industries Transparency Initiative
EPCI	Economic Policy Coordination Instrument
ESF	Environmental and Social Framework
FCFA	West African Franc
FCV	Fragility, Conflict and Violence
FDI	Foreign Direct Investment
FMIS	Financial Management Information System
GER	Gross Enrollment Rate
GDP	Gross Domestic Product
GoS	Government of Senegal
GTA	Grand Tortue/Ahmeyim Gas Field

HCI	Human Capital Index
HFO	Heavy Fuel Oil
HRMIS	Human Resources Management Information System
ICT	Information and Communication Technology
IDA	International Development Association
IFC	International Finance Corporation
IFMIS	Intergrated Financial Management System
IFR	Interim Financial Report
IMF	International Monetary Fund
IFSWF	International Forum of Sovereign Wealth Funds
IPF	Investment Project Financing
IPP	Independent Power Producer
ISP	Internet Service Provider
JCAP	Joint Capital Markets Development
LFR	*Loi de Finances Rectificative*
LMIC	Lower Middle-Income Country
MAPS	Methodology for Assessing Procurement Systems
MCC	Millennium Challenge Corporation
MEFP	Memorandum of Economic and Financial Policies
MIGA	Multilateral Investment Guarantee Agency
MSMEs	Micro, Small and Medium Enterprises
MoU	Memorandum of Understanding
MPA	Multiphase Programmatic Approach
MTRS	Medium-Term Revenue Strategy
NDC	Nationally Determined Contribution
NER	Net Enrollment Rate
NLTA	Non Lending Technical Assistance
OECD	Organization for Economic Co-operation and Development
OMVG	*Organisation pour la Mise en Valeur du Fleuve Gambia* (Gambia River Basin Development Organisation)
OMVS	*Organisation pour la Mise en Valeur du Fleuve Sénégal* (Senegal River Basin Development Organization)
OSS	One Stop Shop
PACASEN	Programme d'Appui aux Communes et aux Agglomérations du Sénégal
P4R	Program for Results
PAP	Priority Action Plan
PAQUET	Education Sector Development Program
PATMUR	Projet d'Amélioration de la Mobilité Urbaine
PCI	
PCN	Project Concept Note
PDIDAS	*Projet de Developpement Inclusif et Durable de l'Agribusiness au Senegal* (Senegal Inclusive and Sustainable Agribusiness Development Project)
PER	Public Expenditure Review
PFM	Public Financial Management
PGSP	Public Sector Governance Project
PISA	Programme for International Student Assessment
PISA-D	PISA for Development
PIU	Project Implementing Unit

PLR	Performance and Learning Review
PPP	Public Private Partnership
PRG	Partial Risk Guarantee
PROGEP	Projet de gestion des eaux pluviale
PSE	*Plan Sénégal Emergent*
PSI	Policy Support Instrument
PSW	Private Sector Window
RBF	Results Based Financing
RNU	Régistre National Unique
SCD	Systematic Country Diagnostic
SDFP	Sustainable Development Financing Policy
SDGs	Sustainable Development Goals
SEEEP	Saint-Louis Emergency Recovery and Resilience Project
SENELEC	*Société Nationale d'Electricité du Sénégal*
SMART	Specific, Measurable, Achievable, Relevant and Time-bound (Indicators)
SMEs	Small and Medium Enterprises
SNDES	National Strategy for Economic and Social Development
SOE	State-Owned Enterprise
SSA	Sub-Saharan Africa
STEM	Science, Technology, Engineering and Math
SUF	Scale-Up Facility
TA	Technical Assistance
TDD GP	Transport and Digital Development Global Practice
TFP	Total Factor Productivity
ToT	Terms of Trade
TVET	Technical and Vocational Education and Training
UNFCCC	United Nations Framework Convention on Climate Change
USSD	Unstructured Supplementary Services Data)
VC/PE	Venture Capital and Private Equity
WAEMU	West African Economic and Monetary Union
WAPP	West Africa Power Pool
WBG	World Bank Group
WDR	World Development Report

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REPUBLIC OF SENEGAL

Boosting Senegal's progress towards inclusive growth while paving the way for a steeper and more sustainable growth trajectory

I. INTRODUCTION

1. **Senegal is entering the third decade of the 21st century with tremendous promise and opportunities, while facing important pressures to navigate growing risks and overcome deeply rooted challenges.** Structural reforms and favorable exogenous conditions have led to GDP growth of above 6 percent for the last 5 years and supported declining poverty levels, especially in rural areas. Off-shore oil and gas discoveries will reach production between 2022 and 2023, easing some of the country's fiscal and development challenges and providing a foundation upon which to build broad-based economic growth. A vibrant democracy has provided the current Government with a second mandate, and there is an ambitious national development plan laying out a roadmap to middle-income status. Yet Senegal faces important challenges to maintaining its trajectory towards emergence, including reducing the different forms of inequalities, strengthening governance and human capital, efficiently mobilizing tax revenue, transitioning to more private sector-led growth, and managing the increasing risks from climate change. Public policies will also need to promote remunerative employment for the ever-expanding youth population.

2. **This five-year Country Partnership Framework (CPF) for Senegal lays out the World Bank Group (WBG) program for the FY20–FY24 period, which aims to support the country in its path towards achieving middle-income status by 2035**. To support the Government's ambition to promote sustainable, resilient and inclusive growth, as laid out in the *Plan Senegal Emergent* (PSE) and the second Priority Action Plan (PAP 2) for 2019-2023, the CPF builds on the findings of the 2018 Systematic Country Diagnostic (SCD) and the 2019 Country Private Sector Diagnostic (CPSD), with three focus areas as follows: (a) building human capital to enhance productivity and ignite the demographic dividend; (b) boosting competitiveness and job creation through private sector-led growth; and (c) increasing resilience and sustainability in the context of growing risks. The strategy also incorporates three cross-cutting themes: (a) pushing the boundaries of digital use to support Senegal's leapfrogging into a modern and inclusive economy; (b) fostering improved female agency and reducing the gender gap in key indicators across objectives; and (c) mitigating the effects of climate change.

3. **What will the WBG do differently in this CPF period**? Building on lessons from the Completion and Learning Review (CLR)[1] of the FY13-FY17 Country Partnership Strategy (CPS),[2] four "how's" were identified to translate into greater impact at scale. First, this CPF will leverage Government programs to further build political buy-in and capacity in close coordination and complementarity with other partners. Second, it will fully maximize the strong collaboration among IDA, IFC and MIGA in deploying cascade[3] principles to allow the private sector to expand, diversify and become more inclusive. Third, this CPF will adopt a more intentional, spatial approach to focus investments on the geographic areas with the highest needs[4] in order to reduce service gaps and build

[1] Attached as Annex 2 of this CPF.

[2] The CPS was endorsed by the Board on January 18, 2013. The gap of two years between the end of this previous strategy in June 2018 and the beginning of this CPF is explained by (a) delays in finalizing the SCD in FY18; and (b) the desire to align the CPF with the Government's PAP2 period.

[3] See Box 3 for an example of the cascade approach in the energy sector

[4] Senegal has 14 administrative regions. One of the rapid and pragmatic tools that will be used to assess the relevance of WBG investments from an equity-enhancement lens is the *poverty footprint.* This WB tool has been piloted in a few countries

synergies across sectors in each region, while also strengthening economic ties with the regional economy. Fourth, it will mainstream the use of results-based financing (RBF) and citizen engagement to enhance accountability, transparency and ownership of activities at all levels. The systematic application of these four "how's" will result in a more selective and impactful portfolio, including fewer and larger IDA operations to bring change to scale.

II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

4. **This section lays out the political, economic, social and regional context which helps to explain both Senegal's growth performance and concerns about its inclusiveness and sustainability**. The fragility of growth is underlined by political economy constraints, fiscal pressures, climate change vulnerabilities and tensions around the demographic bulge, all of which are exacerbated by regional security concerns. To manage these headwinds and capitalize on its numerous assets, including its sociopolitical stability, rich culture and strategic geographic positioning, Senegal will need to successfully deepen structural reforms and boost the pro-poor orientation of its growth.

2.1 Socio-political and Institutional Factors[5]

5. **Located on the Atlantic Ocean at the westernmost point of Africa and the Sahel, Senegal is one of West Africa's key economic hubs**. The country shares borders with Guinea, Guinea Bissau, Mali, Mauritania, and The Gambia.[6] It covers a land area of almost 197,000 square kilometers and has a population of around 15.7 million,[7] about a quarter of which is concentrated in Dakar and up to half in other urban areas.[8] With limited natural resources (not counting recent off-shore oil and gas discoveries, which have not yet translated into revenues), the economy currently gains most of its foreign exchange from fisheries, phosphates, groundnuts, tourism and services. It is also a hub for regional banking, shipping and transportation. Based on its 2018 real gross domestic product (GDP) per capita, estimated at US$1,410 following the GDP rebasing, Senegal has recently joined the ranks of lower-middle income countries (LMIC) after several decades of being classified as a low-income country.[9]

6. **Senegal has benefited from a peaceful and active democratic political process and solid formal institutions, making the country a beacon of stability, political liberty and influence in West Africa and beyond**. Senegal has had three peaceful political transitions and four presidents since gaining its independence from France in 1960: Leopold Sedar Senghor (1960–1980), Abdou Diouf (1981–2000), Abdoulaye Wade (2000–2012) and Macky Sall (2012-present). It never experienced a military coup and has enjoyed expanding democratic freedoms since the introduction of multi-party democracy in 1976. The country's political system was further strengthened by the 2016 constitutional referendum, which reduced presidential mandates from seven to five years. Like most West African countries, Senegal is a multi-ethnic society, with the Wolof (37 percent), Pular (26

(Nigeria, Benin, Burkina Faso, Ivory Coast, Togo and Bangladesh, among others) to map the spatial distribution of projects and link this information with the spatial distribution of welfare based on a country's existing poverty maps, so that a project's targeting mechanisms can be done upstream or adjusted accordingly.

[5] This section draws largely on the Systematic Country Diagnostic of Senegal (World Bank 2018).

[6] Senegal also shares a maritime border with the island nation of Cabo Verde.

[7] Projections for 2018 by the National Agency of Statistics and Demography *(Agence Nationale de la Statistique et de la Démographie,* ANSD). Available at: http://www.ansd.sn/index.php.

[8] Senegal's urbanization rate is 46.7 percent, as reported, ahead of the average urbanization rate in SSA of around 40 percent (World Development Indicators 2017).

[9] Despite this shift, graduation from IDA is expected to take several years and would most likely occur after the end of the CPF period.

percent) and Serer (17 percent) representing the three largest groups. The traditional form of Sufi Islam, practiced by more than 90 percent of the population, has provided for substantial social stability and strong cultural identity, and has encouraged inter-religious and inter-ethnic harmony.

7. **Senegal benefits from a strategic coastal location, which places it close to European and North American markets and makes it a gateway for landlocked countries in West Africa (Box 1).** Despite its location in the dry Sahel (Box 6 describes Senegal's vulnerability to climatic and environmental shocks), the overall agro-ecological conditions are relatively favorable. The country enjoys a mild ocean climate along its south and central coasts, several types of soil suitable for cereal and horticultural crops, under-exploited hydropower potential, and an ability to produce crops when it is winter in Europe. Senegal is also well positioned to capitalize on its high urbanization rates, young population (more than 60 percent of Senegalese are under 25 years old), digital transition, and sizeable diaspora (which provides skills, remittances and networks on other continents).

8. **The country is also strengthening South-South ties, including with new partners beyond the African continent.** In addition to maintaining strong relationships, both political and economic, with traditional partners in Europe and Africa, Senegal is also broadening its ties with Arab countries in the Gulf and North Africa, and is increasing cooperation with Asian countries, especially China. While France still provides about a third of new foreign investments, sources of FDI have recently expanded to important South-South investors such as China (diversified); Turkey (construction); Morocco (banking); the UAE (transport); Lebanon (power); India (phosphates, construction); Malaysia, Singapore and South Africa (agribusiness), among others.

9. **Leveraging these advantages, however, has been challenging due to a complex web of social, religious, political and business networks that have brought a high level of social and political consensus but have also stifled reform initiatives at times.** [10] At independence, Senegal emerged as a centralized republic whose leaders relied on political support from powerful religious orders with widely recognized legitimacy. These patrimonial arrangements expanded to other locally influential intermediaries over time, and—notwithstanding the political transformations witnessed thereafter—continue to influence electoral competition and citizen participation.[11] The Wolof language remains the dominant form of verbal communication among the population and is accompanied by the diffusion of the Arabic script. At the same time, the state bureaucracy and the education system use French as their official language. The private sector has developed its own duality, with a small formal sector dominated by foreign companies and a large informal sector largely based on trade and generally closely linked to local and religious networks. Civil servants and formal sector workers have formed powerful unions, while most informal workers and farmers find protection in traditional systems of solidarity and authority. These dualities have given rise to a complex web of interconnected power groups amid an overarching culture of tolerance.

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[10] Jean Bossuyt and Ismaila Madior Fall. 2013. *Analyse d'économie politique au Sénégal: Dans quelle mesure le cadre global de la gouvernance au Sénégal est-il réformable?* The European Union. Available at: http://ecdpm.org/wp-content/uploads/Analyse-Economie-Politique-Senegal.pdf.

[11] Linda J. Beck. 2008. *Brokering Democracy in Africa: The Rise of Clientelist Democracy in Senegal*. New York: Palgrave Macmillan.

Box 1: Senegal: Gateway to the Sahel

Beyond its strong connections with Europe, North America, China, and various new global partners, Senegal maintains close regional ties with countries in the West African Economic and Monetary Union (WAEMU) and in the sub-regional free trade area, the Economic Community of West African States (ECOWAS). The presence of the common currency, the CFA franc (XOF)—although depriving authorities of control over their monetary policy, favoring imports and tying Senegal to economies with a different profile—has allowed a higher degree of fiscal and price stability compared to other countries in Sub-Saharan Africa (SSA).

At the same time, Senegal is confronting mounting regional risks. Although the incidence of large-scale conflict in West Africa has fallen dramatically, new regional threats have emerged in relation to climate change, youth exclusion, migration, drug trafficking, maritime piracy, and the rise of extremist groups in the Sahel. While these stressors could bring instability to Senegal, the country can also leverage its many assets to exert a positive influence on the region.

Regional programs under this CPF will focus on regional connectivity (e.g., energy, ICT, transport) and public goods (e.g., disease surveillance, climate mitigation, research and innovation, digital finance), to promote inclusion and regional integration. Regional programs include:

- **The Dakar-Bamako road and rail corridor between Senegal and Mali provides an important gateway for intra-West African trade.** Transport along this corridor is costly and inefficient, with costs representing about 30 percent of merchandise value and transport times of up to 24 days. The Dakar-Bamako railway line ceased operations in 2018 due to dilapidated infrastructure and rolling stock, poor management and quality of service, and traffic that was too limited to generate revenue. The WBG will seek to substantially reduce freight cost and transit time while improving frequency and reliability and creating a healthy competition between the rail and road modes. IFC will provide its expertise to help ensure that the project is structured in a way that attracts a private operator for the regional railway. The WBG will also aim to support the ECOWAS and WAEMU objectives of harmonizing the transport and trade policies of its member countries.
- **The Joint Capital Markets Development Program (JCAP)** is working to deepen capital markets and improve local currency financing in the XOF zone. Easier availability of FCFA financing, especially long-term financing, could dramatically increase IFC's ability to impact SMEs through financial institutions. A proposed regional WBG DPO to support reforms in the FCFA zone and the digitization of payments through the Central Bank of West African States (BCEAO) is currently under discussion. This work will be informed by relevant analytical work and TA at the national and regional levels.
- **The Africa Higher Education Centers of Excellence Projects** (ACE 1, P126974; and 1st ACE for Impact, P164546) focus on youth in tertiary education by improving the market relevance, governance and excellence of this sub-sector. As such, they provide important opportunities for knowledge dissemination across the region and for greater visibility of innovative research.

10. **Senegal's emerging middle class, technology-oriented youth, and new ways of integrating various overlapping dualities have been positive trends over the last five to ten years, but these dynamics can also create new forms of exclusion and social pressure points.** In education, the Koranic and secular school systems are converging to meet the multifaceted expectations of families. A growing number of Koranic schools are expressing interest in including numeracy and French literacy modules into their teaching, while many secular

schools now include optional Arabic and religious education. Cosmopolitan young women from the educated urban elite have progressively positioned themselves on more equal ground, challenging the social norms that still bind many women in poorer and more traditional settings.[12] Urban migration and greater access to communication technology (e.g., smartphone penetration, at 34 percent, is now one the highest in West Africa)[13] provide a unique opportunity for both male and female youth to be part of an inclusive digital economy.[14] To ensure their economic inclusion and meet their rising aspirations, it will be necessary to strengthen their skills.

2.2 Recent Economic Developments and Outlooks

11. **Economic growth has accelerated and has remained consistently equal or superior to 6 percent per year since 2014.** It reached 6.0 percent in 2019 and 6.8 percent in 2018, slightly down from 7.1 percent in 2017 but still among the highest in Africa. These growth rates reflect the onset of the economy's structural transformation, supported by reforms aimed at improving the investment climate, sector governance and investment in infrastructure, energy and agriculture. Investment grew rapidly, at over 11 percent per year over 2014-18, which bodes well for future growth. Strong growth has also been supported by exogenous factors including improved Terms of Trade (ToT) during 2014-16 as well as favorable weather which boosted agricultural production.

12. **Growth continues on a positive trajectory and is increasingly supported by investment.** Following the trend observed since 2014, all sectors grew by more than 6.0 percent in 2018. However, the primary sectors grew more rapidly, at 7.7 percent, driven by agriculture (+9.4 percent), which has benefited from State investments to support the development of rice farming, groundnuts culture and horticulture, as well as from suitable weather conditions. The secondary and tertiary sectors grew at 6.0 and 6.7 percent, respectively. In terms of contributions to GDP growth, services will continue to play an increasingly important role. On the demand side, the most dynamic drivers were investment (+12.5 percent) and exports (+7.2 percent), reflecting strong external demand and a conducive investment climate. Going forward, investment is expected to be the key driver of growth. FDI inflows have increased since 2015, reaching 2.8 percent of GDP in 2017, though still modest compared to countries such as Ethiopia (5 percent of GDP) and Vietnam (6.3 percent of GDP).

13. **The external current account deficit widened as oil prices increased and imports outpaced exports.** The deficit increased from 7.3 percent of GDP in 2017 to 8.8 percent in 2018, due to higher energy and capital goods imports and despite strong remittance flows (net private transfers reached 9.1 percent of GDP in 2018). This reflects strong investment and rising oil prices. Exports also increased but at a slower pace, driven by a boost in exports of gold (+42 percent), food products and phosphoric acid. The issuance of Eurobonds in 2018 helped to finance the current account deficit.

14. **Misalignment between domestic and global energy prices has caused fiscal pressures**. A key factor is the difference between domestic energy prices (including fuel pump prices and electricity tariffs) and increasing global oil prices. The resulting lack of regulatory adjustment in domestic prices has reduced energy-related tax revenues and increased electricity subsidies, with a total fiscal cost of 1.8 percent of GDP in 2018. Fuel pump prices have increased by 12 percent for gasoline and 10 percent for diesel as of end-June 2019, while electricity tariffs were

[12] See Box 4 on "Gender Focus of the CPF".
[13] The most recent price decrease led to a growth in sales of more than 70 percent between 2016 and 2017. http://homeviewsenegal.com/index.php/2018/04/03/senegal-un-rapport-place-la-telephonie-mobile-parmi-les-secteurs-davenir/ and https://www.jumia.sn/mobile-report.
[14] See Box 5 on "Digital Focus of the CPF".

adjusted in early December 2019. It is notable that the Government has decided to spare the social consumer tranche from any electricity tariff increase, thus protecting the largest share of vulnerable customers.

15. **Inflation remains low due to prudent monetary policy despite high growth.** Senegal's monetary and exchange rate policies are managed at the regional level by the Central Bank of West African States (BCEAO) which maintains a fixed peg between the CFA Franc and the Euro. BCEAO's international reserves stabilized in 2018, supported by significant Eurobond issuances by Cote d'Ivoire and Senegal. Reserves are estimated to cover 4.5 months of imports at end-2018, up from 3.9 months at end-2017. The real effective exchange rate (REER) appreciated by 2.4 percent in 2018, after being stable in 2017, partly reflecting the strengthening of the Euro**.**

16. **In 2017, the definition of public debt was broadened to include parastatals and SOEs as well as guarantees issued by the central government.** This methodological change increased public debt by about 11 percent of 2017 GDP. The central government debt ratio of 56.3 percent in 2018 stays within the community standard capped at 70 percent. Treasury operations increased central government financing requirements by 0.6 percent of GDP in 2018 (compared to 1.4 percent in 2017). The Government intends to direct its debt strategy towards reducing vulnerabilities related to the structure of the debt and improving financial conditions in order to manage refinancing, exchange rate, and interest rate risks. As such, the Government expects to meet annual financing needs with a better cost-risk compromise. The choices of debt instruments favor external loans with the highest concessional rates and domestic financing with the longest maturities. The State is planning to ensure a diversification of its loans' portfolio by promoting an adequate balance between loans on the regional market and external loans to limit the risks associated with the latter.

Macroeconomic Outlook

17. **Fiscal vulnerabilities need to be contained and PSE reform implementation deepened for growth to remain robust.** Growth was estimated at 6 percent in 2019, reflecting a downturn due in part to the secondary and tertiary sectors, in which growth is projected to be 6 and 5.1 percent, respectively. By 2021, growth should approach 7 percent (Table 1), due mostly to strong private consumption—the largest share of GDP—and dynamic (private) investment. Hydrocarbons production (gas in 2022, oil in 2023) should give a substantial boost to growth. This baseline projection assumes sustained implementation of PSE-related reforms and significant crowding-in of private investment (as expected under PAP 2, 2019-23), increasing Senegal's productive capacity while supporting export growth. Services should remain the main contributor to GDP, and the primary sector (and agriculture in particular) the most dynamic growth driver. Potential GDP should grow at a similar rate as real GDP, thus avoiding the buildup of inflationary pressures. Inflation is expected to remain below 2 percent, supported by exchange rate stability, prudent monetary policy and continued fiscal consolidation efforts.

18. **The 2019 fiscal deficit is expected to be around 3 percent of GDP (3.7 percent when considering the one-off transfer to the state-owned electricity company, SENELEC) and should remain at the WAEMU target of 3 percent from 2020 onwards.** The Government remains committed to a medium-term fiscal deficit of 3 percent of GDP (WAEMU's fiscal convergence criterion, in effect since 2019). Originally in line with that target, the 2019 budget has been revised twice to account for the evolution of revenues and expenditures and the differences between domestic energy prices and global oil prices. Under the Second Budget Adjustment Law (LFR2), the Government is expected to achieve the 3 percent deficit target when discounting the one-off payments to SENELEC in the amount of XOF 125bn to strengthen the financial stability of the SENELEC (XOF 25bn had originally been budgeted, and the additional XOF 100bn is equivalent to 0.7 percent of GDP). Substantial revenue mobilization and expenditure-cutting measures were considered to consolidate the 2019 budget. The

Government is also conceiving a medium-term revenue strategy to ensure a sound medium-term macro-fiscal framework, while promoting private sector development.

19. **In support of the efforts to ensure fiscal sustainability, the Government of Senegal and the IMF reached an agreement on a new Economic Policy Coordination Instrument (EPCI), which was approved by the IMF Executive Board on January 10th, 2020**. The program includes intensive technical assistance and is built around three pillars: (a) achieving high, sustainable and inclusive growth; (b) consolidating macro-economic stability through prudent fiscal policy and sound debt management; and (c) managing oil and gas revenues in a sustainable manner.

Table 1. Senegal: Key Macroeconomic Indicators (2015-2023)[15]

Senegal: Key Macroeconomic Indicators, 2015-2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
					Est.	Projections			
Real Economy and prices									
GDP at constant prices (% growth)	6.4	6.4	7.1	6.8	6.0	6.8	7.0	8.4	11.6
Sector growth (% growth) :									
Agriculture	10.6	5.4	13.0	7.7	7.2	7.3	7.5	8.3	..
Industry	9.8	4.9	5.9	6.0	6.0	6.6	6.7	8.7	..
Services	3.3	6.4	5.6	6.7	5.3	6.7	7.0	8.0	..
Consumer price inflation									
Annual average	0.1	0.8	1.3	0.5	1.0	1.5	1.5	1.5	1.5
End of period	0.4	2.1	-0.7	1.3	2.0	1.5	1.5	1.5	1.5
External sector									
Export, f.o.b (CFA francs)	13.3	3.6	12.0	10.0	13.8	13.8	13.4	24	37.0
Import, f.o.b (CFA francs)	2.7	-2.6	21.2	13.5	7.8	11.4	10.8	6.2	8.6
Current account balance (incl. official transfers) (% GDP)	-5.4	-4.0	-7.3	-8.8	-9.2	-10.7	-10.5	-7.7	-3.8
Terms of trade ("-" = deterioration)	12.2	0.8	-1.3	0.4	1.4	-0.8	2.6	-3.5	-2.5
WAEMU gross official reserves (Billions US$)	12.4	10.4	13.0	16.7	17.5	19.3	21.2	22.2	..
Government financial operations (% of GDP)									
Revenue	19.3	20.7	19.5	18.6	20.3	20.7	21.6	22.1	22.8
Grants	2.2	2.2	2.2	2.0	1.9	1.9	1.9	1.8	1.7
Total expenditure	23.0	24.0	22.5	22.2	24.0	23.7	24.6	25.1	25.8
Overall fiscal balance	-3.7	-3.3	-3.0	-3.6	-3.7	-3.0	-3.0	-3.0	-3.0
Primary fiscal balance	-2.2	-1.6	-1.1	-1.6	-1.8	-0.9	-1.1	-1.2	-1.5
Total public debt 1/	44.5	47.5	61.2	61.4	63.7	61.9	61.3	60.5	57.1
Domestic public debt 2/	12.2	14.1	21.4	13.0	10.2	10.0	9.8	10.9	11.5
External public debt	32.3	33.5	39.8	48.5	53.5	51.9	51.5	49.6	45.6
Total public debt service									
Percent of government revenue	34.0	39.7	28.3	42.7	29.8	29.8	22.8	22.1	19.7
Memorandum item									
Gross domestic product (CFAF billions)	10508.7	11283.0	12159.0	13046.0	13983.0	15085.0	16421.0	18015.0	20573.0
Nominal GDP per capita (USD)	1186.3	1234.6	1330.0	1480.8	..	..	..	..	..

Sources : Senegal authorities; IMF and WB staff estimates and projections.
1/ Starting in 2017 debt level, debt service and government revenue include preliminary data covering the broader public sector.
2/ Domestic debt includes government securities issued in local currency and held by WAEMU residents.

20. **In the medium term, stronger revenue mobilization will be needed.** For this reason, the Government is planning to implement a Medium-Term Revenue Strategy (MTRS). This strategy will focus on broadening the tax base on its intensive and extensive margin—particularly bringing the informal sector into the tax system—and streamlining exemptions that can reduce competition in certain activity sectors.

[15] Note that oil and gas production coming onstream from end 2022 is expected to significantly boost real GDP growth and government revenues.

21. **The Government intends to continue the consolidation of (capital) expenditures in the short term and to further optimize subsidies, including those related to energy and the strengthening of priority investments, in the medium-term.** Current expenditures are expected to stabilize at around 14.3 percent of GDP until 2022, and capital expenditures should go from 7.9 percent of GDP in 2018 to 9.7 percent in 2022. The Government is exploring alternatives to ensure the budgetary sustainability of subsidies to the energy sector,[16] and is expected to continue its efforts to rationalize Treasury operations, including by restructuring *La Poste* and reducing the carry-over of past appropriations to *Comptes de Dépôt*. The expected volume of below-the-line operations in 2019 is around 0.3 percent of GDP, but the fiscal impact for the central government is expected to decrease to zero from 2020 onwards.

22. **The risk of debt external debt distress has moved from low to moderate.** The latest joint World Bank-IMF Debt Sustainability Analysis (DSA, December 2019) shows an increase in Senegal's risk of debt distress (external and overall) from low to moderate. This change in rating results from a combination of factors affecting both the numerator and the denominator of key debt ratios. The continued increase in debt, particularly the tilt towards non-concessional external debt, and the deterioration of some short-term macroeconomic indicators (such as the fiscal and the current account deficits and real GDP growth) compared with previous projections explain the change in rating. Compared to the last DSA, average debt service over 2019-24 has increased by about 19 percent. Public external debt service to exports is projected to reach a peak of about 23 percent in 2020 before declining in subsequent years. While other debt indicators remain well below their thresholds, the debt service-to-exports ratio exceeds its threshold once (during 2020) by a small margin (about 2 percentage points). Effectively, the country has limited space to absorb shocks in the near term, but it has substantial space for borrowing over the long run.

2.3 Poverty and Shared Prosperity

23. **The system for monitoring the living conditions of households has improved significantly in recent years, but some weaknesses persist and affect informed decision-making**. Senegal's household survey program collects quarterly labor market survey data since 2016 and annual demographic and health survey data since 2010. However, official statistics on monetary poverty are outdated and were monitored infrequently. The most recent official poverty estimates are based on a 2011 living conditions survey. New data were collected in 2018 and 2019, but official results are not yet published. Plans are underway to implement another survey in 2021 in line with international good practices (i.e., data to measure monetary poverty should be collected at least once every three years). Efforts are still needed to accelerate data analysis and dissemination, including making data freely and easily available for public use. This would improve the capacity of technical services in Government to make informed decisions on policies related to household welfare, while greatly increasing the usefulness of official statistics for all stakeholders.

24. **World Bank staff estimates suggest that while extreme poverty incidence has declined, the pace of reduction was slow, and inequality in terms of assets persists**. The most recent projections indicate that about a third of the population (33 percent) lives below the international extreme poverty line of $1.90-a-day,[17] compared to 38 percent in 2011 (last official statistics). Relative to other countries,[18] and despite rapid economic growth,

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[16] The WB is supporting the Government through technical assistance and advisory services, including a poverty and social impact analysis and ongoing dialogue on how to use current social protection mechanisms, such as the single registry, to implement well-targeted mitigating transfers.

[17] MPO 2019.

[18] Between 2005 and 2015 poverty reduction in several countries in Sub-Saharan Africa exceeded 1 percentage point (p.p.) per year, e.g., Tanzania (-2.6 p.p. per year), Rwanda (-1.5p.p. per year) and Ghana (-1.3 p.p. per year). Senegal only reduced

the pace of poverty reduction in Senegal has been relatively slow. Moreover, some inequalities (e.g., in terms of assets) seem to have persisted during the same period.[19]

25. **The good performance of agriculture and specific urban sectors contributed to driving down poverty.**[20] Agriculture appears to have been one of the main drivers of pro-poor growth, as it has registered an average growth rate of 4.4 percent between 2000 and 2018, with two exceptionally good years in 2015 (11 percent) and 2017 (13 percent) following good weather conditions and high investment in the sector. When considering crop production separately, the growth swings are even more important, as they can reach 30-40 percent from year to year, pointing to the efforts needed to protect the agriculture sector against climatic variability to enhance livelihood resilience and alleviate poverty. Furthermore, horticulture (mostly vegetables and fruit) is an emerging sub-sector that contributes to reducing rural poverty by boosting off-farm wage employment**.** It has expanded rapidly over the past decade (with a jump in exports from 24,000 to more than 100,000 metric tons from 2007 to 2018), signaling nascent structural transformation. At the same time, rural areas have witnessed some job reallocation out of the primary sector, as households have diversified their livelihoods to tap into a growing rural non-farm economy. Other important poverty reduction drivers have been the expanding pro-poor urban sectors, such as construction and commerce, boosted by increased remittances and significant public investments. Since 2017, this growth translated to an acceleration in formal jobs creation, albeit from a very low level, contributing to driving down poverty in the Dakar area. Finally, the Government has engaged in critical reforms in the telecom sector since 2016, which has boosted competition and resulted in lower prices and greater access to services, especially in urban areas. Continued reforms are expected to lift at least 80,000 people above the poverty line. However, the lack of economic opportunities in secondary cities has resulted in an overall stagnation of poverty in urban areas.

26. **The decrease in monetary poverty has been accompanied by important progress in access to basic services and infrastructure, albeit unevenly across sectors and regions**. Solid performance has been demonstrated in selected health areas (e.g., life expectancy, infant mortality, and nutrition), safe water access, electricity coverage, access to digital technologies, and social assistance programs, among others. Yet critical disparities persist between urban and rural populations. For instance, rural access to electricity and sanitation is only a fraction of that in Dakar (a third and a half, respectively), and 40 percent of rural households live in precarious dwellings compared to less than 10 percent in urban areas. There is also a persistent digital divide across regions and socio-economic groups, with serious connectivity gaps for 2G and even more so for 3G/4G, especially in the Groundnut Basin and Casamance region (see Figure A2 in Annex 9). Regional disparities are also striking when it comes to social norms and reproductive health (e.g., 45 percent of girls below age 15 experience excision, and 59 percent of girls ages 20-24 have their first child by age 18 in the south-east region of Kédougou, versus the national average of 14 and 21.5 percent, respectively).[21] Other sectors, such as education (Figure 1), which drives the country's low score of 0.42 on the Human Capital Index (HCI), continue to confront critical challenges at both the national and sub-national levels.

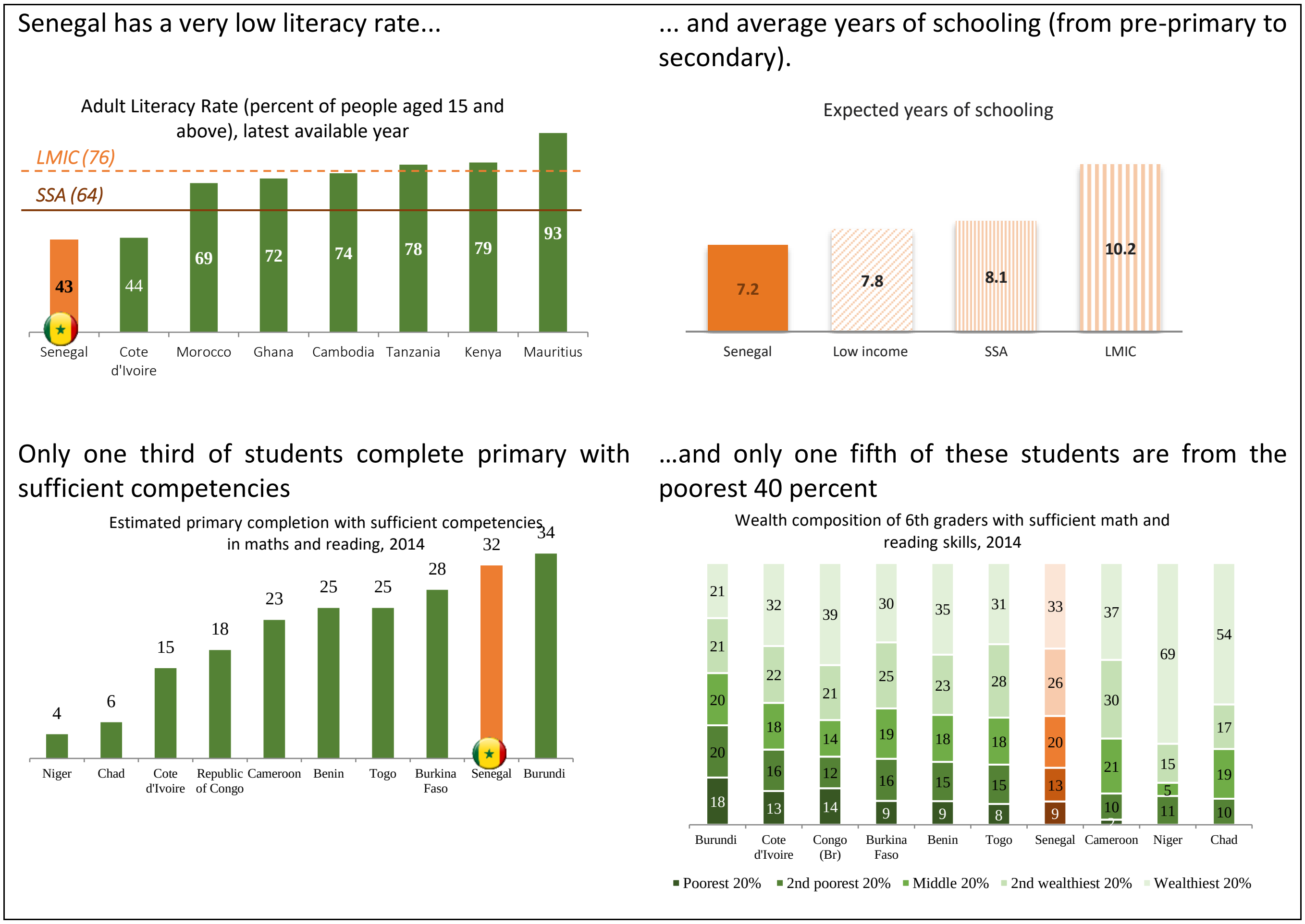
poverty at an annual rate of 0.43 p.p. over this same period and by 0.65 p.p. per year between 2011 and 2018. Source: World Bank staff calculations using PovCalNet 2020 harmonized surveys.

[19] World Bank staff estimates based on Development Household Survey (DHS) data, as published in the Systematic Country Diagnostic (SCD) for Senegal (2018). World Bank Group. Available at http://documents.worldbank.org/curated/en/336611539873310474/Senegal-Systematic-Country-Diagnostic

[20] SCD for Senegal (2018). World Bank Group.

[21] DHS 2017.

Figure 1**: Selected Education Indicators of Senegal and Comparator Countries**



Sources: World Development Indicators, UNDP, *World Development Report* 2016.

27. **To significantly reduce poverty and achieve both the WBG twin goals and the national objective of becoming an equitable emerging economy, Senegal will need not only to sustain the current growth rate but also to accelerate it for households in the bottom 40 percent.** Simulations indicate that an annual real growth rate of 5.2 percent in mean consumption for the bottom 40 percent of households would be necessary to eradicate extreme poverty, as measured by the international poverty line (US$1.90/day) and reach a headcount level of 3 percent by 2030. Such performance would require a shared prosperity premium[22] of at least 2 percentage points and maintenance of GDP growth of at least 7.4 percent per year, corresponding to the PSE original targets. On the other hand, the current growth performance would allow the country to meet its own objective of poverty reduction, set at 5 percent by 2035, based on the simple average of poverty rates of a set of aspirational peer countries identified during the formulation of the PSE.[23] Even in this case, however, the shared prosperity premium needs to be positive. A low-growth scenario would make this target unachievable altogether, while only a positive shared prosperity premium would reduce the absolute number of poor.

[22] The shared prosperity premium refers to the differential between growth for the bottom 40 percent of the distribution and average growth: when positive, it indicates that growth is pro-poor and inequality reducing.
[23] Algeria, Angola, Botswana, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Dominican Republic, Gabon, Jordan, Malaysia, Mauritius, Mexico, South Africa, Thailand, Tunisia and Turkey.

28. **Finally, recent discoveries of large off-shore oil and gas fields could open significant economic opportunities but also present important new challenges**. The Grand Tortue/Ahmeyim (GTA) gas field, straddling the maritime border between Mauritania and Senegal, is estimated at about 15 trillion cubic feet of gas (2.5 billion barrels of oil equivalent), and could generate around US$80 billion over 30 years, of which US$15.6 billion for Senegal assuming an equal sharing of the resources between the two countries and oil prices averaging US$60/barrel. The SNE reservoir, located entirely within Senegal, is estimated to hold more than 500 million barrels of oil and 2.4 trillion cubic feet of gas (400 million barrels of oil equivalent). If this reservoir is fully developed and assuming the oil price averages US$60/barrel, the oil production would generate a total of about US$9.3 billion in government revenues over 25 years. Finally, exploration of the Yaakar Teranga gas field, entirely located within Senegal, suggests that the resource could be similar in size to that of GTA (approximately 15 trillion cubic feet). The ways in which Senegal manages these newly found natural resources, including adequate development of the gas value chain, will be pivotal in determining the country's mid-term prospects. Challenges include governance of the sector; the management of price volatility; the limited time horizon during which hydrocarbon resources will remain available; the risk of dependence on these resources; and the appreciation of the real exchange rate, which could result in a loss of competitiveness among other sectors. The Government of Senegal intends to define an appropriate institutional and regulatory framework for the optimal management of hydrocarbon revenues (Box 2).

Box 2: Oil and Gas Revenue Management

The oil and gas resources that have been discovered since 2014 have changed Senegal's the natural resource landscape, and their development is expected to bring Senegal into the arena of the top 10 African oil and gas producers. When all three phases of both GTA and SNE come onstream, Senegal's production could be equivalent to about a quarter of Angola's current national production, and up to half if the recent gas discovery at Yaakar-Teranga is successfully appraised and developed in the next decade.

This natural resource wealth presents a tremendous opportunity for the country, but for it to be an integral part of Senegal's economic development strategy, choices will have to be made as to (a) how much resource wealth to allocate to public investment in human and physical capital to stimulate growth or save for future generations, as opposed to recurrent spending; (b) the sectors in which to invest; (c) how to calibrate the macroeconomic and fiscal policies required to stabilize fiscal space and reduce output volatility over cycles and in face of shocks; and (d) what public policies are needed to promote economic diversification and job creation. Optimizing resource management will also require measures to strengthen institutional capacity in resource revenue management, public investment management and budget management.

To achieve these objectives, the Government of Senegal is committed to adopting strong macro-fiscal policy rules and a strong legal framework to govern fiscal policy and the allocation of hydrocarbon revenues. Under these principles, endorsed by the International Forum of Sovereign Wealth Funds (IFSWF), management will be carried out in accordance with macroeconomic stability and fiscal sustainability goals, WAEMU convergence rules, and the objectives of sharing with future generations. In parallel, a robust and transparent institutional framework to implement the macro-fiscal rules governing the management of hydrocarbon revenues will need to be defined. Furthermore, the Government is planning to implement an intergenerational fund that will be managed by the Strategic Investments Fund (FONSIS- Sovereign Senegalese Fund) in accordance with the Santiago principles*, as well as a stabilization fund.

*These principles consist of 24 practices voluntarily endorsed by IFSWF members in 2008 under the coordination of the IMF. They promote transparency, good governance, accountability and prudent investment practices and aim to ensure that SWFs invest based on economic and financial risk- and return-related considerations and have in place a transparent and sound governance structure that provides adequate operational controls, risk management, and accountability.

III. WORLD BANK GROUP PARTNERSHIP FRAMEWORK

A. GOVERNMENT PROGRAM AND LONG-TERM STRATEGY

29. **The National Development Plan (*Plan Sénégal Emergent,* PSE), now entering its second implementation phase, is the overarching strategic framework for the long-term economic and social development of the country**. It aims to achieve middle-income status for Senegal by 2035. The PSE, adopted in 2014, has three strategic axes: (a) transforming the structure of the economy to support strong and sustainable growth; (b) expanding access to social services and social protection and preserving the conditions for sustainable development; and (c) responding to the requirements of good governance, through institutional strengthening and promoting peace, security and African integration. Implementation of each phase of the PSE is guided by a Priority Action Plan (PAP).

30. **In December 2018, the Government concluded its evaluation of PAP1, the action plan for the 2014-2018 phase of the PSE and began implementation of PAP2 for the PSE period 2019-2023.** The PAP1 evaluation highlighted important progress, particularly the return to growth, with strong macroeconomic fundamentals and

high investment. However, it also pointed to modest competitiveness gains due to persistent structural weaknesses, including the lower than expected role of exports; subdued private investment due to heavy and arbitrary tax administration and labor market regulations; and lagging reforms, including in the infrastructure sector. On the social side, more progress is required to further reduce spatial and gender inequalities and strengthen the social protection and human capital development agendas. The second PAP puts forward a new results matrix along the same strategic axes as the PSE and PAP1 but with renewed focus and more ambitious targets. Key measures range from export promotion, infrastructure expansion and sustainable management of natural resources to improved business environment, public administration and social services. PAP2 also puts a strong emphasis on private sector development and public-private partnerships (PPPs).

B. LESSONS LEARNED AND STAKEHOLDER CONSULTATIONS

Lessons from the FY13-FY17 Country Partnership Strategy (CPS)

31. **The FY13-17 CPS aimed at helping Senegal achieve economic recovery after a period of slowing growth and exogenous shocks, including the 2009 global financial crisis, climatic events and regional instability**. Aligned with priorities of the National Strategy for Economic and Social Development (SNDES) for 2013-17, the FY13-17 CPS featured a Foundation Pillar—*Strengthening the governance framework and building resilience*—and two other pillars: (1) *Accelerating inclusive growth and creating employment*, with an emphasis on the private sector as an engine of growth; and (2) *Improving service delivery*, especially in education, health and social protection. The WBG portfolio included ongoing and new IDA lending, IFC investments, MIGA guarantees, and ASAs/IFC advisory in support of all 16 CPS outcomes. A Performance and Learning Review (PLR), completed in April 2015, confirmed that the CPS program remained generally on track and in alignment with Government priorities, although the PLR also helped refocus elements of the WBG program to reflect the evolving context.

32. **The Completion and Learning Review (CLR)[24] for the FY13-17 CPS rated the program's performance as *Moderately Satisfactory* (MS).** All three pillars were rated *MS*—with nearly 70 percent of the 16 CPS outcomes rated as *Achieved* or *Mostly Achieved*. Under the Foundation Pillar, Senegal made good headway on improving public sector accountability and flood prevention in Dakar, and on increasing income-generating opportunities in Casamance. Under Pillar 1, Senegal made substantial progress on improving the business environment and MSME access to finance, with significant support from IFC; significant headway on improving fisheries management, agricultural yields and access to electricity; and modest progress on improving urban mobility and skills development. Under Pillar 2, Senegal made substantial headway on improving basic education and maternal and child health services, and on increasing access to water and sanitation services and social safety nets, including cash transfers for poor households.

33. **The CLR rated WBG performance as Good.** The CPS design remained relevant to Government priorities even amid introduction of *Plan Sénégal Emergent* and its first phase covering 2014-2018. Reflecting lessons of the WBG's previous engagement up to FY12, the CPS continued to support effective, longer-term engagement in key sectors such as agriculture and education, and to combine development policy operations (DPOs) and investment lending to drive critical reforms. However, the objectives of the budget support under the CPS proved overly ambitious, and some projects suffered from limited Government ownership, overly complex designs, and delays due to complex civil works and safeguards challenges, particularly resettlement. The CPS had identified relevant economic and implementation risks to the program during preparation in 2012, although key risks did not materialize due to a favorable external climate and a recovery of growth. The PLR provided a good stocktaking at

[24] Attached as Annex 2.

midterm, identified remedial actions for some portfolio issues, and updated CPS programming and the results matrix. The WBG delivered a portfolio of generally high quality and with an overall good disbursement rate. The CPS showed a good record of integrating gender and had a supportive non-lending program.

34. **The CPS reflected key corporate and regional priorities and increased WBG impact**. The CPS supported Government priorities under SNDES and later the PSE to drive an economic recovery, higher growth and shared prosperity, which aligned well with the WBG corporate objectives. Key CPS outcomes mirrored both Africa Region priorities and the PSE's three pillars. IFC impact was noteworthy in transport, power (IFC has financed 35 percent of the country's power production), agro-processing and financial access. MIGA's engagement was focused on the transport and financial sectors, through its support to the upgrade of the Port of Dakar and cross-currency swap agreements associated with Eurobond issuances of the Government. There has been joint WBG success in power and transport.

35. **The key lessons of the FY13-17 CPS for the proposed CPF are noted below**:

- **Focus efforts on building political buy-in and capacity at all levels of government to ensure the success of IDA projects.** Systemic issues related to insufficient fiscal resources and budget planning to disburse loans (as the Government sought to delay disbursements to avoid raising the fiscal deficit beyond the WAEMU and IMF convergence targets), and inadequate budget resources more broadly (e.g., lack of counterpart funding mobilization in a very tight fiscal context) slowed disbursement rates. Moving forward, more results-based financing (including programs for results—PforR), increased Government ownership (through country systems in relation to safeguards, procurement, and financial management, and strengthening capacity among local officials and implementation agencies) will be needed, as will better upstream planning (on counterpart funding and on the approval and tracking of disbursements of partners' and donors' expenditures) during the budget process.
- **Keep project designs simple and flexible, with realistic timeframes for project preparation and implementation of reforms.** Several projects struggled with complex designs, weak readiness at entry (e.g., key staff not hired), and unrealistic timelines. Moving forward, this lesson will be incorporated across the WBG's portfolio, including through (a) more systematic upstream discussion of these aspects at the Project Concept Note (PCN) stage; (b) readiness-at-entry filters; (c) early midterm reviews and possible restructuring of projects facing disbursement and implementation difficulties; and (d) a better upfront understanding of the policy and regulatory environment in key sectors of the portfolio (e.g., agriculture, energy, education).
- **Continue to leverage regional approaches where relevant**. Regional projects started during the CPS period, such as the West Africa Agriculture Project (WAAP), have provided good platforms for innovation and knowledge sharing, but these types of projects require sufficient budgets and strong regional coordination and counterpart organizations. Regional projects also require additional support in supervision and monitoring, which can be facilitated by virtual tools and mechanisms.
- **Pay closer attention to safeguards issues, especially resettlement.** Challenges in safeguards (small number and high turnover of qualified social and environmental experts, lack of equipment and financial means) have undermined the implementation of the Dakar-Diamniadio Toll Road Highway, Stormwater Management and Climate Change (PROGEP), Transport and Urban Mobility (PATMUR), and Tourism and Enterprises Development projects, among others. Strengthening government capacity and systems will be key in this specific area, as also mentioned more broadly above.
- **Improve the CPF results matrix and portfolio monitoring, and better communicate the WBG's achievements in Senegal**. The results matrix for the CPF will include indicators that are SMART (Specific,

Measurable, Achievable, Relevant, and Time-bound), with clear baselines and targets, in a more systematic manner. At midterm, the PLR will make all necessary changes to indicators based on changes in the project and country context. In line with feedback received during consultations and field visits for the new CPF, the WBG should also strive to discuss project activities and results with key stakeholders and the Senegalese population on a more regular basis, including through various communication channels depending on the intended audience, to build further ownership and appreciation of the program.

- When considering DPO lending, it is important to strike a balance between meaningful reforms and realistic objectives, and between flexibility and a sharp focus on a few critical measures, given the nature of political decision-making. The proposed CPF includes the last year (FY20) of the ongoing DPO series and a new series for FY21-23 on productive inclusion and equity that will account for such lessons by focusing on fewer sectors and sustained and deeper engagement to allow for continued buildup of the program as the series evolves. Efforts are also made to combine DPOs with investment project financing (IPF) and advisory services and analytics (ASA) in order to (a) maximize complementarity and impact; (b) focus on areas where strong collaboration exists between IDA and IFC and where reforms could open up space for the private sector (i.e., an opportunity to apply the cascade approach, as laid out in Box 3); and (c) better calibrate the scale of WBG support to the scope of reforms and political risk.
- IFC, MIGA and IDA should build on positive joint results (e.g., in the toll road and power projects) to continue their strong collaboration to achieve program objectives. This collaboration includes harnessing upstream IFC advisory engagements and taking a long-term view of results in key sectors such as energy, transport and financial inclusion. MIGA will continue to leverage its new on-the ground presence through its Africa Hub Office in Dakar to foster greater WBG cooperation and generate new business.

Stakeholder Consultations

36. **Preparation of this CPF was informed by an extensive series of consultations.** Discussions spanned the full range of stakeholders, including the Government (both central and regional levels), development partners, civil society organizations (CSOs), private sector companies, professional organizations, academia, religious leaders, and youth and women's groups. The CPF also builds on key consultations conducted as part of the SCD process in 2018 and on the results of the 2017 Country Opinion Stakeholder Survey. It was further informed by field visits in the regions of Dakar, Diourbel, Kaffrine, Thiès, Kaolack, Sedhiou, St-Louis, and Ziguinchor. These visits presented additional opportunities to consult with specific actors across regions, such as various members of the Chamber of Commerce in Ziguinchor and Sosagrin (the country's largest producer of mustard) in Dakar; populations affected by coastal erosion in St Louis; CSOs working on social protection and women's empowerment in Kaffrine and Diourbel; secular and religious education actors in Sédhiou and Kolda; stakeholders working on health, water, agriculture, and related value chains in the South and Center of the country ; and environmental actors (both within and outside of Government) working in the Tambacounda region and Niokolo Koba park, among others.

37. **These visits and discussions significantly helped to refine the overall CPF framework, including the four "how's" and the specific objectives under each pillar.** For example, the main challenges consistently raised in consultations with the private sector included access to land, finance, markets, skilled labor, reliable and affordable energy, broadband, and a competitive fiscal landscape. Consultations with other actors further highlighted the urgent need to (a) invest in human capital (including access to quality health systems and education/skills programs at all levels); (b) promote greater equity in access to services and economic opportunities, especially for women and in the poorest and most vulnerable areas of the country; (c) capitalize further on the country's large under-exploited natural resources, including for agribusiness and tourism development, while also mitigating climate change; and (d) promote greater budget transparency and overall

governance. The three pillars, 11 objectives, and three cross-cutting themes of the CPF were shaped accordingly, either by directly supporting progress in some of these key areas or by contributing to broader initiatives together with other partners (as discussed further below). The field visits also prompted discussions on the potential for increased WBG synergies across the portfolio and pipeline at the sub-national level, thus helping to define the third "how" on the spatial approach promoted in this CPF.[25] Finally, participants across all groups of stakeholders welcomed the WBG's efforts to engage more systematically with them and expressed a desire for increased involvement and communication with the WBG and with the Government on its various programs throughout the life of the CPF period, which directly informed the fourth "how" on citizen engagement.

Partnerships and Donor Coordination

38. **This CPF leverages the strong dialogue that exists between the Government of Senegal and its partners and builds on the various coordination mechanisms in place**. Partners are strongly aligned with and supportive of the Government's vision as laid out in the PSE, and the WBG coordinated closely with the Government and its partners in preparing and executing the Consultative Group in Paris in December 2018, which generated commitments amounting to a total of US$14 billion for the implementation of PAP 2 during the 2019-2023 period. Donor coordination mechanisms were recently revisited, and a new coordination body was established in 2018, led by a group of 15 members—the G15 or Donors Committee—from which a five-member Executive Committee, or COMEX,[26] was chosen. The G50[27] remains active as a platform for information sharing and consultation with all development partners. One of the main achievements of these donor coordination mechanisms was undoubtedly the Memorandum of Understanding (MoU) agreed upon between the development partners and the Government on harmonizing costs (including salaries, per diems and other travel-related costs) for local project personnel. The WBG is actively involved in these partner coordination mechanisms and leads sector thematic groups on a rotational basis, most recently in water and sanitation and social protection. Moving forward, the WB will assume the co-leadership of COMEX in 2020 and will also lead the thematic group on public financial management (PFM). Based on a series of policy notes across key sectors,[28] the WBG also prompted partner-wide discussions on a series of priority reforms to be considered by the new Government (following presidential elections in February 2019). These policy notes are informing areas of WBG engagement planned in this CPF period and can also inform the support of other partners, as relevant. In turn, the WBG relies on the expertise and comparative advantage of other partners where relevant.

C. OVERVIEW OF WORLD BANK STRATEGY

Selectivity Filters

39. **The CPF strategy for Senegal was determined using three standard selectivity filters and four additional selectivity prisms, or "how's**." The three selectivity filters are: (a) Government priorities and demand for WBG support, as articulated in the PSE and PAP2; (b) the critical pathways towards achieving poverty reduction and shared prosperity, as identified in the SCD; and (c) the comparative advantage of the World Bank Group. WBG

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[25] Participants on the WBG side included WB TTLs and core team members across all sectors with an active portfolio or anticipated pipeline, as well as several IFC team members.

[26] The overall objective of the COMEX is to coordinate and represent donors' positions to contribute to an optimal implementation of the national development strategy (currently the Emerging Senegal Plan), in accordance with the commitments under the 2005 Paris Declaration, the 2008 Accra Agenda for Action, the Busan Action Plan, and the 2030 Sustainable Development Agenda.

[27] A broad coordination body that includes all interested financial and technical partners.

[28] Policy notes series to support Policy Dialogue in Senegal (P168261).

support will be provided through ongoing and new operations, including at the regional level; ASA; as well as investments in and advisory to the private sector.

40. ***Selectivity Filter 1: Government Priorities.*** The Government of Senegal is seeking WBG support in priority areas identified in the PSE and reaffirmed in PAP2 for the second phase of the PSE (covering 2019-2023), across three key pillars: (a) Transforming the structure of the economy to support strong and sustainable growth (including by tapping into the digital transformation potential); (b) Expanding access to social services and social protection and preserving the conditions for sustainable development; and (c) Responding to the requirements of good governance, through institutional strengthening and promoting peace, security and African integration. In addition, the government has been clear that one of its top priorities is to promote greater development of the private sector, including through PPPs where relevant. The overall focus of this CPF and the renewed emphasis on the cascade approach are fully aligned with theses priorities. The strategy is also consistent with the commitments made by the WBG as part of the Consultative Group Meetings held in Paris in December 2018 and is fully endorsed by the Government.

41. ***Selectivity Filter 2: Critical Pathways towards Poverty Reduction and Shared Prosperity.*** The SCD identified three critical pathways: (a) Boosting competitiveness by stimulating private sector-led growth and investing in human capital, including to capitalize on the growing young urban population; (b) Enhancing equity and resilience by unlocking the economic potential of non-extractive natural resources such as agriculture, from which most of the poor still derive their livelihoods, while enhancing the ability of the rural population to cope with shocks; and (c) Managing the risks associated with natural resources (including oil and gas) and climate change. The SCD also identified two underlying structural challenges: (a) a complex web of interests that can slow down the design and implementation of progressive structural reforms while also hindering equitable service delivery and the development of a thriving private sector; and (b) social norms and practices that directly or indirectly shape the behavior of young people, women, and other vulnerable groups and can restrict their full inclusion in the growth process. As laid out in the SCD, successfully embracing these priorities while proactively tackling key challenges will require both an ambitious governance agenda and a development strategy that includes various equity-driven initiatives to shift incentives, promote accountability, encourage behavior change, and promote more diverse, private sector-led economic growth.

42. ***Selectivity Filter 3: WBG Comparative Advantage.*** IDA is among the largest donors in Senegal and has established itself as a trusted partner, with a comparative advantage anchored in its longstanding presence in the policy dialogue, high-quality analytical work and technical support, breadth of financial instruments, convening power, and capacity to forge partnerships. IDA has supported several transformational projects in the country, including large-scale improvements in service delivery to build human capital; politically complex and technically challenging structural reforms in the energy, agriculture and ICT/digital sectors; and innovative work to address vulnerability through social protection and climate change mitigation. IFC has played a critical role in supporting the Senegalese private sector since the 1960s, with a diverse portfolio and presence across all key sectors and an ability to provide both debt and equity to its clients. IFC is a key partner in infrastructure, having arranged financing for projects that generate about 35 percent of the country's energy; and also working together with IDA on policy reform and on the flagship toll road project. The WBG's diagnostics, policy reform initiatives and investments have helped to create a more level playing field, improve sector governance and bolster the domestic private sector. The WBG's work on Doing Business has yielded important success in terms of ranking.

43. **As noted above, the WBG coordinates closely with other partners, including to promote greater progress at scale through close coordination of (and at times co-financing) specific activities, or to invest more selectively in areas where other partners have greater presence or expertise.** These examples are not meant to be exhaustive, given the large landscape of partners in Senegal, but are indicative of how this principle operates

in practice. For example, IFC, the World Bank and IMF have coordinated closely with the Government and G20 partners, including the Federal Republic of Germany on the Compact with Africa (CwA), an initiative to improve private investment among reform-minded governments in Africa. While the WBG supports most areas of the CwA reform matrix, it does not plan to directly engage in reform of the Labor Code, which is already supported by others. Similarly, the WBG will rely on the expertise of other partners (such as UN agencies) to help inform its own activities and advance some of the key reforms linked to gender-based violence (GBV), including in the context of the new DPO series on productive inclusion. Finally, new WB operations (in relation to, e.g., land tenure, solid waste, education) will serve as catalysts for greater coordination with various partners and upstream agreement on the specific expertise that each partner can contribute to the implementation of specific activities.

44. **In addition to these three filters, four mutually reinforcing principles of engagement, or "how's," are further driving selectivity**. These four "how's" are based on lessons from the CLR, on the key constraints identified in the SCD, and on insights gained through stakeholder consultations.

- First, the WB will increase its focus on building institutional capacity and ensuring political buy-in at all levels of government. This will help promote timely and successful implementation and optimal impact and sustainability across the IDA portfolio.
- Second, the WBG will be more deliberate in drawing on private capital to fund development challenges, using the cascade principle (Box 3), thereby reserving scarce public financing for areas where private sector engagement is either suboptimal or unavailable. This approach will fully leverage IFC's 3.0 strategy for Senegal, which identifies the infrastructure, ICT, finance, tourism and agribusiness sectors as most in need of upstream reform in order to open the sectors to increased private investment (see Annex 6).
- Third, the strategy will adopt a more intentional spatial approach to focus investments on the geographic areas with the highest needs[29] to reduce service gaps and build synergies across sectors in each region, while also strengthening economic ties to better integrate the broader regional economy. The focus of the IDA portfolio will be intentionally more concentrated in specific regions of Senegal, such as (a) rural areas in the center and south of the country, where multi-sectoral approaches would have greater impact in lifting people out of poverty; and (b) urban and peri-urban areas, where the absolute number of poor and new job creation opportunities are the highest.
- Fourth, IDA will mainstream the use of results-based financing to improve budget planning and the management and disbursement of donor-funded expenditures. The strategy will also support citizen engagement to enhance accountability and transparency in the use of fiscal resources.

45. **These selectivity criteria will help focus the WBG program on bigger and more catalytic investments and reforms to bring successful approaches to scale in Senegal**. The last year of IDA18 and first year of the CPF period (FY20) reflects the legacy of the ongoing dialogue and IDA portfolio, and starts to consolidate important reforms and innovative approaches for more transformational impact. The CPF reflects a commitment to human capital (with a renewed focus on adolescent girls), delivery of other basic services (e.g., solid waste management), competitiveness and diversification in agriculture, climate change mitigation, and ongoing support for structural reforms in energy and digital transformation. The remaining four years (FY21-24)—which cover all of IDA19 and the first year of IDA20—will continue to focus on larger and more selective operations (including an annual DPO) for impact on the overall ecosystem of reforms. Transformative operations are currently in early planning stages in, at the national level, education, lower-carbon power generation, land tenure, disaster risk management and productive inclusion; and at the regional level in transport (Dakar-Bamako) and financial management across

[29] See Footnote 4

WAEMU. Some operations are still pending formal confirmation and could be reconsidered or adjusted in the outer years of the CPF based on country circumstances and the evolving demands of the Government. Other operations could be added accordingly. Overall, implementation of the CPF will remain agile and responsive to shifts in the overall environment and will be revisited at the time of the PLR. Similarly, IFC will build on its ongoing portfolio (made up largely of energy, transport, agribusiness, light manufacturing and financial sector projects), and will capitalize on further adoption of upstream reforms to assess private investment in the ICT, tourism and financial sector niches of agri-finance, housing finance, MSME finance and digital financial services.

Box 3: Cascade Approach in the Energy Sector

A noteworthy example of the WBG cascade approach in Senegal can be seen in the energy sector. Given the large oil and gas discoveries over last few years, there are real opportunities for existing plants to be converted into gas (public and independent power producers—IPPs). It is therefore necessary to strengthen the regulatory, contractual and financial framework of gas transportation, including by (a) creating a midstream gas sector operator; (b) ensuring creditworthiness of the gas aggregator; and (c) defining an attractive trade framework (tariff structure, supply/demand balance, exchange rate regulations adapted to capital-intensive foreign investments, and balanced concession contractual terms. It is paramount for Senegal to provide itself with the necessary means to improve its investment framework in the energy sector to end its reliance on expensive imported heavy fuel oil/diesel. This approach will, in turn make energy prices more competitive, creating favorable conditions for the implementation of an ambitious industrial strategy, which could include the production of fertilizers and petrochemicals.

Leveraging the strengths of IFC and IDA, the WBG will continue to support the implementation of a favorable framework for the optimal use of gas resources, to improve the energy mix and reduce costs and the carbon footprint. IFC will contribute to the structuring of sound midstream and downstream sub-sectors to attract best-in-class private operators and to maximize private financing. IDA will provide technical assistance for both upstream gas developments and midstream and downstream segments to strengthen energy sector institutions. IDA will also fund feasibility studies and transaction advisors as needed and will support guarantee instruments to attract private investors.

The ongoing series of three Development Policy Financing (DPF) operations is an important example of cascade-enabling reforms, as it supports the Government's efforts to enhance governance, private sector participation and inclusive access in the electricity sector. The third year of this series (FY20), which was informed by joint IFC-WB analytical and technical work, consolidates early gains and continues reforms towards improving the planning and outcomes of important infrastructure investments, with a view to lowering costs, facilitating access, mobilizing private financing and leveraging PPPs in the energy sector. Both IFC and MIGA aim to further leverage these reforms to make this high priority sector attractive to the private sector.

D. OBJECTIVES SUPPORTED BY THE WBG PROGRAM

46. **Based on the selectivity filters described above, the CPF for FY20-24 comprises eleven objectives, organized around three focus areas (Table 2).** The WBG strategy will focus on making growth more inclusive, competitive and sustainable. A key success factor will be to support the development of a healthy, skilled, and productive population that is well prepared to contribute to the growth process. The focus will be on equipping current and future cohorts of youth with the skills needed to propel Senegal into the next stage of its development amid global trends and the fourth industrial revolution (4IR).[30] Along with these investments in human capital, the

[30] The Fourth Industrial Revolution (4IR) is the fourth major industrial era since the initial Industrial Revolution of the 18th century. It is characterized by a fusion of technologies that is blurring the lines across the physical, digital and biological spheres, collectively referred to as cyber-physical systems.

WBG will also focus on job creation[31] and increasing competitiveness to support a private sector-led, diversified, and inclusive economy. Finally, the strategy will proactively mitigate the interrelated risks of climate change, rapid urbanization, water and sanitation shortages and oil and gas discoveries, while strengthening overall governance.

Table 2: Architecture of CPF Focus Areas and Objectives

BUILD HUMAN CAPITAL TO ENHANCE PRODUCTIVITY & IGNITE THE DEMOGRAPHIC DIVIDEND	BOOST COMPETITIVENESS & JOB CREATION THROUGH PRIVATE SECTOR-LED GROWTH	INCREASE RESILIENCE & SUSTAINABILITY IN THE CONTEXT OF GROWING RISKS
1.1 Improve early years outcomes for children aged 0-5 1.2 Establish strong literacy and numeracy skills for primary and secondary school-age children 1.3 Promote youth employability 1.4 **Empower adolescent girls and women** to have more control over their child bearing and productivity	2.1 Improve **digital and physical connectivity** at the national and regional levels 2.2 Lower energy cost and carbon footprint and optimize the energy mix 2.3 Promote a service-led economy, including by mainstreaming financial inclusion and innovation 2.4 Boost productivity and competitiveness of **agriculture** and **related value chains**	3.1 Promote and protect resilient livelihoods, ecosystems, and infrastructures in the face of climate change 3.2 Ensure access to **water** and **sanitation** in the most vulnerable areas 3.3 Improve Government's overall effectiveness, efficiency and transparency

47. **The cross-cutting themes of enhancing gender equality, supporting Senegal's digital transformation and addressing climate change are key to achieving the WBG's twin goals and will permeate the CPF's focus areas and objectives.** New operations and knowledge work will be gender informed (Box 4 and Annex 8), and a gender lens will be applied across the program through impact evaluations and gender-disaggregated indicators in the Results Matrix. The WBG is also strongly committed to supporting the Government's transition to a digital economy (DE) through a mix of strategic analytical and lending engagements to accelerate digital applications and assess DE impacts in a way that operationalizes the Digital Economy for Africa (DE4A) initiative in Senegal (Box 5 and Annex 9). Climate change will also be mainstreamed across relevant objectives (Box 6).

Focus Area One: Build HUMAN CAPITAL to enhance PRODUCTIVITY and ignite the DEMOGRAPHIC DIVIDEND

48. **Senegal's score on the Human Capital Index (HCI) is 0.42, meaning that children born today will achieve only 42 percent of their productivity potential if key health and education outcomes do not improve**. While Senegal scores slightly above the SSA average of 0.40, it is below the 0.48 average score of its aspirational LMIC peers. Senegal performs relatively well in nutrition and survival rates (it has the lowest stunting rate of all SSA, at 17 percent), but shows poor results in years of education (an average of 7.2 years of schooling compared to 8.1 in SSA and 10.2 among LMICs), and quality remains low, thus translating into only 4.8 years of learning-adjusted

[31] Skilled youth without job prospects could widen the gap between their aspirations and available opportunities, and increase the risk of social tensions, as in many countries of the Middle East and North Africa in recent years.

years of schooling.[32] Disaggregated data show important regional disparities; Kaffrine, Tambacounda and Kolda score as low as 0.32 or 0.33—on par with Niger, Mali and Liberia—while Dakar scores 0.53, on par with Tajikistan and Indonesia.

49. **Boosting Senegal's progress towards inclusive and sustainable growth will require large and efficient investments** in young children and youth. The four objectives under this focus area are to: (a) improve early year outcomes for children ages 0 to 5; (b) establish strong literacy and numeracy skills among primary and lower-secondary school children; (c) promote employability for youth; and (d) empower adolescent girls and women to have more control over their childbearing and productivity.

Objective 1.1: Improve early-year outcomes for children ages 0-5

Relevant SDGs:

Relevant IDA18 and IDA19 Special Themes*: Gender; Jobs and Economic Transformation, aligned with investing in people and disability inclusion cross-cutting issues*

Expected CPF Outcomes:

- Children under 5 suffering from stunting (percent)—by gender, income and region
- Children ages 12-23 months fully immunized (percent)—by gender, income and region
- Gross enrollment in preschool education in the 7 most lagging regions (percent)—by gender

50. **Despite important progress, Senegal's early-year outcomes remain largely suboptimal, particularly among the 85 percent of poorest households with children below age five**. Although chronic malnutrition (stunting) was reduced from 30 percent in 2000 to 17 percent in 2016, and is now the lowest in SSA, it still impacts one in six children, and more in poorer regions and quintiles. Poorer children also suffer more from anemia, diarrhea and acute respiratory infections, which are implicated in suboptimal physical and brain development. Early stimulation and learning opportunities are scarce for children ages 0 to 5, even by regional standards (preschool participation is only 17.8 percent nationally, compared to 20 percent in SSA), which leads to learning difficulties at the primary level and suboptimal socio-emotional skills throughout life. A high proportion of children do not have a birth certificate, which is critical for access to key services in early childhood and beyond.

51. **Two projects have made significant progress in addressing the needs of young children.** The ongoing Social Safety Net Project (P133597) provides support to the poorest 20 percent of families in all 14 regions, in the form of cash transfers and community-based information sessions to help caregivers meet the critical development needs of their children from pregnancy onwards. The Investing in the Early Years for Human Development Project (P161332), approved in FY19, provides young children with improved nutrition, increased early stimulation and quality early education/preschool opportunities in seven regions. It also supports efforts to increase birth registration.

[32] This HCI score also reflects the country's advancement towards the SDGs. For example, the gross enrollment rate in preschool is only 17 percent in Senegal, below the SSA average of 21 percent and well below the SDG target of universal enrollment in at least one year of preschool by 2030.

52. **Building on these gains and lessons learned, the WBG proposes to deepen this multi-faceted approach throughout the CPF period.** A follow-up to an earlier health and nutrition operation that closed in June 2019 was approved in September 2019 (Investing in Maternal Child and Adolescent Health, P162042), with a sizeable increase in financing (US$150 million for the next five years, compared to US$42 million for the previous project) to accelerate impacts on mothers and their young children. Its implementation is informed by three recent health and social protection ASAs.[33] Complementing these efforts, a productive inclusion DPO is envisioned for FY21-23. It will leverage existing analytical work and the country's strong social protection systems (including the Unified Register) to ensure that various programs, including Universal Health Coverage (*Couverture Maladie Universelle,* CMU) are both more progressive in their targeting and financially sustainable. The WBG will also assess opportunities to strengthen and expand private sector engagement in delivering high-quality and affordable health care. IFC Advisory will employ its Health Quality Assessment Tool to help private health care providers achieve higher standards and expand their capacity to serve various socio-economic groups in Dakar and secondary cities.

Objective 1.2: Establish strong literacy and numeracy skills for primary and secondary school children

Relevant SDGs:

Relevant IDA18 and IDA19 Special Themes*: Gender; Jobs and Economic Transformation, aligned with human capital and disability inclusion cross-cutting issues*

Expected CPF Outcomes*:*

- Students with adequate literacy and numeracy competency by the end of Grade 4 (percent)—by gender
- Transition rate from primary to lower secondary (percent)—by gender
- Lower secondary students who are oriented toward sciences and mathematics courses in Grade 10 (percent)—by gender

53. **Improving human capital along the life cycle calls for students with basic literacy and numeracy skills.** Access to quality basic education remains a challenge in Senegal. Gross enrollment is just 86 percent in primary education and 38 percent in secondary education, with completion rates significantly lower. Only one in three who complete primary school have sufficient competencies in math and French. Among the poorest 40 percent, only 7 percent of girls have those competencies. Critical supply-side challenges include low teacher skills, poor management, a shortage of decent school buildings, and lack of access to reliable electricity and water (available in only about 30 percent of primary schools), with striking urban-rural inequalities.

54. **IDA investments are helping to ensure that children ages 6-14 acquire basic literacy and numeracy skills.** Two ongoing projects are supporting the Government's Education Sector Development Program (PAQUET, 2018-2030), which aims at improving the quality, relevance, and governance of public education while helping children in non-formal education to acquire basic literacy and numeracy skills. The Quality and Equity of Basic Education Project (P133333) recently received additional financing (AF) to focus more intensively on performance-based contracts, support to Koranic schools and STEM subjects, including in two high schools of excellence in

[33] The Health Results-Based Financing Impact Evaluation (P145230); the Universal Health Coverage and Pandemic Preparedness Evaluation (P164017); and the Social Protection Impact Evaluation carried out as part of the Adaptive Social Protection NLTA (P153183) and the Social Safety Net Project (P156160).

underserved areas. The Quality and Equity Project is also supporting the existing sports competition program and is introducing interactive and technology-based teaching methods and the use of local languages (including to encourage parents' participation in school management committees). The Social Safety Net Project (P133597) is helping to offset some of the direct and indirect costs of schooling among the most vulnerable families.

55. **Building on these gains, the WB is considering new engagements, together with other cross-cutting interventions, to improve education outcomes**. Drawing on lessons from the Basic Education Project, the Policy Note on Primary Education (as part of a broader set of policy notes, P168261), a new Public Expenditure Review (PER, P170349), and the Impact of Modernizing Koranic Schools on Cognitive and Socio-Emotional Development ASA (P171045), future engagements will aim to support greater governance and accountability at all levels of education; promote basic skills for all children; put teachers and students at the center of learning efforts; and support the equitable provision of water, electricity and connectivity in schools across the country.

Objective 1.3: Promote youth employability

Relevant SDGs:

Relevant IDA18 and IDA19 Special Themes: *Jobs and Economic Transformation, aligned with investing in people cross-cutting issue*

Expected CPF Outcomes:

- Youth who are employed or self-employed one year after completing relevant training programs (percent)—by gender
- Number of safety net beneficiaries who receive productive accompaniment (number)—by gender

56. **Large numbers of youth remain outside the mainstream of economic and social life and represent a growing constraint to inclusive growth and stability.** About 300,000 youth (ages 15-24) aspire to enter the labor market every year, and this number is projected to rise to 400,000 by 2025 and 650,000 by 2050. Unemployment and underemployment for youth (ages 15-35) are 11 and 27 percent, respectively, compared to 7 and 20 percent for all age groups. Among rural youth (ages 20-24), 55 percent of women and 21 percent men are neither in school nor at work. For those who work, labor market outcomes are often precarious.[34] Even the small percentage of youth with tertiary education face employability challenges. The market relevance of tertiary education is low and public spending at this level is both high and regressive, leaving little fiscal space to make tertiary education accessible to larger numbers of youth.

57. **Several ongoing investments targeting various profiles of youth are providing them with support to successfully transition to the labor market**. The Skills for Jobs and Competitiveness Project (P145585) is strengthening the technical and vocational education and training (TVET) system and improving the employability of youth who have opted for this track in selected priority sectors of the economy (tourism, poultry, horticulture). The Improving Youth Employability through Informal Apprenticeship Project (P167681) works with informally apprenticed youth ages 15-25 in urban and peri-urban areas to strengthen and certify their functional literacy and numeracy, technical and business planning skills. The recently approved AF to the Safety Net Project (P133597) extends the scope of the Productive Safety Net Pilot project *(Yook Kom Kom)* by providing the poorest youth with

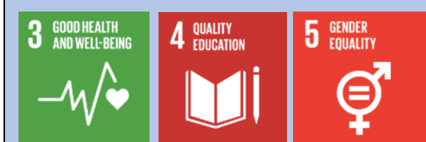
[34] Report of the National Survey on Employment in Senegal (ENES) 2014-2015.

additional training and seed funds to engage in income-generating activities and move progressively up the value chain.

58. **IDA will consolidate and deepen the impact of these operations under the CPF.** While the Tertiary Education Project (P123673) closed in FY 19 and the Skills for Jobs Project is expected to close in 2020, some of their high-impact activities are expected to continue under future sector-wide approaches. Ongoing and new ASA (Youth Employment Study, P152738; Understanding International Migration in West Africa Study, P164474; and a FY20 country-wide PER, P170349) will inform implementation of the overall youth portfolio, while the new DPO series on productive inclusion in FY21-23 will promote more progressive targeting and more sustainable financing of skills programs.[35] The WBG also plans to explore additional PPP work in the skills and employability agenda, and IFC will explore opportunities to support the private provision of tertiary education to achieve higher employability.

Objective 1.4: Empower adolescent girls and women to have more control over their childbearing and productivity

Relevant SDGs:



Relevant IDA18 and IDA19 Special Themes: *Gender; Jobs and Economic Transformation, aligned with investing in people and disability inclusion cross cutting issues*

Expected CPF Outcomes:

- Adolescent girls ages 15-19 who have already begun their reproductive life (pregnant or already have a child) (percent)—overall, for the poorest quintile, and for the most lagging regions
- Teenage girls who benefit from cash transfers, with relevant conditionalities to stay in school and delay pregnancy (number)

59. **Despite improvements, adolescent girls and young women still have limited control over key decisions impacting their childbearing**. This limits their individual productivity in the short term while impacting the human capital of their children and the country's capacity to leverage the demographic dividend over time. Fertility has gone down slowly in recent years but remains high, at 4.6 children per woman (2017). This trend reflects social and cultural norms and limited use of modern contraceptives (only 26 percent nationwide). Given that child survival has improved much faster than fertility has gone down, the demographic transition is slower than expected: only a mere 0.5 percentage point of per capita GDP growth can be attributed to a small demographic dividend since 2000. Teen pregnancy is particularly worrisome (16.4 percent of girls ages 15-19 have already started childbearing, with striking regional disparities), as it impacts their health, curtails their education and employment opportunities, and traps them (and their children) in poverty. Early marriage remains a widespread practice (9 percent and 31 percent of girls were married before the age of 15 and 18, respectively), with rural, uneducated and poor adolescent girls significantly more vulnerable to domestic violence and other forms of abuse and exploitation.

[35] This new DPO series will be informed by the Jobs and Economic Transformation (JET) framework. It will build on the achievements of the ongoing DPO series, expected to close in FY20, which supports the JET's private investment and job creation aspects; and will also support complementary reforms to enhance the productivity of future workers and entrepreneurs.

60. **In keeping with the cross-cutting gender focus of the CPF and building on lessons learned from the human development agenda across West Africa, IDA proposes to invest more resources in reproductive health, in addition to the investments that will benefit both male and female youth under Objective 1.3.** The recently approved Health and Nutrition Project (P129472) will build on the existing cash transfer system to roll out incentives and activities to keep teenage girls in school and delay marriage and pregnancy. In addition, Senegal may join the regional SWEDD (Sahel Women Empowerment for Demographic Dividend) Project in FY21 to further advance these objectives and leverage regional networks (such as those of religious leaders).

61. **Other WB investments will support measures aimed at reducing constraints to female autonomy and agency and provide vulnerable young women with the services they need to contribute to the economy and ensure a better future for their children**. Interventions could include (a) the provision of modern contraceptives as part of the package of primary care services provided under the Universal Health Coverage program; (b) training and incentives for health personnel to give professional and customized attention to the sexual and reproductive health needs of adolescents; (c) outreach to religious and traditional leaders, building on ongoing community-level interventions on maternal and child health and nutrition; (d) functional literacy and numeracy instruction for illiterate women through established school committees; and (e) specific monetary incentives for teenage girls to stay in school and postpone marriage and childbearing.

Box 4: Gender Focus Across the Senegal CPF

Several recent and ongoing ASAs (either specifically on gender or with significant gender dimensions) constitute the equivalent of a Country Gender Assessment (CGA). Altogether and as partly summarized in the SCD, this large body of work identifies lack of women's access to basic services (especially sexual and reproductive health, which also results in high population growth) and lack of women's access to productive inputs, including land, as the key gender-related constraints to poverty reduction and shared prosperity.

The Government has shown strong commitment to gender equality and just recently finalized (in October 2019) a new National Strategy for Women's Economic Empowerment 2020-2035. The Priority Action Plan for the Strategy sets two overarching objectives: (a) raise female employment rates to 60 percent in 2035 (from 34 percent in 2018); and (b) raise the percentage of firms managed by women to 40 percent in 2035 (from 20 percent in 2018).

In line with the CGA and the Government's new gender strategy, most of the objectives under this CPF explicitly include specific interventions and disaggregated targets to help narrow gender gaps in a systematic way. This is in addition and complementary to having a specific objective (1.4) focusing on women's empowerment through the angle of teenage fertility. In some cases, targets are further disaggregated by geographic regions and/or poverty level, to ensure even greater gains among the poorest and most vulnerable women. Several ongoing or planned operations intentionally address the issue of social norms and engage with boys and men (including in their roles as fathers and husbands, but also religious and traditional leaders), in addition to girls and women, to ensure full community ownership and greater outcomes (see further details in Annex 8).

Focus Area Two: Boost competitiveness and job creation through private sector-led growth

62. **Accelerating and sustaining growth while reducing poverty and improving inclusion will require further structural reforms, improved productivity and the reduction of costs in key enabling sectors.** Under this focus area, the WBG will support the Government in consolidating structural reforms based on four objectives: (a) improving digital and physical connectivity at the national and regional levels; (b) lowering energy costs and carbon footprint and optimizing the energy mix; (c) promoting the service economy, including through financial

innovation and inclusion; and (d) boosting the productivity and competitiveness of agriculture and related value chains.

63. **Deepening reforms to the business environment will remain critical to stimulating private sector-led growth across these four objectives**. The Government's PREAC (*Programme de Réforme de l'Environnement des Affaires et de la Compétitivité*) helped Senegal improve the investment climate consistently over the last five years. Senegal ranked 123rd (out of 190) in the *Doing Business 2020* report (up from 161st in 2015),[36] by improving access to credit information and streamlining tax administration for SMEs through the eTax platform. While these results are encouraging, the Government will need to further deepen the reform agenda to address the remaining constraints faced by the private sector. The Senegal Investment Climate Assessment[37] ranked the practices of the informal sector as the most severe constraint for formal companies (58 percent), closely followed by access to finance (55 percent), access to electricity (49 percent) and access to land (44 percent), as well as tax rates and tax administration (30 and 27 percent, respectively).

64. **Coordinated engagement across the WBG will be particularly important under this focus area, and the role of IFC will be critical in supporting actions by the private sector across the four objectives.** The joint IFC-World Bank Country Private Sector Diagnostic (CPSD, 2019) has identified key constraints and opportunities for private sector investment in Senegal. This diagnostic has informed the IFC Country Strategy for Senegal,[38] which defines areas and actions for upstream reforms to catalyze private investment over the next five years (see Annex 6), including in sustainable infrastructure, ICT, access to finance, tourism and the agribusiness value chain. In the CPF, IDA focuses on promoting key reforms through DPOs and a selective number of complementary IPFs and ASAs to optimize the reach and impact of public resources, while IFC uses a diverse set of financing and advisory products in the energy, transport and telecom sectors to reduce the cost of and improve access to these key enabling sectors. IFC will also promote greater financial access through investments and advisory services to local and regional banks and will work to deepen the role and functioning of capital markets. IFC will also support: agro-processing companies that serve the growing consumer class domestically and export to the region; light manufacturing; and firms operating in services sectors such as tourism, retail, construction and property. MIGA will continue to support the foreign private sector's engagement with Senegal's economy through its guarantee instruments across all eligible sectors.

Objective 2.1: Improve digital and physical connectivity at the national and regional levels

Relevant SDGs:

Relevant IDA18 and IDA19 Special Themes: *Jobs and Economic Transformation and the technology cross-cutting issue*

Expected CPF Outcomes:

- *Freight transport time on the key regional corridor Dakar-Bamako (percent reduction)*

[36] Senegal was among the Top 10 Global Reformers in the *Doing Business 2016* report. Since 2015, Senegal has achieved 23 substantial reforms.

[37] World Bank 2017.

[38] See overview in Annex 6.

- *Average rush hour in vehicle travel time by public transport from Guediawaye Prefecture to Petersen Bus Station in Dakar Plateau (percent reduction)*
- *Mobile (3G/4G) broadband Internet penetration (percent of population)*
- *Cost of mobile broadband sub-basket (percent of GNI/capita)*

65. **Improving transport and logistics is vital to improving private sector competitiveness.** While progress has been made, Senegal's current rankings on selected connectivity indicators reflect the magnitude of remaining challenges. In 2018, Senegal's physical connectivity (transport and logistics) at the rural, urban and regional levels contributed 4.6 percent to GDP, and the country ranked 141st out of 160 on the World Bank's Logistics Performance Index, down from 132nd in 2016.[39] While the quality of the transport/logistics network has improved since 2016, it is still inefficient, costly and undiversified, with 95 percent of freight being transported by road. Rampant congestion in Dakar and other rapidly growing urban centers hinders access to markets, jobs and services, including schools and health facilities. It also compounds the already critical pollution problem: Dakar was ranked the most polluted city in Africa in 2018 by the World Health Organization.

66. **Under the CPF, selected transport interventions will aim at improving national and regional connectivity (see Box 1 on the latter), with the goal of strengthening the competitiveness of key economic sectors.** The ongoing Transport Urban Mobility Project (P101415) is addressing intercity and rural logistics challenges by improving transport between Dakar and Saint Louis and serving the high-potential agriculture zone of Niayes. The Dakar Bus Rapid Transit (BRT) Project (P156181) leverages private financing of buses, systems and equipment under a PPP structured by IFC as transaction advisor and with CETUD (P601344) as client. IFC will also consider financing the private sponsor in charge of operating the BRT, provided investment conditions are met. The creation of a high-density transit system to improve urban mobility between Dakar and its suburbs will reduce congestion and pollution while improving access to jobs, services and markets, particularly benefiting the urban poor. Where the Government is interested in collaborating, IFC will also look to support PPP engagements in core transport infrastructure, including ports and roads.

67. **Similarly, expanding access and usage of digital services, especially broadband internet, is critical for promoting entrepreneurship, financial inclusion and the development of an inclusive digital economy. Yet internet services are less developed, more costly, and less reliable than in other countries in the region.** As of 2017, only 0.7 percent of the population had access to fixed broadband due to high cost (33 percent of average monthly gross income per capita), and 27 percent had access to mobile broadband. Current coverage of 3G and 4G networks is low, at 85 and 39 percent of the population, respectively, in 2017. There is a persistent digital divide across geographic regions and population groups, with serious connectivity gaps in rural areas, including in the center and the south of the country. Internet quality is low, even in Dakar. In 2017, the internet bandwidth per internet user (kbits/s) was only 7 in Senegal compared to the African average of 12 and the world average of 76. In sum, Senegal faces the threefold challenge of: (a) accelerating access to broadband internet; (b) reducing the cost of broadband services; and (c) improving the quality and speed of internet services.

68. **An ongoing IDA-financed DPO (P170366)— informed by joint analysis across the WBG in the second and third years—is supporting reforms to improve quality, transparency and competition and reduce costs in the ICT sector, thus creating an attractive business environment for digital startups in Senegal.** IDA, with the support of IFC, is also engaged in creating a regulatory framework conducive to private investment, and both the IFC-IBRD

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[39] https://lpi.worldbank.org/international/scorecard/radar/254/C/SEN/2018#chartarea

Digital Infrastructure Initiative (DII) and the WBG Digital Economy for Africa (DE4A) Country Diagnostic of Senegal (P166386) will increase broadband connectivity across Senegal.[40] The WBG will help Senegal compete in the digital age by increasing access to and usage of high-quality, inclusive and affordable internet and digitally enabled services (Box 5).

Box 5: Digital Focus of the CPF Senegal

The Government of Senegal recognizes the strategic relevance and potential of digital entrepreneurship (DE), and is committed to promoting an innovative and value-creating digital industry and stimulating technology transfer opportunities, with the ambition of becoming a reference country in Africa in the digital field.

The following WBG initiatives support the Government's ambition in the area of DE: (a) the Digital Economy Country Assessment (DECA), the Digital Sources of Growth (DSoG) study, and policy briefs on digital infrastructure and digital financing are helping to increase understanding of the drivers, transmission channels and constraints of digital entrepreneurship, and assess their potential impact; (b) multi-sectoral Development Policy Financing (DPF) is supporting the legal, regulatory and policy foundations for digital entrepreneurship; (c) a combination of TA and lending activities is aimed at stimulating sector-specific digital applications; (d) the preparation of operational roadmaps aimed at expanding access to digital services in rural areas and stimulating the use of digital finance and e-government services (P17171740) is paving the way for further operational commitments.

The WBG will seek to deepen its commitments to digital infrastructure, digital finance and eGovernment (as described in objectives 2.1 and 3.3) while also ensuring that digital technologies are integrated organically into all relevant objectives. For example, digital solutions can have a transformational impact on education, both in terms of both access and relevance, and in terms of efficiency and governance. There is also great potential for digitizing commercial and financial transactions in the agriculture sector and for improving the transparency and efficiency of delivery mechanisms in social protection.

Objective 2.2: Lower energy cost and carbon footprint and optimize the energy mix

Relevant SDGs:

Relevant IDA18 and IDA19 Special Themes: *Jobs and Economic Transformation, aligned with the debt cross-cutting issue*

Expected CPF Outcomes:

- *Share of gas in the energy mix (percent)*
- *Level of subsidy to the utility (amount)*
- *Rural households having access to electricity (percent)*

69. **Expensive and unreliable access to energy remains a critical barrier to competitiveness and private sector growth.** While 92 percent of urban residents have access to electricity, the electrification rate in rural areas is only 40 percent (2018). The quality of service could be improved, with 80 percent of firms experiencing an

[40] World Bank Group 2019. *Digital Economy for Africa: Country Diagnostic of Senegal.* https://openknowledge.worldbank.org/handle/10986/31841 License: CC BY 3.0 IGO.

average of 5 outages per month, representing annual sales losses of 5 percent (2014-15). In addition, electricity tariffs are still double the world average and below cost-recovery levels despite a recent Government decision to increase them. Finally, there is a dependence on heavy fuel oil (HFO) as the main source of energy, which increases imports, represents a heavy burden on currency reserves and contributes to climate change.

70. **WBG interventions during the CPF period will support the Government's reform efforts in the energy sector.** Institutional and regulatory reforms will improve rural access, increase the use of gas and renewables in the energy mix (which will directly contribute to the Government's climate change mitigation strategy), and attract private investment to the sector. The ongoing Electricity Sector Support Project (PASE, P125565) will contribute to reducing SENELEC's technical and commercial losses and improving the reliability of service in Greater Dakar and Casamance; and the third phase (in FY20) of the ongoing DPO series will further promote Senegal's efforts to enhance governance, private sector participation and inclusive access in the electricity sector (see Box 3 on the cascade approach). Moving forward, the WB is in the early preparation stage of a new project (P169744) to promote a shift towards lower carbon generation. This engagement would enable Senegal to go beyond its commitment to reduce emissions in the 2016 Paris Agreement on climate change (greenhouse gas reduction equivalent to 30 percent by 2022 and 30 percent by 2026) and to achieve SDG 7 on universal access to affordable, reliable, and modern electricity services by 2025, five years ahead of schedule.[41] Increased use of domestic gas will also help to lower the cost of electricity and the budgetary cost of subsidies, thus favorably impacting inclusive growth and competitiveness within the CPF period.

71. **Moreover, IFC began assistance to the Government on the design of a domestic pipeline network and the structuring of an envisioned PPP to build, own and operate this network**. In line with its climate change mitigation focus, IFC will look for opportunities to shift the energy mix towards gas and renewables, with the aim of reducing generation costs and increasing the reliability of domestic energy sources. IFC is advising the GoS through its gas-to-power committee (P603023) on the development of an onshore natural gas pipeline network that will connect the hydrocarbon fields to the existing and upcoming gas-fired power plants. IFC also advised the government and structured and financed the Scaling Solar Program, which develops solar projects under an IPP scheme. The initiative has so far led to the development of two solar projects that will produce about 65 MW of power at a record low tariff (less than €0.04 cents/kWh). MIGA has issued guarantees to support these two projects on the equity side, alongside the loans from IFC, to provide protection against non-commercial risks. The success of Scaling Solar (P600925) in Senegal will have a strong demonstration effect in the region.

72. **Improving interconnection and fostering a regional energy market will also help stabilize the network and reduce energy costs.** The OMVS Transmission Expansion (P147921) and OMVG Interconnection (P146830) projects will enable increased trade in power between Senegal and other countries in the West Africa Power Pool (WAPP). Once the infrastructure is in place (expected in 2021), it will allow participating countries to create opportunities for mutually beneficial trades, promoting energy security. Over time, the interconnectors will allow Senegal to export gas-generated power to the WAPP. Moreover, an envisioned regional grid access project would leverage the high-voltage backbone infrastructure of OMVG and OMVS to provide low-cost grid access throughout the region. This operation would also provide energy to 100 percent of the primary and secondary schools across Senegal and to 100 percent of health centers in the six most lagging regions across the Groundnut Basin and Casamance, further supporting the energy access and human capital objectives under Focus Area 1.

[41] Senegal submitted its Intended Nationally Defined Contribution (INDC) to the United Nations Framework Climate Convention for Climate Change (UNFCCC) in 2015. The INDC includes strengthened adaptation in agriculture, landscape and coastal management, fisheries, cities and infrastructure, reduced greenhouse gas emissions (15 percent less by 2025, supported under CPF Objective 2.2), and strengthened information systems.

Objective 2.3: Promote a service-led economy, including through mainstreaming financial innovation and inclusion.

Relevant SDGs:

Relevant IDA18 and IDA19 Special Themes: *Gender; Jobs & Economic Transformation, aligned with the technology cross-cutting issue*

Expected CPF Outcomes:

- *Adults with a transaction account; e.g., bank, MFIS, and e-money (percent)—by gender and urban/rural*
- *Adults who made or received a digital payment (percent)*
- *SMEs with access to financial services (percent)*

73. **Access to finance for micro, small and medium enterprises (MSMEs) is key to financial inclusion, the functioning of a viable private sector, and the ability of the poor to lift themselves out of poverty**. Under the CPF, IDA is preparing a new regional DPO series to support reforms aimed at (a) lowering the cost and risk of credit to microentrepreneurs; (b) increasing the availability of index insurance to protect against catastrophic weather events; (c) expanding the reach of digital financial services, including e-savings, for vulnerable populations; and (d) improving the financial literacy of microentrepreneurs, while putting in place regulations to protect them against fraud and unfair practices. Beyond access to finance, MSMEs' access to markets and support services is equally important to help them grow and further drive job creation. IDA will support matching grants to facilitate MSMEs' access to export development services to reach new markets or deepen their engagement in existing markets and will support additional capacity building for women entrepreneurs (e.g., to enable them to access public procurement opportunities). To create the financial foundations for a start-up ecosystem, IFC will work closely with IDA to support upstream reforms on financial inclusion for MSMEs, agri-finance, digital financial services and entrepreneurship, IFC will independently continue to provide investment and advisory services to local and regional banks to facilitate access to credit, improve trade, support women's access to financial services, bolster SMEs and support housing finance.

74. **IFC will increase its support for the development of the services sectors with high potential for job creation, such as tourism, real estate and retail.** IFC aims to finance the infrastructure and services needed to serve the country's tourist and business arrivals, with a focus on both leisure hotels and those catering to the meetings, incentives, conferences, and exhibitions (MICE) sector. This support will be complementary to the ongoing IDA-financed Tourism and Enterprise Development Project (P146469), which supports the Government in better marketing the country's tourism potential. In real estate, IFC will look to use its Excellence in Design for Greater Efficiency (EDGE) certification to promote the construction of green office buildings and commercial centers to reduce the impact on climate change. In affordable housing, IFC will work on a cross-cutting approach to mortgage financing and a potential housing bond[42] for the XOF zone. In retail, IFC will support the development of various urbanizing centers, as well as manufacturing in locally competitive sectors or in special economic zones (SEZs).

[42] Through *Caisse Régionale de Refinancement Hypothécaire* (CRRH), a private mortgage refinancing company that serves the West African Economic and Monetary Union (WAEMU).

Objective 2.4: Boost the productivity and competitiveness of agriculture[43] and related value chains

Relevant SDGs:

Relevant IDA18 and IDA19 Special Themes: *Jobs and Economic Transformation, aligned with debt cross-cutting issue*

Expected CPF Outcomes:

- *Volume of groundnut yield (tons per hectare)*
- *Volume of high-value agricultural exports (metric tons)—overall and for groundnuts and horticulture*
- *Level of implementation of the National Strategic Plans for two regional priority diseases (control of contagious bovine pleuropneumonia (CBPP) and eradication of small ruminant plague (PPR) (percent)*
- *Land parcels with use or ownership rights recorded through regularization campaigns (number – by gender)*

75. **Increasing agricultural productivity is key to Senegal achieving more inclusive growth, as well as to national and regional food security.** The sector supports 62 percent of the rural population and employs more than 36 percent of the total labor force but is six times less productive than the rest of the economy. Senegal is committed to the Comprehensive African Agriculture Development Program (CAADP),[44] but performance on some of the commitments, including enhancing investment finance in agriculture, are below expectations. Barriers to development of the sector, which severely limit the capacity of rural households to lift themselves out of poverty, include (a) extremely low use of irrigation and fertilizers; (b) lack of diversification (groundnuts account for 30 percent of total production); (c) lack of agro-processing (only 5 percent of production is transformed domestically); (d) lack of access to traditional and digital financial services; and (e) an outdated legal framework that limits transferable land rights, especially for women, which are a prerequisite for bank financing and private investment.[45] The potential to increase the production and productivity of the livestock sub-sector to respond to growing demand and to capitalize on the country's diverse agro-ecological conditions is also untapped, with important gaps in animal nutrition, genetics, health, and husbandry practices that constrain its sustainable growth.

76. **Senegal has a comparative advantage in counter-seasonal and tropical product exports** due to its favorable climatic conditions, availability of land, low labor costs and proximity to Europe. IDA aims to leverage these endowments by boosting key agriculture and agribusiness value chains, increasing productivity and diversification and addressing land tenure issues.[46] The WB will specifically target the two main areas of smallholder agriculture—the Groundnut Basin and the agriculturally rich Casamance (palm oil, rice, cotton, corn). The proposed Groundnut Competitiveness Project (P164967) intends to improve the competitiveness of this value chain and increase resilience to climate and market risks. A proposed Senegal Cadaster and Land Tenure

[43] Unless otherwise specified, the term "agriculture" includes the livestock sub-sector.

[44] The African Union's regional policy framework for agriculture transformation.

[45] The Agriculture Finance Diagnostic P161579 (April 2019) revealed the existence of critical roadblocks that need to be removed to crowd in private sector financing.

[46] The ongoing Inclusive and Sustainable Agribusiness Development Project (PDIDAS, P124018) supports the development of inclusive commercial agriculture and sustainable land management. The Support to Senegal Rural Land Policy, capitalizing on a PIDAS pilot to support formalization of land use rights, aims at scaling up the effort to the rest of the country through the development of a Land Bureau and preparation of a cadaster.

Improvement Project (P172422) aims to strengthen the capacity of the Government to implement a national land registry and improve the system for registration of land rights in selected areas of the national domain.

77. **IFC will support the agribusiness sector by stimulating private investment and providing advisory support in the areas of commercial agriculture, agro-processing and their related value chains,** including agri-inputs (seeds and fertilizers), machinery and equipment, irrigation material, agri-services, and cold and dry storage**.** Commercializing agribusiness development will enable Senegal to diversify its economy, grow its exports and enhance economic value in rural areas. IFC can leverage its advisory projects to increase private investment and access to credit, as well as improve the agribusiness enabling environment and market linkages. IFC will also provide advisory support to financial institutions to increase their involvement in agri-finance. In warehouse receipt financing (P602976), IFC Advisory will continue to advise the Government on how to increase access to finance, attract investments in professional storage services and facilitate access to markets (an initial pilot in the rice sector will be extended to the cashew and potentially groundnut sectors).[47] IFC Advisory (P601575) will also continue to support robust national sanitary and phytosanitary control mechanisms to guarantee access to markets (especially for horticultural products such as mangoes), and the development of digital platforms to connect smallholder farmers with market off-takers and financial institutions. IFC also seeks to increase opportunities for smallholder famers through the Invest Senegal–Agribusiness Competitiveness Activity and to expand agribusiness exports by advising firms on international food safety standards. Finally, IFC will support the agribusiness value chain by financing and supporting linkages to agro-processing.

Focus Area 3: Increase RESILIENCE and SUSTAINABILITY in the context of growing risks

78. **Senegal faces resilience and sustainability challenges related to climate change, rapid urbanization, spatial inequalities in access to water and sanitation, and the potential impact of the oil and gas windfall on governance.** The specific objectives under this focus area are to (a) promote and protect resilient livelihoods, ecosystems, and infrastructure in the face of climate change; (b) ensure access to water and sanitation in marginal rural and peri-urban areas; and (c) improve the effectiveness, efficiency and transparency of governance institutions and social protection systems. The more systematic use of efficient social protection and targeting systems will be paramount to ensure that the equity gap does not widen further and is in fact reduced. The WBG will work with its Treasury team to explore innovative instruments, where relevant, to further manage some of these risks.

79. **Climate-related risks include unpredictable rains, rising sea levels and salt water intrusion,** leading to drastic changes in agriculture, food insecurity, lack of consumable water for plants and animals, and displacement of rural and coastal populations to cities and tourism areas.[48] In urban areas, inadequate infrastructure can lead to flooding of entire neighborhoods, pushing more residents into extreme poverty.[49] The country's climate change response frameworks are inadequate to meet these challenges, due in part to the lack of dedicated budgets and qualified human resources.

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[47] A warehouse receipt system (WRS) creates a framework for moveable collateral on stocks owned by farmers, traders and processors, held in licensed warehouses. A warehouse receipt constitutes a legal document of title to goods deposited in a licensed warehouse and can be used to access credit. In Senegal, the WRS Law was enacted in July 2017 and the WRS regulations in 2019 following IFC Advisory support.

[48] Extreme episodes in 2012 and 2015 affected 20 million people in rural and coastal areas in the Sahel, and increased migration to cities, thus further increasing already high urbanization rates.

[49] Some scenarios suggest that climate-related impacts could increase the number of female-headed households in extreme poverty by 62 percent by 2030.

Objective 3.1: Promote and protect resilient livelihoods, ecosystems, and infrastructures in the face of climate change

Relevant SDG:

Relevant IDA18 and IDA19 Special Themes: *Jobs and Economic Transformation; Climate Change*

Expected CPF Outcomes:

- *People provided with improved living conditions in selected climate vulnerable urban areas (number)*
- *RNU (Unique National Registry) systematically used for the efficient/timely and transparent selection of households to benefit from food insecurity responses (no/yes)*
- *Net area of shoreline gained due to protection and restoration investments (number in square meters)*

80. **The IDA portfolio aims to protect the most vulnerable from climate change impacts through a range of interventions.** The WB adopted Climate Change as a special theme under IDA18 and committed to supporting countries in implementing their Nationally Determined Contributions (NDCs). Under this theme, the Saint Louis Emergency Recovery and Resilience Project (SERRP, P166538) supports planning for relocation of populations and for strengthened urban and coastal resilience in greater Saint Louis. The Storm Water Management and Climate Change Project (PROGEP, P122841) builds drainage infrastructure in peri-urban areas of Dakar and other coastal zones prone to flooding. To protect the tourism industry, the Tourism and Enterprise Development Project (PDTE, P146469) is putting in place infrastructure along the coast of Saly to restore the beach and protect it from coastal erosion. The sustainability of tourism will also depend on conservation and the restoration of landscapes in national parks.

81. **Climate change is also mitigated through the ongoing Social Safety Net Project (P133597) and Adaptive Social Protection NLTA (P153183), which support the development of an early warning system and provide adaptive recovery services to those who have experienced climate shocks.** These interventions help reduce the negative impact of climate shocks on food security, among others, and rely heavily on the participation of community members, particularly women, to ensure the greatest impact. Moving forward, IDA will explore options (including possibly a CAT DDO) to allow Senegal to work on improving risk management in various policy areas while ensuring that the Government has the fiscal resources to cope with future disasters. Building on previous Government-led efforts,[50] these interventions will help mitigate the effects of climate change on the overall economy and across different sectors, including health, water and sanitation, finance, and social protection.

Objective 3.2: Ensure access to water and sanitation in the most vulnerable areas

Relevant SDG:

[50] Senegal is among the first African countries to have purchased (in 2015) a drought and flood insurance policy from the Africa Risk Capacity, a specialized agency of the African Union.

Relevant IDA18 and IDA19 Special Themes: *Jobs and Economic Transformation*
Expected CPF Outcomes:

- *Rural population having secured water access through household connections in targeted areas/the Groundnut Basin (percent)*
- *Population having access to improved sanitation facilities in targeted areas (percent)—by urban and rural*
- *People provided with access to improved solid waste services (number)—by gender*

82. **While Senegal is well endowed with groundwater and surface water resources, these resources, as well as adequate water and sanitation infrastructure, are unevenly distributed, with persistent spatial disparities between urban and rural areas and between the coastal zone and the rest of the country**. In the Groundnut Basin, for example, only 26 percent of the rural population has access to improved sanitation, and 53 percent still practice open defecation. These disparities have a clear impact on a range of outcomes, including health and nutrition, girls' education and agricultural productivity, all of which are critical for poverty reduction.

83. **The CPF is addressing these issues with a range of urban, rural and national-level responses.** The ongoing Urban Water Supply and Sanitation Project (P150351) finances strategic water and sanitation investments in urban centers while supporting more private participation in urban water services. The Rural Water Supply and Sanitation Project (P164262), approved in 2018, will increase access to improved water and sanitation around the Groundnut Basin. It will also strengthen capacity for water resources management at the national level, which will have impacts for the entire population. Expected outcomes from this project include better nutrition in early childhood, lower morbidity and medical costs, reduced absenteeism at school and work, and improved learning and productivity outcomes. A new Solid Waste Management Project (P161477), planned for FY20, will support reform of the sector's institutional, regulatory and financing mechanisms, and provide opportunities for private sector partnerships in the delivery of services. A new ASA on strengthening water security in Senegal for multiple uses (P172233) will address the need for long-term planning by proposing (a) a roadmap for protection and conservation of water resources; and (b) the development of water master plans to meet long-term demand for water and sanitation services, and for sectors such as agriculture, livestock, fisheries, industry, mining and tourism.

Box 6: Climate Focus across the Senegal CPF

Like most Sahelian countries, Senegal is highly vulnerable to climatic and environmental shocks, and these are likely to become more severe over time. Droughts and floods have intensified in recent years, and climate change is expected to further exacerbate the extremes of weather patterns and natural hazards facing Senegal. The coastal area (702 km of Atlantic coastline) is characterized by low-lying, rapidly expanding, high-population suburbs, high water tables and poorly planned drainage systems, which places much of the coastal population, infrastructure and ecosystems at risk of flooding and erosion. About 67 percent of the population resides in the urban coastal zone, where 90 percent of the industrial production takes place (including in the Dakar-Thies-Mbour triangle). Climate change is also having a serious impact on climate-sensitive sectors such as agriculture (70 percent of production is rainfed), livestock and fisheries, which together account for 20 percent of GDP and employ most of the workforce. Climate change therefore disproportionately affects the poor and women, mainly through decreased agricultural productivity, increased food prices, coastal flooding and erosion and associated health hazards. Under some scenarios, the number of people in extremely poor female-headed households could increase by up to 62 percent by 2030.

Specific attention to climate change prevention and mitigation will be mainstreamed across the portfolio, including by: ensuring that health and nutrition-related interventions are climate informed (under Objective 1.1); significantly reducing greenhouse gas emissions through multimodal transport, particularly rail (under Objective 2.1); increasing the availability of index insurance to protect the agriculture sector against catastrophic weather events (under objectives 2.3 and 2.4); and integrating climate-resilient infrastructure across all new relevant operations.

The CPF is also addressing climate change risk through regional-level investments, including in regionwide management and information systems. For example: the West Africa Coastal Areas Resilience Investment Project (WACA, P162337) includes a regional observatory and a platform for experience sharing across West Africa and worldwide; the Sahel Pastoralism Support Project (P147674) secures access to water and pasture for herders and includes alert systems for climate-related crisis prevention across six countries (Senegal, Burkina Faso, Chad, Mali, Mauritania and Niger), thereby enhancing the resilience of pastoral and agropastoral communities and the ecosystems on which they rely.

Objective 3.3: Improve Government's overall effectiveness, efficiency, and transparency

Relevant SDGs:

Relevant IDA18 and IDA19 Special Themes: *Governance and Institutions, aligned with debt cross-cutting issue*

Expected CPF Outcomes:

- *Urban local governments that receive grants upon demonstrating improvements across various governance indicators (percent)*
- *Oil and gas revenue management framework developed (no/yes)*
- *Tax payments—as proxy for digitization (number)*

84. **Rapid growth during the CPS period has created new governance challenges that pose a risk to the continuing success of the Government program.** These include increasing pressures on public resources, more

complex service delivery needs, increasing demands for citizen voice and participation, and increasing demands for transparency and accountability in public spending, particularly procurement. Meeting these challenges will require an ambitious governance agenda aimed at promoting overall accountability and transparency, strengthening citizen engagement, and shifting incentives to encourage stronger buy-in by vested interests.

85. **IDA will focus on enhancing domestic revenue mobilization and improving the effectiveness, efficiency and transparency of core government systems and services** by leveraging e-government solutions and supporting decentralization efforts; strengthening statistical capacity for evidence-based decision-making; and mainstreaming citizen engagement in monitoring public expenditures.[51] For example, the ongoing Municipal and Agglomerations Support Program (P157097) incentivizes improved governance and more rational financing at the municipal level; the Tourism and Enterprise Development Project (P146469) establishes one-stop shops (OSS) in three cities in addition to Dakar, while also supporting the roll-out of an e-Tax application for business; a TA to strengthen public financial management (PFM) aims to enhance effectiveness, transparency and accountability in the management of financial resources at the central level, including recommendations on managing contingent liabilities associated with private investment in public services through PPPs or related structures; and a PER focuses on improving fiscal management in key sectors, notably education, health, and agriculture.

86. **The CPF also proposes a new engagement to further advance efficiency and governance reforms.** This activity, tentatively envisioned for FY21, would support the development of a whole-of-government approach to digitization, to enable the delivery of efficient, transparent, accountable and human-centered public services to citizens and businesses. The project would focus on (a) enhancing the Government's capacity for policy analysis, planning and evaluation, including through the establishment of policy reform units in key ministries; (b) strengthening public investment planning and management, including through framework for transparent selection and supervision of PPPs; (c) providing support to meet the domestic revenue mobilization targets of the medium-term revenue strategy; (d) expanding the scope of the existing Integrated Financial Management System (IFMIS) to cover all core government systems;[52] and (e) developing the use of electronic and mobile payments by the Treasury and other electronic public services.

87. **Amid this focus on improving overall governance and given recent discoveries of oil and gas fields (Box 2), IDA will also provide technical and financial support in the upstream oil and gas sectors to implement a strong institutional management framework and boost private investment in the sector.** This active program of dialogue and technical assistance, carried out in close coordination with the IMF, is focusing on ensuring optimal management of hydrocarbon revenues while putting in place institutional mechanisms that are conducive to macroeconomic stability and growth. It also focuses on ensuring the transparency needed to engage openly with citizens and to support private sector interventions in the value chain. An ongoing operation on Supporting Gas Negotiations and Enhancing Institutional Capacity (P160652) is helping to strengthen the Government's capacity to drive negotiations in the sector through the recruitment of world-class advisors in various areas (technical, legal, commercial, financial). IDA is also supporting the development of a policy framework to enable and encourage private investment in the extractive sector through (a) establishment of a harmonized fiscal framework for the extractive sector, and strengthening the reporting requirements on transfer pricing and disclosure of information regarding the taxation of companies affiliated with multinationals; (b) enhancing fiscal audit capacity, including for companies affiliated with major international groups; and (c) modernizing the mining cadaster and government's capacity to analyze existing data. Finally, the WB is supporting the Government on providing

[51] All new WBG activities under this CPF are stepping up opportunities for direct citizen engagement.

[52] Core systems include Financial Management (FMIS), Human Resources (HRMIS), Public Procurement Systems (e-Procurement); Data Warehousing (aggregating financial data from FMIS, tax, customs and various other applications, including citizen engagement); and GovTech ecosystems and platforms, including cybersecurity.

transparent information on mineral potential, revenue data and sector statistics to promote new investments through the Extractive Industries Transparency Initiative (EITI),[53] and to help create space for effective multi-stakeholder engagement in the overall governance of this sector.

E. IMPLEMENTING THE FY20-FY24 COUNTRY PARTNERSHIP FRAMEWORK

Instruments and Financial Envelope

88. **This CPF (FY20-FY24) will span five years—the final year of IDA18 (FY20), all of IDA19 (FY21-FY23), and the first year of IDA 20 (FY24)—under which Senegal's national IDA envelope is expected to be maintained at IDA18 levels.**[54] The proposed CPF lays out principles of engagement for the entire FY20-FY24 period but only specifies proposed lending instruments for the initial two years (see ongoing IDA portfolio and FY20-21 pipeline in Annex 3, with the latter also reflected in Table 3 below). Some of these investments represent the legacy of the past portfolio or were in the pipeline prior to the development of this CPF and remain relevant, while others are new and more intentionally aligned with the specific approaches spelled out in this CPF.

Table 3: Pipeline of IDA Projects During the First Two Years of the CPF Period

CPF Focus Areas	New operations	Nat. IDA	
		FY20	**FY21**
1. Build human capital to enhance productivity and ignite the demographic dividend	Investing in Maternal Child and Adolescent Health -P162042	**140**	
	New Education Engagement -P169916*		**TBD**
	New DPO series on productive inclusion for FY21-23 - P172723*		**TBD**
2. Boost competitiveness and job creation through private sector-led growth	DPO series (3rd and last year) on multisectoral structural reforms P170366	**180**	
	Agriculture Diversification Program for Results in the Groundnut Basin Project - P164967	**150**	
	Cadaster and Land Tenure Improvement Project -P172422		**TBD**
	Shift towards Lower Carbon Power Generation Project -P169744		**TBD**
	WAEMU Financial Sector Development DPO -P171234		**TBD**
	Dakar-Bamako Intermodal Corridor Project -P171122		**TBD**
3. Increase resilience and sustainability in	AF to Saint-Louis Emergency Recovery & Resilience Project -P166538 - P170954	**50**	

[53] Senegal was admitted as an EITI member country in October 2013. Based on the latest assessment published in May 2018, the EITI Board found that Senegal had made satisfactory progress in implementing the 2016 EITI Standard.

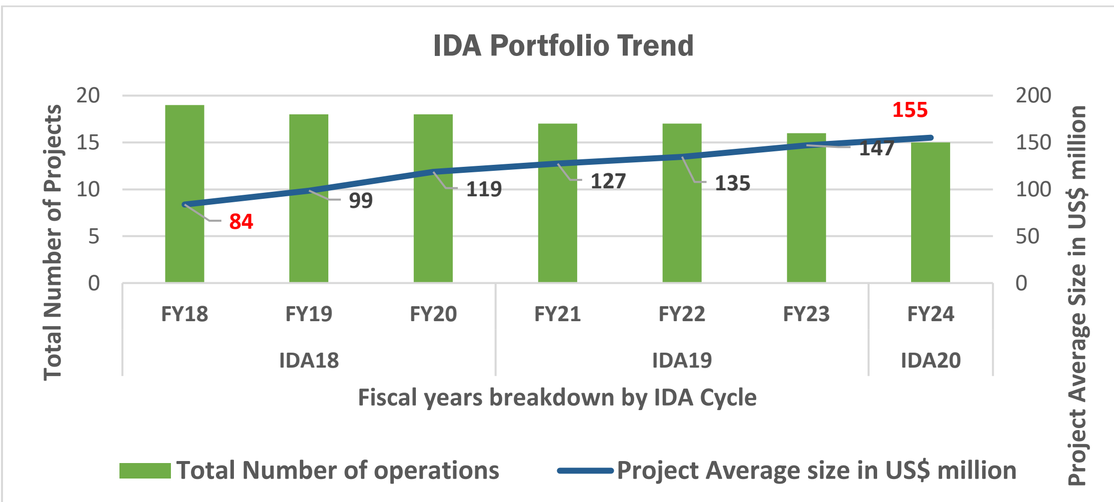
[54] This IDA country envelope for FY20-24 is only an estimate based on current trends. The actual allocation will be determined annually during the IDA19 and IDA 20 cycles subject to inputs such as the GNI per capital, population, country performance, and global IDA envelope. The IDA country allocation may also reflect the application of set-asides from the forthcoming Sustainable Development Financing Policy (SDFP). The WB will continue to leverage additional resources from specific IDA windows, including the regional IDA program; the SUF (Scale-up Facility), under which US$420 million was already endorsed in FY20; the private sector window (PSW); and trust funds (TFs). A selective portfolio of ASA will continue to inform the policy dialogue and CPF priorities.

the context of growing risks	Municipal Solid Waste Management Project - P161477	**125**	
	eGovernment Program for Results - P172524		**TBD**

* Tentative pending formal request from Government.

89. **The CPF also aims to shift the active portfolio toward a lesser number of more impactful operations.** New operations in FY21 and beyond will be larger in financing and will aim to achieve a more transformational impact on key objectives than what past and current portfolios have been able to achieve. This consolidation will effectively result in fewer and larger operations across the overall IDA portfolio (Figure 2).

Figure 2: Senegal Portfolio Trends - FY18-FY24



Note: FY18 and FY19 are not part of this CPF period but are shown for trend-setting purposes only. Average project size under IDA18 includes SUF financing.

90. **Terms of IDA financing for Senegal will be evolving over the next several years.** With a *moderate* risk of external debt distress, Senegal would start receiving IDA financing at 50 percent grant terms in FY21. In FY20, Senegal's real GNI per capita[55] exceeded the Low-Income Countries' operational cut-off.[56] Given Senegal's strong economic outlook, it is very likely that the country will remain above the IDA operational cut-off for the next three consecutive years. Thus, Senegal will be expected to lose eligibility for IDA grants and to transition from IDA regular credit terms to IDA blend credit terms in FY22. The IDA financing terms may also reflect the application of the forthcoming Sustainable Development Financing Policy (SDFP).

91. **The IDA envelope will be supplemented by a strong trust fund portfolio and a strategic program of ASAs that are well aligned with the country program across sectors**. In particular, TFs will co-finance activities in (a) Energy and Extractives, to support the country in maintaining its performance in compliance with EITI standards; (b) Adaptive Social Protection Support to Senegal's social safety net and jobs agenda; (c) Finance, Competitiveness

[55] Atlas method.
[56] IDA operational cut-off in FY20 was US$1,175.

and Innovation to support the country's Digital Entrepreneurship agenda; (d) Agriculture to support the Sustainable and Inclusive Agribusiness Development project; (e) and Climate Change to help build the country resilience and readiness to prevent and manage various shocks such as natural disasters. Key ASAs are described under the various objectives, and a comprehensive list is included in Annex 3. IFC and MIGA's current portfolios are reflected in annexes 1, 6, and 7, respectively.

92. **MIGA has five outstanding guarantees totaling US$309.6 million in the infrastructure and financial sectors (see Portfolio Summary Report in Annex 7).** With support to wind, solar and HFO-to-gas projects, MIGA is contributing greatly to least-cost and cleaner energy (for wind and solar) in Senegal. MIGA continues to seek additional opportunities to support CPF activities via its political risk insurance products for FDI into Senegal. Specifically, MIGA sees potential opportunities in the transport sector, including ports and urban transportation; and is pursuing opportunities in support of public sector projects in the infrastructure sector through its credit enhancement product. MIGA has been requested by the Government to consider support for a major urban infrastructure project in Diamniadio. With respect to Senegal's FDI abroad, as of end-June 2019, MIGA had US$94.9 million in gross exposure for investments originating from Senegal into Sierra Leone, underscoring the growing South-South intra-regional investment trend. There are three additional outgoing projects in the pipeline from Senegalese investors into fragility, conflict and violence-affected (FCV) countries in Africa. Considering its increased involvement in the Africa region, MIGA established an Africa Hub Office in Dakar in October 2016. The office collaborates very closely with the Country Management Unit as well as IFC's Hub Office and has established a strong partnership with the Government of Senegal.

93. **IFC intends to be involved in the infrastructure, ICT, tourism, agribusiness and financial sectors in order to create jobs, enhance economic diversification and provide services to an urbanizing economy during this CPF** period. IFC will use its advisory and investment services to reduce the cost of and improve access to key enabling sectors and open up new sectors for opportunity. IFC will also leverage World Bank engagement, products and knowledge to achieve reforms and scale up impact including de-risking some IFC-led investments through the PSW as needed. IFC has identified several reforms to be implemented across key focus areas and will work together with IDA to achieve impact.

94. **This CPF addresses each of the IDA18 and IDA19 Special Themes.** The two main IDA18 and IDA19 Special Themes related to Climate Change and to Fragility, Conflict and Violence are addressed throughout the CPF, including under Focus Area 3 on sustainability and resilience, and under Objective 1.3. on youth. The CPF also addresses the Special Themes of gender (in a cross-cutting manner, including through gender-disaggregated performance targets across many objectives) and governance and institutions (especially under Objective 3.3), and it is well aligned with the Jobs and Economic Transformation Agenda (JET), including throughout Focus Area 2 and the new DPO series on productive inclusion that is planned for FY21-23. Finally, the CPF also reflects IDA 19 cross-cutting issues of debt, technology, investing in people, and disability inclusion.

Addressing the Impact of Climate Change

95. **As mentioned under Objective 3.1, the WBG portfolio will aim to mitigate the impact of growing climate-related shocks at the national and regional levels.** The WB adopted climate change as a Special Theme and committed to supporting countries in the implementation of their INDCs throughout IDA18 (and in IDA19). Senegal submitted its INDC to the United Nations Framework Climate Convention for Climate Change (UNFCCC) in 2015, including strengthened adaptation in agriculture, landscape and coastal management, fisheries, cities and

infrastructure; reduced greenhouse gas emissions (15 percent less by 2025),[57] and strengthened information systems. Consideration will be given during this CPF as to how best to support these targets (including through investments across the portfolio, as further described in Box 6), in addition to those more directly related to the protection of various livelihoods, ecosystems and infrastructure under Objective 3.1. IFC's planned operations in infrastructure will help limit GHG emissions by promoting renewable energy and limiting urban traffic.

Procurement and Financial Management Arrangements

96. **Procurement.** In 2017, Senegal assessed its procurement framework using the Methodology for Assessing Procurement Systems (MAPS II) tool. The report noted some progress in reforming the procurement system but identified some areas that still need improvement. During the CPF period, the World Bank will support modernization of the country's procurement framework based on the following priorities: (a) implementation of the key recommendations from the MAPS assessment, and adoption of a procurement framework that is more flexible and efficient; (b) professionalization of the procurement function; and (c) development and implementation of an e-governance procurement (E-GP) system. The World Bank will continue to work at all levels to improve the quality of service delivery through modernized procurement processes, using the new procurement framework, multiyear contracts, and E-GP in all sectors. To this end, the Bank will finance a new operation in FY21 to support the implementation of institutional reforms, including procurement.

97. **Financial Management.** Overall portfolio compliance with financial management requirements is satisfactory for five (5) projects and moderately satisfactory for fourteen (14) projects. There is consistently high compliance with the Bank's financial reporting requirements through the timely submission of Interim Financial Reports (IFRs) and audits reports of acceptable quality. Senegal's disbursement ratio was 14.1 percent as of June 30, 2019 (at the onset of this CPF), below the Africa Region's average of around 18.8 percent. Under the oversight of steering committees (led by the Government, with the Bank playing an observer role), ten (10) IDA-financed investment operations are currently being implemented through line ministries or public agencies.[58] Project implementing units (PIUs) are handling the remaining projects. All PIUs provide adequate financial management arrangements, including budgeting, reporting and audits, as specified in project administrative and financial manuals. However, the availability of counterpart funding is a challenge for the country program, with lack of payment causing delays in activities supported by counterpart funds. While progress has taken place in the establishment of internal audit functions, further reinforcement is needed in line ministries that implement IDA-financed projects so that country systems can be used effectively. The WB will continue to reinforce the internal audit functions of selected ministries (e.g., health and education, professional skills, and water and sanitation) and to help strengthen the capacity of audit staff.

98. **Environmental and Social**. The environmental challenges posed by the interactions of natural (climate change, coastal erosion, drought) and human factors (migration, urbanization, demographic growth, extractive industries, agriculture, deforestation, overfishing) will continue to pose considerable challenges for preservation of the environment. The CPF will focus on promoting and protecting resilient livelihoods and ecosystems with a view to reversing those trends. Under the Environmental and Social Framework (ESF) applicable to all new projects during this CPF period, the WBG will proactively support the Government in developing and implementing environmental and social frameworks so that all projects assess and manage relevant risks and impacts. In particular, to manage social and environmental risks upstream, the WB will continue to support (a) the consolidation of existing organizational structures that have the appropriate functions; and (b) capacity building among institutions involved in the planning and execution of development programs. The WB will also continue

[57] This target is supported under Objective 2.2 on energy.

[58] TVET, PASE (SENELEC), PTDE (APIX), PROGEP, SERP and PACASEN (ADM), BRT (CETUD), PATMUR (AGEROUTE), HECE (UCAD).

to support the implementation of systematic and effective project-level Grievance Redress Mechanisms (GRMs), including to address Gender-Based Violence (GBV).

IV. MANAGING RISKS TO THE CPF PROGRAM

99. **The overall risk to achieving the program's development objectives is assessed as Substantial (Table 4).** This assessment is based on the ratings for (a) political and governance; (b) macroeconomic; (c) sector strategies and policies; and (d) and institutional capacity for implementation and sustainability, each of which presents substantial risk to the CPF program. These risks will continue to be monitored closely during the CPF period in close collaboration with the Government and other development partners.

Table 4: Systematic Operational Risk Rating Tool (SORT)

Risk Categories	Rating
1. Political and Governance	Substantial
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Moderate
7. Environment and Social	Moderate
8. Stakeholders	Moderate
Overall	**Substantial**

Note: The four-point rating scale goes from low to moderate to substantial to high.

100. **Political and Governance risks.** The political situation is subject to the pressures of a lively democracy, in which the ruling party requires support from numerous smaller parties. While good economic results help support the President's popularity, there is also a perception that the benefits of growth are not being evenly distributed. Key sectors—in particular, health and education—visibly increased their social mobilization during 2018, asking for additional public resources. Given the positive response from the Government, other sectors may be tempted to follow suit. Hence, there is a risk that Government decisions could become increasingly politicized, which could affect some of the reforms and operations envisioned under this CPF, including those related to efficiency, the private sector, and transparent targeting of public spending. The WBG will mitigate this risk through ongoing and open dialogue with the Government and all relevant stakeholders on the priorities under this program.

101. **Macroeconomic risks**. Unexpected changes that challenge macro stability and fiscal sustainability could jeopardize achievement of the CPF objectives. Should further pressures on fiscal balances arise due to revenue shortfalls or unexpected expenditures, the Government may accumulate further arrears and miss the WAEMU fiscal deficit target. Increased risk of debt distress should not have any significant impact on access to international markets. Ultimately, external pressures may arise from oil price volatility, potential insecurity and inadequate

management of resource revenues, while security threats across the Sahel and weather and climatic shocks could derail growth prospects, including through agriculture. The WBG seeks to mitigate these risks through strong coordination with the IMF, in the context of (a) a new EPCI program, particularly on resource mobilization, quality of spending, budget transparency and debt issues; and (b) TA programs on resource revenue management. As noted above, the World Bank will also continue its direct policy dialogue on PFM issues under existing World Bank ASA and lending instruments.

102. **Risks associated with sectoral strategies and policies.** Senegal's performance in formulating and implementing sector reforms is mixed, and the SCD concluded that longstanding policy and institutional issues in various sectors are tightly linked to important economic and political vested interests. For example, emerging fiscal vulnerabilities reduced the Central Government's responsiveness to paying arrears to the electricity company (SENELEC), and the sector remains highly vulnerable to eventual further increases in international oil prices. Similarly, reforms in the growing and highly profitable ICT sector affect powerful vested interests, which have been able to delay or dilute reform attempts in the past. Access to land—notably land rights—is still governed by the 1964 Land Law, which was innovative at the time but has been outdated for several decades and is a key constraint to both private sector development and female empowerment. Finally, many programs that are social in nature (e.g., various subsidies, pensions, scholarships) are in fact regressive in their spending patterns and do not sufficiently reduce the equity gap. The CPF program proposes to mitigate these risks through active support to critical sector reforms with DPF and complementary IPFs and TA.

103. **Risks related to institutional capacity for implementation and sustainability.** Challenges linked to coordination among ministries and regulating agencies can result in delays of varying length in the implementation of policies and projects. The WBG mitigates this risk by emphasizing institutional capacity and political buy-in as the first principle of engagement (or "how") used as a selectivity prism to inform the portfolio throughout the life of the CPF. Close supervision by an increasing number of field-based staff and managers will help to further mitigate this risk.

ANNEX 1: CPF RESULTS MATRIX

FOCUS AREA I: Build Human Capital to Enhance Productivity and Ignite the Demographic Dividend, with A Focus on The Most Vulnerable		
Objective 1.1- Improve early years outcomes for children ages 0-5 (health, nutrition, and optimal brain development)		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. *percent of children under 5 suffering from stunting* *Baseline: 18.8 percent in 2018; (29 percent in poorest quintile; most lagging region: Kolda 32 percent)* *Target: 12 percent by 2024 for both genders (18 percent for poorest quintile; 20 percent for most lagging region)* **Indicator 2. percent of children 12-23 months fully immunized** *Baseline: 76.6 percent in 2018 (most lagging region: northern region 70.2 percent: poorest quintile: 71.6 percent)* *Target: 94 percent by 2024 for both genders (most lagging regions 75 percent; poorest quintile 75 percent)* **Indicator 3. *Gross enrollment in preschool education in the 7 most lagging regions*** *Baseline: 9 percent in 2018;* *Target: 18 percent by 2024 for both genders*	**Indicator 1. *percent of children ages 0-5 covered by free primary health care*** Baseline: *54 percent in 2017 (most lagging regions Kedougou 10 percent; Tambacounda 11 percent)* Target: 100 percent by 2024 **Indicator 2. percent of birth attended by skilled personnel** *Baseline: 74.2percent in 2018 (most lagging region: Southern region 57.13 percent; poorest quintile 45.1percent)* *Target: 75 percent by 2024 (most lagging regions 55 percent; poorest quintile 50percent)* **Indicator 3. *Children 0-23 months benefiting from early stimulation activities through community-based health and nutrition platforms*** *Baseline: 19 percent in 2017;* *Target: 65 percent by 2024* **Indicator 4. *Number of children ages 0-5 whose family receive a cash transfer and accompanying information on child nutrition and schooling*** *Baseline and ongoing target: 348,000 children in the poorest 2 quintiles annually in until 2024*[59] **Indicator 5. Percentage of births registered in civil records by the time children reach school age**	**Ongoing Operations**: - Investing in the Early Years for Human Development in Senegal (P161332) - Social Safety Net (P133597) + AF - Regional Disease Surveillance & Response in West Africa (P154807) **New Operations under this CPF period** - Investing in Maternal Child and Adolescent Health (P162042 – FY20) ***ASAs:*** - Support to Universal Health Coverage and pandemic preparedness (P164017) - Support to Human Capital Dialogue (IO2101198)

[59] These data are from the actual database of PNBSF and are expected to be stable until 2024.

	Baseline: 64 percent in 2018 *Target: 75 percent by 2024*	
Objective 1.2- Establish strong basic skills (literacy and numeracy) for primary and secondary school-age children		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. ***percent of students with adequate literacy and numeracy competency by the end of Grade 4*** *Math:* *Baseline: 54.2 percent in 2018;* *Target: 64 percent by 2023 (by gender)* *Language:* *Baseline: 60 percent in 2017;* *Target: 65.9 percent by 2023 (disaggregated by gender)* **Indicator 2.** ***Transition rate to lower secondary*** *Baseline: 66.4 percent in 2018* *Target: 79 percent by 2023* (both males and females) **Indicator 3.** ***percent of lower secondary students who are oriented towards science and math courses in Grade 10*** *Baseline: 25.8 percent in 2018* *Target: 31.9 percent by 2023 (by gender)*	**Indicator 1.** ***Primary completion rate*** *Baseline: 61.8 percent in 2018* *Target: 72.7 percent by 2023* **Indicator 2.** ***Electricity and water access across primary and lower-secondary schools:*** *Baseline: electricity primary: 26.7 percent; electricity secondary: 91 percent; running water primary: 32 percent; running water secondary: 91 percent (2018)* *Target: 100 percent (running and safe) for all four sub-indicators (2023)* **Indicator 3.** ***Koranic schools/Daaras included in official statistics for both primary enrollment and learning outcomes*** *Baseline: No in 2018* *Target: Yes by 2023*	**Ongoing operations**: - *Quality Improvement and Equity of Basic Education + AF (P133333)* **New operations under this CPF period:** - *Education engagement (tentative pipeline for FY21) -P169916* **ASAs:** - Impact of modernizing Koranic Schools on Cognitive and Socio-Emotional Development (P171045) - *Public Expenditure Review (P170349)*
Objective 1.3- Promote employability for youth, with a focus on market-oriented skills		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. ***Percentage of youth who are employed or self-employed 1 year after completing relevant training programs*** *Baseline: 0 percent in 2018* *Target: 60 percent by 2023 (for both males and females)*	**Indicator 1.** ***Number of youths who graduated from a short & labor-market driven training program*** *Baseline: 1,800 in 2018* *Target: 10,000 by 2023 of which at least 35percent girls)* **Indicator 2.** ***Number of youths obtaining skills certification after informal apprenticeships***	**Ongoing operations**: - *Skills Development/ TVET Project (P145585)* - *Improving Youth Employability Through Informal Apprenticeship (P1676814)* - *<u>Regional</u>: Africa Higher Education Centers of Excellence Project (P126974) and* First ACE for Impact (P164546)

Indicator 2. ***Number of safety net beneficiaries who receive productive accompaniment*** *Baseline: 9,000 in 2018* *Target: 30,000 by 2024 (of which 70percent female = 21,000)*	*Baseline: 0 in 2018* *Target: 12,000 of which at least 35percent girls by 2023* **Indicator 3**. ***Number of youths (among registered apprentices) who received complementary professional literacy training, management training, and socio-emotional support*** *Baseline: 0 in 2018* *Target: 15,000 by 2023*	**New operations under this CPF period:** - *Education engagement* (tentative pipeline for FY21) -P169916 **ASAs**: - *Impact Evaluation on Improving Youth Employability Through Informal Apprenticeships (P152738)* - *Understanding International Migration in West Africa Study* (P164474)
Objective 1.4 - Empower adolescent girls and women to have more control over their childbearing and productivity		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. Percentage of adolescent girls ages 15-19 who have already begun their reproductive life (pregnant or already have a child) *Baseline: 16.4 percent in 2017 (poorest quintile: 31.6 percent; most lagging regions: Tambacounda 30.1 percent;)* *Target: 10 percent in 2024 (poorest quintile 20 percent; most lagging region: 20 percent;)* **Indicator 2.** ***Number of teenage girls who benefit from a cash transfer, with relevant conditionalities to stay in school and delay pregnancy*** *Baseline: 0 in 2018* *Target: 50,000 by 2024*	**Indicator 1.** ***Utilization of sexual and reproductive health services by adolescent boys and girls ages 15-19*** *Baseline: 10 percent in 2017* *Target: 25 percent by 2024* **Indicator 2**. ***Percentage of variation between highest and lowest quintiles in women's use of a modern method of contraception*** *Baseline: 15.3 percent in 2017* *Target: 8 percent by 2024* **Indicator 3**. ***Number of additional women receiving literacy and numeracy instruction*** *Baseline: 0 in 2018* *Target: 14,000 by 2024*	**Ongoing operations**: - Investing in the Early Years for Human Development in Senegal (P161332) - Social Safety Net (P133597) + AF **New operations under this CPF period:** - Investing in Maternal Child and Adolescent Health (P162042 – FY20) - Education engagement (tentative pipeline for FY21) -P169916 - New DPO series on productive inclusion (FY21-23) – P172723 - Regional: Sahel Women Empowerment for Demographic Dividend - SWEDD (tentative pipeline for IDA19) **ASAs**: - *Support to Universal Health Coverage and Pandemic Preparedness (P164017)* - *Public Expenditure Review (P170349)*

FOCUS AREA 2: Boost Competitiveness and Job Creation Through Private-Sector Led Growth		
Objective 2.1- Improve connectivity and enabling infrastructure with a focus on transport and ICT		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. ***Freight transport time on the key regional corridor Dakar-Bamako*** *Baseline: 21 days in 2019* *Target: 15 days by 2024 (30 percent reduction)* **Indicator 2**. ***Average rush hour in vehicle travel time by public transport from Guediawaye Prefecture to Petersen Bus Station in Dakar Plateau*** *Baseline: 95 minutes in 2018* *Target: 45 minutes by 2024* ***Indicator 3. Mobile (3G/4G) broadband Internet penetration (in percent of population -*** *source: ITU)* *Baseline: 27 percent in 2017* *Target: 40 percent by 2024* ***Indicator 4. Cost of mobile broadband internet sub-basket as a percent of GNI/capita*** *(source: ITU)* *Baseline: 9 percent in 2018* *Target: 6 percent by 2024*	***Indicator 1. Number of kilometers of railway rehabilitated*** *Baseline: 0 in 2018* *Target: 200 by 2024* ***Indicator 2. Quality of internet services (***internet bandwidth per internet user in kbits/s – source: ITU) *Baseline: 6.6 in 2017 (December 2017)* *Target: 12 by 2024*	**Ongoing operations** - *Dakar Bus Rapid Transit -BRT- Project (P156186)* - *Transport Urban Mobility project + AF (P101415)* - *DPO series (FY18-20)* ***IFC investments & advisory:*** *Senac (31305)* **New operations under this CPF period:** - *Regional: Dakar-Bamako Intermodal Regional Corridor Project (P171122 – FY21)* **ASAs:** - *Digital Sources of Growth Study:* Productivity and Inclusion Opportunities from Adoption of Digital technologies (P168247) - Support to digital connectivity and transformation in Senegal (P171740) - *Impact Evaluation of the BRT and TER in Dakar (P166486)* - *Assessment of the potential of PPP in urban and road transport and capacity strengthening* - *TA to improve road safety*
Objective 2.2- Lower energy cost and carbon footprint and optimize the energy mix		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. ***Share of gas in the energy mix:*** *Baseline: 0 in 2018* *Target:* 57 percent *by 2024* **Indicator 2. Level of subsidy to the utility** *Baseline: 157.70 billion FCFA in 2018* *Target:* 0 by *2024*	**Indicator 1**. ***Share of production matrix by regional hydro power*** *Baseline: 9 percent in 2018* *Target: 18 percent by 2024* **Indicator 2. *Number of renewable generation projects commissioned***	***Ongoing operations:*** - *Electricity Sector Support +AF (P125565)* - *Regional OMVS – Transmission Expansion Project (P147921)* - *Regional OMVG Interconnection Project (P146830)* - *Ongoing DPO series*

(i.e., a fiscally balanced utility to allow for potential downstream privatization) **Indicator 3. *percent rural households having access to electricity through on-grid and off-grid solutions*** *Baseline: 42.3 percent in 2018* *Target: 85 percent by 2023*	*Baseline: 7 in 2018* *Target: 11 by 2024* **Indicator 3. *Technical and commercial losses in electricity service delivery*** *Baseline: 17.5percent in 2018* *Target: 14.8percent by 2024*	***IFC investments & advisory:*** - *Tobene Power (33841)* - *Cap des Biches (35175)* - *Comasel Louga (30094)* - *Comasel St Louis (27790)* ***MiGA guarantees:*** *Power (Taiba Solaire S.A. ; Kael Solaire S.A., Khane Solaire S.A. ; Tobene S.A.)* ***New operations under this CPF period:*** - Project to Promote a Shift towards Lower Carbon Power Generation (P169744) (FY21-Pipeline) ***ASAs*** - *Behavior Change Campaign & Solar Lights Evaluation (P155241)*
Objective 2.3- Promote a service-led economy, including by mainstreaming financial innovation and inclusion, with a focus on SMEs		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. *percent adults with a transaction account (includes Banks, MFIs and E-money):* *Baseline: 42.3 percent overall in 2017* - Women 30.18 percent - Urban 65.9 percent - Rural 34.3 percent *Target: 65percent overall by 2024* - Women 50 percent - Urban 55 percent - Rural 45 percent **Indicator 2. *percent adults who made or received a digital payment*** *Baseline: 39.5 percent in 2017* *Target: 50 percent by 2024*	**Indicator 1. *Adopted fintech regulatory framework*** *Baseline: No in 2018* *Target:* Yes by 2024 **Indicator 2. *Adopted agent banking regulatory framework*** *Baseline: No in 2018* *Target:* Yes by 2024 **Indicator 3. *Achieved full interoperability between bank, MFIs and e-money accounts in the WAEMU zone (allowing any client with an e-wallet or a regular bank account to transfer money to any other client with an e-wallet or a regular bank account)*** *Baseline: No in 2018* *Target:* Yes by 2024	**Ongoing operations**: - *Ongoing DPO series* **IFC investments & Advisory:** - Baobab Senegal (42984) - BOA Senegal SME RSF (41340) - BASN SME RSF (41612) - UM ACEP Senegal (40063) **MIGA Guarantees:** Senegal Cross Currency SWAP **ASAs**: - *TA to BCEAO and GoS on Digitization of Payments* - *National Strategic Inclusion Plan and Operationalization* - *Global Index Insurance Facility (joint IFC-IDA focused on agriculture finance*

Indicator 3. ***percent SME with access to financial services*** *Baseline:* 46.7 percent *in 2017* *Target:* 60 percent *by 2024*		
Objective 2.4: Boost productivity and competitiveness of agriculture and related value chains and livestock		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. ***Volume of groundnut yield*** *Baseline 1.1/ha in 2018* *Target: 1.5t/ha by 2024* **Indicator 2**. ***Volume of high-value agricultural exports:*** *Overall* *Baseline: 250,000 Mt in 2018; Target: 400,000 Mt by 2024;* *For groundnuts:* *Baseline: 149,000 Mt in 2018; Target: 250,000 Mt by 2024;* *For horticulture* *Baseline: 101,000 Mt in 2018; Target: 150,000 Mt by 2024* **Indicator 3**. ***Level of implementation of the National Strategic Plans for two regional priority diseases*** *(control of contagious bovine pleuropneumonia [CBPP] and eradication of small ruminant plague [PPR])* *CBPP: Baseline: 20 percent in 2018; Target: 75 percent by 2024* *PPR: Baseline: 30 percent in 2018; Target: 75 percent by 2024* **Indicator 4. L*and parcels with use or ownership rights recorded through regularization*** *campaigns* *Baseline: 15,000 in 2018* *Target: 500,000 by 2024* (of which 30 percent owned by women)	**Indicator 1.** *Additional ha under irrigation systems in rainfed cropping areas:* *Baseline: 0 in 2018* *Target: 15,000 by 2024;* **Indicator 2.** *Number of producers and herders covered with an insurance policy (agriculture insurance/index insurance)* *Baseline: 188,000 in 2018* *Target: 350,000 by 2024 (at least 30percent female)* **Indicator 3.** *Communal land offices and land regularization campaigns* *Baseline: 9 in 2018* *Target:* 120 by *2024* **Indicator 4**. ***Number of farmers provided with climate-smart agriculture assets and services*** [60] *Baseline: [TBC] in 2018* *Target: 200,000 (tbc) beneficiaries by 2024, of which 40percent women*	**Ongoing operations**: - *Inclusive and Sustainable Agribusiness Development project-PDIDAS- (P124018)* - *Casamance Development Pole Project (P125506)* - *Sahel Irrigation Initiative Support Project (P154482)* - *Sahel Pastoralism Support Project (P147674)* - *Groundnut Competitiveness and Agriculture Diversification P4R-P164967- (FY20 pipeline)* **IFC investments & advisory:** - *Kirene (33844)* - *Sosagrin (40131)* - *Simpa (41868)* - *Polykrome (38748)* - *Invest Senegal Agribusiness Competitiveness Project (601575)* - *Invest West Africa Warehouse Receipt Development Project (602976)* **New operations under this CPF period:** - Groundnut competitiveness and agriculture diversification P4R (P164967-FY20) - Cadastre and land tenure improvement project (P172422 – FY 201) **ASAs**:

[60] Climate-smart agriculture assets and services include improved, high-yielding, early-maturing and drought- and pest-resistant varieties, improved land management technologies, improved irrigation technologies, best cropping practices and other innovations that would help to mitigate or adapt to climate change.

		- *Casamance Region Multi Sectoral Diagnostic (P171900)* - *Public Expenditure Review (P170349)* - *Agri-food value chains and global markets*
FOCUS AREA 3: INCREASE RESILIENCE AND SUSTAINABILITY IN A CONTEXT OF GROWING SOCIAL/EQUITY, CLIMATIC, AND TRANSPARENCY RISKS		
Objective 3.1- Promote and protect resilient livelihoods, ecosystems, and infrastructures in the face of climate change		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. *Number of people provided with improved living conditions in selected climate vulnerable urban areas* *Baseline: 0 in 2018* *Target: 500,000 by 2024* **Indicator 2. *RNU systematically used for the efficient/timely and transparent selection of households to benefit from food insecurity responses*** *Baseline: No in 2018* *Target: Yes by 2024* **Indicator 3. *Net area of shoreline gained due to protection and restoration investments*** *Baseline: 0 in 2018* *Target: 25,000 m2 by 2024*	**Indicator 1.** *Land area where sustainable landscape management practices were adopted:* *Baseline: 381,000 ha in 2018* *Target: 800,000 ha by 2024* ***Indicator 2. Number of households included in the Single National Registry (RNU)*** *Baseline: 450,000 in 2017* *Target: 550,000 by 2024 / disaggregate by 4 poorest regions[61] – Tambacounda, Kaolack, Matam & Kaffrine)*	**Ongoing operations** - Social Safety Net (P133597) + AF - *Saint-Louis Emergency Recovery & Resilience (P166538)* - *Storm water management & Climate Change project, PROGEP (P122841)* - *Regional OMVG Interconnection Project (P146830)* - *Regional West Africa Coastal Areas Resilience Investment project -WACA- (P162337)* - *Regional: Sahel Pastoralism Support Project (P147674)* **New operations under this CPF period:** - *Disaster Risk Management Development Policy Credit with Cat DDO (P172332 – tentative for FY21)* - *New DPO series on productive inclusion (FY21-23)* **ASAs** - *Regional Adaptive Social Protection NLTA (P153183)* - *Support to Universal Health Coverage and pandemic preparedness (P164017)* - *Study on potential of Niokolo Koba National Park (tbc)*

[61] The four poorest regions or those with the highest poverty rates on the poverty map are: Kolda (78 percent); Kedougou (71 percent); Sedhiou (70 percent); Tambacounda (68 percent), based on data as of 2011 survey and 2013 census.

Objective 3.2- Ensure access to water, sanitation, and solid waste management in the most vulnerable areas		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. ***percent of rural population having secured water access through household connections in targeted areas (Groundnut Basin)*** *Baseline: 35 percent in 2018* *Target: 48 percent by 2024* **Indicator 2.** ***percent of population having access to improved sanitation facilities in targeted areas*** *Baseline: 72.7 percent (urban – Office Nationale Assainissement du Senegal perimeter) in 2018; Target: 80 percent by 2024* *Baseline: 36.4 percent (rural – Groundnut Basin area) in 2018; Target: 58 percent by 2024* **Indicator 3.** ***People provided with access to improved solid-waste services (****Gender disaggregated)* *Baseline: 0 in 2019 (for both male and female)* *Target: 5 million by 2024 (of which 2.6 million female)*	**Indicator 1**. *Number of water resources management plans achieved and implemented in the Groundnut Basin area* *Baseline: 1 in 2018* *Target: 9 by 2024* **Indicator 2.** *Open defecation rate in rural areas* *Baseline: 43 percent in 2018* *Target: 10 percent by 2024* **Indicator 3.** *Surface area of dumpsites improved or rehabilitated (square meters)* *Baseline: 0 in 2019* *Target: 800,000 by 2024*	**Ongoing operations**: - *Urban Water and Sanitation & AF (P150351)* - *Rural Water Supply and Sanitation (P164262)* - *Regional Disease Surveillance & Response in West Africa, -REDISSE- (P154807)* **New operations under this CPF period:** - *Solid Waste management project P161477 (FY20)* **ASAs**: - *Strengthening water security in Senegal for multiples uses (P172233)*
Objective 3.3- Improve Government's effectiveness, efficiency and transparency		
CPF Objective Indicators	**Supplementary Progress Indicators**	**WBG Program**
Indicator 1. ***Proportion of Urban Local Governments that receive first-tier FECL ("Fonds d'équipement des collectivités locales") conditional grants based upon satisfaction of annual Minimum Mandatory Conditions (MMC)*** *Baseline: 0 percent in 2018* *Target: 70 percent by 2024* **Indicator 2**. ***Oil and Gas revenue management framework developed*** *Baseline: No in 2018* *Target: Yes by 2024*	**Indicator 1.** ***Set-up of the independent Budgetary Counsel controlling the Oil and Gas revenue management system.*** *Baseline: No in 2018* *Target: Yes by 2024* **Indicator 2.** ***Set-up of a robust regulatory framework for oil and gas revenue management and for the functioning of stabilization and investment funds in the Organic Budget Law, including an independent control system to strengthen transparency*** *Baseline: No in 2018* *Target: Yes by 2024*	**Ongoing operations** - *Public Financial Management Strengthening Technical Assistance (P122476)* - *Municipal and Agglomerations Support (P157097)* - *Tourism and Enterprises Development Project (P146469)* - *Supporting Gas Project Negotiations and Enhancing Institutional capacities (P160652)* - *Ongoing DPO series* **New operations under this CPF period:**

Indicator 3. Number of tax payments[62] *Baseline: 58 (2018)* *Target: 25 (2024)*	**Indicator 3. *Number of MSME taxpayers registered with the DGID.*** *Baseline: 65,534 (2019)* *Target: 80,000 (2024)* ***Indicator 4: Percentage of taxpayers filing taxes online*** *Baseline (2018): 15 percent of corporate income tax payers* *Target (2024): 50 percent of corporate income tax filers (and 20percent of VAT registered entities)* **Indicator 5: PEFA PI-9: Public access to fiscal information: The government makes available to the public six elements including at least four basic elements (annual executive budget proposal, enacted budget, in-year and annual budget execution reports, audited annual financial report), in accordance with the specified time frames** *Baseline: D rating in 2019* *Target: B rating in 2024*	- E-government Program for Results – P172524 (FY21) **ASAs** - *Internal Audit Capacity Strengthening (P162490)* - *Supporting the Design of Risk-Based Tax Audit* - *TA on Digital Entrepreneurship Program (DEP)* - *PFM-Strengthening TA* - *Oil & revenue Management Dialogue (P171686)* - *Public Expenditure Review (P170349)* - *Regional: WAEMU – Strategy and Tools to Improve Regional Public Debt (P160746)*

[62] *Source: Doing Business "Paying Taxes". In the DB methodology, a recurrent tax payment, such as VAT which occurs generally 12 times a year, will count as 1 annual payment, when it is possible to accomplish it online – hence this indicator will help measure the degree of digitization of tax filing and payment.*

ANNEX 2: COMPLETION AND LEARNING REVIEW (CLR)

COMPLETION AND LEARNING REVIEW of the
Country Partnership Strategy (CPS) FY2013-2017

CPS Board Discussion: February 19, 2013
Performance and Learning Review: April 29, 2015
Period Covered by the CPS: January 2013 through June 2017

INTRODUCTION

1. **This Completion and Learning Review (CLR) evaluates the performance of the Country Partnership Strategy (CPS) for Senegal covering FY13 through FY17.** The Republic of Senegal is situated between Mauritania and Guinea-Bissau on the West African coast. Senegal's economy is largely based on agriculture, mining, chemicals, textiles and tourism, and its export markets include Mali and European countries. Dakar, the capital city, is the country's key economic hub and the westernmost city of the African mainland. In the years preceding the CPS, Senegal experienced slowing GDP growth, governance challenges, and a series of shocks including recurrent droughts and floods; the 2009 global financial crisis, which led to declines in exports, tourism, remittances and FDI; and domestic political tensions and regional instability in Mali and Guinea-Bissau. In response, the Government of Senegal elected in 2012 developed a new National Strategy for Economic and Social Development (SNDES), which aimed to put Senegal on a recovery and growth path focused especially on economic growth, development of human capital, and strengthened governance and security.

2. **The FY13-17 CPS supported key SNDES priorities with the aim of helping Senegal achieve economic recovery and attain higher growth and shared prosperity over the medium term.** Reflecting the pillars of the SNDES, the CPS featured a Foundation Pillar, *Strengthening the governance framework and building resilience,* and two additional pillars—Pillar 1: *Accelerating inclusive growth and creating employment*, with an emphasis empowering the private sector; and Pillar 2: *Improving service delivery*, especially in education, health, and social protection. The overarching goals of the CPS were to improve governance, build resilience, and restore growth and fiscal space. A sizeable portfolio of ongoing and new lending, IFC/MIGA interventions, and advisory services and analytics (ASA) supported 16 outcomes under the three pillars. A Performance and Learning Review (PLR) in April 2015 confirmed that the CPS program remained broadly on track in outcomes and in alignment with Government priorities even amid a new medium-term Government program, through refocused elements of the CPS to new realities. The WBG finalized this CLR in FY19, after a slight delay linked to the new requirement of having a Systematic Country Diagnostic (SCD)—which was finalized in October 2018—before preparation of the new CPF. This shifting timeline presented a strategic advantage in that the CPF could be aligned with the Government's new five-year strategic plan, or PAP2, for the period 2019-2023. Thus, the CPS was de facto extended by two fiscal years (FY 18 and 19) until the beginning of the new CPF period.

3. **The CLR rates the performance of the CPS program as Moderately Satisfactory.** All three pillars were rated Moderately Satisfactory, with most CPS outcomes Mostly Achieved or Achieved. Under the Foundation Pillar, Senegal made good progress in improving public sector accountability, flood prevention in Dakar, and income-generating opportunities in Casamance, but little headway in promoting sustainable land and water management. Under Pillar 1, Senegal made good progress on improving the business environment and MSME access to finance, with strong support from IFC; as well as significant progress on improving management of fisheries, agricultural yields, and access to electricity. However, gains in rural

electrification were not clearly attributable to WBG interventions. Senegal also made modest progress on improving urban mobility and skills development. Under Pillar 2, Senegal made substantial progress on improving basic education and maternal and child health services, and on increasing access to social safety nets and water and sanitation services. Key hurdles detracting from portfolio performance were limited Government ownership, overambitious project targets, and delays in activities due to such factors as complex civil works and safeguards issues, particularly resettlement.

4. **The CPS rates Bank performance as Good.** The CPS design remained relevant to Government priorities even amid the introduction of a new Government program in 2014—the *Plan Sénégal Emergent* (PSE), which replaced the SNDES. The CPS had a mixed record of adhering to lessons of past engagement: the CPS continued to support longer-term engagement in key sectors and to strategically combine DPO and investment lending to drive critical reforms. However, budget support still proved overly ambitious and some project designs were overly complex. The CPS identified economic and implementation risks amid heightened economic vulnerabilities in 2012, though key risks did not materialize, mainly due to a favorable external climate and a resurgence of growth. The PLR provided an adequate stocktaking at mid-term, identified corrective actions for some portfolio issues, and updated CPS programming and the CPS Results Matrix. However, certain CPS indicators remained poorly constructed. Further, the post-PLR period of the CPS extended for longer than initially anticipated due to the shifting timeline of the new CPF. The WBG delivered a substantial and generally high-quality portfolio and maintained a good disbursement rate (23.8 percent in FY17), which in FY17 surpassed the AFR average of 20 percent. In FY18, the disbursement rate for Senegal slowed to 14%, which was below the AFR average of 18.7%. The CPS showed a good record of integrating gender and had a supportive non-lending program.

5. **The CPS reflected key corporate and regional priorities.** The CPS supported client priorities to drive an economic recovery and higher and inclusive growth, which aligned well with WBG corporate goals. Major CPS interventions directly supported poverty reduction, such as investments to improve incomes in the Casamance and increase the number of households receiving cash transfers. Other interventions provided indirect support to decrease the cost of electricity, improve mobility, and enhance the poor's access to health services. The CPS made headway on key themes of IDA16 and IDA17, including gender, indicating that 90 percent of lending projects approved in the CPS period would be gender informed; as well as climate change, through a focus on building resilience, as reflected in a 37 percent share of climate co-benefits projects in the period. In addition, elements of the CPS mirrored AFR priorities. For example, WBG activities to improve agricultural productivity through new technologies reflected AFR's efforts to scale up the adoption of these technologies. The CPS's support to improve management of energy resources and renewables reflected AFR's priorities to improve the management capacity of energy SOEs and enhance their use of solar energy. The CPS's support for basic education and skills development reflected AFR priorities in education and human capital, especially in science, technology, engineering, and math (STEM).

6. **There are several key lessons from the FY13-17 CPS that will help improve the effectiveness of the next CPF:**

- Focus efforts on building political buy-in and capacity at all government levels to ensure the success of WBG projects;
- Strive to keep project designs simple and flexible, with realistic timeframes for project preparation and implementation of reforms, and continue to leverage regional approaches when relevant;
- Pay closer attention to safeguards issues, especially resettlement;
- Improve the CPF Results Matrix and portfolio monitoring, and better communicate the WBG's achievements in Senegal;

- When considering DPO lending, it is important to strike a balance between meaningful reforms and realistic objectives, and between flexibility and a sharp focus on a few critical measures;
- IFC, MIGA and IDA should build on positive joint results to continue their strong collaboration toward achieving program objectives.

DEVELOPMENT OUTCOMES

Country Context

7. **The CPS was developed amid a change in Government as Senegal strove to address shocks and reignite inclusive growth.** In 2012, the President Macky Sall won the presidential election against incumbent Abdoulaye Wade, with strong support from youth, civil society, and a populace dissatisfied with poor governance and lack of progress on the economy and human development. In previous years, Senegal had faced slowing growth due to lack of rainfall, which affected agriculture; flooding, which damaged infrastructure; the global financial crisis in 2009, which dampened tourism and FDI; and a bloated public sector, which increased deficits and limited fiscal space to cope with all of these challenges. In response, the newly elected Government developed the SNDES in 2012 to put Senegal back on a growth path, especially by focusing on private-sector led growth, productivity, and wealth creation; human capital and sustainable development; and improvements to governance, institutions, and peace and security.

8. **The new Government developed the PSE in 2014.** The first phase of the PSE, covering the period 2014 to 2018, had three pillars supporting: (a) structural transformation of the economy by strengthening current drivers of growth and developing new sectors to create wealth, jobs and social inclusion; (b) improvement in the well-being of the population, and a more sustained effort to overcome social inequality, while preserving the resource base and supporting development of the regions; and (c) reinforcement of security, stability and governance; the protection of rights and liberties; and consolidation of rule of law to create better conditions for social peace. The CPS remained consistent with the PSE, as confirmed in the PLR.

9. **Senegal demonstrated political stability during the CPS period, though there was some tension surrounding elections.** Senegal held municipal elections in July 2014 and legislative elections in July 2017. In the latter elections, the coalition supporting President Sall won 125 of 165 seats in Parliament, though part of the opposition questioned the results once released. According to Freedom House's World Freedom Index, Senegal moved from "Partly Free" to "Free" over the CPS period, and remained Free in 2018, mainly due to governance reforms.

10. **Growth accelerated in the CPS period, due mainly to renewed activity in agriculture and industry; strong consumption and exports; and gains on structural reforms.** In 2013, GDP growth was only 2.8 percent due to a challenging international context, climate shocks, volatility in oil prices and the outbreak of Ebola in the sub-region. GDP growth accelerated to 6.4 percent in 2015 and 7.1 percent in 2017. Factors driving growth included private consumption, higher investment, good climatic conditions, and improving terms of trade. Higher growth mirrored progress on productivity-enhancing reforms, including efforts to diversify the agriculture and mining sectors and the business environment. BCEAO's fixed exchange rate, and lower prices for imported energy and food, kept inflation low at close to zero in 2015 and an estimated 1.3 percent by 2018.

11. **The Government continued efforts toward fiscal consolidation to free up resources for investment, and public debt remained manageable during the same period.** The fiscal deficit fell after 2011—to 3.7 percent of GDP in 2015 and 3.0 percent by 2017. The current account deficit (CAD) fell from

8.2 percent of GDP in 2013 to 4.0 percent in 2016, mainly due to higher remittances and exports, but rose again to 7.3 percent in 2017 from higher imports of oil products and capital goods to finance public investment projects. Public debt increased from 44.5 percent of GDP in 2015 to 61.2 percent by 2017, mostly due to below-the-line operations that decreased the Treasury's liquidity.

12. **Recent growth led to poverty reduction during the CPS period, although inequalities remain of concern.** The latest projections indicate that about one third of the population (33.5 percent) lived below the $1.90-a-day international extreme poverty threshold in 2018, compared to 38 percent in 2011 (the year of the most recently completed poverty survey).[63] Recent World Bank staff estimates based on interim data suggest that growth for the bottom 40, although positive at 2.6 percent, has been considerably slower than the average, indicating that the share of consumption for the poorest is continuing to shrink (continuing a trend started in 2005) and inequality of consumption measured by the Gini coefficient is estimated to have increased from 0.40 to circa 0.43. Similarly, Inequality of assets has become more pronounced, especially in rural areas, where it increased from 0.38 to 0.41, and the top decile now holds 14 times the assets of the bottom decile (versus 11 times in 2011).

Program Performance

13. **In line with SNDES priorities, the CPS supported the Government's efforts to drive a recovery toward higher growth and shared prosperity over the medium term, leveraging significant support from IFC/MIGA and favoring regional projects and donor coordination**. The program was anchored in a cross-cutting Foundation Pillar as well as two additional pillars:

- **Foundation Pillar: Strengthening the governance framework and building resilience.** The CPS focused on strengthening governance systems and processes to enhance the predictability, credibility and accountability of government. In addition, CPS activities sought to improve land management and enhance resilience to shocks and natural disasters, especially given recent droughts and flooding.
- **Pillar 1: Accelerating inclusive growth and creating employment.** Activities of the CPS sought to help reduce government spending by engaging the private sector, leveraging regional and international markets, and improving the business environment to underpin job creation.
- **Pillar 2: Improving service delivery.** The CPS sought to assist the Government in improving the allocation and effectiveness of expenditures and enhancing results, particularly in social sectors.

14. **The overall rating of program performance was Moderately Satisfactory**. The CPS supported the 16 outcomes shown in Table 1, which were measured by 28 CPS indicators. Outcome 9 consisted of two distinct outcomes. All three pillars were rated Moderately Satisfactory, with 69 percent of the CPS outcomes rated Mostly Achieved or Achieved. Sixty-eight percent of the indicators featured in the Results Matrix assessment were either surpassed, met or mostly met (see CLR Annex 1). Detailed discussions of progress on each outcome are provided below.

63 MPO 2019.

Table 1. Summary Ratings of Pillars and CPS Outcomes

CPS Pillars and Outcomes	Rating
Foundation Pillar – Strengthening Governance Framework and Building Resilience	**Moderately Satisfactory**
Outcome 1: Improved public sector accountability	Partly Achieved
Outcome 2: Sustainable land and water management	Not Achieved
Outcome 3: Improved drainage and flood prevention in selected urban areas:	Achieved
Outcome 4*:* Reduced vulnerability of population and improved infrastructure in Casamance	Achieved
Pillar I – Accelerating Growth and Employment	**Moderately Satisfactory**
Outcome 5: Improved investment climate for private sector	Achieved
Outcome 6: Improved access to finance for micro, small and medium enterprises	Mostly Achieved
Outcome 7: Increased agricultural productivity and marketing	Mostly Achieved
Outcome 8: Improved sustainable management of fishery resources	Partly Achieved
Outcome 9A: Improved access to affordable electricity	Achieved
Outcome 9 B: Improved access to electricity in rural areas	Partly Achieved
Outcome 10: Improved mobility in targeted urban and inter-urban areas	Mostly Achieved
Outcome 11: Improved skills of labor force	Partly Achieved
Pillar II – Improving Service Delivery	**Moderately Satisfactory**
Outcome 12: Enhanced equity and quality of education	Mostly Achieved
Outcome 13: Improved health delivery services	Mostly Achieved
Outcome 14: Improved access to safety nets	Achieved
Outcome 15: Increased access to water and sanitation service in selected rural and urban areas	Partly Achieved

Foundation Pillar: Strengthening the governance framework and building resilience

Outcome 1: Improved public sector accountability (Partly Achieved)

15. **The CPS achieved significant progress in strengthening public sector accountability, although progress on certain CPS targets was less than expected.** The WBG's support was anchored in the FY12 *Public Financial Management Strengthening Technical Assistance Project* (PFMSTA, P122476) and its *Additional Financing* in 2014, and in three *Growth and Governance Support Credits* (GGSCs) in FY13, FY14 and FY16.

16. **The PFMSTA supported the modernization of the PFM system and a performance-based system for the public sector.** Partly linked to such assistance, Senegal's rating on the effectiveness of its internal audit system (PEFA PI-21) rose from "C" in 2011 to "B" in 2017 and 2018, to "B+" in 2019. This was attributable to the establishment of internal audit functions in 30 out of 35 of the line ministries and the

adoption of a risk-based approach, including development of risk mapping and audit plans, in 13 ministries. Forty-two performance contracts were signed from 2015 to 2017 as part of efforts to strengthen the oversight of SOEs and agencies. The PFMSTA trained 3,258 people in PFM in 2017 and 3,325 in 2018, thus surpassing the initial target of 2,000 people. In addition, the WB provided non-lending programs to improve public sector management, such as TA to establish a Stolen Assets Recovery Program and a Transparency Code; a Statistics for Results TA program; ASA and TA to improve public sector management at local and urban levels (notably through a review of urban and spatial development); and TA to develop a strategy for Dakar to improve its revenue collection and management.

17. **The GGSCs supported budget credibility, transparency and accountability mechanisms; financial management in health and education; and reforms to drive private sector development.** Under the GGSCs, the percentage of public office holders covered by Senegal's 2014 Asset Declaration Law who declared assets rose from 0 percent in 2012 to 100 percent in 2017—meeting the CPS target in principle, although the CPS target was worded slightly differently.[64] In addition, the Government reduced the delay in elaborating the Audit Court's annual reports from 34 months in 2012 to 12 months by 2017. However, the Audit Court's annual reports have not—per expectations in the CPS—been disclosed because of delays in officially presenting the reports to the President. Thus, this CPS indicator was not met. Authorities reduced the time for adopting and disclosing the Budget Review Act at the end of the fiscal year from 18 months in 2012 to 12 months by 2017. This reduction did not reach the CPS target of six months, although the CPS target should have been 12 months, in line with Government practices and PFM laws.[65] The GGSCs also helped to increase the percentage of targeted agencies with performance contracts from 0 percent in 2012 to 70 percent in 2017. However, the GGSCs showed mixed progress in improving budget credibility in health and education. Progress on the GGSCs was impaired somewhat by insufficient client capacity to enact reforms, overambitious targets, and engagement in too many sectors, leading to modifications in the scope and targets of projects.

Outcome 2: Sustainable land and water management (Not Achieved)

18. **The CPS made little headway in promoting Sustainable Land and Water Management (SLWM) amid diverse threats to Senegal's land, soil, water and natural resources** from climate change, drought, fires, and land and forest exploitation due to population growth and expansion of agriculture. The FY14 Sustainable and Inclusive Agribusiness Development Project (SIADP, P124018) aimed to increase the areas under SLWM—loosely defined as adoption of land use practices that maximize economic and social benefits of land while maintaining or enhancing the land's ecological support functions. Under this project, the hectares under SLWM in targeted areas increased from 0 in 2013 to only 200 hectares in June 2018—well behind the CPS target of 5,000 hectares—owing to significant delays in project activities. To increase SLWM, this project aimed to support rural communities to strategically allocate land user rights to private operators and small-scale farmers as well as an irrigation infrastructure program. However, the project's land transaction model—a lease-sublease approach—did not allow for questions on land tenure security; did not allow for engagement of the private sector in SWLM; and added bureaucratic hurdles that slowed overall project activities. Based on a mid-term review in November 2017, the Bank, the Government and stakeholders agreed to restructure the project to provide greater land tenure security while safeguarding communities' role in the allocation process. In addition, restructuring simplified

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[64] The CPS wording of this indicator was "Percentage of Holders of Public Office (Ministers) who make a declaration of assets increased from zero to 100 percent in 2017." No baseline year was given.

[65] The Government has 6 months after the end of the fiscal year to submit the Budget Review Act to the Court of Accounts, and then another 6 months to submit the review report to the Parliament, which reviews and considers adopting the Act. As such, the CPS target should have been 12 months, suggesting a weakness in how the WBG framed this indicator.

project implementation and improved arrangements with institutional partners. Project activities have since accelerated, including completion of a pilot SWLM operation in Ngnith, and completion in June 2018 of seven of nine forest and reserve management plans. As of March 2019, notable progress has been observed regarding land regularization, as the land area secured and registered far exceeds the expected target (41,620 ha as of March 2019 for a target of 20,000 ha).

Outcome 3: Improved drainage and flood prevention in selected urban areas (Achieved)

19. **The CPS surpassed expectations under this outcome.** Recurrent flooding from storms is a serious problem in Senegal, and affects major cities including Dakar. Floods have affected an estimated 400,000 to 600,000 Senegalese annually in recent decades. Flood-related risks in Dakar have increased from unplanned urbanization, insufficient and obstructed drainage systems and rising groundwater. The FY12 Stormwater Management and Climate Change Adaptation Project (P122841), which received additional financing (AF) in 2015 from IDA and in 2017 from the GEF, improved stormwater drainage and flood prevention in peri-urban Dakar. By investing in drainage infrastructure in Pikine and Guediawaye and clearing drainage channels, the project helped to increase the area protected against recurrent flooding from 0 hectares in 2012 to 571 in 2017 and 744 in 2018—surpassing the CPS target of 460. The project made 32 investments in flood risk-reduction activities, developed nine local flood management committees, and trained stakeholders in flood risk management and resilience to urban climate change. By 2017, more than 137,000 people directly benefited from the project, including 52 percent women, thus surpassing the original project target of 132,000 people. The project reached 144,000 people by 2018. Under a new project sub-component added in the first AF, and through a Senegal Coastal Climate Change Vulnerabilities Assessment and a Climate Change TA program, the WB supported development of management plans for climate-resilient and integrated coastal zone management for urban areas, including Saint-Louis city.

Outcome 4: Reduced vulnerability of the population and improved infrastructure in Casamance region (Achieved)

20. **The CPS made good headway in enhancing income-generating opportunities and infrastructure in the Casamance.** The low-level protracted conflict in the Casamance region has impaired investment and economic development, particularly in agriculture and tourism. Recognizing that poverty and unemployment were drivers of this conflict, the FY14 Casamance Development Pole Project (P125506) sought to enhance the agricultural productivity of young and female farmers and improve transport linkages to foster trade and market access. This project increased areas under improved irrigation and drainage services from 0 hectares in 2013 to nearly 53,000 in 2017 and 111,494 in 2019—far surpassing the project target of 30,000 for 2018. The project provided equipment and inputs for rice cultivation to 509 women and youth groups. From 2013 to 2017, the average annual yield for rainfed rice rose from 0 to 154,526 tons, and the average revenue per hectare of horticulture from US$500 equivalent to US$1,500 in 2017 and $1,650 by 2018. By 2017, the project had provided 324,927 people with income-generating opportunities—greatly exceeding the CPS target of 200,000. In addition, the project supported rehabilitation of the regional and rural road network. By 2017, 54 percent of the rural population in targeted areas had access to an all-season road, which increased to 71 percent for 2018 and 2019, surpassing the initial target of 60 percent. The project also helped to train about 91,000 young women and men for jobs, and offered trainings in agriculture, data collection and citizen engagement.

Pillar I: Accelerating Growth and Employment

21. **Activities under this pillar were aimed at enabling private sector growth and job creation over the medium term, with strong support from IFC.** The WBG supported efforts to enhance the investment climate and access to finance; ensure sustainable growth in agriculture and fisheries; put in place infrastructure in energy and transport; and improve the skills of the labor force.

Outcome 5: Improved investment climate for the private sector (Achieved)

22. **This outcome was achieved with support of the WB and IFC.** The Bank's support was anchored in the FY10 Economic Governance Project (EGP, P113801), which originally suffered from a complex PDO, unrealistic original targets, and difficulties attributing gains to early WB interventions—all of which were addressed when the project was restructured in FY14 to align the PDO, Results Matrix and indicators to realities on the ground. The closing date was also extended from 2015 to 2016. The EGP aimed to enhance the investment climate by improving economic governance and the efficiency of the justice system, particularly amid complaints that slow action on commercial cases was hindering investment. The EGP helped increase the number of annual decisions made by the *Tribunal Regional Hors Classe de Dakar* on commercial cases from 947 in 2010 to 1,371 in 2016—surpassing the revised CPS target of 1,020 by 2016. The percentage of receivables cases investigated by the Public Procurement Agency rose from 0 percent in 2010 to 64 percent by 2016. The number of cases pursued by the Anti-Corruption Commission rose from 12 in 2009 to 164 by 2016—several times more than the project target of 24. The EGP also supported the Government's *Programme de Réforme sur Environment des Affaires* (PREAC), which led to an improvement in Senegal's *Ease of Doing Business* ranking, which rose from 166 of 185 economies in Doing Business 2013 to 140 of 190 economies in Doing Business 2018. Senegal was among the top 10 Doing Business reformers worldwide in 2014 and 2015.

23. **In parallel with the EGP, the WBG supported the adoption and implementation of a Decree on Mediation and a Law on Insolvency, and establishment of systems for construction permits and property registration.** The days required to obtain a construction permit fell from 210 in 2012 to 177 by 2017 and 2018, slightly short of the CPS target of 170, which was the sole additional CPS indicator. The Bank also provided complementary support to the tourism sector through the GGSCs and the FY17 *Tourism and Enterprise Development Project* (P146469), which will continue under the new CPF. This project seeks to improve tourism sector competitiveness, strengthen the investment climate outside of Dakar, and support enterprise development. Analytical work so far has included an enterprise survey, an investment climate assessment (ICA), and a study on the impact of trade agreements on firms and households.

24. **During the CPS period, IFC also had a productive advisory engagement with the Government focused on the investment climate.** IFC provided high-level TA to APIX, the agency in charge of driving investment climate reforms, and provided in-depth TA on company registration and commercial justice. IFC indirectly helped improve the business environment by supporting reforms related to the *Organisation pour l'Harmonisation en Afrique du Droit des Affaires* (OHADA). IFC helped strengthen Senegal's public-private partnership (PPP) framework with the conclusion of Senegal's Scaling Solar program and through its Health in Africa initiative, which seeks to scale up private sector participation in health. Complementarily, IFC provided a €7 million loan to Chain Hotel S.A to support the construction and operation of its Radisson Blu Dakar hotel. This project has contributed to improving Dakar's business infrastructure while implementing global environmental and social (E&S) standards in the local hotel sector and promoting vocational training.

***Outcome 6: Improved access to finance for micro, small and medium enterprises* (Mostly Achieved)**

25. **The CPS made good progress on this outcome. IFC provided investment and advisory activities to support the financial sector, particularly microfinance and agri-finance.** IFC continued investment and advisory support for MC Senegal, a greenfield microfinance institution providing credit and remittance services for MSMEs in Dakar. From 2013 to 2017, the number of MC Senegal's MSME clients rose from 28,538 to 57,208, and the number of outstanding MSME loans from 28,578 to 81,871. In addition, IFC continued investment and advisory support to FIDES Microfinance Senegal (FMS), which offers group loans, MSME loans, and voluntary savings and insurance services to low-income households in rural areas. From 2013 to 2016, FMS increased the number of MSME clients from 19,174 to 32,374, and the number of outstanding MSME loans from 12,807 to 18,690. Thus, the CPS target of at least 30,000 MSMEs receiving credit was surpassed. In 2017, IFC extended a senior loan to UM-ACEP, one of Senegal's largest microfinance and agri-finance institutions, to help UM-ACEP provide financing to smallholder farmers to purchase inputs and small equipment. This project is IFC's first investment with a cooperative financial institution in SSA, and IFC's support will continue in the next CPF period. IFC also helped to establish a regional credit bureau in WAEMU, which now covers all eight WAEMU countries. However, the CPS cannot yet report on the second CPS indicator measuring growth and job creation in tourism, as the Bank dropped the associated Growth and Export Development Project scheduled for FY16, instead transferring that assistance to MSMEs into the FY17 Tourism and Enterprise Development Project (P146469). Given the delay in reporting on the second CPS indicator of growth and job creation in tourism, this CPS outcome is rated Mostly Achieved, as it does not specifically mention access to finance.

Outcome 7: Increased agricultural productivity and marketing (Mostly Achieved)

26. **The CPS made good progress on improving agriculture productivity and marketing.** The WB's assistance was channeled through the FY05 Agricultural Markets and Agribusiness Development Project (PDMAS, P083609), which closed in FY15 after AFs in FY10 and FY13; a follow-on FY14 Sustainable and Inclusive Agribusiness Development Project (PDIDAS, P124018); and a second phase of the West Africa Agricultural Productivity Program (WAAPP-2) funded in FY14.[66] The PDMAS contributed to increasing the production of non-traditional agriculture exports (i.e., horticultural products, confectionary nuts, essential oils and aromatic plants, and processed foodstuffs) in project areas by 25,503 tons from 2010 to 2015, and supported the development of domestic value chains, rehabilitation of rice fields, and improvements in animal production. The ongoing PDIDAS aims to improve commercial agriculture and land management through such activities as supporting communities to improve and market land for private investment in agribusiness; offering matching grants to SMEs and farmers associations; and investing in irrigation. Progress on PDIDAS was initially delayed due to land-related issues, but activities have taken off since the mid-term review in 2017. Direct project beneficiaries reached 3,343 people by 2018 and 10,432 people by 2019, far surpassing the original target of 6,980 people. By 2019, the pilot operation of Ngnith (200 ha) is showing promising results for the entire project area, both in terms of volume of agricultural products (7,597 tons) and employment (3,849 jobs, of which 1,521 women). The PDIDAS closing date is scheduled for December 2019.

27. **The CPS indicators for this outcome were associated with the regional WAAPP-2A (FY14-FY19), which aims to scale-up the generation, dissemination, and adoption of improved technologies in priority commodity areas.** Under WAAPP-2A, the beneficiaries of improved varieties of certified seeds achieved yields in two respective project regions of 1.14 and 2.5 tons/hectare for millet and 1.5 and 2 tons/hectare for sorghum, which fell short of the CPS target of 3 tons/hectare for each of these crops by

[66] The WAAPP-2 also covers Senegal, Ghana, and Mali.

2017.[67] Beneficiaries increased average yields of maize to 2.5 and 5.2 tons/hectare, respectively, in the two project regions, against the CPS target of 4 tons/hectare for maize by 2017. Annual horticultural exports nationally rose to 101,098 tons by 2017, greatly surpassing the CPS target of 40,000 tons. By 2017, about 913,300 agricultural producers and processors, of whom 41 percent were women, benefited from improved technologies—exceeding the CPS target of 700,000. By 2018, direct project beneficiaries increased to 958,410 people. The number of farmers registered on an "e-subsidy" platform, which supports the distribution of agricultural inputs, rose from 20,000 in 2012 to 800,000 in 2017, slightly short of the CPS target of 1 million. Amid the financial crisis of the groundnut oil company (SUNEOR) and given the groundnut's importance for rural households, the WB conducted: (a) a diagnostic study of the groundnut value chain and proposed reforms to SUNEOR; (b) a Groundnut Value Chain Competitiveness and Prospects Assessment; and (c) a Market and Competition Policy Assessment with a chapter on groundnuts, which has been finalized in 2018.

28. **IFC provided substantial support to the agriculture sector,** helping to build an ecosystem that improved farmers' access to finance and markets through its warehouse receipt system program. In 2014, IFC initiated technical expertise to develop the legal and regulatory framework and facilitate a public-private dialogue on warehouse financing. The dialogue included agricultural actors, financial and insurance institutions, collateral management companies and key ministries. By June 2017, the Government had adopted a Warehouse Receipt System Law, which established the basis for using agricultural commodities as collateral to secure loans from financial institutions. In addition, IFC invested €9.5 million in Kirene,[68] the leading beverage company in Senegal, which sources and processes mangoes locally for juice products. IFC subsequently supported an advisory project in 2017/18 linked with its Kirene investment to support and professionalize the milk value chain. At the same time, investment and advisory activities targeting financial institutions helped improve farmers' access to financial services. Through direct investments in light manufacturing (SIMPA, €3 million loan, committed June 2016) and agribusiness (Patisen, €11 million subordinated debt and equity, disbursed 2012 and exited 2016), IFC contributed to ensuring food safety for agro-industrial products, reducing food waste, developing the formal retail food chain, providing an outlet to farmers and creating more and better jobs.[69]

Outcome 8: Improved sustainable management of fishery resources (Partly Achieved)

29. **The CPS made good gains in improving the sustainable management of fishery resources, which are critical to jobs and food security.** Senegal benefits from rich fishing grounds but has faced uncontrolled expansion of fishers and overfishing. Support from the CPS was anchored in the first Series of Projects (SOP) of the FY10 West Africa Regional Fisheries Program (WARFP SOP-A1), which aimed to improve fisheries management, reduce illegal fishing, and increase the value-addition to fish products in Senegal, Sierra Leone, Liberia and Cabo Verde. With assistance of the WARFP SOP-A1, the Government allocated legal fishing rights to eight communities in the Saloum River Delta, Petite-Côte and Cap Vert Peninsula, and developed and approved management plans for two key fisheries (cymbium and deep-water shrimp). The project achieved the key CPS milestone of supporting private associations in 12 coastal areas to manage fishing areas. The project did not fully achieve the second CPS milestone, which aimed to freeze or reduce the number of artisanal and industrial fishing fleets. However, the project put in place mechanisms for regulating fleets by establishing a registry of artisanal vessels and a new permit system.

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[67] The WAAPP-2A tracked averages for yields in two different regions, reflecting the diversity of these separate agro-ecological zones. The CPS arrived at one target for each crop by adding the two zonal averages and dividing by two.
[68] Two loans, committed in 2014 and 2017, totaling €9.5 million.
[69] In the case of Patisen, direct full-time employment increased from 227 in 2010 to 668 in 2017, and female direct full-time employment increased from 51 in 2010 to 158 in 2015. For Kirene, direct full-time employment increased from 216 in 2013 to 393 in 2017 and female direct full-time employment increased from 43 in 2013 to 58 in 2017.

Under WARFP SOP-A1, the percentage of small-scale registered fishing vessels originating from within the coastal region that were allocated secure general fishing permits rose from 0 percent in 2010 to 55 percent in 2017. This missed the CPS target of 70 percent, which was phrased differently as allocating "long-term and transferable permits." Project authorities changed the target, as transferable permits had led to loss of employment in the sector in other countries. The percentage of small-scale fishing vessels observed to have committed a serious infraction fell from 70 percent in 2009 to 45 percent in 2016. The post-harvest handling capacity at targeted sites rose from 17,500 tons per year in 2009 to 32,704 tons in 2016. The WARFP SOP-A1 validated the effectiveness of community-led fisheries and the value of a long-term, phased approach in the sector, while emphasizing the importance of political commitment and incentives for the success of reforms, as well as the need for further investment in the post-harvest segment of the value chain.

Outcome 9A: Improved access to affordable electricity (Achieved)

30. **The CPS achieved good progress in improving access to affordable electricity by investing in power generation; diversifying the energy mix; and improving the performance of the *Société Nationale d'Electricité du Senegal* (SENELEC).** From FY13 to FY17, the WBG financed development of about 200MW of additional power generation, representing 26 percent of Senegal's total capacity. The Tobene power plant (115MW) and the Cap des Biches power plant (83MW)—two landmark projects financed by IFC—displaced expensive rented emergency power generation and limited the use of less-efficient thermal power plants. Expansion units added to plants under these projects helped to reduce power generation costs in project areas from €12.7c/kWh in 2013 to €8.2c/kWh in 2017. The WBG supported a shift towards less carbon-intensive technologies to reduce the cost of generation, greenhouse gas emissions, and Senegal's high reliance on imported Heavy Fuel Oil (HFO), which generates 85 percent of electricity nationally but is vulnerable to price fluctuations and contributes to climate change. A key component of WBG support was the Scaling Solar Initiative—a joint WB-IFC-MIGA one-stop-shop bringing low-cost, grid-tied solar to emerging markets. Under this program, the Government in 2016 appointed IFC Advisory to design a tendering process to identify private sector players that could implement greenfield solar independent power production (IPP) to supply up to 100MW on a national scale. The program's first phase—60MW awarded to the Engie/Meridiam consortium—demonstrated the benefits of this bidding competition, which led to a proposed tariff of €3.9/kWh—60 percent lower than previous solar contracts in Senegal and among the lowest on the African continent. Further, the WBG supported Senegal's long-term gas development after significant natural gas deposits were discovered offshore. The potential switch to domestic gas-based generation through conversion of thermal plants stands to further reduce SENELEC's cost of production and achieve more tariff reductions. With support from the FY13 Electricity Sector Support Project (ESSP, P125565) and its AF in FY17, Senegal improved SENELEC's bill collection rate, provided residential customers with pre-paid meters, provided more than 318,000 households with access to electricity (411,204 households by 2019), and constructed or rehabilitated nearly 600 km of new transmission and distribution lines (736 km by 2019). Finally, the CPS supported regional interventions, such as the OMVS and OMVG projects, which will allow access to cheaper sources of energy such as hydropower. Owing to WBG and other partners' support, Senegal reduced the energy generation cost[70] from CFCA 88/kWh in 2011 to CFCA 55/kWh in 2017—much lower than the CPS target of CFCA 75/kWh.

Outcome 9B: Improved access to electricity in rural areas (Partly Achieved)

31. **Senegal made progress in improving access to electricity in rural areas, although Bank support was not aligned with CPS expectations.** The WB has long supported rural electrification in Senegal,

[70] Excluding depreciation.

including through the FY04 Electricity Services for Rural Areas Project (ESRAP), which made some headway on rural connections before closing in 2012. In the CPS period, the Government, with support of the WB and other donors, implemented various rural electrification programs, including the national rural urgency electrification program, small solar kits, and concessions, including small rural bottom-up concessions (ERIL). The number of rural households benefiting from electricity increased from 170,000 in 2012 to 326,000 in 2017—an increase of 156,000 households. The CPS target, which was associated with the ESRAP and other programs, was 250,000 additional people with access to electricity by 2017 in rural areas. Other indicators testify to Senegal's good progress. From 2012 to 2017, the rural electrification rate increased from 24 to 40 percent, and the number of electrified villages increased from 1,648 to 3,900. To accelerate progress on rural electrification, the Bank, with financing from ESMAP, launched in 2013 the Sustainable Energy for All (SEALL) Technical Assistance Program (S-TAP), which aimed to further support the Government to develop a long-term vision towards rural electrification universal access by 2025. The S-TAP supported three components: (a) Rural electrification sector strengthening, including restructuring and capacity building of the rural electrification agency (ASER); (b) Rural electrification investment prospectus and funding strategy; and (c) Energy sector governance and management, which has supported, among other things, revision of the legal, regulatory and institutional framework of Senegal's energy sector. Key hurdles in rural electrification have included slow work of concessionaires, high tariffs and high connection fees. In FY17, the Bank approved the Rural Electrification Carbon Finance Project (RECFP, P158709), which aims to increase the number of people with access to a connection under the concessionaire model, mainly by leveraging carbon finance to provide households with a voucher lowering the upfront cost of connections. Without such vouchers to lower the cost of connection, households tend to continue to use kerosene and other polluting energy sources. A pilot program was implemented in 15 villages, and 2,000 vouchers have already been distributed in four concession areas.

Outcome 10: Improved mobility in targeted urban and inter-urban areas (Mostly Achieved)

32. **The WBG made significant progress on enhancing mobility in the targeted Greater Dakar Area (GDA) within the Grandes Niayes region.** Recognizing the growing challenge to urban mobility in and near the GDA from population growth, poor traffic management, aging transport vehicles and insufficient and poorly maintained infrastructure, the Bank supported the Transport and Urban Mobility Project (P101415), which was approved in FY10 and received AF in FY16. The Bank also supported the FY09 Dakar Diamniado Toll Highway Project (P087304). Under the first project, authorities rehabilitated 93.84 km of urban and inter-urban roads in the GDA, of which 26.7 kms are paved roads in Dakar, as well as 162 km of rural roads, and increased Dakar's minibus fleet and passengers using urban transport services (from 505 to 1307 buses and 135 million to 202 million passengers, respectively). The Dakar-Diamniado Toll Road project was the WBG's first greenfield urban road infrastructure financed by a PPP in West Africa. IDA focused on financing measures mitigating the impact of the highway, such as urban infrastructure (roads, drainage, schools); construction of a resettlement site; and compensatory measures related to the environment and social impact on populations affected by financing compensations of PAPs. IFC and MIGA participated in structuring and financing closing of the PPP through a loan and a guarantee swap with the concessionaire. Activities helped to reduce the average transport time in the Grandes Niayes area from 210 minutes in 2012 to 153 minutes in 2015 and 150 minutes in 2017— thus meeting the CPS target of 150 minutes for 2017. The transport time between Dakar and Diamniado fell from 1.5 hours in 2012 to 25 min in 2017, exceeding the CPS's targeted reduction to 30 minutes. Informed by WBG analytical work, the Bank approved in May 2017 the Dakar Bus Rapid Transit (BRT) Pilot Project, which will finance a segregated BRT line connecting Dakar and Guediawaye. IFC is advising the Government on the process of competitively selecting an internationally experienced operator to purchase, operate and maintain the fleet of buses. A project seeking to improve the Dakar-Bamako intermodal corridor is planned for the next CPF.

Outcome 11: Improved skills of labor force (Partly Achieved)

33. **The Bank helped to lay the groundwork for improving the skills of Senegal's workforce, particularly through Technical and Vocational Education and Training (TVET), but progress on the key CPS target did not meet expectations.** The FY11 Tertiary Education Governance and Financing for Results Project (TEGFRP, P123673) aimed to enhance the quality and efficiency of the higher education system and included a subcomponent on short-term vocational education; while the FY15 Skills for Jobs and Competitiveness Project (SJC, P145585) worked to strengthen the TVET system and improve the employability of youth in priority sectors. The number of students enrolled in professional and technical education and training rose from 40,222 in 2012 to 54,318 by 2017, but the percentage (17 percent) did not change due to an increase in enrollment in secondary education overall. Thus, no progress was made on the key CPS indicator and the CPS did not include an indicator for the TEGFRP. Nonetheless, the TEGFRP provided limited support to improve TVET and enrollment by 2017. The SJC has helped to improve the quality of training offered by Lycées Techniques (LTs); developed training centers and a skills certification system in priority sectors; and strengthened the management, financing, and monitoring and evaluation (M&E) of the TVET system. By 2017, the SJC had enrolled 4,590 students in science and technical programs offered by LTs, established performance contracts with three LTs, and graduated 561 youth from short-term skills training. By 2018, direct project beneficiaries reach almost 8,000 youth (Certificate of Specialization Program, LTs, clusters) and heads of companies. Progress on the SJC was slow due to construction delays and complexity of the reforms.

Pillar II - Improving Service Delivery (Moderately Satisfactory)

34. Support from the WBG under this pillar aimed to improve the efficiency, effectiveness and results of public expenditures, with a special focus on education, health and social services.

Outcome 12: Enhanced equity and quality of education (Mostly Achieved)

35. **The CPS made substantial headway on this outcome, although progress on the two CPS targets was mixed.** The FY10 Education for All Initiative (E4A, P116783), which closed in FY15, increased classroom space to address overcrowding and a proliferation of temporary classrooms, which hindered access and diminished the quality of learning. Under the E4A, Senegal constructed 538 new schools and 4,977 new classrooms, replaced nearly 2,000 temporary classrooms, and funded additional infrastructure that together improved primary enrollment and completion rates. The FY13 Quality Improvement and Equity of Basic Education Project (QIEBE, P133333) supported performance-based contracting (PBC) between regional and district education agencies; quality improvement agreements (QIAs) at targeted schools; development of local school-based management committees; grants to improve Daaras Koranic schools; and the construction of 200 new primary schools and regional teacher training centers by 2017. Due to such interventions, the percentage of Grade 2 students demonstrating grade-level proficiency in reading and math rose from, respectively, 51.7 and 46.2 percent in 2012 to 59.7 and 59.2 percent in 2017 and 2018. The language of this indicator differed slightly from that of the CPS[71] and surpassed project targets but did not reach the CPS target (of 65 percent) for both subjects.

36. **Senegal also made progress in improving the higher education system under the FY11 TEGFRP.** Senegal established a General Directorate of Higher Education and National Quality Assurance Authority; introduced PBCs for 100 percent of targeted higher education institutions (HEIs); established boards of

[71] The CPS target refers to the percentage of grade 2 students passing standardized learning test in math and reading, as opposed to the project target, which refers to the percentage of students who, by the end of grades 2 and 4 of primary schooling, demonstrate their ability to read and comprehend grade level texts and compute and solve grade level math problems.

directors for 20 HEIs; and invested in facilities. Project interventions helped to increase the promotion rate from the first to second year in five targeted universities from an average of 61.4 percent in 2011 to 71.2 percent in 2017—surpassing the CPS target of 70 percent. The GGSC series enhanced budget credibility in the education sector and increased equity in scholarships for women. The Bank delivered an education Public Expenditure Review (PER) in FY15, which highlighted the importance of improving budget execution and credibility to improve education infrastructure and learning.

Outcome 13: Improved health delivery services (Mostly Achieved)

37. **The WBG made good headway on this outcome.** The WBG has long supported health and nutrition in Senegal, including through the FY02 Nutrition Enhancement Program and a Second Phase from FY07 to FY14. The CPS's support to the sector was anchored in the ongoing FY13 Health and Nutrition Financing Project (P129472), which aims to increase the utilization and quality of maternal, neonatal, and child health and nutritional services, especially in underserved regions. The project supports aspects of the Senegal Universal Health Coverage (UHC) strategy, including: (a) strengthening the supply side of the health system through a results-based financing (RBF) approach; and (b) demand-side interventions to improve accessibility to health care services. The latter includes the Universal Health Insurance Scheme; the national program for improving demand for nutrition services; and vouchers for maternal health services. With support of this project, Senegal increased the number of health facilities with an RBF contract from 0 in 2013 to 318 by 2017 and 371 by 2018. The project supported the creation or improved functionality of 202 community-based health insurance schemes in six regions, and implementation of community-based nutrition interventions by the *Cellule de Lutte Contre la Malnutrition* (CLM). In addition, the project supported financial vouchers to encourage poor women to use maternal health services, behavior change communication activities at the local level, and capacity building to improve management and M&E of hospitals. Owing to these and other activities, the number of children 0-11 months with complete immunizations rose from 63 percent in 2012 to 75 percent in 2017—against a national CPS target of 79 percent. The number of children receiving a minimum of micronutrient sachets in targeted areas rose to 2,793,229—well beyond the CPS target of one million. The percentage of deliveries attended by skilled birth providers rose from 65 percent in 2011 to 68.4 percent at end-2017, against the CPS target of 75 percent. The WB provided complementary analytical support and TA, including a Country Nutrition Status Report, an analysis of investments in nutrition, and support to develop the Health Financing Strategy and the Global Financing Facility for Every Woman Every Child Investment Case. The proposed Investing in Maternal and Child Health program (P162042) will continue the Bank's engagement in reproductive, maternal, adolescent and child health under the CPF.

38. **Under its Health in Africa initiative, IFC helped to promote investment in health services through PPPs.** This engagement was based on three components: (a) TA for a new Health Law, which is in its last stage of development: (b) creation of a collaborative platform for public-private dialogue with the Ministry of Health, including a mapping of health SMEs throughout the country; and (c) creation of an enabling environment to attract investment in health SMEs. The last component is in its infancy, as there is a need to first build the management capacity of these SMEs.

Outcome 14: Improved access to safety nets (Achieved)

39. **The CPS made dramatic gains in improving access to safety nets.** The WB's support was channeled through the FY14 Social Safety Net project, which is still ongoing. The Project is putting in place the building blocks of a social safety net system by establishing a Unique National Registry (RNU) of vulnerable households that serves multiple social programs; and by expanding and strengthening the National Cash Transfer program (PNBSF). The Safety Net Project received AF from the Adaptive Social Protection MDTF in FY17 in order to better target vulnerable households, introduce adaptive social

protection mechanisms (such as temporary cash transfers), and support activities to build household resilience. This project has developed and operationalized the RNU and has established the PNBSF processes for identification, registration, and payments of beneficiaries. As of December 2017, 442,000 households were enrolled in the RNU, or about 30 percent of Senegal's population. Under the project, the number of households receiving targeted cash transfers rose from 0 in 2012 to 277,803 in 2017—exceeding the CPS target of 20,000 by more than 13 times. About 65 percent of the beneficiaries are female. In addition, the Bank delivered in FY17 an assessment of the constraints to productive employment faced by vulnerable youth in urban settings, which led to the design of a range of productive safety net activities, which have been implemented in FY18 and FY19 as part of an AF to the existing project. In addition, the WB produced the first PER in social protection in Senegal, covering 2010 to 2015.

Outcome 15: Increased access to water and sanitation service in selected rural and urban areas (Partly Achieved)

40. **The WB made good progress on enhancing access to water and sanitation (W&S) services in rural and urban areas, although CPS indicators were not strongly linked to the WB program**. The two CPS indicators were instead designed to measure the impacts of multiple government, donor, and WBG interventions under Senegal's broader Water and Sanitation Millennium Program (PEPAM, P109986), in effect measuring certain activities over which the WBG had little control. As such, the indicators did not capture gains of the ongoing FY15 Urban Water and Sanitation project (P150351), which seeks to improve W&S services, particularly in Greater Dakar and the Petite Cote. The IDA projects achieved their targets for targeted areas; by 2017, they cumulatively increased the number of people with access to piped water in rural areas by 172,375 against a target of 130,000, and in urban areas by 385,160 against a target of 191,000. Similarly, additional people with access to sanitation services in rural areas rose to 188,110 against a target of 175,000, and in urban areas rose to 86,600 against a target of 79,000. In FY18, there were an additional 1,000 people with access to piped water in urban areas and an additional 19,870 with access to sanitation services in urban areas. However, the project targets were not aligned with CPS targets. Therefore, by 2018, the number of people with access to piped water in urban areas reached 565,179 against the CPS target of 690,000, whereas in rural areas, it reached 172,375 against a CPS target of 320,000. On the other hand, the number of people with access to sanitation services in urban areas was 106,470 against a CPS target of 690,000, whereas in rural areas, it reached 188,110 against a CPS target of 275,000. These results warrant a Partly Achieved rating for this objective despite the good project performance. A lesson is to choose CPS indicators and targets that will reflect the impact of IDA interventions. The WB also delivered TA programs in the CPS period on strengthening the regulation and service delivery framework for the W&S sector, and on preparing pilots for rural water supply and sanitation services that will engage the private sector.

IFC and MIGA Contributions

41. **Between FY13 and FY17, the IFC committed US$146.3 million in long-term finance and US$42.9 million in short-term finance.** In addition, IFC mobilized US$310 million in long-term finance from other investors. At end-FY17, IFC had a total committed portfolio of US$134.4 million, of which 64 percent was in infrastructure; 22 percent in manufacturing, agribusiness and services; and the remaining 14 percent in the financial sector. Spending on advisory services during the CPS period was US$5.5 million. During the CPS period, IFC's Advisory portfolio grew from US$1.7 million for two projects to US$11.7 million for seven projects. The IFC positioned itself as the main promoter of private sector development in Senegal and achieved transformational development impact, especially in infrastructure. IFC's development impact came from financing: (a) three private power projects, which together produce 40 percent of the country's electricity; (b) the first toll road in West Africa; and (c) the entire ecosystem of financing institutions, from regional banks to local microfinance companies, and the Senegal-based regional private equity fund. IFC

also financed multiple local sponsors operating in the agro-processing value chain, from food products to water, juices and packaging; and supported the ambitions of Senegalese companies to expand into other countries in the region. In addition, IFC financed quality hotels with the aim of improving environmental and social governance in the tourism sector.

42. **MIGA entered the CPS period with a gross exposure of US$207 million in support of three projects—**the Destination Inspection Scheme, the container terminal DP World Dakar, and Senegal Cross Currency Swap. By FY17, guarantees in support of the Destination Inspection Scheme and DP World Dakar had expired, and the one for Senegal Cross Currency Swap had been terminated. In FY16, MIGA supported a second Cross Currency Swap with the Government. The project involved guarantees of US$100.2 million covering a Euro–US dollar cross-currency swap arrangement between Citibank, Société Générale, and Standard Chartered Bank and the Government of Senegal. The Ministry of Economy and Finance entered into the swap agreements as a hedge against currency risk exposure related to a 10-year tenor, US$500 million Senegal Eurobond issued in July 2014. The MIGA guarantee covered risk against a failure by the Government to honor the obligation under the swap agreement. The bond proceeds are being used to finance two road construction and expansion projects under the PSE.

WBG PERFORMANCE

43. **The overall rating for WBG performance is Good.** The CPS remained relevant to client priorities from 2013 to 2017, identified salient risks and mitigation measures, adhered to certain lessons of the previous country strategy, and reflected relatively well the CPS's selectivity criteria. The WBG delivered a substantial and generally high-quality portfolio; undertook an adequate mid-term review that identified corrective actions to improve portfolio performance; and exhibited good integration of gender. On the other hand, a few CPS activities were impaired or delayed because of insufficient client ownership, overly ambitious project designs and targets and issues with safeguards. Some indicators in the Results Matrix were also overly ambitious and/or unclear. In addition, the production of the CLR was slightly delayed due to the shifting timeline of the CPF.

A. Design

44. **The CPS remained relevant to Government priorities over the CPS period even amid the adoption of the PSE.** The PLR confirmed that the original pillars of the CPS aligned well with PSE priorities. The CPS's Pillar 1, which focused on promoting inclusive growth and creating employment, dovetailed with the first PSE pillar targeting a transformation of Senegal's economy to support sustainable growth and create jobs. The second CPS pillar, which supported improved service delivery in health, education and social protection, mirrored aspects of the PSE's second pillar, which aimed to expand access to social services and social protection and preserve conditions for sustainable development. The CPS's Foundation Pillar, which emphasized governance and resilience, reflected the PSE's third pillar, which targeted governance by building institutions and promoting peace, security and regional integration.

45. **The CPS exhibited a mixed record of adhering to lessons of the previous partnership.** As recommended, the CPS continued to support longer-term involvement to enhance results in key sectors, such as energy, and through sequential DPOs to improve governance, PFM, the business and investment climates, private sector engagement and other areas. The WBG strategically combined DPOs with investment lending (some supporting RBF approaches and PBCs), ASA and TA to drive results in health, education and other sectors. A key previous lesson was to ensure that reforms linked to budget support were realistic, but the GGSCs sometimes fell short of this goal due to unrealistic targets and engagement in too many sectors. Some project designs were overly complex and not in line with administrative

capacity. The Senegal Economic Governance Project (EGP), for instance, had an overly complex PDO and unrealistic targets, necessitating project restructuring.

46. **The CPS adhered relatively well to its envisioned selectivity criteria.** The WBG's engagement focused on key constraints to development, such as weak public-sector capacity and accountability, limited access to affordable energy, structural impediments in agriculture, and issues with land management and resilience, as explained in the CPS and validated retrospectively through the latest SCD. However, the WBG might have underestimated whether there were windows of opportunity for reform in certain areas, such as land reform, which was dropped from the third GGSC. The WBG generally engaged in areas where it had comparative advantages and where the WBG could work in partnership with the Government, private sector and donors. The CPS included an annex outlining the areas of engagement of donors, including the EU, AfDB, UNDP and USAID. The annex noted how donor programs complemented WBG areas of engagement and created synergies in such sectors as governance, agriculture, energy, fisheries, and the urban and rural sectors.

47. **The CPS made progress toward building the capacity of ministries and central systems and increasing the use of country systems for project implementation, but challenges remain.** The WB used project implementation units (PIUs) to help improve the capacity of ministries and central systems to efficiently use public monies. PIUs have been anchored to sector ministries and have used the public expenditure framework to approve transactions for procurement and financial management. In addition, the Bank, guided by the findings of the FY17 Country Portfolio Performance Review (CPPR), concluded a Memorandum of Understanding (MoU) with the Ministry of Finance to avoid a double review of the procurement process[72]. More importantly, the MoU specified that DPOs are to be entirely managed under the government expenditure framework without need for a "no-objection" from the Bank. Nevertheless, challenges remain, such as delays in completing operations, high transaction costs, and quality control. Bank staff have recommended that a diagnostic review of country systems be undertaken (a study on harmonizing transaction costs was subsequently done) and that more thought be given to how to better assess the performance of PIU staff. In any case, the Bank is considering streamlining the number of projects, thus reducing the number of PIUs, and giving preference to PIUs integrated into the public administration's main entities.

48. **IFC's engagement was aligned with the economic transformation pillar of the PSE.** Its activities in power and transport directly contributed to the PSE's development objectives. Further, IFC's collaboration within the WBG was effective and instrumental in unlocking complex reforms and delivering impactful projects in energy, power, the investment climate and financial infrastructure. Senegal was an early implementer of the Maximizing Finance for Development (MFD) approach, as highlighted by the successful completion of the Scaling Solar program and the Dakar toll road. Factors underlying IFC's success included upstream engagements using advisory services and joint work on policy reform, and the long-term view IFC pursued in high-impact sectors such as power and transport. Yet the size of the Senegalese private sector is rather small, which entailed a limited incremental increase for IFC's investment opportunities.

49. **MIGA's exposure in Senegal declined from FY13 to FY17 but remained relevant to the CPS.** For example, the second cross currency swap facilitated by MIGA was well aligned with CPS and PSE priorities.

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[72] Before the MoU, the WB conducted a prior review of all procurement processes before transactions were undertaken, which incurred delays. The MoU allows for procurement below a certain threshold to be handled without the WB prior review. These transactions are still subject to WB post review on a random basis.

To be able to deepen its work with the WB and IFC in Senegal and the rest of the region, MIGA established an Africa Hub Office in Dakar in October 2016.

50. **The CPS Results Matrix was sizeable, given the large and diverse portfolio. However, there was arguably some scope to combine CPS outcomes and improve the quality of indicators.** The CPS featured 16 separate outcomes and 28 indicators, which are significant numbers to assess in a CLR. The team might have merged certain outcomes without deviating from the CPS's logic, such as outcomes on access to affordable electricity and access to electricity in rural areas, and on an improved investment climate and SME access to finance. The matrix presented mostly logical results chains. Yet programmatic changes over the five-year CPS period led to some CPS indicators and milestones no longer being relevant. The PLR proposed changes to the matrix, but parts were still hard to report on in this CLR. In some cases, indicators were not clearly attributed to projects, phrased poorly without baselines (i.e., "additional people" receiving some sort of benefit), or overly ambitious given the extent of WBG involvement. In a few cases, this CLR used proxy measurements and extrapolations to report on progress. Some CPS indicators were taken from projects in preparation that were then revised, which made it difficult to keep the Results Matrix up to date over the long CPS timeframe. This underlines the importance of the PLR as an opportunity to adjust CPS indicator targets and framing.

51. **The CPS identified multiple risks to the program amid heightened economic and fiscal vulnerabilities in 2012, although some risks did not materialize.** The CPS highlighted risks to growth from a possible prolonged downturn in Europe and weak exports, as well as risks of fiscal strain and social tensions from natural disasters and price shocks. Such risks did not materialize significantly. In response to the 2014-16 Ebola crisis, the WBG reallocated project funding to enhance country capacity to respond to this disease, which in the end did not significantly affect Senegal. The political crisis in The Gambia in 2016/17 and tensions in Guinea-Bissau and Guinea-Conakry did not substantially affect Senegal's growth. The WBG collaborated with the UN and other agencies to launch a regional Sahel initiative, aimed at helping Sahel countries to tackle political, food, climatic and security vulnerabilities, and build resilience and economic opportunities. The CPS suggested that the Government's limited capacity to implement reform might generate tension between government and civil society and lead to fiscal strain and pressure to use off-budget accounts. This risk materialized somewhat, as Senegal's public debt rose in the CPS period, largely to finance deficits of SOEs, despite a falling deficit from off-budget treasury operations. The CPS suggested that low capacity of government agencies might delay WBG activities. To mitigate this risk, the WBG strove to focus operations on areas of high strategic importance; build consensus on project content during project design**,** notably by removing counterpart funding requirements; streamline portfolio size; and increase portfolio reviews and portfolio support missions.

Implementation

52. **The CPS delivered a substantive lending program, although deliveries departed somewhat from the original plan.** Flexibility was built into the CPS given its five-year timeframe and the uncertain level of IDA17 resources that would become available after FY14. The CPS featured indicative projects through FY15, and actual commitments outpaced expectations. During the CPS period from FY13 to FY17, the total IDA lending commitments rose from US$731.25 million to US$1,351.90 million, and the number of projects rose from 13 to 18. DPO series account for US$145 million while results-based financing only accounts for US$20 million. The IBRD/IDA disbursement ratio was 22.6 percent in FY13, fell to 20.5 percent by 2014, but reached 23.8 percent by FY17—against an AFR average of 21.06 percent in the FY13-17 period.

53. **The quality of the portfolio was generally good, despite implementation hurdles.** In the CPS period, about 80 percent of active lending projects were rated Satisfactory or Moderately Satisfactory on Development Outcome (DO) and implementation Progress (IP), with key flags being slow disbursement, counterpart funding, safeguards and legal covenants. The CPS had one problem project per year on average, apart from FY14 and FY17, which had two problem projects. Overall, the percentage of problem projects averages to 9.23 percent for FY13-17, which is below the Africa region average of 15.83 percent of problem projects for the same period. Nevertheless, in FY18 and FY19, the percentage of problem projects increased to 16.08 percent (against 12.68 percent Africa Region average), as a result of recurrent issues, such as the lack of counterpart funding, social and environmental safeguards, and slow implementation of the result-based financing approach.

54. **The WB took steps to accelerate project implementation and address portfolio issues.** The WBG increased the use of Project Preparation Advances and strived to eliminate effectiveness conditions for new projects whenever possible. The WBG also emphasized restructurings and simplification of project PDOs. The WB supported the Government's adoption of a new Procurement Code in 2014, which increased thresholds for contract approvals and helped to boost disbursement in F17. The Bank team worked with the new Service Delivery Unit in the President's Office, which oversees priority PSE projects and holds quarterly meetings on portfolio performance with sector ministries.

55. **Evaluations conducted by the IEG testify to strong portfolio performance.** The IEG reviewed ten projects that closed during the CPS period.[73] On Development Outcome (DO), two were rated Highly Satisfactory (HS), three Satisfactory (S), three Moderately Satisfactory (MS), and two Moderately Unsatisfactory (MU)—the latter two were the FY06 Electricity Services for Rural Areas Project, and the original FY10 Economic Governance Project (the revised project was rated Moderately Satisfactory). On Bank Performance, IEG rated one project as HS, six as S, and three as MS. IEG rated most Implementation Completion Reviews (ICRs) as Satisfactory, and one Unsatisfactory. For five projects, IEG ratings exactly mirrored those of the ICRs. The IEG provided higher Development Objective ratings for two projects (from S to HS), and downgrades from the ICR ratings for two [74]projects (from S to MS) and one project [75](from MS to MU) due to modest relevance of the project objectives and significant shortcomings of the results framework.

56. **The PLR provided a generally good stocktaking of program performance at mid-term, despite the noted issues with the Results Matrix.** The PLR confirmed the CPS's relevance to the new PSE and confirmed overall satisfactory performance on CPS pillars. The PLR noted certain implementation lags, especially under the Foundation Pillar, and remedial actions, including those noted above and some project restructurings to reflect PSE priorities. The PLR introduced a few programmatic changes for FY16-17, such as an increased focus on the Casamance region; an enhanced focus on employment, urban mobility and energy diversification; and increased support for adaptive social protection programs and the Ebola crisis. The PLR also identified changes to indicators in the CPS Results Matrix to better align with the PSE and client needs.

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[73] The FY05 Electricity Services for Rural Areas Project, FY06 Agriculture Markets and Agribusiness Development Project, FY07 Local Authorities Development Program, FY07 Nutrition Enhancement Program II, FY07 WAAPP (regional), FY10 Sustainable Land Management Project, FY10 Water and Sanitation Millennium Project, FY10 Economic Governance Project, FY10 Rapid Response Child-Focused Social Cash Transfer and Nutrition Project, and FY10 EFI-FTI Catalytic Fund Project.

[74] FY06 Agriculture Markets and Agribusiness Development Project and FY07 Local Authorities Development Program.

[75] FY05 Electricity Services for Rural Areas Project.

57. **The WBG delivered a substantial non-lending portfolio.** Under the CPS's Foundation Pillar, the WBG **delivered** multiple TA and ASA programs to improve governance and accountability of the public sector, such as an analysis of procurement, TA on statistical capacity building, a TA on the recovery of Ill-acquired assets, and a review of urban and spatial development. The WBG also supported diverse non-lending programs in support of growth and employment under the CPS's second pillar, including an Investment Climate Assessment; a TA program on SME access to finance; studies on regional trade and regional transport interconnectivity; and TA programs in agriculture and rural electrification. Under the third pillar, the WBG provided diagnostic work, such as a Public Expenditure Review in education, and poverty and gender assessments, to enhance understanding of challenges in the social sectors. The WBG also provided TA programs to develop service delivery indicators in education and build resilience to food nutrition insecurity. Several programs approved or delivered in FY17 were unforeseen in the CPS framework, which was expected given the five-year timeframe of the CPS and changes in client demand.

58. **The WBG sustained good coordination with donors and stakeholders during the CPS period, notably through the Budget Support Group (BSG) and thematic working groups** in such areas as PFM, social protection, transport and infrastructure, and rural development and food security. Bank teams have played key roles in donor coordination and harmonization. A key success was the conclusion of a joint MoU among donors on harmonizing transaction costs for events at the country level. In addition to its role in the BSG, the Bank has led some thematic groups in rotation with other donors. The WB's involvement with donors has given more credibility and consistency to donor activity and dialogue with the Government. At the same time, such coordination has proven time consuming and challenging when carrying out WBG investments, and difficult to manage in terms of being present at all meetings.

59. **The CPS effectively leveraged regional approaches and resources.** The CPS supported five regional projects as its outset, and by FY17 was supporting six regional projects. Notably, the WBG continued to support the Senegal River Basin Organization (OMVS) and its River Basin project. The WB continued important work through the West Africa Regional Fisheries Program (WARFP) and the Higher Education Africa Centers of Excellence Project. Notably, the WARFP provided a platform for countries to work on harmonization of national policies on the preservation, conservation and exploitation of fishery resources, and strengthen regional cooperation on monitoring, control and surveillance (MCS) actions and fisheries research. In addition, the WBG supported the ECOWAS flagship West African Agricultural Productivity Program (WAAPP), which succeeded in rebuilding West Africa's crumbling agricultural R&D system. This system generates and disseminates innovations aimed at reversing the long-term trend of declining productivity and weakening resilience and competitiveness of agriculture across West Africa.

60. **The CPS exhibited good integration of gender in the WBG portfolio.** The CPS included an annex providing a brief stocktaking of gender-related outcomes in Senegal and mapping key CPS activities against thematic priorities of the National Strategy on Equity and Gender Equality (SNEEG). Nearly all lending activities had some form of gender-related indicator—from simple ones, such as the share of female beneficiaries in a project or within a targeted group (e.g., judicial staff trained, or recipients of cash transfers), to more complex indicators, such as percent of female youth graduating from short-term skills training and employed within a year. Ninety percent of IDA lending operations approved from FY13 to FY17 were gender informed—surpassing the CPS target of 75 percent. In addition, 70 percent of such operations included all three gender dimensions—analysis, actions, and M&E. As expected, the CPS completed a gender-informed National Poverty Assessment.

61. **From FY13 to FY17, the WB's portfolio averaged climate co-benefits of 37 percent,** against a regional target of 22 percent (for FY20), driven by energy projects and the sizeable investment in the Dakar Bus Rapid Transit Pilot Project in FY17, which was deemed to have 100 percent climate co-benefits.

62. **The WBG engaged in broad consultations during CPS preparation,** including a launch chaired by the Minister of Finance in October 2012, and a closing session after the Board discussion by the Prime Minister.[76] The WBG included academics and civil society organizations (CSOs) in consultations, and held a meeting with the Commission of Finance of the National Assembly. The engagement with members of Parliament was less intensive because the National Assembly does not vote on projects financed by the WB. During CPS implementation, the SCD preparation was an opportunity for the WBG to engage and interact with various stakeholders, including national and local authorities, private sector, civil society, and academia.

63. **The portfolio struggled with safeguards issues.** The energy project faced violations of WBG safeguard requirements, notably construction of a high-voltage transmission line in Dakar without adequate compensation to project-affected persons and without necessary safeguards instruments in place, including a RAP and an Environmental and Social Impact Assessment (ESIA). Such issues caused delays in project implementation and nearly led to project suspension. In addition, the Dakar-Diamniado Toll Highway Project faced issues with resettlement action plans (RAPs) and the compensation process. This project is closed since January 2018 with pending safeguards liabilities that the Bank is closely monitoring to ensure that all remaining Project-Affected People (PAP) have been properly compensated and funds have been secured to further compensate missing PAP. Furthermore, the Stormwater Management and Climate Change Adaptation project also encountered safeguards issues related to resettlement.

ALIGNMENT WITH CORPORATE GOALS

64. **The CPS was well aligned with key corporate and regional priorities.** The CPS supported Government priorities under the SNDES and the PSE to drive an economic recovery and higher, inclusive growth, which aligned with WBG corporate goals of poverty reduction and shared prosperity. The CPS provided direct support to poverty reduction, including investments to improve incomes in the Casamance and increase the number of households receiving cash transfers; as well as indirect support by decreasing electricity costs and improving access of poor households to health services. The CPS made gains on themes of IDA16 and IDA17, including gender (again noting that nearly three-quarters of lending projects featured all three gender dimensions of analysis, actions, and M&E) and climate change, through a focus on building resilience and increasing the climate co-benefits of investment projects. The CPS also mirrored AFR priorities. For example, WBG activities to improve agricultural productivity, notably through new technologies, reflected AFR's efforts to scale up support to agriculture as an alternative to developing oil and gas. The CPS's support to improve management of energy resources, power generation, transmission and distribution networks, and renewables reflected AFR's priorities to improve the governance and efficiency of energy SOEs, reduce energy losses, and enhance the use of solar energy. The CPS's support for basic education and skills development reflected AFR's priorities in education and human capital, especially in STEM subjects.

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[76] News reports related to CPS consultations can be found at https://www.youtube.com/watch?v=usfiS4V7tLM and https://www.youtube.com/watch?v=ZGamDQ4yPk8.

LESSONS

65. **Several lessons can be drawn from implementation of the CPS:**

- **Focus efforts on building political buy-in and capacity at all levels of government to ensure the success of WBG projects.** Systemic issues related to insufficient fiscal resources and budget planning to disburse loans (as the government sought to delay disbursements to avoid raising the fiscal deficit beyond the WAEMU and IMF targets), and inadequate budget resources more broadly (e.g., lack of counterpart funding mobilization in a very tight fiscal context) slowed disbursement rates. Moving forward, more results-based financing (including PforR), increased government ownership (through country systems in relation to safeguards, procurement, and financial management and strengthening capacity among local officials and implementation agencies) as well as better upstream planning during the budget process (on counterpart funding and on the approval and tracking of disbursement of donor-funder expenditures) will be needed.

- **Keep project designs simple and flexible, with realistic timeframes for project preparation and implementation of reforms.** Several projects struggled with complex designs, weak readiness at entry (e.g., key staff not hired), and unrealistic timelines. Moving forward, this lesson will be incorporated across the WBG's portfolio, including through (a) more systematic upstream discussion of these aspects at Project Concept Note (PCN) stage; (b) readiness-at-entry filters; (c) early mid-term reviews and possible restructuring of projects facing disbursement and implementation difficulties; and (d) a better up front understanding of the policy and regulatory environment in key sectors of the portfolio (e.g., in agriculture, energy, education).

- **Continue to leverage regional approaches where relevant**. Regional projects started during the CPS period, such as the West Africa Agriculture Project (WAAP), have provided good platforms for innovation and knowledge sharing, but these types of projects require sufficient budgets and strong regional coordination and counterpart organizations. Regional projects also require additional support in supervision and monitoring, which can be facilitated by virtual tools and mechanisms.

- **Pay closer attention to safeguards issues, especially resettlement.** Challenges in safeguards (small number and high turnover of qualified social and environmental experts, lack of equipment and financial means) have undermined the implementation of the Dakar-Diamniadio Toll Road Highway, the Stormwater Management & Climate Change (PROGEP), the Transport & Urban Mobility (PATMUR), and the Tourism and Enterprises Development projects, among others. Strengthening government capacity and systems will be key in this specific area, also mentioned more broadly above.

- **Improve the CPF results matrix and portfolio monitoring, and better communicate the WBG's achievements in Senegal**. The results matrix for the CPF will include indicators that are SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) —with clear baselines and targets – in a more systematic manner. The PLR will make all necessary changes to indicators based on project changes at mid-term. As per feedback received during consultations and field visits for the new CPF, the WBG should also strive to discuss project activities and results with key stakeholders and the Senegalese population on a more regular basis, including through various communication channels depending on the intended audience, in order to build further ownership and appreciation of the program.

- **When considering DPO lending, it is important to strike a balance between meaningful reforms and realistic objectives, and between flexibility and a sharp focus on a few critical measures, given the nature of political decision making.** The proposed CPF includes the last year (FY20) of the ongoing DPO series and a new series for FY21-23 on productive inclusion and equity that will account for such lessons by focusing on fewer sectors and sustained and deeper engagement to allow for continued buildup of the program as the series evolves. Efforts are also made to combine DPOs with IPF and ASA in order to maximize complementarity and impact; to focus on areas where strong collaboration exists between IDA and IFC and where reforms could open-up space for the private sector (i.e., an opportunity to apply the cascade approach); and to better calibrate the scale of WBG support to the scope of reforms and political risk.

- **IFC, MIGA and IDA should build on positive joint results (e.g., in the toll road and the independent power producer (IPP) projects) to continue their strong collaboration to achieve program objectives.** This includes harnessing upstream IFC advisory engagements and taking a long-term view of results in key sectors such as energy, transport, and financial inclusion. MIGA is continuing to leverage its new on-the ground presence through its Africa Hub Office in Dakar to foster greater WBG cooperation and generate new business.

CLR ANNEX 1. SENEGAL CPS FY13-17 RESULTS MATRIX EVALUATION

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
Foundation Pillar: Strengthening Governance Framework and Building Resilience			
Outcome 1: Improved public sector accountability **Indicator 1:** Delay in the publication of the Audit Court annual report reduced from 34 months in 2012 to 12 months by 2017. **Indicator 2**: Percentage of holders of public office (Ministers) that make a declaration of assets increased from zero to 100 % by 2017. **Indicator 3**: Time for the adoption and public disclosure of Budget Review Act *(Lois de Réglement)* after the end of fiscal year reduced from 18 months in 2012 to 6 months by 2017 **Indicator 4**: All ministers and senior level Government officials declare their assets to OFNAC	**Outcome 1: Partly Achieved** **Indicator 1**: **Not met** (Elaboration of report fell to 18 months by 2017, but the report not yet disclosed) **Indicator 2: Met by 2017,** with caveat that the wording is slightly different in the DPO (i.e., *percentage of holders of public office defined in the asset declaration law who have made a declaration of assets)* **Indicator 3: Not Met at 14 months by 2016,** noting the CPS target was neither realistic nor in line with the PFM laws. The Government has 6 months after the end of the fiscal year to submit the budget review act to the Court of Accounts, and later 6 months to submit its review report to the Parliament which will then review and adopt it, thus the CPS target should have been 12 months. **Indicator 4: Met** (100 percent by 2017)	Percent agencies with performance contract increased from 0% in 2012 to 50% in 2017 **(surpassed, at 70 percent)** Five new hospitals have performance agreement signed by 2017 **(completed)** Computerized PFM information system reviewed **(completed)** M&E Framework is operational in sector institutions and at center of government and supporting decision making process by 2017 **(unclear)** Operational results-based M&E making framework established at national and key sectors by 2017 **(completed)** Performance-based budgeting framework adopted by 2017 **(completed)**	**Financing** • Public Resources Management Strengthening TA (P122476, FY11) • *GGSC DPO Series* • *Public Sector Performance SWAP or PforR (FY14/15)* • *Decentralization and Local Governance Support PforR (FY17)* **AAA** • Programmatic Public Sector AAA: Asset declaration • PFM Strengthening TA (FY14) • Governance Policy Planning Support • Policy Notes • Poverty and Gender Report • Spatial Development Study • Programmatic Public Sector AAA: Strategic Planning & M&E, and HRM • Statistical Capacity Development • Public Sector Impact on Education Service Delivery • Value chain analysis of public procurement (FY13) • Financing revenue for the city of Dakar TA

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
		Senegal achieving EITI compliance status in calendar year 2015 **(TBD)**	
Outcome 2: Sustainable land and Water Management **Indicator:** Additional area with SLWM practice in targeted areas of intervention: 7,000 ha by 2017.	**Outcome 2: Not Achieved** **Indicator 1: Not met** (200 ha by 2017)	Climate resilient and integrated coastal zone management plan developed (to be coordinated with EU) **(completed)**	**Financing** • Stormwater Management and Climate Change Adaptation (P122841, FY12) • Sustainable Land Management (P108184, FY10) • Agricultural Markets and Agribusiness Development Project) • *WA Senegal River Basin Water Resource* • Casamance Development Pole Project (FY13) **AAA** • *Climate Change ESW* • *LGAF Assessment* • *3a- Coastal zone vulnerability to climate change study ESW*
Outcome 3: Improved drainage and flood prevention in selected urban areas **Indicator:** Additional area protected against recurrent flooding in Dakar by 2017: 460 ha	**Outcome 3: Achieved** **Indicator: Surpassed** (571 ha by 2017)	Urban plans integrating flood risks in Peri-urban Dakar developed **(completed)**	
Outcome 4: Reduced vulnerability of population and improved infrastructure in Casamance region **Indicator:** Additional people provided with income generation opportunities in Casamance reaching 200,000 by 2017.	**Outcome 4: Achieved** **Indicator: Surpassed** (324,927 additional people by 2017)	150,000 Number of young women and men trained for jobs in Casamance region by 2017 **(significant progress: 90,644 trained)** 150km roads rehabilitated by 2017 **(completed; 194 km rehabilitated)**	
Pillar I - Accelerating Growth and Employment			
Outcome 5: Improved investment climate for private sector	**Outcome 5: Achieved**	Systems for construction	**Financing** • Economic Governance Project (FY10) • IFC – OHADA UA 2

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period

Indicator 1: Increase in the number of decisions taken per year at the "Tribunal Régional Hors Classe de Dakar on Commercial Case (baseline; 947 in 2012; target of 1020 by 2016)
 	
Indicator 2: Reduced number of days required to obtain a construction permit reduced from 210 days in 2012 to 170 days by 2017
	Indicator 1: Surpassed (1371 annual decisions taken by end-2016)
	
	Indicator 2. Mostly met (177 days to obtain a construction permit by 2017)
		permit, registering property, and paying taxes processes (IC) implemented **(Completed)**
		
		OHADA uniform acts on company law and insolvency law reformed by 2016 **(unclear)**
		
		New decree on mediation adopted and implemented **(completed)**
			• IFC SMS Africa / IFC SVC Africa
			• IFC - GTFP Ecobank Senegal (27515)
			• IFC – Senegal TA
			• IFC - MC Senegal & MC Senegal TA
			    • GGSC DPO Series
			    • IFC Investment climate project (FY13-16)
			    • IFC - SSA Credit Bureau Program (577627)
			
			AAA :
			    • Mining Sector Diagnostic & CD
			    • Access to Finance for SMEs ESW
			    • Financial Sector Dev. ESW
			    • ICT for Transforming Senegal TA
			    • Barriers to intraregional trade and Senegalese Exports
			    • Investment Climate Assessment

Outcome 6: Improved access to finance for Micro, Small and Medium Enterprises **Indicator 1:** Increased number of MSMEs getting credit to reach at least 30,000 by 2017 **Indicator 2:** Growth and job creation in tourism	**Outcome 6: Mostly Achieved Indicator 1: Met** (IFC microfinance institutions (MC Senegal and FMS) increased MSME clients by more than 40,000 and number of loans to MSMEs by more than 50,000 in the CPS period) **Indicator 2: Not met** (associated WB project delayed, though results expected in next CPF period. This indicator does not speak directly to access to finance, thus this outcome is rated "Mostly Achieved")	WAEMU-wide regional Credit Bureau created by 2017 **(complete)** Capacity-building training provided to at least 300 targeted SMEs (SMS /SVC Africa) by 2017 **(partly met)**	

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
Outcome 7: Increased agricultural productivity and marketing **Indicator 1:** *Average yield of main cereals increased from 1.5 tons/ha in 2012 to 3 tons/ha in 2017 for Millet and Sorghum, and from 2 tons/ha to 4 tons/ha for Maize.* **Indicator 2:** *Horticultural (fruits & vegetable) exports increased from 24,000 tons in 2012 to 40,000 tons by 2017* **Indicator 3:** *Number of beneficiaries of improved technologies of which 40% female; Baseline (2013): 80,000*, *Target (2017): 700, 000* **Indicator 4:** *An e-subsidy platform designed and used for transparency and efficiency in the distribution of agricultural inputs: Baseline: 20 000 producers registered in 2012*; *Target: 1 million producers registered in 2017 and platform used*	**Outcome 7: Mostly Achieved** **Indicator 1: Partially Met**. (By 2017, the average yields of main cereals rose to 1.14 and 2.5 tons/ha for Millet, 1.5 and 2 tons/ha for Sorghum, and 2.5 and 5.2 tons/ha for Maize. The associated project tracked two average yields per crop in distinct project areas) **Indicator 2: Surpassed (**Annual horticultural exports by PDMAS-supported beneficiaries reached 101,098 metric tons) **Indicator 3: Surpassed (**913,300 beneficiaries of improved technologies under WAAPP-2A as of 2017, of which 41% women) **Indicator 4: Mostly Met (**800 000 producers registered by 2017)	Area under new technologies increased from 40,000 ha in 2013 to 500,000 ha in 2017 **(surpassed; 528 000 ha covered)** Regional Agriculture research center of excellence established by 2017 **(completed; Senegal National Center of Specialization upgraded to Regional Center of Excellence with a rate of 89%)** Index-based insurance for natural disasters and weather risks provided to 66,000 farmers (GIIF) by 2017 (**partially met: 46,530 farmers beneficiaries of index insurance)** Increased access to market to 1,000 SMEs/farmers (Patisen) by 2017 **(completed)** Rehabilitation of 7,400 ha of irrigated perimeters in the Senegal River Valley and	**Financing** • Agricultural Markets and Agribusiness Development Project (FY06) • West Africa Agricultural Productivity (FY12) • Senegal Agribusiness Project (FY13) • GGSC DPO Series • IFC - Global Index Insurance Facility Program/PlaNet Guarantee • IFC – Patisen • IFC – Kirene • IFC - Warehouse Receipt System • IFC - Global Warehousing Finance Program (GWFP) BICIS (32394) **AAA :** • Index-Based Agricultural Insurance TA (FY14) • WA Trade & Agriculture ESW ICA with Focus on Employment, Agro industry, Tourism, and Investment

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
		465 ha in the Anambe Basin by 2015 **(completed)**	
Outcome 8: Improved sustainable management of fishery resources **Indicator:** *% of registered small-scale fishing vessels originating from within the coastal region allocated with secure rights in the form of long-term and transferable permits.* *Baseline (2010): 0 %* *Target (2017): 70%*	**Outcome 8: Partly Achieved** **Indicator: Mostly Met** (reached 55 percent by 2017, though the WARFP SOP-A1 changed the indicator to allocating and enforcing "current general fishing permits" instead of "long-term and transferable permits", as a first step towards allocation of the new permit with a specified and legally recognized fishing license).	Freezing of the artisanal and industrial fishing fleets effective by the end of 2013 **(Not met. The freeze was declared but not implemented due to political pressure from fishers; though relevant regulations passed)** Private Associations of users in 12 sites along the coast supported to manage defined fisheries/fishing areas by 2017 **(completed)**	**Financing** • West Africa Regional Fisheries Program **SOP-A1** (FY10) • IFC - Global Index Insurance Facility Program/PlaNet Guarantee • IFC - Global Warehousing Finance Program (GWFP) BICIS **AAA :** • Index-Based Agricultural Insurance TA (FY14) • WA Trade & Agriculture ESW ICA with Focus on Employment, Agro industry, Tourism, and Investment
Outcome 9A: Improved access to affordable electricity **Indicator:** *Cost of power generation reduced from CFCA 88/kWh in 2011 to CFCA 75/kWh by 2017*	**Outcome 9A: Achieved** **Indicator: Met** (In 2017, according to SENELEC, the cost of power generation was about FCFA 55/kWh, excluding depreciation)	Liquefied natural gas feasibility study completed by 2015 **(completed)** 123 MW of additional energy produced (Tobene and GTi2 PPP) by 2016 **(Met: Tobene = 115 MW /CdB = 83 MW)** 80 MW Power generation imported from Mauritania by 2017 **(Not met)**	**Financing** • PROGEDE II Energy Management (FY10) • WA Power Pool OMVS Felou Hydroelectric Project (FY06) • Electricity Sector Support (FY13) • Taiba Ndiaye Independent Power Producer Project (FY14) • Banda Gas to Power (FY14) • WA Senegal-Mauritania Electricity Operation (FY14) • IDA/IFC - Tobene IPP/PRG (FY14) • Scaling Solar

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
		Action plan for renewable energy developed by 2015 **(completed)** 50MW of Solar energy installed by 2017 **(completed)**	• IFC - GTi2 Independent Power Producer Project (FY16)
Outcome 9B: Improved access to electricity in rural areas **Indicator:** Additional people with access to electricity in selected areas of intervention reached 250,000 by 2017	**Outcome 9B: Partly Achieved** **Partly met** (The number of rural households benefitting from electricity rose from 170,000 in 2012 to 326,000 in 2017. The rural electrification rate rose from 24% in 2012 to 40% in 2017. However, these figures were weakly linked to WB projects)	Expected target by end 2015 by contract with the concessionaires for the current project including contribution from other donors reached 146,000 people) **(status unclear)**	**Financing** • PROGEDE II Energy Management (P120629, FY10) • Electricity Sector Support (P125565, FY13) • Sustainable energy for all initiative • WA Senegal-Mauritania Electricity Operation (FY14) • IDA/IFC - Tobene IPP/PRG (FY14) **AAA** • Sustainable Energy for All study focusing on improving Renewable Energy institutional framework
Outcome 10: Improved mobility in targeted urban and inter-urban areas **Indicator:** *Transport time reduced on selected routes:* *(i) Grandes Niayes Area from* ***3.5*** *hrs in 2012 to* ***2.5*** *hrs by 2017 and*	**Outcome 10: Mostly Achieved** **Indicator: Mostly Met** • Travel time in the Grades Niayes Area fell to 153 minutes by 2015 (the latest data available)	60 Kms of new urban/interurban roads constructed by 2017 **(partly met: 35.4km by 2017)** Functioning institutional arrangement in place to manage the Dakar- Bamako	**Financing** • Dakar Diamniadio Toll Highway (FY09) & IFC - SENAC • Transport & Urban Mobility (FY10) • WA Air Transport II (FY09) • IFC - Extension of Dakar Diamniadio Toll Highway to new airport (FY15 & FY16)

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
(ii) *Between Dakar and Diamnidio from* ***1.5*** *hrs in 2012 to ½* ***hr*** *by 2017*	• Travel time between Dakar and Diamniado fell to 25 minutes by 2017	railway by 2017 (**not met; associated project dropped)** 20 km of paved urban roads **(status unclear)** 75 km of urban roads rehabilitated by 2017 **(mostly met: 60km)**	**AAA** • Intraregional trade and Senegalese Exports Policy support • Urbanization Review and Spatial Development Study
Outcome 11: Improved skills of labor force **Indicator:** Enrollment in professional and technical training increased from 17% in 2012 to 30% by 2017 (disaggregated by gender)	**Outcome 11: Partly Achieved** **Indicator. Not Met.** The number of students enrolled in professional and technical education trainings rose from 40,222 in 2012 to 54,318 by 2017, but the percent remained at approximately 17 percent due to an increase in enrollment in all of secondary education. This indicator was not included in the associated Bank project (TEGFRP). Nonetheless, the TEGFRP provided limited support to improve TVET and enrollment. By 2017, the SJC had enrolled 4590 students in science and technical programs offered by Lycées Techniques and graduated 561 youth from short-term skills trainings.	6000 Number of intermediate level workers trained by 2017 **(Not Met; 400 workers trained)** 10,000 Number of beneficiaries of TVET in selected sectors by 2017 **(Partly Met; 2,500 beneficiaries, and 10,000 in training)** 5 Number of TVET schools with PPP funding by 2017 **(completed)**	**Financing** • Education For All FTI Catalytic Fund (P116783, FY10) • Tertiary Education for Results (P123673, FY11) • GGSC DPO Series • Quality Basic Education (FY13, IDA & GPE) • Skills Development for Job Creation (FY14) • Ministry of Education Capacity building TF (FY13) **AAA** • Multi-sector Labor Markets and Human Capital Study (incl. Casamance Youth employment • Education PER Update • Subregional Network for Results-based Education Sector Governance
Pillar II - Improving Service Delivery			

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
Outcome 12: Enhanced equity and quality of education **Indicator 1:** Promotion rate at grade one for selected universities increased from 50% in 2012 to 70% by 2017 (disaggregated by gender) **Indicator 2:** Percent grade 2 students passing standardized learning test in math and reading increased from 54% in 2012 to 65% by 2017 (disaggregated by gender).	**Outcome 12**: **Mostly Achieved** **Indicator 1: Met with caveat** (The promotion rate of selected universities reached an average of 71.2 percent by 2017, but a gender disaggregation was not available) **Indicator 2: Partly Met** (The percent of grade 2 students achieving grade-level proficiency in math and reading reached 59.7 percent and 59.2 percent, respectively, by 2017)	Performance contracts signed with at least 5 universities **(completed)** Performance contract signed with all education districts by 2017 **(completed)** Shift from arts disciplines to math and sciences starting at junior secondary level by 2017 **(completed)** Implementation of a reformed secondary education curriculum **(completed)**	**Financing** • GGSC DPO Series • Tertiary Education for Results (P123673, FY11) • Quality Basic Education (FY13, IDA & GPE) • Ministry of education Institutional Capacity building TF (FY13) **AAA** • Public Sector Impact on Education Service Delivery • Education PER Update WA subregional Network for Results-based Education Sector Governance
Outcome 13: Improved health delivery services **Indicator 1:** *Deliveries attended by skilled birth providers increased from 65% in 2012 to 75% in 2017* **Indicator 2:** *Children 0-11 months with complete immunization increased from 63% in 2012 to 79% by 2017* **Indicator 3:** *Number of children receiving a minimum of micronutrients sachets in targeted areas increased to 1 million by 2017*	**Outcome 13: Mostly Achieved** **Indicator 1: Partly Met** (Deliveries reached 68.4 percent in 2017) **Indicator 2: Mostly Met** (The rate was 74.7 percent in 2017) **Indicator 3: Surpassed.** (The number of children who received a minimum of micronutrients sachets in targeted areas was 2,793,229 by 2017)	The number of health facilities with an operational Result-Based Financing contract increases from 0 in 2012 to 250 in 2017. **(completed; 318 facilities by 2017**) The number of people covered by private micro health insurance reaches 108,000 by 2017**. (Met. 816,393 people enrolled)**	**Financing** • Nutrition Enhancement Program II (FY07) and AF (FY12) • FY13 Health and Nutrition Financing Project • IFC – CIDR/PMAS micro health insurance project **AAA** • Health-Seeking behavior in Women TA

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
		Epidemiological surveillance and contact tracking capacity in place by 2015 **(Partly Met; One Health Approach established. Support from the Regional Disease Surveillance Systems Enhancement project)** Universal Health Insurance – CMU: Creation of 100 health insurance Mutual in 4 Regions with 100,000 affiliated members in 2017 **(Met. 202 CBHIs functional with support of WB health project with 816,393 people enrolled. At national level, 676 community-based mutual health insurance)**	
Outcome 14: Improved access to safety nets **Indicator 1:** **Indicator 1.** Number of household beneficiaries of targeted cash transfers increased from 0 in 2012 to 20,000 by 2017 (disaggregated by gender)	**Outcome 14: Achieved** **Indicator 1: Surpassed.** (The number of beneficiary households of the cash transfer program rose to 218,194 by 2017)	Institutional framework for functional « Caisse autonome pour la protection sociale ” is in place by 2017 **(Not met)** Program tools and processes are developed and tested: These include procedures	**Financing** • Social Safety Nets Operation (FY14) **AAA** • Safety Nets Assessment TA (FY13) • TA to set-up CUPSU (FY13/FY14)

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
		for identification registration, payment of beneficiaries; and monitoring and evaluation system of the PNBSF by 2017 **(completed)**	
Outcome 15: Increased access to water and sanitation service in selected rural and urban areas **Indicator 1:** Additional people with access to piped water in selected areas of intervention: **320,000** people in rural areas and **690,000** people in urban areas by 2017 **Indicator 2:** Additional people with access to sanitation services in selected areas of intervention: **275,000** people in rural areas and **690,000** people in urban areas by 2017	**Outcome 15: Partly Achieved** **Indicator 1**: **Partly Met amid issues with indicators.** (In area influenced by IDA *and* donor interventions, the number of additional people provided access to piped water was 364,000 in rural areas, and 944,000 in urban areas—based on extrapolation from project indicators. In areas influenced solely by IDA interventions, additional access in rural areas was 172,375 against a target of 130,000, and in urban areas 385,160 against a target of 190,000) **Indicator 2: Partly Met amid issues with indicators.** (In area influenced by IDA *and* donor interventions, the number of additional people with access to sanitation services was about 348,000 in rural areas, and 275,000 in urban areas—based on extrapolation	A new institutional framework that maintains the PP option for the urban water subsector is defined by 2016 **(completed)** At least 100 associations of water users established in selected areas of intervention **(completed)** Dakar Master Plan of Drainage developed (**Completed)**	**Financing** • Water and Sanitation Millennium Project (P109986, FY10) • IFC-IDA advisory and financing support to the development of a desalination facility under a PPP scheme (FY15, FY16) • Water and Sanitation Project (FY15) **AAA** • *Private Sector in Water and Sanitation TA (FY14)*

CPS Outcome	Status of Evaluation	Status of CPS Milestones	Lending/Non-Lending Activities in CPS period
	from project indicators. In areas influenced solely by IDA interventions, additional access in rural areas was 188,110 against a target of 175,000, and in urban areas 86,600 against a target of 79,000)		

CLR ANNEX 2: PLANNED VERSUS ACTUAL DELIVERIES

(Based on revised lending program in the PLR. This table to be finalized in next edition of CLR)

Projects Expected During the CPS Period				
Expected Fiscal Year/Title		**Planned US$ Million**	**Status/Comments**	**Actual US$ million**
FY13	Electricity Sector Support Project	85	Delivered	85
FY13	GGSC 1 DPO	55	Delivered	55
FY13	Quality and Equity of Basic Education	20	Delivered	20
FY14	Casamance Development Pole Project	40	Delivered	40
FY14	Senegal Health and Nutrition Financing	20	Delivered	20
FY14	Sustainable and Inclusive Agribusiness Development Project	80	Delivered	80
FY14	GGSC 2 DPO	30	Delivered	30
FY14	Taiba Ndiaye Independent Power Producer Project	40	Delivered	40
FY14	Safety Net Operation	40.5	Delivered	40.5
FY14	Banda Gas to Power Guarantee	99	Delivered, not in original CPS	99
FY14	Africa Higher Education Centers for Excellence (regional)	16	Delivered	16
FY14	River Basin Multi-purpose Water Resources Development Project 2	58.5	Delivered	58.5
FY15	PFM Strengthening TA Project	30	Delivered	30
FY15	Additional Financing for Stormwater Mngt. project	35	Dropped	None
FY15	Skills for Jobs and Development	35	Delivered	35
FY15	Additional Financing for Stormwater Mngt. project	35	Delivered	35
FY15	Senegal Urban Water and Sanitation Project	70	Delivered	70
FY15	AF for Transport and Urban Mobility	50	Moved to FY16	50
FY15	GGSC 3 DPO	60	Moved to FY16	60
FY15	Regional Sahel Pastoralism Support Project	14 IDA/ 26 Other	Delivered	30
FY15	OMVG Interconnection Project	15 IDA/ 30 Other	Delivered	45
FY16	GGSC DPO 4	30	Dropped	0

FY16	Growth and Exports Development Project	50	Dropped	0
FY16	Solar Energy Project	15	dropped	68
FY17	OMVS Transmission Expansion Project	36 IDA / 61 Other	Delivered	97
FY16	Regional Dakar-Bamako Railway	40 IDA / 80 Other	Dropped	0
FY17	GGSC 5 DPO	30	Dropped, though some reforms added to new DPO series	0
FY17	Financial Sector and Justice	30	Dropped	0
FY17	Decentralization or Urban Project	TBD	Dropped	0
FY17	Human Development Project	TBD	Dropped	0
Projects Not Envisioned in CPS				
FY17	AF for Electricity Sector Support Project	n/a	Delivered	70
FY17	Structural Reform DPO Series	n/a	Delivered	60
Projects Approved Before FY13 Extending into the CPS Period				
Approval FY		**Closure FY**	**PO**	**Commitment (US$m)**
FY05	Electricity Services for Rural Areas	FY13	P085708	29.9
FY06	Agricultural Markets and Agribusiness Development	FY15	P083609	35
FY07	Local Authorities Devt. Program	FY14	P084022	80
FY07	Nutrition Enhancement Prg. II	FY14	P097181	15
FY09	Dakar-Diamiado Toll Highway	Ongoing	P087304	105
FY10	Second Sustainable Energy Mngt.	Ongoing	P120629	15
FY10	Economic Governance Project	FY16	P113801	8
FY10	Sustainable Land Management (GEF)	FY13	P108144	TBD
FY10	Transport and Urban Mobility	Ongoing	P101415	55
FY10	Water and Sanitation SIL	FY15	P109986	55
FY11	Tertiary Education for Results	Ongoing	P123673	101.3
FY11	Public Resource Mngt. Strengthening	Ongoing	P122476	15
FY12	Stormwater Mng. And Climate Change	Ongoing	P122841	55.6

CLR Annex 3: Planned Versus Actual ASA Deliveries

Proposed ASA/TA	PO Number	Planned FY	Status
Safety Net Assessment TA	P123929	FY13	Delivered
ICT for Transforming Senegal	P131221	FY13	Delivered
Nutrition Policy and Partnership TA	TBD	FY13	Delivered
Study on Agency Rationalization	TBD	FY13	Delivered
Value Chain Analysis of Public Procurement	TBD	FY13	Delivered
Programmatic Public Sector TA	TBD	FY14	Delivered
Public Sector Performance TA	TBD	FY14	Delivered
SE4ALL TA	TBD	FY14	Delivered
Study on inter-regional trade (regional)	TBD	FY14	Delivered
Agriculture Insurance TA	TBD	FY14	Delivered
PS Water and Sanitation TA	P131999	FY14	Delivered
Spatial Development Study	P124695	FY14	Delivered
WB/IFC Investment Climate	TBD	FY14	Delivered
LGAF Assessment	TBD	FY14	Delivered
Regional transport interconnectivity study	TBD	FY14	Delivered
Statistical Capacity TA	P152706	FY15	Delivered
Access to Finance for SMEs TA	TBD	FY15	Delivered
Poverty and Gender Policy Notes	P127438	FY15	Delivered
ICA focused on employment (et al)	TBD	FY15	Delivered
PER Education	P143517	FY15	Delivered
Education Service Delivery Indicators	TBD	FY15	Delivered
Financing Review for Dakar	P149766	FY15	Delivered
TA on PSE M&E	TBD	FY15	Delivered
Peanut Sector Reform	TBD	FY15	Delivered
Trade Policy Note	TBD	FY16	Dropped
SE4ALL Rural Electrification Action Agenda and Investment Prospectus TA	TBD	FY16	Delivered
Urbanization review	TBD	FY16	Dropped
Financial sector development TA	TBD	FY16	Dropped

Jobs and Youth AAA	TBD	FY16	Dropped
Decentralization and Local Governance ESW	TBD	FY16	Dropped
Mining Diagnostic	TBD	FY17	Dropped
Additional Non-Lending Programs in CPS Period			
ASA/TA	**PO Number**	**FY**	**Status**
ROSC Report	P154245	FY16	Delivered
Financial Capability Survey	P151555	FY16	Delivered
Groundnut Value Chain Competitiveness and Prospects for Development	P167033	FY17	Delivered
Strengthening Enabling Environment to Scale-up Rural Sanitation	P132028	FY16	Delivered
Understanding Skills Acquisition	P125084	FY16	Delivered
Digital Entrepreneurship	TBD	FY17	Ongoing
Building Resilience to Food and Nutrition Insecurity Shocks	TBD	FY17	Ongoing
Social Protection: Public Works	P155780	FY17	Delivered
Common External Tariff, Economic Partnership Agreement, & Comp.	P151885	FY17	Delivered
Rural Electrification Program	TBD	FY17	Ongoing
Enhancement of Agricultural Perishable Goods Logistics	P153735	FY17	Delivered
Biannual Economic Update for FY15	P151598	FY17	Delivered
Nutrition Investment Case	P159364	FY17	Delivered
UHC Technical Support	P155881	FY17	Delivered
Country Nutrition Status Report	P155880	FY17	Delivered
ICA: Labor Markets and Exports Study	P133268	FY17	Delivered
White Paper on Transport and Logistics	TBD	FY17	Delivered
Health and Nutrition Financing	P151316	FY17	Delivered

ANNEX 3: IDA PORTFOLIO (AS OF JULY 1, 2019) AND INDICATIVE LENDING PIPELINE FOR FY20-FY21

Focus Area # 1: Build Human Capital to Enhance Productivity and Ignite the Demographic Dividend				
National portfolio	**Approval Date**	**Closing Date**	**IDA Amount (in million USD)**	**Co-financing (in million USD)**
Quality and Equity of Basic Education +AF (P133333)	06/13/2013	12/31/2021	80	CIDA 2.8; Global Partnership for Education 49.46
Skills for jobs and competitiveness (P145585)	12/08/2014	01/25/2020	35	AFD (EURO 12 million)
Investing in the Early Years for Human Development (P161332)	09/28/2018	06/30/2024	75	
Improving Youth Employability Through Informal Apprenticeship (P167681)	11/21/2018	03/31/2024	53	
Safety Net + AF (P133597)	04/29/2014	03/15/2024	97.5	11.05 (TF)
Regional portfolio	**Approval Date**	**Closing Date**	**IDA Amount (in million USD)**	**Co-financing**
African Higher Education Centers of Excellence (ACE) + AF (P126974)	04/15/2014	03/31/2020	16 (5.4 Nat & 10.6 Reg)	
First ACE for Impact (P164546)	03/27/2019	12/31/2023	15 (5 Nat & 10 Reg)	
Operations planned in FY 20 and 21 (national & regional)	**Expected Approval Date**		**IDA Amount (million USD)**	**Co-Financing (in million USD)**
Investing in Maternal, Child and Adolescent Health Project (P162042)	Approved on 09/26/2019	12/31/2024	140	10 (Global Financing Facility -GFF TF)
New Education engagement (P169916)	FY21 (11/10/2020 – TBC)		TBD	
New DPO series on productive inclusion (P172723)	Annually from FY21 to 23		TBD	
Focus Area # 2: Boost Competitiveness and Job Creation through Private-Sector led Growth				
National portfolio	**Approval Date**	**Closing Date**	**IDA Amount (in million USD)**	**Co-financing**
Electricity Sector Support Project (P125565)	07/26/2012	10/31/2020	155	EIB ($95 million)
Supporting Gas Project Negotiations & Enhancing Institutional Capacity (P160652)	05/26/2017	12/31/2023	29	
Inclusive and Sustainable Agribusiness Development Project (P124018)	12/19/2013	12/31/2019	80	6 (Global Environment Facility - GEF TF)

Second Multisectoral Structural Reform -DPF (P164525)	12/14/2018	12/31/2019	180	
Casamance Development Pole Project (P125506)	09/25/2013	06/30/2020	40	
Transport & Urban Mobility Project (P101415)	06/01/2010	12/31/2019	104.87	
Dakar Bus Rapid Transit Pilot Project (P156186)	05/25/2017	06/30/2023	300	30 (European Investment Bank – in €); 30M (Green Climate Fund); 54M (Foreign Private Commercial Sources - identified -ZPCI-
Regional portfolio	**Approval Date**	**Closing Date**	**IDA Amount (in million USD)**	**Co-financing**
OMVG Interconnection Project (P146830)	07/29/2015	06/30/2022	45 (15 Nat & 30 Reg)	
OMVS - Transmission Expansion Project (P147921)	05/12/2017	12/31/2020	97 (36 Nat & 61 Reg)	
Sahel Irrigation Initiative Support Project (P154482)	12/05/2017	03/31/2024	25 (12.5 Nat & 12.5 Reg)	
Operations planned in FY 20 and 21 (national & regional)	**Expected Approval Date**		**IDA Amount (million USD)**	**Co-Financing (in million USD)**
Third Multi-Sectoral Structural Reforms Development (P170366)	FY20 (12/18/2019)		180	
Agriculture Diversification Program for Results in the Groundnut Basin Project (P164967)	FY 20 (05/12/2020)		150 (All SUF)	
Shift towards Lower Carbon Power Generation Project (P169744)	FY21 (09/30/2020)		TBD	
Cadaster and Land Tenure Improvement Project (P172422)	FY21 (10/30/2020)		TBD	
Dakar-Bamako Intermodal Corridor Project (P171122)	FY21 (05/25/2021)		TBD	$230M (Commercial Financing)
WAEMU Financial Sector Development DPO (P171234)	FY21 (07/30/2020)		TBD	
Pillar # 3: Increase Resilience and Sustainability in the Context of Growing Risks				
National portfolio	**Approval Date**	**Closing Date**	**IDA Amount (in million USD)**	**Co-financing**

Public Financial Management Strengthening Technical Assistance (P122476)	04/26/2011	12/31/2019	45	
Stormwater Management & Climate Change Adaptation Project + AF (P122841)	05/10/2012	12/31/2019	90.6	5.5 (GEF Sustainable Cities TF)
Municipal and Agglomerations Support Program (P157097)	01/30/2018	07/30/2023	110	
Saint-Louis Emergency Recovery & Resilience Project (P166538)	06/07/2018	06/30/2023	30	
Urban Water and Sanitation Project (P150351)	06/15/2015	12/31/2021	100	
Rural Water Supply and Sanitation Project (P164262)	06/22/2018	06/30/2023	130	
Tourism & Enterprise Development project (P146469)	04/26/2017	06/30/2022	74	
Regional portfolio	**Approval Date**	**Closing Date**	**IDA Amount (in million USD)**	**Co-financing**
Senegal River Basin Climate Change Resilience Development Project (P131323)	12/05/2013	06/30/2021	58.5	
Regional Sahel Pastoralism Support Project (P147674)	05/26/2015	12/31/2021	30	
West Africa Coastal Areas Resilience Investment Project (P162337)	04/09/2018	12/31/2023	30 (10 IDA Nat & 20 IDA Reg)	
Regional Disease Surveillance Systems Enhancement in West Africa (P154807)	06/28/2016	01/31/2023	30 (15 IDA Nat & 15 IDA Reg)	
Operations planned in FY 20 and 21 (national & regional)	**Expected Approval Date**		**IDA Amount (million USD)**	**Co-Financing (in million USD)**
Municipal Solid Waste Management Project (P161477)	FY20 (03/05/2020)		125 (all SUF)	
AF- Saint Louis Emergency Recovery and Resilience Project (P170954)	FY20 (05/21/2020) - TBC		50	
eGovernment Program for Results (P172524)	FY21 (12/17/2020)		TBD	

IDA knowledge services – Active as of July 1st, 2019 and Pipeline for FY 20

Focus Area	Current ASA and TF	Planned ASA for FY 20
Cross-Cutting	Policy Notes Series to Support Policy Dialogue in Senegal (P168261)	AFCF1-Poverty Monitoring (TO024721)
	AFCF1 Poverty Monitoring (P164474)	AFCF1 -Institutional. Capacity Building in ESF (TO025110)
	Public Expenditure Review (P170349)	Economic Monitoring (IO#2001561)
	Economic update FY2019 (P170866)	Economic Update (P171696)
Focus Area I: Build Human Capital to Enhance Productivity and Ignite the Demographic Dividend, with a Focus on The Most Vulnerable	Health Result Based Financing (RBF) impact evaluation (P145230)	Support Human Capital Dialogue - AFCF1 (TO024712)
	Support to Service Delivery Indicators (SDI) Health and Education Surveys in AFCF1 countries (P164343)	Impact of modernizing Koranic Schools on Cognitive and Socio-Emotional Development(P171045)
		Support to Universal Health Coverage and pandemic preparedness (P164017)
		Impact Evaluation - Improving Youth Employability Through Informal Apprenticeships
		Understanding International Migration in West Africa Study (P164474)
Focus Area II: Boosting Competitiveness and Job Creation Through Private Sector-Led Growth	WAEMU Digital Financial Services Policy Dialogue (P169516)	Digital Sources of Growth Study: Productivity and Inclusion Opportunities from Adoption of Digital technologies (P168247)
	Operationalizing the Digital Economy Agenda Through Multi-Sectoral TA (P169886)	
	WAEMU Financial Inclusion Legal and Regulatory Framework (P169852)	
	Digital Transformation Agenda (P166386)	Support to digital connectivity and transformation in Senegal (P171740)
	Impact Evaluation of the BRT and TER in Dakar (P166486)	Transport policy Dialogue (TO024726)
	Senegal & Mauritania Competition Policy Assessments (P161218)	Agri-food value chains and Global markets
	Policy dialogue on corridor reforms and project preparation (P165127)	
	Markets and Competition Policy Assessment (161218)	
	Behavior Change Campaign & Solar Lights Evaluation (P155241)	
	Financial Inclusion (P163925)	
	Agriculture Finance Diagnostic (P161579)	
	Support to Senegal Rural Land Policy (P164820)	Cadastre and Land Tenure Improvement Project (P172422)
	Impact Evaluation of Warehouse Receipts System (P158266)	
Focus Area III: Increase Resilience and	Strengthening service delivery and regulation framework in water and sanitation sector (P159051)	Casamance Region multi sectoral diagnostic (P171900)

Focus Area	Current ASA and TF	Planned ASA for FY 20
Sustainability in a Context of Growing Social/Equity, Climatic, and Transparency Risks	Adaptive Social Protection NLTA (P153183)	Institutional Capacity Building in ESF
	Support to Universal Health Coverage and pandemic preparedness (P164017)	AFCF1-Institutional Capacity Building in ESF
	Macroeconomic Management of Oil & Gas revenue in Senegal and Mauritania (P164580)	Oil and Gas Revenue management TA (P171686)
	Internal Audit Capacity Strengthening (P162490)	Strengthening Water Security in Senegal for Multiple Uses (P172233)
	Evaluation of Fiscal Contingent Liabilities (P164596)	Public Expenditure Review (P170349)
	Governance and Financial Assessment of the State-Owned Enterprise Group LA POSTE (P166979)	
	Debt Management Performance Assessment -DeMPA-, 2018 (P167414)	
	WAEMU-Strategy and Tools to Improve Regional Public Debt (P160746)	

ANNEX 4: SELECTED INDICATORS OF BANK PORTFOLIO PERFORMANCE AND MANAGEMENT

National Projects (as of December 31st, 2019)

Proj ID	Project Name	TL Name	Date, Board App *	Rev Closing	Proj Age in Yrs	Lst DO	Lst IP	Net Comm Amt ($m)	Tot Disb ($m)	Tot Undisb Bal ($m)	% Disb	Tot Undisb Begin FY ($m)	Disb in FY ($m)	% Disb Ratio
P146469	Senegal Tourism & Enterprise Devt	Dib	04/26/2017	06/30/2022	2.7	MU	MU	74.00	25.13	52.95	34.0%	67.52	14.18	21.0%
P122476	SN: Public Resources Management Strengthening TA	Fam	04/26/2011	12/31/2019	8.7	S	S	45.00	34.92	6.55	77.6%	7.73	1.19	15.4%
P164525	Second Multisectoral Structural Reform	Hussain	12/14/2018	12/31/2019	1.0			180.00	180.06	0.00	100.0%	0.00	0.00	0.0%
P133333	SN Quality and Equity of Basic Education	Kamil	06/13/2013	12/31/2021	6.6	MS	MS	79.20	24.23	49.49	30.6%	49.82	-0.47	-0.9%
P145585	Skills development TVET	Kamil	12/08/2014	01/25/2020	5.1	MS	MS	35.00	19.56	13.44	55.9%	16.30	2.90	17.8%
P161332	Senegal Investing in the Early years	Devercelli	09/28/2018	06/30/2024	1.3	MS	MS	75.00	5.76	66.02	7.7%	71.07	5.50	7.7%
P162042	Investing in RMNCAH- GFF	Karamoko	09/26/2019	12/31/2024	0.3			140.00	0.00	134.44	0.0%	0.00	0.00	0.0%
P133597	SN Safety Net	Bossuroy	04/29/2014	03/15/2024	5.7	S	S	97.50	40.88	51.38	41.9%	56.46	4.05	7.2%
P167681	Youth Employability	Tesliuc	11/21/2018	03/31/2024	1.1	MS	MS	53.00	3.35	46.98	6.3%	51.76	3.35	6.5%
P125565	SN - Electricity Sector Support (FY12)	Trimble	07/26/2012	10/31/2020	7.4	MS	MU	155.00	101.80	48.13	65.7%	57.34	8.55	14.9%
P170366	Third Multi-Sectoral Struct Reform DPF	Hussain	12/18/2019	12/31/2020	0.0			180.00	180.64	0.00	100.4%	0.00	180.64	0.0%
P101415	SN-Transport & Urban Mobility (FY10)	Ba	06/01/2010	12/31/2019	9.6	S	S	104.87	100.88	2.08	96.2%	5.94	3.80	64.0%
P156186	Dakar BRT Pilot Project	Taillandier	05/25/2017	06/30/2023	2.6	MS	S	300.00	39.83	271.14	13.3%	305.65	25.51	8.3%
P160652	Gas Project Negotiations & Inst Capacity	Salamon	05/26/2017	12/31/2023	2.6	MS	MS	29.00	4.15	26.40	14.3%	27.79	1.10	4.0%
P124018	SN-PDIDAS	Ahouissoussi	12/19/2013	12/31/2020	6.0	MS	MS	80.00	29.78	42.69	37.2%	50.34	7.84	15.6%
P130271	SN Community-based SLM project (PSG)	Toure	12/19/2013	12/31/2020	6.0		MS	6.00	2.51	3.49	41.8%	4.09	0.59	14.5%
P125506	SN: Casamance Development Pole Project	Perrin	09/25/2013	06/30/2020	6.3	MS	MS	40.00	33.76	3.40	84.4%	5.20	1.80	34.6%
P122841	SN-Stormwater Mgt & Climate Change	Kane	05/10/2012	03/31/2020	7.6	S	MS	90.60	73.39	14.14	81.0%	19.20	5.03	26.2%
P157097	SN-Municipal and Agglomerations Support	Beddies	01/30/2018	07/30/2023	1.9	MS	MS	110.00	19.53	85.32	17.8%	86.20	0.72	0.8%
P158415	2nd AF to GEF Sustainable Cities	Kane	04/13/2017		2.7			5.50	0.00	0.00	0.0%	0.00	0.00	0.0%
P166538	Saint-Louis Emergency Recovery & Resilience	Kane	06/07/2018	06/30/2023	1.6	S	MS	30.00	6.18	21.05	20.6%	23.33	2.18	9.3%
P150351	FY16-SN Urban Water and Sanitation Project	Ndaw	06/15/2015	12/31/2021	4.5	MS	S	100.00	73.37	29.03	73.4%	38.72	9.12	23.6%
P164262	Senegal RWSS Project	Diallo	06/22/2018	06/30/2023	1.5	S	S	130.00	6.96	112.39	5.4%	114.51	0.08	0.1%
SN	**23**							**2,139.68**	**1,006.65**	**1,080.51**	**47.0%**	**1,058.97**	**277.65**	**9.2%**

Regional Portfolio (as of December 31st, 2019)

Project ID	Project Name	GP	TTL(s)	Approval Date	Closing Date	Net Comt. $USM	Total Disb. $USM	Undisb. Balance Begin FY ($)	Disb. in FY ($)	FY Disb. Ratio	Latest DO	Latest IP
P126974	Africa Higher Education Centers of Excellence Project	Education	Himdat Iqbal Bayusuf	15-Apr-2014	30-Sep-2020	16.00	11.52	6.11	1.53	25.0%	S	S
P131323	Senegal River Basin Climate Change Resilience Development Project	Water	Marie-Laure Lajaunie	5-Dec-2013	30-Jun-2021	58.50	40.11	22.08	3.57	16.0%	S	MS
P146830	OMVG Interconnection Project	Energy & Extractives	Christopher Philip Trimble	29-Apr-2015	30-Jun-2022	45.00	16.93	28.50	0.72	3.0%	MS	MS
P147674	Regional Sahel Pastoralism Support Project		Caroline Aurelie Plante	26-May-2015	31-Dec-2021	30.00	21.98	12.02	3.68	31.0%	MS	MS
P147921	OMVS - Transmission Expansion Project	Energy & Extractives	Thierno Bah	12-May-2017	31-Dec-2020	97.00	26.02	81.35	7.85	10.0%	S	MS
P154482	Sahel Irrigation Initiative Support Project	Water	Pierrick Fraval	5-Dec-2017	31-Mar-2024	25.00	3.38	23.14	1.36	6.0%	MS	MS
P154807	Regional Disease Surveillance Systems Enhancement (REDISSE)	Health, Nutrition & Population	John Paul Clark	28-Jun-2016	31-Jan-2023	30.00	10.38	21.00	2.11	10.0%	MS	MS
P162337	West Africa Coastal Areas Resilience Investment Project	Environment, Natural Resources & the Blue Economy	Nicolas Benjamin Claude Desramaut	9-Apr-2018	31-Dec-2023	30.00	1.23	28.35	0.00	0.0%	S	MS
P164546	First Africa Higher Education Centers of Excellence for Development Impact Project	Education	Himdat Iqbal Bayusuf	27-Mar-2019	31-Dec-2023	15.00	0.00	14.77	0.00	0.0%	S	S
9						**346.50**	**131.56**	**237.34**	**20.83**	**8.8%**		

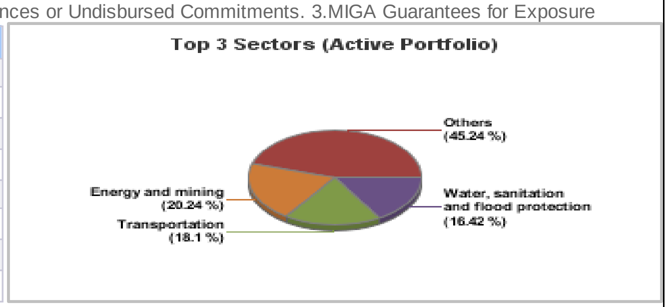
ANNEX 5: WORLD BANK GROUP PORTFOLIO (AS OF DECEMBER 31, 2019)

Population (millions) (2018)	15.9	IDA, Blend or IBRD	IDA
GNI ($billions) (Atlas) (2018)	22.4	IDA 16 allocation(SDR)	
GNI per capita ($) (2018)	1,410.0	% Change over IDA15	
GDP growth (%) (2018)	6.8%	Inflation Rate (%) (2018)	0.5%
Ranking in Doing Business Report (2019)	123	* Data as of : Jan 09, 2020 [4]	IBRD/IDA Exposure Data as of: Sep 30, 2017

WBG	Net Commitments/Committed	Undisbursed ($m) *	Exposure (total sums disbursed & outstanding)($m)
IBRD	0.0 [1]	0.0	0.0 [4]
IDA	1,798.3 [1]	1,056.4	1,914.3 [4]
IFC	136.1 [2]	40.1	96.0
MIGA			306.2 [3]
World Bank Group	**1,934.4**	**1,096.5**	**2,316.6**

1.Net Commitments for active portfolio projects. 2.Outstanding balances or Undisbursed Commitments. 3.MIGA Guarantees for Exposure

IBRD/IDA	
Net Commitments($m)	# of projects in portfolio
1,798.3	18
Disbursements in FY20 ($m)	% Undisbursed
96.2	58.7
# projects in FY20 pipeline	Of which Approved (YTD) (#)
5	2
Commitments($m) in FY20 pipeline	Of which Approved (YTD) ($m)
645.0	320.0



World Bank Data as of : Jan 09, 2020

Current IFC Committed Portfolio												
IFC's own account ($m USD)									Syndicated ($m USD)		IFC AMC ($m USD)	
Loan		Equity		Quasi Equity (LN & ET)		GT (incl. Trade Fin) and Risk Mgm		IFC Total	B-Loan		Quasi Equity (LN & ET)	
Exposur	Cmtd	Exposure	Cmtd	Exposure	Cmtd	Exposure	Cmtd	Cmtd	xposur	Cmtd	Exposure	Cmtd
47.1	77.3	3.4	3.8	10.1	10.1	35.5	44.9	136.1	47.5	47.5		

IFC Investment Business - Top 5 Sectors (IFC Committed $m USD)			IFC Advisory Services - Business lines ($m USD funds managed)	
5	Electric Power	55.8	Access To Finance	2.8
6	All others	80.3	Sustainable Business Advisory	0.8
Total		**136.1**		
				3.6

IFC Data as of : Dec 31, 2019

MIGA		
	Currently Active	Total
# of Projects Guaranteed for Investment	5	6
Guarantees Gross Exposure ($m)	306.2	326.3

Guarantees - Top Sectors			
Infrastructure	205.8	Financial	100.5

MIGA Data as of : Nov 30, 2019

ANNEX 6: IFC STATEMENT OF HELD AND DISBURSED PORTFOLIO AND STRATEGY OVERVIEW

AS OF 12/31/2019

Commitment Fiscal Year	Institution Short Name	LN Cmtd - IFC	LN Repayment - IFC	ET Cmtd - IFC	QL + QE Cmtd - IFC	GT Cmtd - IFC	RM Cmtd - IFC	ALL Cmtd - IFC	ALL Cmtd - Part	LN Out - IFC	ET Out - IFC	QL + QE Out - IFC	GT Out - IFC	RM Out - IFC	ALL Out - IFC	ALL Out - Part
2010	COMASEL St Louis	0	0	0.70	0	0	0	0.70	0	0	0.70	0	0	0	0.70	0
2010/2013/2019/2011	Baobab Senegal	7.00	3.83	1.63	0	0	0	8.63	0	0	1.63	0	0	0	1.63	0
2011	Comasel de Louga	0	0	0.63	0	0	0	0.63	0	0	0.63	0	0	0	0.63	0
2011/2015	SENAC	8.91	1.78	0	10.10	0	5.46	24.48	0	8.91	0	10.10	0	1.68	20.70	0
2014/2017	Kirene	5.00	4.07	0	0	0	0.18	5.18	0	5.00	0	0	0	0.08	5.07	0
2016	SIMPA SN	2.81	0.57	0	0	0	0	2.81	0	2.81	0	0	0	0	2.81	0
2017	UM-ACEP Senegal	0.84	1.15	0	0	0	13.29	14.13	0	0.84	0	0	0	13.29	14.13	0
2018	BASN SME RSF	0	0	0	0	4.04	0	4.04	0	0	0	0	1.82	0	1.82	0
2018/2017/2015/2016	Tobene Power	27.07	13.55	0.39	0	0	4.73	32.19	47.53	27.07	0	0	0	3.18	30.26	47.53
2018/2019	BOA Senegal SME RSF	0	0	0	0	2.51	0	2.51	0	0	0	0	0.75	0	0.75	0
2018/2020	SOSAGRIN-IBS	12.91	0	0	0	0	0	12.91	0	0	0	0	0	0	0	0
2019	Polykrome	5.61	0	0	0	0	0	5.61	0	2.43	0	0	0	0	2.43	0
2020	Kael Solaire	3.25	0	0	0	0	0	3.25	0	0	0	0	0	0	0	0
2020	Kahone Solaire	3.94	0	0	0	0	0	3.94	0	0	0	0	0	0	0	0
	Cap des Biches	0	0	0	0	0	14.67	14.67	0	0	0	0	0	14.67	14.67	0
Grand Total:		**77.34**	**24.95**	**3.35**	**10.10**	**6.55**	**38.33**	**135.68**	**47.53**	**47.06**	**2.96**	**10.10**	**2.56**	**32.90**	**95.59**	**47.53**

IFC Senegal strategy: Need IFC 3.0 in Key Sectors to Enable 1.0/2.0

- The **focus areas of IFC 3.0** (Sustainable Infrastructure, IT Foundations for a Digital Economy and Access to Finance) aim to **reduce the cost of** and **improve access to** key enabling sectors and open up new sectors of opportunity.
- Reforms, investment and advisory in the focus areas of Tourism and Agribusiness Value Chain (both 1.0/2.0 and 3.0) will **create jobs, enhance economic diversification** and **provide services to an urbanizing economy.**
- IFC will **leverage WB engagement, products and knowledge** to achieve reforms and scale up impact.

Strategic Sectors of IFC Country Strategy

IFC 3.0

Sustainable Infrastructure
Regulatory framework to create durable Gas to Power sector; Continued 3.0 work on renewable energy and transportation

ICT Foundations for a Digital Economy
Reforms to bolster competition, enhance ICT infrastructure and reduce costs

Access to Finance
Focus on SME, agri, housing and digital finance; J-CAP reform work for regional capital markets

IFC 1.0/2.0

IFC 3.0

Tourism
Boost growing services sector; create jobs and encourage economic diversification

Agribusiness Value Chain
Bolster potential in agro- processing and horticulture; build value chains and enable agri-finance

ANNEX 7: MIGA'S GUARANTEE PORTFOLIO (AS OF DECEMBER 31ST 2019)

Issued Month	Project Id	Project Name	Effective Date	Expiration Date	Host Country	Business Sector Name	Product Line Code	Management Sector	Gross Exposure ($USD)	Adjusted Net Exposure ($USD)
FY16										
July	12514	Senegal Cross Currency Swap	07/30/2015	08/20/2024	Senegal	Financial	NH	FINCAP	101,489,031	21,417,831
July	**1 Project**								**101,489,031**	**21,417,831**
FY18										
June	13563	Taiba N'Diaye Wind Power	06/29/2018	06/28/2038	Senegal	Infrastructure	PRI	EEI	142,490,856	49,405,677
June	**1 Project**								**142,490,856**	**49,405,677**
FY19										
June	14311	Tobene Power SA	06/28/2019	06/27/2034	Senegal	Infrastructure	PRI	EEI	58,004,578	58,004,578
June	**1 Project**								**58,004,578**	**58,004,578**
FY20										
July	14283	Kael Solaire S.A.	07/19/2019	07/18/2034	Senegal	Infrastructure	PRI	EEI	3,452,195	3,452,195
	14284	Kahone Solaire S.A.	07/19/2019	07/18/2034	Senegal	Infrastructure	PRI	EEI	4,175,589	4,175,589
July	**2 Projects**								**7,627,784**	**7,627,784**
Grand Total	**5 Projects**								**309,612,250**	**136,455,870**

ANNEX 8: GENDER FOCUS IN THE SENEGAL CPF

1. **A number of recent and ongoing ASAs (either specifically on gender or with significant gender dimensions) constitute the equivalent of a Country Gender Assessment (CGA), in compliance with OP/BP4.20.** These include (a) the 2015 Poverty and Gender Assessment (which covers gender in terms of employment, education, poverty, access to finance, health, and agriculture); (b) the 2017 West Africa Poverty Monitoring ASA (including two reports on constraints to women's economic participation in Senegal); (c) the 2018 study on Women, Business, and the Law); (d) the ongoing impact evaluations on Health Results-Based Financing, on improving youth employability through informal apprenticeship, and on the impact of safety nets; (e) the study on understanding international migration in West Africa; and (f) the study on supporting Senegal rural land policy. Altogether and as partly summarized in the SCD, this large body of work identifies lack of women's access to basic services (especially sexual and reproductive health, which also contribute to high population growth) and lack of women's access to productive inputs (including land) as the key gender-related constraints to poverty reduction and shared prosperity.

Summary of Gender Trends

2. **Girls are at a slight advantage compared to boys when it comes to the Human Capital Index (i.e., an HCI of 0.43 compared to 0.41 for boys).** Indeed, Senegal achieved gender parity in primary enrollment in 2009, and recent trends are now slightly in favor of girls: the gross enrollment rate (GER) for girls exceeded that of boys in 2017 in both primary (94 vs. 81 percent) and junior secondary (55 vs. 47 percent) education. As a result of these positive trends, the gender gap is slowly closing in upper secondary as well: the percentage of girls increased from 26 percent in 2005 to 34.8 percent in 2017.

   However, important access barriers remain. These include (a) poor water/sanitation at the school level (reliable water is available in only 32 percent of primary schools, with striking urban-rural inequalities, which particularly affects girls' attendance, especially after puberty); and (b) the high prevalence of early marriages (9 and 31 percent of girls are married before 15 and 18, respectively). The participation of girls in scientific disciplines also remains a specific concern, particularly at the upper secondary level: the proportion of girls entering scientific series was 44.6 percent at the beginning of Grade 10 but drops to 39.4 percent by the end of Grade 12.

3. **At 35 percent of total university enrollment, women's share in tertiary education is also low,** though higher than in many countries in the region. Illiteracy rates also remain significantly higher for women than for men, even though the literacy gap has been narrowing substantially in the past decade, which suggests that important efforts are being made.

4. **In the case of girls' and women's health, important progress has been made but key indicators still lag behind in critical areas, such as births attended by trained personnel (59 percent in 2016), use of modern contraceptive methods (26 percent in 2017), adolescent pregnancies (16.4 percent of girls ages 15-19) and overall fertility rates (4.6 children per women in 2017, with wide urban/rural differences).** Adolescent fertility rate (births per 1,000 women ages 15-19) improved from 101 in 2005 to 72 in 2016. Almost one third of the poorest adolescents (29 percent) have a child before age 19 (against 4 percent of the richest). Only 29 percent of the poorest women benefit from assisted deliveries (against the national average of 53 percent). The Maternal Mortality Ratio decreased from 392 per 100,000 in 2010 to 315/100,000 in 2015 but remains very high. Female life expectancy at birth has also improved significantly, from 59 years in 2000 to 68 years in 2015. Prevalence of HIV among females ages 15-24 decreased from 0.8 percent in 2000 to 0.1 in 2015 (World Development Indicators).

5. **Financial access remains the key constraint to even faster improvements in health care.** The Government has adopted a free care policy for primary health care services in recent years, with the objective of removing financial barriers to care for pregnant women and preventing catastrophic health expenditures if they need a C-section, for example. With this policy, women should not pay any fees at public health facilities. However, this scheme does not cover indirect costs related to accessing health services, such as transportation costs and opportunity costs incurred when missing several hours or days of work.

6. **When it comes to employment, several social norms and obsolete laws restrict women's full participation.** According to the Labor Code, although women may work the same night hours as men, they are not allowed to do the same jobs as men. Women are precluded from working in the mining industry, factories, construction and metalworking. Further, they cannot be employed in jobs deemed morally or socially inappropriate or in jobs requiring lifting weights above a certain threshold. Social, economic and cultural constraints further reduce Senegalese women's participation in decision-making, increase their domestic workload (e.g., household chores, child and elderly care), weaken their access to resources, and increase economic vulnerabilities.

7. **As a result, gender disparities in the labor force remain high.** In 2014, the female labor force participation rate was 66 percent, compared to 88 percent for males, and female unemployment was 12.9 percent, compared to 7.5 for males. A similar gap was recorded for female and male youth unemployment rates, which were 18.6 and 9.3 percent, respectively in 2014 (World Development Indicators). Particularly worrisome is the situation of young women in rural areas, where 41 percent of girls age 15-19 and 55 percent of women ages 20-24 are so-called "ninis," being neither in school nor at work (vs. 23 and 21 percent of men, respectively). In urban areas, the share is smaller, but the gap is still wide: the "nini" group includes 21 percent of girls ages 15-19 and 34 percent of women ages 20-24 (vs. 10 and 12 percent of men, respectively).

8. **During the last 10 years, the rise of female entrepreneurship in Senegal has brought attention to the issue of women's access to credit.** While the law does not prohibit discrimination by creditors based on gender or marital status, in practice, access to credit tends to be more limited among women. The access rates to Decentralized Financial Services (DFS) is estimated at 8 percent for men and 2 percent for women in the banking system, and 9.9 percent for men and 6.6 percent for women in the non-banking system (informal sector).

9. **Senegal remains one of 31 countries globally where women still cannot legally choose where to live or be considered head of household in the same way as men**. Senegal is also among several countries (75 percent of which are in Francophone Africa) with regulations still in place that restrict women's employment. Senegalese Family Law is also discriminatory against women when it comes to inheritance, including of land. While the husband is entitled to inherit half of his deceased wife's estate, the wife is to inherit only a quarter of her deceased husband's estate. Similarly, the law gives preference to sons over daughters when it comes to inheriting their parents' assets.

10. **Overall, while women make important contributions in the agriculture sector, where they are estimated to represent more than half of those economically active, the potential of the agriculture sector to help rural women out of poverty is hampered by their poor access to productive inputs, such as land and credit.** As a result, men dominate in the more profitable activities.

11. **Senegal has a Domestic Violence Law that criminalizes assaults and provides for punishment of one to five years in prison and a fine**. Domestic violence that causes lasting injuries is punishable with a prison

sentence of 10 to 20 years. If an act of domestic violence causes death, the Law mandates life imprisonment. The Law does not address spousal rape and allows the common practice of using a woman's sexual history to defend men accused of rape. Marital rape is not criminalized under Senegalese law, although a wife or a partner may file a complaint. As a result, violence against women (including female genital mutilation, trafficking and sexual harassment) remains widespread. However, some laws and policies are beginning to trigger societal changes.

12. Senegal has ratified most international legal texts promoting women's rights, and the Government has initiated an effort to harmonize the national legislation in this area. However, there has been limited operationalization of these protections. For example, Senegal is one of 20 countries that have ratified the Women's Rights Protocol, which entered into force in November 2005, although effective implementation of its provisions remains a challenge. Cultural obstacles and de facto discrimination remain important issues. For example, traditional practices make it difficult for women to purchase property in rural areas. Many women have access to land only through their husbands, and the security of their rights depends on maintaining that relationship.

13. **Since 2008, legislative provisions have been made to allow women to participate in military functions,** the gendarmerie and the police. In 2010, the Parliament also adopted a new law requiring all political parties to introduce absolute gender parity in their electoral lists for legislative, regional, municipal and rural elections, with an equal number of men and women on all lists in an alternating manner. These lists were used during the parliamentary elections in 2012 and more recent elections. As a result, the share of women representatives in the National Assembly rose from 23 to 43 percent (World Development Indicators). However, women still represent only a minority of government officials at the central, regional, municipal and rural council levels.

Government Commitment

14. **The Government has shown strong commitment to gender equality and just recently finalized (in October 2019) a new National Strategy for Women's Economic Empowerment 2020-2035.** This strategy identifies three key challenges (a) increasing and stabilizing income from traditionally female activities (agricultural and fishing products processing), as well as in the energy and digital economy sectors; (b) ending gender-based violence and gender-based discrimination; and (c) drastically reducing unpaid domestic work. The Priority Action Plan for the strategy sets two overarching objectives: (a) raise female employment rates to 60 percent in 2035 (from 34 percent in 2018); and (b) raise the percentage of firms managed by women to 40 percent in 2035 (from 20 percent in 2018).

Mainstreaming Gender across the CPF

15. **Most operations envisioned in this CPF period** (including those still active as part of the ongoing portfolio as well as those envisioned in FY20 and beyond) include gender analysis, action and indicators, with specific activities explicitly embedded in key projects (in health, education, social protection, jobs, agriculture, financial innovation and inclusion, agriculture, water and sanitation) to reduce the gender gap.

16. **As a result, and as further described in the CPF Results Matrix (Annex 1),** 7 out of 11 CPF objectives include gender-disaggregated targets at the level of CPF objective indicators (or, in some cases, as part of the supplementary progress indicators). This is in addition and complementary to having a specific objective (1.4) focusing on women empowerment. In particular: Objective 1.2 promotes greater equity in access to STEM tracks for both genders at the secondary level; Objective 1.3 ensures that at least one-

third of youth benefiting from specific skills and apprenticeship programs are girls/young women (thus breaking traditional gender norms when it comes to certain trades); several indicators across the first focus area benefit from the safety net project (with the cash transfer intentionally entrusted to women to maximize investments in the human capital of their children); Objective 2.3 aims to increase the percentage of women with transaction accounts and also promotes female-headed SMEs (including through a dedicated initiative to connect national procurement needs with women-owned SMEs); Objective 2.4 ensures that women are well represented among famers benefiting from climate-smart agriculture assets and services; and Objective 3.2 ensures equal coverage of key water and sanitation services.

17. **In some cases, targets are further disaggregated by geographic region and/or by poverty level,** to ensure even greater gains among the poorest and most vulnerable women. For example, several activities to reduce teenage pregnancy and promote early childhood development are concentrated in the most lagging regions of the country.

18. **Several operations intentionally address the issue of social norms and also engage with boys and men** (including in their roles of fathers and husbands, but also religious and traditional leaders) as part of the process to ensure full community ownership and greater outcomes for both men and women, rather than a simple narrowing of the gap. This is essential for sustainability and to avoid some of the unintended negative consequences that can occur when well-intentioned activities geared towards girls or women do not elicit any interest or even create resentment among boys and men.

19. **Findings from the latest global and regional evidence, including work done in collaboration with the World Bank's Gender Innovation Lab, are helping to inform specific activities**. Regional work on the impact of accompanying measures, such as gender norms sensitization in Adaptive Social Protection Programs in the Sahel, are yielding specific lessons for Senegal. In turn, a few Senegal-specific activities are being evaluated to further advance the body of global knowledge in these areas. For example, different modalities of cash transfers to maintain adolescent girls in school (as part of the new project on Investing in Maternal, Child and Adolescent Health) are being evaluated for their impact and cost effectiveness in Senegal and other parts of West Africa.[77]

20. **Finally, a new DPO series tentatively planned for FY21-23 on productive inclusion and equity** will explore the possibility of addressing critical legal and policy bottlenecks to women's empowerment in a way that complements specific activities across projects.

[77] Most of the current body of evidence on cash transfers to maintain girls in school comes from eastern and southern Africa.

ANNEX 9: DIGITAL FOCUS IN THE SENEGAL CPF

Digital Economy: Global and Regional Importance

1. **The rise of digital technologies and digital economy (DE) offers unique opportunities for accelerated economic growth, innovation, job creation and access to quality services**. The accelerating pace of technology diffusion, the convergence of multiple technologies, and the emergence of global platforms are disrupting traditional development and business models, expanding access to global markets, delivering productivity gains, and creating jobs. For example, Alibaba, the world's largest e-commerce platform by sales volume, supports an estimated 10 million jobs, or 1.3 percent of China's workforce. Overall, the global DE, worth US$11.5 trillion, or 15.5 percent of global GDP in 2016, is expected to reach 25 percent in less than a decade, far outpacing the growth of the traditional economy.

2. **The digital revolution is well underway in Africa, with impressive progress in many areas.** Unique mobile subscriber penetration across the continent reached 44 percent at the end of 2017, up from 25 percent in 2010. In 2017, mobile technologies and services generated 7.1 percent of GDP, or US$110 billion. Mobile money is driving financial inclusion, particularly in SSA, with the number of accounts doubling to 21 percent between 2014-17. African e-commerce is also growing rapidly, at an estimated annual rate of 40 percent. Over the last five years, there has been a tenfold increase across the region in the supply of new intermediaries and support structures, such as incubators, accelerators and tech hubs, among others, numbering more than 200 across the Africa region today. Overall, the African DE is expected to grow to over US$300 billion by 2025,[78] yet much more can be achieved.

Regional Approach: Thinking Big and Shooting for the Moon

3. **To thrive in the DE era, Africa needs coordinated action with an ambition equal to its unprecedented opportunities and high stakes**. The Digital Economy for Africa (DE4A) initiative, which is supporting the operationalization of the African Union's Digital Transformation Strategy for Africa, responds to these immense challenges and opportunities. The Digital Transformation Strategy sets out a bold vision to ensure that every African individual, business and government is digitally enabled by 2030, with the goal of ensuring Africa's full participation in the global digital economy. The DE4A initiative recognizes that the digital economy can help achieve the UN Sustainable Development Goals (SDGs) and the World Bank Group's twin goals.

4. **The DE4A initiative is underpinned by the following five principles and depends on five foundational building blocks for its implementation:**

- *Comprehensive*: Taking an ecosystem approach that looks at supply and demand, and goes further than the narrow silo approach in defining the requisite elements and foundations;
- *Transformative*: Aiming at a very different scale of ambition beyond incremental islands of success;
- *Inclusive*: Creating equal access to opportunities and dealing with risks of exclusion to ensure DE for "everyone, in every place, and at all times";
- *Homegrown*: Based on Africa's realities and unleashing the African spirit of enterprise to boost homegrown digital content and solutions, while embracing relevant best practices from abroad;

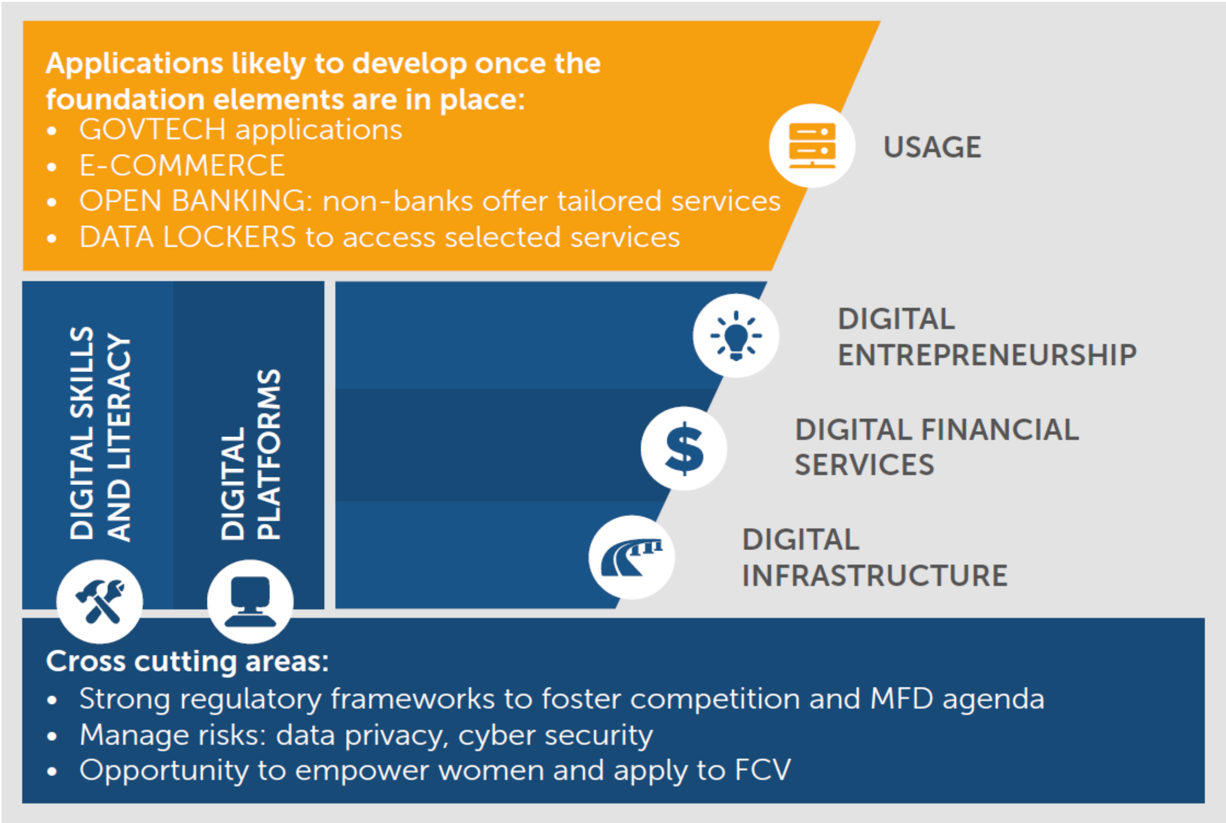
[78] McKinsey 2013.

- *Collaborative*: Instilling a flexible mindset and strong collaboration among countries, sectors and players through facilitation, retooling and encouragement of risk taking.

5. **African countries will need to follow a holistic approach to build a strong foundation for dynamic, inclusive and safe DEs**. The five foundational blocks are:

- *Digital infrastructure,* which provides the way for people, businesses, and governments to get online, and link with local and global digital services; it includes, among other things, (a) connectivity (high-speed internet and internet exchange points); (b) the internet of things (network of interconnected and interacting devices); and (c) data repositories (data centers and clouds).
- *Digital platforms,* which offer products and services accessible through digital channels, such as (a) digital ID systems; (b) digital people-facing government services (civil and business registries, e-taxation and e-customs); (c) commercial digital platforms (social media and e-commerce, ridesharing and streaming services; (d) data analytics; (e) augmented reality; (f) digital education; and (g) health.
- *Digital financial services,* which enable electronic transactions and open a pathway to a range of services beyond payments, including credit, savings and insurance.
- *Digital entrepreneurship,* which brings DE to life with innovative growth-oriented businesses (both new and transformed existing) contributing to net employment growth and helping enhance countries' competitiveness and productivity.
- *Digital skills,* including basic digital literacy, core digital user skills, as well as professional and advanced technology skills combined with business acumen and knowledge. Advanced digital skills are needed to create local content and drive made-in-Africa solutions, to ensure that the continent not only consumes digital services, but also plays a vital role in producing technology.

Figure 3: Digital Economy Foundations



Source: World Bank 2019. UN Broadband Commission Working Group report, Broadband for All: Connecting Africa Through Broadband. https://www.broadbandcommission.org/Documents/working-groups/DigitalMoonshotforAfrica_Report.pdf

Broad-based DE Engagement in Senegal: Analyzing Impact, Building Foundations and Strengthening Applications

6. **In the global and regional contexts of expanding technological innovation, a small, open and politically stable country such as Senegal, with historically strong institutions and a growing young (62 percent is under 25 years old), increasingly (+3.6 percent a year) urban population, is well positioned in Africa to take full advantage of the transformational potential of digital technologies**. The country also have a large and active diaspora that provides skills, networks in developed markets, and financial support. These favorable conditions are amplified by a widespread use of technologies (Senegal's smartphone adoption rate, at 35.6 percent, is among the highest in West Africa); a high entrepreneurial activity rate (39 percent of the population ages 18 to 64 is either setting up or heading a new company); and an evolving innovation ecosystem, currently counting more than 15 incubators, accelerators and co-working spaces serving the needs of a community of more than 2,500 startups and entrepreneurs. In 2015, Senegal counted 63 startups per million inhabitants, ranking 13th out of 107 classified countries, against 43 startups per million in France and 7 in India. Overall, DE in Senegal has a high potential to play a catalytic role in boosting competitiveness and productivity across all sectors of the economy, as well as in improving the country's inclusion outcomes.

7. **Recognizing the strategic relevance and potential of DE, the Government has given it a much stronger emphasis in the latest phase of its development plan (PAP2) and has committed to "promoting an innovative and value-creating digital industry and boosting technology transfer opportunities with the ambition of becoming a reference country in Africa in the digital domain."** In this context, Government priorities include (a) expanding *digital infrastructure* by ensuring universal internet access and by nearly doubling the share of the population using it; (b) strengthening specialized education and training opportunities, with a focus on *digital/ICT skills*; (c) supporting *innovative digital technologies*, including financial technology (fintech) solutions; (d) accelerating *digital diffusion across priority sectors*, such as agriculture and transport; and (e) supporting *digital entrepreneurship*.

8. **The WBG is strongly committed to supporting the Government's priorities through a mix of strategic analytical and lending engagements focused on assessing DE impacts, laying solid foundations for its development, and accelerating access to and usage of high- quality, inclusive and affordable internet and digitally enabled services and applications to help Senegal compete in the digital age**. These engagements during the CPF period include:

- **Understanding DE drivers, transmission channels, and constraints, while assessing their potential impact** through the Digital Economy Country Assessment (DECA), Digital Sources of Growth (DSoG) Study, and Policy Notes on Digital Infrastructure and Digital Finance. The DECA Report presents a comprehensive snapshot of the level of digital development in Senegal today, covering all five DE foundational areas. Building on this analysis, the DSoG is striving to go deeper in quantifying the degree of firm-level technology adoption and estimating the impact of specific digital technologies on productivity and inclusive outcomes. Policy Notes on Digital Infrastructure and Digital Finance present analytical sectoral deep dives focused on the main engines of digital transformation, such as infrastructure and digital financial services, and key constraints to their accelerated and inclusive development in Senegal.

- **Supporting DE legal, regulatory and policy foundations** through a multi-sectoral Development Policy Financing (DPF) lending operation. The DPF focuses on strengthening the upstream provision of the energy and ICT infrastructure, while reinforcing policy and institutional foundations of the emerging downstream DE that energy and ICT make possible. The energy and ICT pillars are focused on reforms expanding supply and lowering the cost of improved and more equitable access to services, while the DE pillar pursues the objectives of enhancing the DE institutional framework, supporting the roll out of e-government solutions, and strengthening the start-up ecosystem.

- **Bolstering digital sectoral applications—**in finance, agribusiness and the public sector—through a mixture of technical assistance and lending activities. These engagements include supporting the BCEAO in adopting financial inclusion (through digital finance) reforms; boosting agri-finance with the IFC Advisory project on Warehouse Receipt System and Global Index Insurance Facility; embedding digital elements in key agribusiness value chains (such as introducing an online platform to directly connect mango farmers to customers and thus reduce intermediation costs); and supporting e-taxation and streamlined government-to-business services under the Tourism and Enterprise Development Project.

Moving Forward: Embedding the DE Lens Throughout WBG Operations

9. **Within the CPF timeframe and capitalizing on early successes, the WBG will strive to deepen its** engagements on digital infrastructure, digital finance, and e-government, while aiming to ensure that digital technologies are organically embedded across the sectoral portfolio while appropriately managing risks such as data privacy and cyber-security. The WBG will:

- **Continue to strengthen the legal and regulatory framework for digital infrastructure and promote a cascade approach,** with a focus on ensuring expansive access in rural and congested areas of deep poverty, where the expected positive externalities are highest. The importance of expanding access is highlighted by the fact that serious connectivity gaps even in 2G penetration persist (significant uncovered areas or areas with only one service provider, as shown in Figure 4 below), implying that even basic USSD (Unstructured Supplementary Services Data) -based solutions cannot be deployed everywhere across the country. These efforts will be supported by the third series of the DPF lending operation (DPF3), aimed at optimizing spectrum allocation and reducing the cost of frequency usage; further promoting universal access to ICT services through a fully funded Government investment plan; and privatizing the excess capacity of the state-owned fiber optic network, currently under the sub-optimal management of ADIE (State Agency for Computer Science).

Figure 4: Connectivity Coverage in Senegal: 2G (left panel) and 3G (right panel)

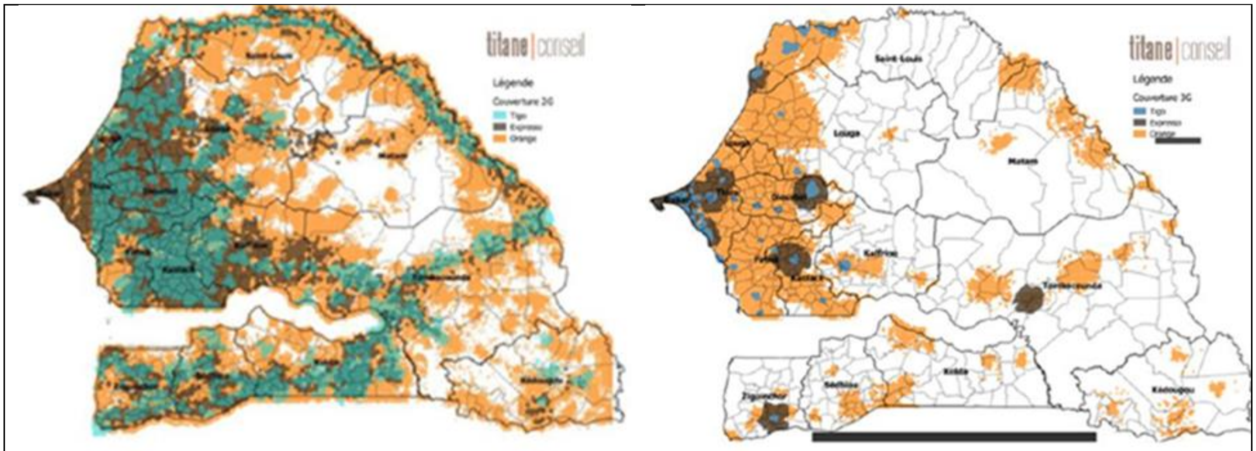


Figure 17 : Couverture 2G des réseaux mobiles au Sénégal
Sources : Données opérateurs 2017

Figure 18 : Couverture 3G des réseaux mobiles au Sénégal
Sources : Données opérateurs 2017

Source: MCTPEN and Titane Conseil 2018. Report on *Actualisation de la Stratégie d'Accès au Service Universel des Télécommunications du Sénégal.*

- **Work to solidify early gains in financial inclusion.** Through a series of regional DPOs under preparation, the Bank will support critical changes in terms of financial sector infrastructure, regulation and policies. In particular, it will support the BCEAO in establishing new rules to (a) level the playing field between mobile network operators, banks and microfinance institutions (with the possibility of hiring networks of agents instead of opening new branches); (b) allow fintech companies to thrive; and (c) expand the coverage of the regional credit information system. The Bank will also support the BCEAO in upgrading the regional payment system to achieve its full interoperability (allowing e-wallet to e-wallet transactions between different e-money issuers but also e-wallet to bank account transactions); and in strengthening the AML/CFT (Anti-Money Laundering and Combatting the Financing of Terrorism) framework.

- **Further support Government digitization efforts** through a potential Project for Results (PforR) governance operation that, among other objectives, could facilitate the use of electronic and mobile payments within the Treasury; assist with the implementation of a data warehouse for financial data aggregation from various public systems, including tax, customs, and e-procurement; and ensure more transparent and efficient service delivery in priority areas, including with the help of innovative technologies. This operation would build on the DPF3 e-government regulatory measures focused on the interoperability of different public databases, including civil registry and e-identity, among others; and advance the digitalization of tax procedures, including the introduction of an MSME mobile tax and transparent risk-based audit case selection system.

- **Ensure the adoption of a digital lens across the rest of the WBG sectoral portfolio,** as suggested in Box 5.

ANNEX 10: MAP OF SENEGAL