

5 March 2024

Prepared by : RDGW/AHAI/COSN/PGCL

Original: French

BOARD APPROVAL
Lapse-of-Time Procedure

5 March 2024

FOR INFORMATION

MEMORANDUM

TO: THE BOARD OF DIRECTORS

FROM: Vincent O. NMEHELLE
Secretary General

SUBJECT: SENEGAL – POST-COVID FOOD AND NUTRITION SECURITY
ENHANCEMENT PROJECT (PRESAN-PC)*

GAFSP GRANT OF USD 20 MILLION

The attached **Grant Proposal** and Draft **Resolution** related to the above-mentioned project, were submitted for your **consideration on a lapse-of-time basis** on 20 February 2024.

Since no objection was recorded by 5:00 pm on 5 March 2024, the said grant proposal is considered as **approved** and the Resolution **adopted**.

Attach:

Cc: The President

***Questions on this document should be referred to :**

Ms. B. DUNFORD	Vice President	AHVP	Extension 4022-
Mr. J. M. RIBEIRO	Deputy Director General	RDGW	Extension 4033
Mr. M. FREGENE	Director	AHAI	Extension 5586
Mr. S. AMADOU	General Counsel	PGCL	Extension 3333
Mr. C. MOHAMED	Country Manager	COSN	Extension 6530
Mr. E. ATTIOGBEVI SOMADO	Division Manager	AHAL5	Extension 2401
Mrs. M. KEI-BOGUINARD	Division Manager	PGCL.1	Extension 2418
Mr. H. FELLAH	Task Manager	COSN	Extension 6578
Mr. Y. KABORE	Co-Task Manager	AHAL5	Extension 4939

Reference N°: **P-SN-A00-023**
Sovereign Investment Project

Language: English
Original: French

AFRICAN DEVELOPMENT BANK



PROJECT APPRAISAL REPORT POST-COVID FOOD AND NUTRITION SECURITY ENHANCEMENT PROJECT (PRESAN-PC)

SENEGAL

USD 20.00 MILLION

Public disclosure of this document prior to Board approval is restricted without the written consent of the country concerned. Without such consent, it will be made public after review and approval by the Board of Directors, pursuant to the AfDB Group's Policy on Disclosure and Access to Information (DAI).

Vice-President	Beth DUNFORD, Vice-President, AHVP
Director-General	Joseph M. RIBEIRO, Deputy Director-General, RDGW
Sector Director	FREGENE Martin, Director, AHAI
Sector Manager	ATTIOGBEVI SOMADO Eklou, Division Manager, AHAI.5
Country Manager	CHERIF Mohamed, Country Manager, COSN
Project Officers	Hatem FELLAH, Principal Agronomist, AHAI.5/COSN, Project Officer Youssef KABORE, Chief Livestock Specialist, AHAI.1, Co-Project Officer
Project Team	Aissata ABDOU GADO, Fragility and Resilience Specialist, RDTS Rajae EL ALAMI, Gender Specialist (Consultant), AHGC.1 Hortense LOKOSSOU, Environmental Safeguards Specialist (Consultant), SNSC Samba COR DIOP, Financial Management Officer, SNFI.2/COSN Fatou FAYE BA, Disbursement Officer, FIFC.3 Ndoffène Coumba DIOP, Procurement Specialist, SNFI.1/COSN Rivaldo KPADONOU, Climate Change and Green Growth Specialist Nancy MUBIMA, Legal Counsel, PGCL1 Gracia KHASHA, Financial Analyst (Consultant), AHAI.1
Peer Reviewers	Moustapha Abdallahi CHEIBANY, Principal Agricultural Development Officer, COBF Jamila HEDHLI, Country Programme Officer, COBJ Wissam GALLALA, Principal Agricultural Development Specialist, CODZ Olivier BEGUY, Country Economist, COSN Néjib KACEM, Agro-Economist (Consultant), AHAI.2, Xavier BOULENGER, Rural Engineering Specialist (Consultant), COBJ/AHAI.5,

Reference N°: **P-SN-A00-023**
Sovereign Investment Project

Language: English
Original: French

Public Disclosure Authorized

AFRICAN DEVELOPMENT BANK



Public Disclosure Authorized

PROJECT APPRAISAL REPORT POST-COVID FOOD AND NUTRITION SECURITY ENHANCEMENT PROJECT (PRESAN-PC)

SENEGAL

USD 20 MILLION

Translated Document

Public disclosure of this document prior to Board approval is restricted without the written consent of the country concerned. Without such consent, it will be made public after review and approval by the Board of Directors, pursuant to the AfDB Group's Policy on Disclosure and Access to Information (DAI).

TABLE OF CONTENTS

1	STRATEGIC CONTEXT.....	1
	A. COUNTRY CONTEXT, STRATEGY AND OBJECTIVES.....	1
	B. SECTOR AND INSTITUTIONAL CONTEXT.....	2
	C. RATIONALE FOR BANK INVOLVEMENT.....	3
	D. DEVELOPMENT PARTNER COORDINATION.....	4
2	PROJECT DESCRIPTION.....	5
	A. PROJECT DEVELOPMENT GOAL.....	5
	B. PROJECT COMPONENTS.....	6
	C. PROJECT COST AND FINANCING ARRANGEMENTS.....	8
	D. PROJECT TARGET AREA BENEFICIARIES AND POPULATION AND OTHER STAKEHOLDERS.....	10
	E. BANK GROUP EXPERIENCE AND LESSONS REFLECTED IN PROJECT DESIGN.....	10
3	PROJECT FEASIBILITY.....	11
	A. FINANCIAL AND ECONOMIC ANALYSIS.....	11
	B. ENVIRONMENTAL AND SOCIAL SAFEGUARDS.....	12
	C. OTHER CROSS-CUTTING PRIORITIES.....	15
4	PROJECT IMPLEMENTATION.....	17
	A. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS.....	17
	B. PROCUREMENT ARRANGEMENTS.....	19
	C. FINANCIAL MANAGEMENT, DISBURSEMENT AND AUDITING.....	19
	D. MONITORING AND EVALUATION.....	20
	E. GOVERNANCE.....	21
	F. SUSTAINABILITY.....	21
	G. RISK MANAGEMENT.....	21
	H. KNOWLEDGE BUILDING.....	21
5	LEGAL INSTRUMENT AND AUTHORITY.....	22
	A. LEGAL INSTRUMENT.....	22
	B. CONDITIONS FOR BANK INTERVENTION.....	22
	C. COMPLIANCE WITH BANK POLICIES.....	23
6	RECOMMENDATION.....	24
7.	RESULTS FRAMEWORK.....	25
8.	ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON).....	27

CURRENCY EQUIVALENTS		
Effective Exchange Rate: May 2023		
Currency Unit		Equivalent
USD 1	=	XOF 597.3548
UA 1	=	XOF 804.6430
UA 1	=	USD 1.3470
EUR 1	=	XOF 655.97

FINANCIAL YEAR

1 January – 31 December

WEIGHTS AND MEASURES

1 metric tonne (mt)	=	2 204.62 pounds (lbs)
1 kilogramme(kg)	=	2.20462 lb
1 metre(m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile (mi)
1 hectare (ha)	=	2.471 acres

ACRONYMS AND ABBREVIATIONS

ADF	African Development Fund
AGR	Income-generating Activity
ANA	National Aquaculture Agency
ANCAR	National Agricultural and Rural Advisory Agency
ANIDA	National Integration and Agricultural Development Agency
ANSD	National Statistics and Demography Agency
AWPB	Annual Work Programme and Budget
BD	Bidding Document
BOAD	West African Development Bank
CNAG	National Genetic Improvement Centre
CNSA	National Food Security Council
COVID-19	Coronavirus Disease 2019
CRCS	Regional Consultation and Monitoring Committee
CRSE	Regional Environmental and Social Monitoring Committee
CSE	Ecological Monitoring Centre
CSP	Country Strategy Paper
DAPSA	Directorate of Agricultural Analysis, Forecasting and Statistics
DBRLA	Directorate of Catchment Basins and Artificial Lakes
DCEF	Directorate of Economic and Financial Cooperation
DEEC	Directorate of Environment and Classified Establishments
DIA	Directorate of Animal Industries
DIREL	Directorate of Livestock
DMER	Directorate of Rural Equipment Modernisation
DPPB	Directorate of Budget Planning and Programming
DRDR	Regional Directorate of Rural Development
DREEC	Regional Directorate of Environment and Classified Establishments
DSV	Directorate of Veterinary Services
EIG	Economic Interest Group
EPC	Savings for Change
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
FAO	Food and Agriculture Organisation of the United Nations
FO	Farmers' Organisation
GAFSP	Global Agriculture and Food Security Program
GCO	Grassroots Community Organisation
GDP	Gross Domestic Product
GSL	Goods and Services List
HIMO	Labour-intensive
IEC	Information, Education and Communication
IFAD	International Fund for Agricultural Development
IREF	Regional Inspectorate of Water Resources and Forests
IsDB	Islamic Development Bank
ISRA	Agricultural Research Institute of Senegal
IWRM	Integrated Water Resources Management
IWRMAP	Integrated Water Resources Management Action Plan
LESDSP	Letter of Environment and Sustainable Development Sector Policy
LFASDP	Letter of Fisheries and Aquaculture Development Sector Policy
LOASP	Agricultural, Silvicultural and Pastoral Framework Law
MAER	Ministry of Agriculture and Rural Equipment
MC	Management Committee
MEDD	Ministry of Environment and Sustainable Development
MEPA	Ministry of Livestock and Animal Production
MEPC	Ministry of Economy, Planning and Cooperation
MFB	Ministry of Finance and Budget
NDC	Nationally Determined Contribution
NGO	Non-governmental Organisation

OFOR	Rural Boreholes Authority
P2RS	Programme to Build Resilience to Food and Nutrition Insecurity in the Sahel
PADAER	Agricultural Development and Rural Entrepreneurship Support Programme
PADEL	Support Project for the Development of Local Economies
PADERCA	Casamance Rural Development Support Project
PAN/LCD	National Action Plan to Combat Desertification
PAP 2A-PSE	Emerging Senegal Plan (PES) Adjusted and Accelerated Priority Action Plan
PAP2A	Adjusted and Accelerated Priority Action Plan
PAPEJF	Project to Support Employment for Youth and Women
PAPIL	Project to Support Local Small-scale Irrigation (PAPIL).
PASA/LMK	Food Security Support Project in the Louga, Matam and Kaffrine Regions
PASAD	Agricultural Programme for Food Sovereignty and Sustainability
PDZP/PNDL	Project to Open Up Production Areas in Support of the National Local Development Programme
PMIA	Agricultural Modernisation and Intensification Project
PMU	Project Management Unit
PNAR	National Rice Self-Sufficiency Programme
PNDIL	National Small-Scale Local Irrigation Development Programme
PNIA	National Agricultural Investment Programme
PNIASAN	National Agricultural Investment and Food and Nutrition Security Programme
PRACAS	Programme to Accelerate the Pace of Agriculture in Senegal
PRAPS	Regional Sahel Pastoralism Support Project
PRESAN-PC	Post-COVID Food and Nutrition Security Enhancement Project
PROVALE CV	Water Recycling for Value Chain Development Project
PSE	Emerging Senegal Plan
PU	Pastoral Unit
SC	Steering Committee
SDG	United Nations Sustainable Development Goal
SNEEG	National Strategy for Gender Equity and Equality
SNGDERST	National Sustainable Storm Water Management and Land Salinisation Control Strategy in Senegal
SNPS	National Social Protection Strategy
SNSAR	National Strategy for Food Security and Resilience
SPR	Soil Protection and Restoration
SPU	Studies and Planning Unit
TFP	Technical and Financial Partner
UA	Unit of Account
USD	United States Dollar
WB	World Bank
WSC	Water and Soil Conservation

PROJECT INFORMATION SHEET

CLIENT INFORMATION

Project Name:	Post-COVID Food and Nutrition Security Enhancement Project (PRESAN-PC)
Sector(s):	Agriculture
Borrower/Recipient:	Republic of Senegal
Project Instrument(s):	GAFSP Grant
Project Executing Agency:	Ministry of Agriculture, Rural Equipment and Food Sovereignty (MAERSA)

COUNTRY AND STRATEGIC CONTEXT

Country Strategy Paper Period:	2021 – 2025
Country Strategy Paper Priority Areas Supported by the Project:	Priority Area 2 : Building the resilience of the economy through agricultural transformation and industrial development
Government Agenda (PRSP, NDP or its equivalent):	Emerging Senegal Plan (PSE - 2014-2034) and PAP 2A-PSE (2021-2023)
Project Classification:	<p>Food and Nutrition Security</p> <p>SDG 1: No poverty SDG 2: Zero hunger SDG 5: Gender equality SDG 9: Industry, innovation and infrastructure SDG 13: Climate action</p> <p>Selectivity priorities:</p> <ul style="list-style-type: none"> • Eradicate hunger and ensure food sovereignty. • Promote sustainable agriculture
Country Performance and Institutional Assessment:	Satisfactory with a score of 3 out of 4 (2021)
Risky Projects in the Country Portfolio:	0% (September 2023)

PROJECT CLASSIFICATION

Classification of Environmental and Social Risks:	Category 2 [6 February 2023]
Does the project involve involuntary resettlement?	No
Classification of Climate Protection Measures:	Category 2
Fragility and Resilience Assessment:	Yes
Classification according to the Gender Marker System:	Category 2

ADF/AfDB KEY FINANCING INFORMATION

Interest Rate:	
Service Charge:	
Commitment Fee:	
Tenor:	[2024 – 2027]
Timeframe:	1st April 2024 - 31 March 2027

Source of Financing	Amount (in million)		Financing Instrument
	UA	USD	
GAFSP		20.00 (76.23%)	Grant
Office Chérifien des Phosphates (OCP)		4.57 (17.4%)	Parallel financing
Government's counterpart contribution		1.29 (4.9%)	
Beneficiaries' contribution		0.39 (1.5 %)	
Total Project Cost		26.25	

DEVELOPMENT GOAL AND COMPONENTS

Project Development Goal:	To contribute to strengthening food sovereignty and the resilience of the rural population.
Project Components:	Component 1: Building sustainable hydro-agricultural and pastoral infrastructure, USD 11.9 million (45.4%)
	Component 2: Support to production and capacity building, USD 9.6 million (36.7%)
	Component 3: Project Coordination and Management, USD 4.7 million (17.8%)

PROJECT IMPLEMENTATION SCHEDULE SUBJECT TO APPROVAL BY THE BOARD OF DIRECTORS

Project Concept Note (PCN) Approval:	April 2023
Appraisal Mission:	May 2023
Proposed Date of Board Presentation:	5 March 2024
Effectiveness:	March 2024
Project Implementation Period:	April 2024 – March 2028
Proposed Mid-term Review Date:	March 2026
Project Closing Date:	March 2028

1 STRATEGIC CONTEXT

A. Country Context, Strategy and Objectives

1. Following the call for proposals issued by the Global Agriculture and Food Security Programme (GAFSP) in 2021, the Government of Senegal, with the support of the African Development Bank (AfDB) in its capacity as the supervisory authority, submitted a request for the financing of the Post-COVID Food and Nutrition Security Enhancement Project (PRESAN-PC). As a result, it obtained a preliminary agreement for the financing of the project to the tune of USD 20 million. The Government's proposal preparation report, drafted with the assistance of a group of consultants, was submitted to the Bank on 14 December 2023. It was examined and discussed during the preparation mission.

2. PRESAN-PC was designed to support the Food Security Support Project in the Louga, Matam and Kaffrine Regions (PASA/LMK) and to build the resilience of the population, particularly to climate change. It will be implemented in the PASA/LMK project area, including agro-climatic zones and areas of social vulnerability similar to those of PASA/LMK (Matam Region, Koumpentoum and Niore Divisions). The project was designed through a participatory and inclusive approach involving all project stakeholders. It will prioritise the village demand approach, which is consistent with the approach and intervention methods already developed and tested in the context of decentralisation and the implementation of the PASA/LMK. The agreements that will be signed will help to improve the operational methods used on the ground as well as partnerships with regional technical services, considering the achievements and lessons learned from previous experiences and partnerships.

3. PRESAN-PC aligns with the orientations of the Emerging Senegal Plan (PSE), which serves as a reference framework for the implementation of all sector policies and programmes in Senegal. It is consistent with Pillar 1 of the PSE, "Structural transformation of the economy and growth" which aims to reduce inequalities and finance human development programmes effectively and sustainably. It is also in line with the PSE Adjusted and Accelerated Priority Action Plan (PAP 2A-PSE) 2021-2023 which was adopted on 29 September 2020 to ensure post-COVID-19 economic recovery.

4. It will support the Global Agriculture and Food Security Programme (GAFSP) which aims to fill the financing and technical gaps in country-owned and country-led agriculture and food security strategies and plans. GAFSP seeks to improve the income and food security of poor people in low-income countries through public and private sector investments, as well as technical assistance and advisory services.

5. At the sector level, PRESAN-PC is aligned with several programmes, notably the National Food Sovereignty Strategy 2023 which now prioritises food and nutrition sovereignty to address the consequences of major global events (health and war). It is also aligned with the Senegal – Compact with Africa, which seeks to secure the productive base and combat soil degradation as well as address the strategic orientations of various sector development policies and plans, including the Agricultural, Silvicultural and Pastoral Framework Law (LOASP 2004-2024), the National Rice Self-Sufficiency Programme (PNAR), the Letter of Livestock Development Policy (2017-2021), and the National Livestock Development Strategy (SNDE 2035). It also includes various multi-sector strategies, especially the National Strategy for Food Security and Resilience (SNSAR 2015-2035), the National Sustainable Storm Water Management and Land Salinisation Control Strategy in Senegal (SNGDERST 2013-2027), the Integrated Water Resources Management Action Plan (IWRMAP), the National Small-scale Local Irrigation Development Programme (PNDIL, 2017),

the National Social Protection Strategy (SNPS 2016-2035) and the National Strategy for Gender Equity and Equality (SNEEG 2015-2025) and the priority orientations of Senegal's National Determined Contribution (NDC) in terms of adaptation to climate change impacts in the agricultural sector.

6. PRESAN-PC's objectives are in keeping with the AfDB Group's Long-Term Strategy (LTS 2013-2022) and its two main objectives, which are to achieve inclusive growth and the transition to green growth, as well as the Bank's "High 5s" which aim to feed Africa by 2025 and to improve the quality of life of the people. It will also help to achieve the objectives of the Youth Employment Strategy by promoting capacity building and the creation of new opportunities for young people. It is aligned with Pillar 2 of the Bank's Country Strategy Paper (CSP) 2021-2025 for Senegal: "Building the resilience of the economy through agricultural transformation and industrial development". The project also aligns with the Bank's strategy to address fragility and build resilience 2022-2026, notably priorities N°2 "building resilient societies" and N°3 "catalyzing private investments". PRESAN-PC contributes significantly to the implementation of the Bank's ten-year strategic framework on climate change and green growth 2021-2030, in particular its Pillar II on adaptation and climate resilience in vulnerable sectors.

7. PRESAN-PC is in harmony with the Sustainable Development Goals (SDGs), especially SDG.1: No poverty, SDG.2: Zero hunger, SDG.5: Gender equality, SDG.9: Industry, innovation and infrastructure, and SDG13: Climate action.

B. Sector and Institutional Context

8. Senegal's agricultural sector is 95% rain-fed, with only 130 000 hectares of developed land out of a potential 375 000 hectares that can be irrigated. Cereal crops are dominated by rice, sorghum and millet, and to a lesser extent by maize. Cash crops are dominated by groundnuts, Senegal's leading industrial crop, and market garden produce. Cereal production was estimated at 3 480 394 tonnes in 2021. It has shown an upward trend in recent years owing to increased acreage, improved crop protection and higher yields.

9. Rice is the leading cereal, accounting for 42% of production, followed by millet (29%). Despite significant efforts by the Government to increase agricultural production in general and cereal production in particular, Senegal is still dependent on the outside world for the supply of some staple food such as rice, maize, onions, potatoes, wheat, etc. The country's current annual deficit is estimated at 700 000 tonnes for wheat, 300 – 400 000 tonnes for maize, and about 1 million tonnes for rice. Wheat is imported mainly from Russia and Ukraine, while rice is imported mainly from Thailand, India and Vietnam.

10. The country's social situation has been severely affected by COVID-19 and, more recently, by the consequences of the invasion of Ukraine by Russia¹. The informal nature of the Senegalese economy exposes thousands of workers, particularly women, who constitute 60% of the agricultural workforce and produce more than 70% of the country's food, to shocks. At present, two major programmes support social protection measures, namely the Family Security Grants Programme which accounts for 61.1% of social protection expenditure, and Universal Health Coverage (UHC) for 6.1%. The budget allocated in 2023 amounts to 100 billion FCFA.

11. Climate change: the analysis of climate change over the 1961-2010 period indicates that Senegal's climate has become more arid with a sharp decline in rainfall, an increase in temperature,

¹ The wording in the Communiqué of the Bank Group's 2022 Annual Meetings held in Accra is as follows: 'the Russia's invasion of Ukraine'. South Africa, Algeria, China, Egypt, Eswatini, Namibia and Nigeria entered a reservation and proposed 'conflict between Russia and Ukraine'

and disruptions to the availability of arable land, water, and fishery resources. Future trends predict more intense variability in Senegal's climate and a higher risk of aridity, with a predominance of droughts, irregular and infrequent rainfall, heat waves, and an increase in extreme wet events. Rainfall in the northern part of the country will decrease by 16 millimetres on average over the reference period (1976-2005), resulting in the adoption of new farming practices and techniques. This should lead to major new disruptions in cropping systems, and consequently to new cropping practices and techniques.

12. Annual rainfall in the central regions and many other parts of the country is expected to decrease by about 89 millimetres by 2035. Large tracts of arable land will become inaccessible due to salinisation. These climatic uncertainties will exacerbate the country's current food crisis, necessitating increased public investment in water management and the dissemination and use of agro-meteorological information.

13. PRESAN-PC will be managed by the Ministry of Agriculture, which, with its new name, Ministry of Agriculture, Rural Equipment and Food Sovereignty (MAERSA), is now prioritising food sovereignty over food security. MAERSA was established by Decree No. 2022-1777 relating to the distribution of government services and control of public establishments, national corporations and public companies between the Presidency of the Republic, the Prime Minister's Office and ministries. The aim is to improve agricultural production, storage, processing, marketing and consumption systems. In addition, there is a need to build resilience in food systems, improve the related legal and regulatory framework, and localise agricultural policies to promote sustainable food sovereignty and agriculture that generates economic growth, creates jobs and builds social cohesion.

C. Rationale for Bank Involvement

14. In 2010, the Government of Senegal designated the Bank as the GAFSP supervisory authority. The Bank has managed the Food Security Support Project in the Louga, Matam and Kaffrine Regions (PASA/LMK) with GAFSP and ADF resources. For three decades now, the Bank has collaborated with Senegal in the rural sector in general and in the irrigation and livestock sub-sectors in particular. Considering: (i) the highly satisfactory results achieved by similar Bank-funded operations (PMIA, PAPIL, PADERCA, PAPEL I and II, P2RS, PASA/LMK, PDZP/PNDL and PROVALE-CV);(ii) unmet food security needs, despite the potential of small-scale irrigation, value chains and agricultural entrepreneurship; and (iii) strong mobilisation and involvement of the Government, local stakeholders and the rural population in target areas, the Bank's continued support to the sector is widely justified and strongly desired by stakeholders.

15. The Bank will continue to support Senegal's efforts to increase productivity and crop, livestock and aquaculture production through PRESAN-PC by developing irrigation schemes, promoting promising crop and livestock value chains and climate-resilient, and promoting employment and entrepreneurship to increase income within a sustainable environment. The project will include activities to promote gender equality and women's empowerment. It will also address climate change and green growth issues to ensure sustainability. The project will adhere to the principles of inclusive growth to reach more beneficiaries. Its implementation will largely build on the Bank's previous achievements.

16. OCP Africa, a Bank partner involved in the implementation of the Dakar 2 country compacts, will contribute to the implementation of the project. OCP Africa, a subsidiary of the OCP Group, has a development mandate with the objective of contributing to the sustainable development of food systems in Africa. Its contribution will mainly focus on improving soil fertility and health, as well as providing support to producers by leveraging digitisation and entrepreneurship among young people and women.

D. Development Partner Coordination

17. The Government of Senegal coordinates development assistance through the Directorate of Economic and Financial Cooperation (DCEF) in the Ministry of Economy, Planning and Cooperation (MEPC). The new mechanism aims to strengthen dialogue on development policies with national authorities, including the implementation of reforms under the G20 Compact with Africa. The governing bodies of the consultation mechanism are the Group of 15 (G15), including an Executive Committee (COMEX) and the Group of 50 (G50). The Bank, through the Senegal Country Office (COSN), is a member of the G15 and contributes to the platform for dialogue with the Government. It co-chairs with Canada the “Budget Support” group and with UNFPA the “Statistics” group. Donor coordination has made it possible to establish a common matrix of emergency budget support reforms in response to COVID-19. Senegal’s net official development assistance (ODA) was estimated at USD 10.121 billion (current USD) over the period 2010-2019. The 2019 ODA was USD 1.444 billion, or 100.4% of the gross domestic product estimated at USD 1.438 billion in the same year².

18. The project will leverage ongoing actions in the targeted areas and promote complementarities to maximize impact. To this end, PRESAN-PC will establish partnerships with ongoing programmes and projects, particularly *Agri-Jeunes/IFAD* (promoting the socio-professional integration of young people in family farms and gainful activities); PRAPS II/World Bank (building the resilience of pastoralists and agro-pastoralists); PROVALE/CV/AfDB (harnessing water and promoting value chains); AGROPOLES/AfDB/Belgian Cooperation/IsDB, PNDIES/AfDB (developing livestock value chains); P2 P2RS/AfDB/WADB and the Project to Open Up Production Areas in Support of the National Local Development Programme (PDZP/PNDL-AfDB). This will help to optimise operations and reach the largest number of beneficiaries possible.

19. The table below shows the main amounts committed by various TFPs in Senegal’s agricultural sector.

Sector or Sub-sector *	Imports (in 2023)		
	GDP	Exports	Labour Force
Agricultural Sector	12.9% (2016)	9.1% (2014)	about 70%
Stakeholders – Public expenditure (ongoing programmes or projects)			
Government	Donor	Amount (USD)	Period
USD 100-112 million (per year)	WB	803	2018-2027
	IFAD	167.5	2018-2027
	USAID	277	2013-2017
	AfDB	360	2018-2027
	CIDA	79.3	2013-2017
	IsDB	113.4	2019-2027
	BOAD	16.3	2023-2027
	JICA	33	2015-2020
	FAO	6.85	2012-2013
	EU	105.7	2014-2017
	AFD	13	2019-2024
	ENABEL		
Level of Aid Coordination			
Existence of thematic working groups			Yes
Existence of a comprehensive sector programme			No

Source: DCFE/MEFP

² World Bank and ANSD data.

2 PROJECT DESCRIPTION

A. Project Development Goal

20. The objective is to contribute to enhancing food security and increase small farmer income. Specifically, this means (i) improving the income and building the food and nutrition security of small farmers, through water management, increased productivity sustainable development of plant and animal productions, (ii) provide private sector development opportunities, in line with investment plans to support national efforts for medium- and long-term response to COVID-19 and resilience to climate change.

B. Theory of Change

21. The project will support the efforts of the Government of Senegal in the agricultural and food and nutrition sovereignty sectors, as well as the promotion of entrepreneurial and sustainable income-generating activities in agricultural, silvicultural, and pastoral value chains, as a medium- and long-term response to COVID-19 and to mitigate the effects of the invasion of Ukraine by Russia³. It will also help to prevent the economic exclusion of women, youth, and vulnerable people, especially: (i) difficulties in having access to land, financial services and other factors of production; (ii) lack of technical and managerial skills; (iii) high dependence on rain-fed agriculture, which is highly exposed to climatic hazards, and (iv) difficulties in having access to advisory and support services. As a result, women and young people continue to face insecurity, volatile livelihoods, and poverty. To negate these negative effects, PRESAN-PC will develop an entrepreneurial transition approach to promote: (i) sustainable integration into attractive trades in and around agricultural, silvicultural, and pastoral value chains; (ii) technical and entrepreneurial capacity building; and (iii) business relations with financial institutions and new technologies in promising markets. The expected outputs at the end of the project include (i) financial and climate-smart farming systems adopted by beneficiaries; (ii) post-production, processing and storage infrastructure for agricultural products developed and operationalised; (iii) the capacity of households to address nutrition issues strengthened; (iv) soil fertility and health maps prepared; and (v) a geospatial information system platform developed. The following outcomes are expected from implementing these activities: (i) an increase in agricultural and livestock production; (ii) an improvement in the income of value chain actors; (iii) an improvement in food and nutrition security indices; (iv) the restoration of soil fertility and health; and (v) the promotion of youth and women's entrepreneurship. Eventually, the project will help to strengthen food security and increase the income of small-scale producers in the target regions. The main assumptions, risks and mitigation strategies include (i) resistance to change by actors and lack of ownership and maintenance of facilities by beneficiaries. To overcome these constraints, PRESAN opted for broad-based consultation and the involvement of beneficiaries at all stages of project design; the project will also set up management committees comprising beneficiaries to ensure the sustainability of infrastructure; (ii) impact of climate change and greenhouse gas emissions: the project will deploy climate-resilient and low-carbon technologies with massive investments in water management infrastructure, promotion of solar technologies and infrastructure, large-scale land restoration and erosion control practices/techniques, sustainable pastoral production technologies, etc.; (iv) animal disease outbreaks: implementation of preventive measures (vaccination and biosecurity) and strengthening of the animal disease surveillance system; (v) the executing agency's limited capacity may cause project implementation (procurement and disbursement) delays: activities will be implemented to build the PMU's management capacity; the Bank's sector specialists will provide continued support throughout the life of the project; and (vi) contractors' non-compliance with implementation schedules may cause project implementation and

³ The wording in the Communiqué of the Bank Group's 2022 Annual Meetings held in Accra is as follows: 'the Russia's invasion of Ukraine'. South Africa, Algeria, China, Egypt, Eswatini, Namibia and Nigeria entered a reservation and proposed 'conflict between Russia and Ukraine'

work completion delays. The mitigation measures in the last case will include the rigorous and transparent selection of service providers. In the short term, the project should contribute to an increase in rice, vegetable, livestock and dairy production, and in the medium term to a rise in producers' incomes and an increase in stable direct and indirect employment in the various segments of the value chain. However, the achievement of these objectives depends on the following assumptions being met: (i) stakeholder commitment to the project, (ii) maintenance and upkeep of the facilities by the beneficiaries, (iii) control of animal diseases, (iv) control of procurement and disbursement processes by the executing agency, and (v) effectiveness of measures to mitigate the effects of climate change.

C. Project Components

22. The project will be implemented over four years. It comprises three main components, namely: Component 1: Building sustainable hydro-agricultural and pastoral infrastructure; Component 2: Support to production and capacity building; and Component 3: Project Coordination and Management.

Table 1: Components, Sub-components and Activities

Component	Description
<p><i>Component A: Building sustainable hydro-agricultural and pastoral infrastructure.</i></p> <p><i>(USD 11.9 million)</i></p>	<p><u>A/ Building sustainable hydro-agricultural and pastoral infrastructure</u></p> <p>Sub-components A1 Agricultural infrastructure: i) construction of 5 new solar-powered boreholes in existing farms of Kaffrine and Louga, installation of solar panels in 10 pumping stations on existing farms; ii) Rehabilitation of 05 retention structures in the Kaffrine region; development of 03 lowlands in Massembé, Kaymor (1 dike) in Nioro, Koumpel (1 dike+2 weirs), iii) development of 200 ha of low-lying areas (retention dykes and overflow weirs and secondary development); 400 ha of secondary development downstream of dykes/weirs already developed in 18 valleys (60% women, 30% young people); iv) construction of 9 solar-powered integrated 5-hectare village farms with chicken coops and cowsheds; v) setting up of 33 one-hectare Nataanguée family farms and rehabilitation of 13 existing farms; vi) development of 20 hectares of market garden areas of 1 to 2 ha with solar-powered boreholes; vii) construction of 15 kilometres of feeder roads; viii) rehabilitation/reinforcement of 12 km of existing production tracks; ix) construction of 5 solar-powered grouping centers for market garden produce), x) construction of 5 storage warehouses around the lowlands, ix) <u>Sustainable natural resource management:</u> 200 ha of reforestation to protect hydro-agricultural schemes (agreement with IREF); 250 ha of labour-based CES/DRS anti-erosion works; planting 25 km of living hedges around the developed areas; forest management on 80 ha.</p> <p>Sub-components A2 Livestock infrastructure: i) installation of 3 pastoral boreholes (solar-powered borehole, water tower and drinking troughs), ii) development of 3 pastoral ponds and a 30-kilometre-long drinking water supply network; iii) construction of 17 mixed vaccination parks (cattle/small ruminants, iv) rehabilitation of 6 veterinary posts and construction of 2 new ones; v) development of 15 hectares of forage area, vi) supply of small equipment to village auxiliary employees for the maintenance of engineering structures. vii) construction of 3 storage animal feed warehouses, viii) construction of 27 fodder storage sheds for cowsheds and sheepfolds; ix) construction of 4 dairy cowsheds in existing farms; vii) <u>Sustainable natural resource management:</u> (development/maintenance of 350 km of firebreaks, including 100 km of new ones; setting up 2 units to promote non-timber forest products, and support in small equipment for HMO work and bushfire control.</p> <p><u>Sub-components A3 ESMP Implementation:</u> (i) completion of the environmental compliance audit; (ii) information and awareness-raising before and during the works; (iii) awareness-raising programme on STI/HIV/Gender-based violence; (iv) capacity-building; (v) environmental monitoring and supervision of sub-projects; (vi) operation of the complaints management mechanism; (vii) reforestation and follow-up with IREFs; and (viii) implementation of mitigation plan for negative impact.</p> <p>The remaining activities under this component include the supervision and quality control of studies and works; the signing of various agreements for reforestation, the protection of hydro-</p>

	agricultural facilities, the planting of living hedges, maintenance work and environmental monitoring.
<p>Component B: <i>Support to production and capacity building (USD 9.6 million)</i></p>	<p><i>B/ Support to production and capacity building</i></p> <p><i>Sub-components B1- Access of small producers and breeders to production factors</i></p> <p>Social mobilization and capacity building: (i) Selection, structuring, training, adoption of IO regulations and setting up of farm producers; (2) Support for marketing (acquisition of 20 commercial tricycles and acquisition of processing equipment); (3) Support for tillage equipment (acquisition of 6 tractors equipped with carts and harrows, etc.); (4) Support for fertilizer supplies (revolving fund); (5) Various small farming equipment (rakes, wheelbarrows, crates, picks, shovels, sprayers, etc.); (6) Support for start-up inputs (acquisition of basic seeds for cooperatives and certified seeds for market gardeners); (7) Acquisition of 30 dairy cows for diversification of farming activities.); (8) organization of 4 exchange visits between producers (farm beneficiaries) and breeders (UP beneficiaries); (9) establishment of 05 UP/UASP (characterization, mapping, development of management plans); (10) establishment of management committees for 03 boreholes and capacity-building for management committee members ;(11) support for the development of vaccination parks (20 vaccination parks) ; (12) acquisition of fodder seeds, small-scale fodder equipment; (13) acquisition of females breeding for small-scale breeders; acquisition of 50 dairy heifers for small-scale producers; (14) acquisition of small-scale start-up equipment (feeders and waterers); (15) acquisition of broiler and layer chicks and poultry feed for small-scale poultry farmers; (16) acquisition of medicines and vaccines for AGRs beneficiaries; (17) artificial insemination of 500 local cows in barns (acquisition of hormones and inputs) and acquisition of starter stock of cattle feed; (18) technical and organizational capacity-building for 3,000 producers, farmer’s organizations and breeders, and establishment of management committees (irrigation works, boreholes and pastoral areas); (19) support for small-scale bushfire-fighting equipment and labor-intensive work; (20) acquisition of animal health equipment; (21) Acquisitions of PPR vaccines (MEPA's PPR eradication strategy for 2025) and cold equipment; (22) organization of training courses for village livestock and vaccination agents; (23) Support for small conservation/vaccination equipment for village livestock agents;(24) establishment and support to agricultural cooperatives and rice market horticulture producers organizations; (25) Input support for rice and market garden production on developed sites ;(26) Support for lowland producers with equipment and agricultural seedling; (27) Support for the private sector to facilitate ploughing and post-harvest operations (training of tractor operators and provision of services) ;(28) Establishment and professionalization of EPC groups; (29) Support for the implementation of beekeeping and fish farming activities; (30) implementation of nutrition improvement activities (equipment support, supply of local produce to 6 school canteens, installation of 6 school gardens and provision of local produce and micronutrient-enriched food to children) and a study on the organization of the rice and market gardening sectors.</p> <p><i>Sub-components B2: Capacity building for farmers and knowledge management</i></p> <p>A. Partnerships and agreements: (i) Linear planting of living hedges around irrigated perimeters (agreement with IREF/DEFCCS); (ii) Support for small-scale equipment to open new parfeux (agreement with IREF/DEFCCS); (iii) Capacity-building, retraining and job adaptation training for field agents (agreements with DIREL, ANCAR, ANIDA); (iv) Forest management, reforestation, enrichment of forest formations (agreement with IREF/DEFCCS); (v) Construction of shelters for processing non-timber forest products; (vi) Setting up of works management committees (agreement with DRDR/DBRLA); (vi) Reforestation/protection of hydro-agricultural facilities (agreement with IREF/DEFCCS); (vii) reforestation/protection of hydro-agricultural facilities (agreement with IREF/DEFCCS); (viii) Construction of CES/DRS erosion control structures using labor-based methods (community work - IREF/DEFCCS agreement); (ix) Environmental monitoring (agreement with CSE); (x) Supervision/control of PDA studies and construction of works and boreholes (agreement with OFOR); (xi) Supervision of technical studies and construction of livestock infrastructure; (xii) Implementation of gender strategy; (xiii) mapping and GIS development (mapping and georeferencing of infrastructures, land use, biomass evolution, bushfire localization), land use, biomass (agreement with CSE) and (xv) implementation of fish farming activities.</p> <p>B. Soil health and fertility (OCP): (i) Management soil health and fertility by mapping 1 million ha of soil; (ii) establishment of the school Lab programme to provide soil analysis</p>

	<p>services and training in good soil fertility and health practices, for the benefit of 50,000 farmers (OCP Africa), (vi) implementation of Agritech Solutions for agricultural production management (AquaEdge for water management, FertiEdge for fertility and PhytoEdge for plant protection (OCP Africa),</p> <p>C. Support for digitalization of the value chain for targeted crops (OCP) : This sub-component will cover : (i) setting up a GIS platform; (ii) acquiring 5 weather stations and 3-level humidity sensors; (iii) rolling out the AgTech application to 5 areas and collecting data with FertiEdge; (iv) training and support for users of the various applications and (v) setting up the Udongo platform to connect farmers to the value chain ecosystem (agri-dealers for inputs supply, aggregators, agricultural product markets, agricultural advice, meteorological data, prices, etc. (OCP Africa). Other activities will focus on providing POs (rice, market gardening and fodder crops) with certified seeds, equipment kits, small materials, and fertilizers.</p> <p>D. Governance and knowledge management: training of stakeholders and dissemination of innovative techniques: GIS (mapping and referencing infrastructure, land use, biomass changes, and bushfire location), real-time bushfire warning system, market information system, local climate change adaptation plans, climate resilient and green techniques, livestock unit management plans, provision of equipment to the CNAG, support to the monitoring and evaluation system, development of a gender-sensitive communication and monitoring and evaluation plan, and implementation of the project.</p> <p>E. Support for youth entrepreneurship and startups (OCP): (i) Edition preparation; (ii) Roadshow in the 6 regions; (iii) Support to startups-phase 1 (20 startups), (iv) Support to startups-phase 2 (40 startups) and (v) implementation of the agri-promoter program.</p>
<p>Component C: <i>Project Coordination and Management (USD 4.7 million)</i></p>	<p>This component will comprise all activities related to project management, monitoring, and evaluation (strengthening the market information system (MIS) and the early warning system (EWS), implementing a gender-sensitive communication and monitoring-evaluation plan). The monitoring system will include indicators and targets to support sex-disaggregated data collection and gender analysis.</p>

D. Project Cost and Financing Arrangements

23. The cost of PRESAN-PC, net of taxes and customs duties, is estimated at **USD 26.248 million (XOF 15.68 billion)**. It will be financed by the GAFSP, the Government of Senegal and project beneficiaries. The GAFSP will contribute USD 20 million (76.2%), the Government of Senegal USD 1.29 million (4.9%) and project beneficiaries USD 0.37 million (1.5%). The project will benefit from parallel financing from the Office Chérifien des Phosphates (OCP Africa) estimated at USD 4.57 million (17.4%). This cost includes a 3% provision for physical contingencies and a 5% provision for price escalation.

24. Financing by the GAFSP will cover infrastructure construction and related goods and services procurement costs, as well as part of operating and personnel costs. The financing provided by OCP Africa will cover the cost of activities related to soil health and fertility management, the setting up of a geospatial agricultural information system, various forms of support provided to small farmers, support for the digitisation of agricultural value chains, and the promotion of start-ups and entrepreneurship among young people and women. The Government's counterpart contribution will cover part of the project operating and staff costs. The project beneficiaries will participate in the construction of some of the infrastructure (farms, irrigation facilities, CES/DRS works, multi-purpose platforms, fruit drying facilities, etc.) by providing financial contribution and/or part of the unskilled labour needed. The tables below show the breakdown of project costs by component, sub-component and expenditure category.

Table 2: Estimated Project Cost by Component/Sub-component

COMPOSANTES	(USD '000)			(F.CFA '000)			% du CB
	FE	LC	Total	FE	LC	Total	
Building sustainable hydro-agricultural and pastoral infrastructure	2 471,4	8 337,2	10 808,6	1 476 285,7	4 980 252,3	6 456 538,0	44
Support to production and capacity building	666,0	8 503,5	9 169,5	397 860,5	5 079 566,1	5 477 426,6	38
Project Coordination and Management	188,6	4 276,2	4 464,8	112 650,0	2 554 369,1	2 667 019,1	18
Base Cost	3 326,0	21 116,9	24 442,9	1 986 796,2	12 614 187,5	14 600 983,7	100
Physical Contingencies	142,0	487,7	629,7	84 809,8	291 315,6	376 125,4	3
Price Contingencies	262,3	913,3	1 175,6	156 695,9	545 575,9	702 271,8	5
Total Cost	3 730,3	22 517,9	26 248,2	2 228 301,9	13 451 079,0	15 679 380,9	

Table 3: Sources of Project Financing

Sources of Financing	(USD)			(F.CFA)			%
	Devise	ML	Total	Devise	ML	Total	
Government	219 175,5	1 072 425,4	1 291 601,0	130 924 508,0	640 613 331,6	771 537 839,6	4.9
Beneficiaries	62 669,7	324 360,5	387 030,2	37 435 741,6	193 756 728,6	231 192 470,2	1.5
GAFSP	103 440,7	4 466 159,3	4,569,600.0	61 790 312,8	2 667 860 247,3	2 729 650 560,0	76.2
OCP	3 345 026,1	16 654 973,9	20,000,000.0	1 998 151 346,9	9 948 848 650,9	11 946 999 997,8	17.4
Total Cost	3 730 312,1	22,601,203.5	26,572,918.7	2 228 301 909,3	13 451 078 958,3	15 679 380 867,6	100

Table 4 Project Cost by Expenditure Category

Expenditure Categories	(F.CFA '000)			(USD'000)			% CB
	ML	Devise	Total	ML	Devise	Total	
Works	5 103 845,5	1 430 237,4	6 534 083,0	8 544,1	2 394,3	10 938,4	45
Goods	1 475 417,6	449 509,2	1 924 926,8	2 469,9	752,5	3 222,4	13
Services	2 853 870,1	103 599,5	2 957 469,6	4 777,6	173,4	4 951,0	20
Operating Cost	2 066 254,4	3 450,0	2 069 704,4	3 459,0	5,8	3 464,8	14
Personnel Cost	1 114 800,0	-	1 114 800,0	1 866,2		1 866,2	8
Base Cost	12 614 187,5	1 986 796,2	14 600 983,7	21 116,9	3 326,0	24 442,9	100
Physical Contingencies	291 315,6	84 809,8	376 125,4	487,7	142,0	629,7	3
Price Contingencies	545 575,9	156 695,9	702 271,8	913,3	262,3	1 175,6	5
Total Cost	13 451 079,0	2 228 301,9	15 679 380,9	22 517,9	3 730,3	26 248,2	

Table 5: Project Expenditure Schedule in FCFA (including contingencies)

Composantes	(F.CFA '000)				
	2024	2025	2026	2027	Total
Building sustainable hydro-agricultural and pastoral infrastructure	1 220 624,8	2 933 684,1	2 001 862,5	965 936,3	7 122 107,7
Support to production and capacity building	1 520 221,7	1 880 572,8	1 561 861,7	796 203,2	5 758 859,4
Project Coordination and Management	1 035 072,3	584 120,9	564 427,8	614 792,7	2 798 413,8
Total	3 775 918,9	5 398 377,8	4 128 152,0	2 376 932,1	15 679 380,9

Table 6: Project Expenditure Schedule in USD (including contingencies)

Composantes	(USD)				
	2024	2025	2026	2027	Total
Building sustainable hydro-agricultural and pastoral infrastructure	2 043,4	4 911,2	3 351,2	1 617,0	11 922,8
Support to production and capacity building	2 544,9	3 148,2	2 614,7	1 332,9	9 640,7
Project Coordination and Management	1 732,8	977,9	944,9	1 029,2	4 684,7
Total	6 321,1	9 037,2	6 910,8	3 979,1	26 248,2

E. Project Target Area Beneficiaries and Population and Other Stakeholders

25. The project area covers three administrative regions (Louga, Matam and Kaffrine) and two divisions (Nioro and Koumpentoum) in the administrative regions of Kaolack and Tambacounda, respectively. It covers 40% of the national territory, with a population of about 3.2 million, or 18% of the country's total population. The project will have a direct impact on 31 000 households, i.e., about 310 000 people. These include 7 000 farm households (lowlands, market gardening areas, fodder areas, and new or existing farms to be rehabilitated), 4 000 households, members of savings for change (EPC) groups, 19 000 stockbreeding households that will be organised and supported, and will benefit from livestock support infrastructure, and 1 000 households directly concerned by agricultural and livestock income-generating activities. The project will benefit 15 000 women (household heads) and 6 000 young people (household heads), i.e., 21 000 women and young people (68% of the target population). The project will indirectly benefit all the 3.2 million inhabitants of the five administrative units covered by the project, through the impact of transformative activities and investments. The availability of food, development of feeder roads and livestock infrastructure, as well as better access to drinking water, will contribute to improving the living conditions of the population in neighbouring villages. Project activities will target vulnerable groups (young people, women, household heads, the poor, and people with disabilities), through a participatory and inclusive approach to selecting beneficiaries. Positive discrimination will also be sought for beneficiaries who have not benefited from economic initiatives in the agro-pastoral sector under PASA/LMK.

F. Bank Group Experience and Lessons Reflected in Project Design

26. The Bank's active portfolio in Senegal as of 31 May 2023 comprised 39 operations, including 5 multinational projects, for a total commitment of USD 1.8 billion. The public sector portfolio accounted for 89.5% of total commitments. The transport sector had the largest share (45%) of the entire portfolio, followed by the agricultural (20%), energy (9%) and water and sanitation (9%) sectors. The portfolio performance was deemed satisfactory with an aggregate score of 3 out of 4 in 2020. According to monthly performance reports (Portfolio Flashlight), an average of 52.9% of operations were considered satisfactory, while only 35.5% of projects were flagged in May 2023. This performance is the result of efforts to monitor the portfolio to accelerate the contracting process and increase the disbursement rate.

27. The preparation of the CSP 2021-2025 helped to draw some lessons: (i) strategically, address vulnerability and productivity issues; (ii) operationally, lay the groundwork for the efficient and diligent implementation of operations by redeploying human resources proportionately to portfolio size, which has increased significantly owing to Senegal's blend status, and pay greater attention to project quality at entry assessment by strengthening due diligence and monitoring environmental and social safeguards.

28. PRESAN-PC builds on the outcomes and lessons learned from the Bank's experience in the country, which was gained through the use of efficient operating methods, the targeting of high-impact priority activities, and the active participation of stakeholders. In addition, the lessons learned were reflected in (i) the improvement of project design quality by involving the PASA/LMK project team, the formulation, evaluation and analysis of the relevance of available engineering studies⁴; and (ii) the coordination and monitoring of environmental and social protection activities by the PMU's environmental specialist. The specialist will be supported by the Ecological Monitoring Centre (CSE) which has a wealth of experience in environmental monitoring and surveillance, through a framework agreement to be concluded in this regard. Furthermore, where there is no environmental specialist in regional branches, the project will, through the conclusion of agreements, involve operational partners (DEEC, DREEC, and CRSE) in environmental and social procedures, as well as environmental surveillance and monitoring.

3 PROJECT FEASIBILITY

A. Financial and Economic Analysis

29. PRESAN-PC's financial and economic analysis was based on the cost/benefit of additional cash flows of crop production models, the two priority sub-sectors (rice and market gardening), livestock production (small ruminant brood stock, breeder roosters, broiler chickens and laying hens), and aquaculture production. The detailed assumptions of the financial and economic analysis, the farming model tables (baseline and with-project situations), and the financial and economic flows are presented in Annex 3.1 of Volume 2. The analysis results show that PRESAN-PC is financially and economically viable.

30. **Financial analysis:** the development and use of facilities, as well as investment in the development of plant, livestock and aquaculture value chains will lead to an additional production of about 4 320 tonnes of rice, 4 290 tonnes of market garden produce, 117 tonnes of poultry meat, 180 kilogrammes of mutton, 3 000 litres of milk, 3 million eggs, 150 tonnes of fish, and 8 tonnes of honey. The additional income generated in the different farming models chosen is as follows: (i) XOF 384 000 per beneficiary of 0.25 hectare for farms in lowlands (rice and off-season market gardening); (ii) XOF 2.5 million/beneficiary on 5-hectare ANIDA-type farms; (iii) XOF 1.2 million/beneficiary on 1-hectare ANIDA-type farms; (iv) FCFA 86 400/beneficiary for small ruminant production; (v) XOF 1.027 million/beneficiary for poultry farming; (vi) XOF 1 246 million/beneficiary for aquaculture; and (vii) XOF 2.4 million/beneficiary for beekeeping.

31. **Economic analysis:** The following assumptions were used to calculate the economic rate of return: (i) all investment costs; (ii) project costs and benefits were calculated over 20 years; (iii) the economic price of rice (the only product traded on the international market) was calculated using international market benchmark prices; and (iv) financial prices (constant 2022) were used for the other products, which included market garden produce, fish, meat and milk. The economic internal rate of return, calculated based on financial costs, is estimated at 19.4% for a net present value (NPV) of XOF 4 billion (12% discount rate). This rate is considered satisfactory and will contribute to reducing the incidence of poverty and improving food and nutrition security in the PRESAN-PC target areas.

⁴ The engineering studies designed under various Bank and other partner projects are available for 595 hectares out of the 825 hectares of irrigation schemes and farms, as well as rehabilitation.

Table 7 : Key Economic and Financial Figures (for cost-benefit analysis)

NPV (12%)	XOF 4.027 billion
ERR (baseline scenario)	19.4%

32. **Sensitivity analysis:** the sensitivity tests conducted based on the figures shown in the table below give IRRs of 16.9%, 15.9% and 13.7% respectively. The ERR is more sensitive to a decrease in income than to an increase in investment cost. The combined effect of a 10% increase in cost and a 10% decrease in production yields a return that is slightly higher than the opportunity cost of capital (12%). This implies that all stakeholders should closely monitor the project's implementation schedule, save money, and implement marketing strategies.

Item	Cash Flow Basis	Sensitivity (10% Increase in Cost)	Sensitivity (10% Decrease in Income)	Sensitivity (10% Decrease in Income and 10% Increase in Cost)
IRR	19.4%	16.9%	15.9%	13.7%
NPV (XOF billion)	4.027	2.918	2.125	1.016

33. **Additional positive impacts:** other project economic impacts include: (i) upstream impact of additional income on service providers (contractors, suppliers, NGOs and consulting firms); (ii) downstream impact of generating additional income on producers, traders and processors, the majority of them women and young people; (iii) reduction in foreign exchange costs through the significant decrease in the cost of rice imports in the trade balance; and (iv) impact on wealth creation in the country owing to an increase in GDP, induced by the creation of additional value added, and (v) the reduction of greenhouse gas emissions in the agricultural sector through the massive promotion of low-carbon pre- and post-harvest production technologies such as solar pumps and boreholes, solar processing equipment, solar dairies and warehouses, agroforestry, community/village forest restoration and management, and large-scale water and soil restoration technologies, etc. For households, project benefits will include improved nutrition for vulnerable groups (children, women of childbearing age and the elderly), reduced hardship for farmers, especially women, reduced incidence of monetary and non-monetary poverty, climate regulation through the establishment of forest cover, thereby creating conditions conducive to the practice of smart and sustainable agriculture, and improved livelihoods and resilience to food insecurity and impacts of climate change on the project's target groups.

B. Environmental and Social Safeguards

Environmental Safeguards

Categorization: The project is classified as category 2, based on the level of risk, in accordance with national legislation and the requirements of the Bank's Integrated Safeguard System (ISS).

Environmental and social safeguards instruments: E&S safeguards documents, including two (02) Initial Environmental Analyses (IEA) and one (01) Pest Management Plan (PMP), have been drawn up for the project. These three (03) safeguards instruments prepared by the Borrower were reviewed by the Bank, approved and published by the country on 09/08/2023, and 17/08/2023, then by the Bank on 03/10/2023 after the Borrower's authorization dated 02/10/2023, in accordance with ISS requirements.

Public consultations: The institutional players consulted were the various technical departments at national and regional level, as well as the local authorities where the project activities would take place. At community level, beneficiaries (herders, farmers, women's groups and youth associations, etc.) and village communities in general took part in the public consultation process during the preparation of PRESAN-PC. The consultations took place in the form of individual interviews or focus groups between April 13 and 30, 2023, and May 1 and 2, 2023, respectively, in the Kaffrine,

Tambacounda, Kaolack, Louga, Linguère and Matam regions. A total of 354 stakeholders were consulted, including 243 men and 111 women).⁵

Major environmental and social risks and impacts: In environmental terms, these include : (i) risks of reduced vegetation cover and erosion of floristic diversity (the loss of 430 trees);(ii) risks of soil deterioration and pollution and soil fertility as a result of various degradation processes (risks of pollution of surface water and groundwater through the development of lowlands and alluvial plains and increased use of fertilizers and pesticides).In social terms, the main risks are: (i) risks of sexually transmitted diseases (STI/HIV); (ii) risks of conflict and gender-based discrimination around the distribution and sale of inputs or the choice of beneficiaries.

Measures to mitigate environmental and social risks and impacts: the following environmental measures are planned in the ESMPs: preparation of a clearing plan to be validated by the IREF, limitation of felling to the strict minimum, exclusion of the *Adansonia digitata* species from tree felling, payment of felling taxes before work starts, preparation and implementation of a compensatory reforestation plan (430 individuals have been identified within the right-of-way of the tracks, spare protected species); installation of speed bumps on the approach to human settlements, places of worship and schools, biological control and use of approved products and compliance with doses and application conditions, topographical surveys to determine low-lying areas requiring the installation of rainwater drainage structures (riffles, gutters...), regular pre-winter maintenance of scuppers and inverts.

The social measures planned in the ESMP are : reinforcement of epidemiological surveillance of probable pathologies, bypassing of villages to avoid impacting houses and infrastructures, deliberation by the local authorities concerned to make available the right-of-way needed to build the tracks (6 m), MGP operationalization, including systematic collection and processing of complaints from victims of sexual abuse/harassment; availability of a social, health and legal support system for victims of sexual abuse/harassment, if required, training for workers, project managers and the supervising engineer on GBV/EAHS; raising awareness, particularly among children, of the risk of road accidents and of PGMs, signing of a code of conduct by all project staff. The overall budget for implementing environmental and social measures for the works is **237,230,000 FCFA, equivalent to 388,744 US dollars.**

Involuntary resettlement: The project will not result in any resettlement. A Resettlement Action Plan (RAP) will therefore not be required.

Overall institutional arrangement for ESMP implementation: The Ministry of Agriculture, Rural Equipment and Food Sovereignty (MAERSA), the project's contracting authority, has a Gender Unit, but no specific unit or department dedicated to environmental and social management. E&S safeguard specialists are recruited specifically for projects managed by MAERSA. To ensure proper implementation of PRESAN PC's environmental and social safeguards, MAERSA will recruit an Environmental and Social Safeguards Specialist from among the staff of the Project Management Unit (PMU). In addition, the Project Management Unit will recruit on a competitive basis an independent expert to carry out: the annual environmental and social performance audit. DEEC will play an external monitoring and control role for the implementation of safeguard measures, while the Bank will review quarterly reports and carry out implementation supervision missions at least twice a year.

⁵ This process will be maintained during implementation. The Bank has also ensured that the borrower has adequately carried out public consultations, and the minutes of the consultations are appended to the safeguard instruments drawn up.

Environmental and Social Compliance: In addition to the above requirements, the borrower will prepare quarterly reports on the implementation of E&S measures, while an annual E&S performance audit, carried out by an independent E&S safeguard expert, will be submitted annually and no later than the end of the first quarter of the following year. These reports are shared with the Bank and made available to stakeholders. In addition, the Borrower has committed to setting up a project-level Complaints Management Mechanism (CMM) at the start of implementation, making it known to all stakeholders and keeping it operational throughout the project life cycle. In addition, in the event of an E&S incident at a project site, the borrower undertakes to notify the Bank immediately, no later than 48 hours after the incident, to share the national authority's investigation report and, if deemed necessary by the Bank, to prepare an independent root cause analysis report to be approved by the Bank for implementation. These obligations are reflected in the E&S conditions of the financing agreement. On this basis, the project is compliant and ready for review by the Board of Directors, as evidenced by the ESCON in the appendix.

Climate Change and Green Growth

Climatic vulnerability: Climatic trends over the period 1961-2010 indicate that Senegal's climate has become more arid, with a sharp drop in rainfall, rising temperatures and disruption to the availability of arable land and water and fishery resources. Future trends predict more intense variability in Senegal's climate and a higher risk of aridity, with recurrent droughts, irregular and infrequent rainfall, heat waves and an upsurge in extreme wet events. The northern zone of Senegal could see a 16 mm drop in rainfall compared with the 1976-2005 period. Rainfall could fall more drastically, by around 89 mm in 2035, in the Centre region and several other parts of the country. Saline inclusion pollutes water and renders large tracts of farmland impassable. Although PRESAN PC will operate in a highly vulnerable climatic context, the project is classified in category 2 (moderately vulnerable) according to the Bank's climate safeguard system, due to the climate-smart intervention approach promoted by the project and existing adaptive capacities. The project's main aim is to address these climate vulnerability factors in Senegalese agriculture.

Climate resilience: Given the high climatic vulnerability of the intervention context, PRESAN PC has adopted a climate-resilient, low-carbon agricultural approach based on i) massive investment in water mobilization and control infrastructures; ii) the promotion of technologies for erosion control, sustainable land management and water and soil conservation; iii) the promotion of intelligent, climate-resilient irrigation systems; iii) the creation of climate-smart post-harvest management infrastructures; iii) the strengthening of the system for collecting, processing and disseminating agrometeorological information; iv) the promotion of climate-smart digital farming technologies, etc. In the livestock sub-sector, the project will invest heavily in the sustainable intensification of livestock systems, with a view to strengthening the resilience of livestock breeders/pastoralists to droughts and the scarcity of water and pasture. These include massive investment in semi-intensive fattening; the creation of irrigated forage perimeters; the promotion of sustainable forage production and conservation techniques; the promotion of integrated agriculture-livestock-aquaculture solar farms; the development and restoration of hydro-pastoral resources (ponds, boreholes/pastoral wells, etc.); etc.

Low-carbon measures: The agricultural sector is known to be a major source of greenhouse gas (GHG) emissions in Senegal, through deforestation, land degradation, enteric fermentation, the use of chemical fertilizers, and so on. To reduce GHG emissions as a result of the project, the project is focusing on low-carbon production technologies and systems through the massive promotion of low-carbon pre- and post-harvest production technologies such as solar pumps and boreholes for irrigation, solar processing equipment, solar dairies and warehouses, agroforestry, community/village forest restoration and management, sustainable land restoration and management practices, and so on. Improving agricultural productivity and reducing post-harvest

losses will also increase the productivity of climate-sensitive production factors, notably land and water, and reduce the carbon footprint. Management tools also include climate compliance audits and carbon footprint monitoring.

The project has been assessed for compliance with the requirements of the joint Paris Agreement alignment methodology established by the Multilateral Development Banks. Non-alignment factors have been identified, particularly in BB2, and specific measures have been taken in the design to ensure the project's alignment with the Paris Agreement. A summary note of the project's assessment of the criteria for alignment with the Paris Agreement is attached in appendix 1.1. In conclusion, the project is fully aligned with Senegal's NDC, as well as Pillars I and II of the Bank's ten-year strategic framework on climate change and green growth concerning the promotion of climate-resilient and low-carbon agriculture.

C. Other Cross-cutting Priorities

Poverty Reduction, Inclusion and Job Creation

The incidence of poverty in PRESAN-PC impact areas is relatively high, ranging from 45.2% to 63.8%, and food insecurity is recurrent, with global acute malnutrition rates ranging from 9% to 19%. In keeping with national agricultural development strategic guidelines, PRESAN-PC will contribute to achieving the sustainable development goals of reducing poverty (SDG1), eliminating hunger (SDG2), promoting gender equality (SDG5), and promoting decent work and economic growth (SDG8).

The project is expected to help to (i) increase and diversify crop and livestock production; (ii) increase the availability of processed agricultural products; (iii) improve household food security and nutrition; (iv) improve the income and quality of life of beneficiaries, especially women; and (v) create jobs in the rice, poultry, beekeeping, horticultural, seed, sheep, and goat value chains, 60% of them for women⁶ and 30% for young people and persons with disabilities, which may lay a sustainable basis for household production.

PRESAN-PC will have a positive social impact during the construction phase by increasing people's income through the use of local materials and the procurement of materials on the local market. Construction works will help to inject new money into local markets, contributing to the development of socio-economic activities. The works will also lead to the development of retail trade near construction sites.

During the operation phase, the micro and small- and medium-size enterprises (MSMEs) established and supported are expected to facilitate access to paid jobs and promote self-employment, thus helping to reduce poverty in the project area and to create growth and local development hubs, thereby reducing rural-to-urban migration, particularly among young people.

Opportunities for enhancing resilience

PRESAN PC's activities will contribute to building resilience by addressing sector-related factors of fragility in the project area. The intervention zone is affected by poverty, malnutrition, underemployment and conflicts over the use of natural resources. Around 90% of farming households in the intervention zone live below the poverty line. Nearly 49% of young people work in the agricultural sector, including 24.8% of women and 33.7% of men. However, the sector is not very modern, with almost 91% of employment being informal. Low incomes from agriculture do

⁶ The AfDB's 2018 Employment Impact Assessment of the PSE demonstrated that investments in the agricultural sector have a significant multiplier effect on employment (UA 1 million investment creates at least 282 direct and indirect jobs). This is the sector that has the greatest impact on the poorest quintile and helps to increase the middle class. In this respect, PRESAN-PC will create more than 5 000 jobs, 1 000 of which will be direct jobs.

not allow households to meet their welfare expenses. This affects social cohesion, with the rural world and young farmers feeling neglected in the face of multiple challenges. In terms of food security, according to the results of the 2023 harmonized framework, of the 45 livelihood zones assessed in Senegal, 21 are under pressure, representing some 3 million people. In addition, the global acute malnutrition rate among children is above the 10% threshold. Regarding social cohesion, soil degradation, the drying up of ponds and bush fires are increasing pressure on land and creating conflicts over land use, particularly between farmers and herders.

PRESAN's activities will contribute to strengthening resilience and social cohesion at local level. The project will reduce income poverty and strengthen the ability of farming households to meet their welfare expenses, by quadrupling the income of market gardeners and multiplying by six the income of lowland rice producers. PRESAN will generate income for the poor and create jobs for young people by financing 4,000 small entrepreneurs and processors of agricultural products, including 9,000 women. The project will help reduce the negative impact of climate change on the incomes of 31,000 households through the dissemination of climate-smart inputs and production techniques. The project will mitigate farmer-breeder conflicts by improving the national system for managing, exploiting and monitoring natural resources. Increased crop and livestock yields, coupled with improved nutritional services and products, will help reduce food insecurity and malnutrition. Activities will be subject to upstream social intermediation to strengthen social cohesion and mitigate the occurrence of conflicts. A social inclusion specialist will be recruited to support the proper implementation of resilience activities.

Nutrition Support

In collaboration with MAERSA and MEPA gender units, the project will also develop initiatives to improve food nutrition quality by distributing bio-fortified food enriched with micronutrients for children aged 0 to 23 months, increasing horticultural produce through market gardens and setting up market gardens in some schools, setting up school canteens, implementing IEC activities on nutrition and food hygiene, preventing the resurgence of waterborne diseases and developing and disseminating food recipe guides, thus enabling women to enrich and diversify the food and diets of their household members, particularly children and infants. PRESAN-PC will raise awareness of and assist processing units/SMEs in improving packaging and labelling in line with *Codex Alimentarius* standards. It will assist in introducing new technologies for the sale of high-quality products (social networks and online stores). PRESAN has allocated USD 275 329 for the implementation of nutrition support measures.

Promotion of Gender Equality and Women's Empowerment

PRESAN-PC has been classified under **Category 2** of the Bank's Gender Marker System. It aims to remove the economic exclusion of women, young people and vulnerable groups from the agricultural, silvicultural and pastoral value chains. The main factors responsible for this exclusion include (i) difficulties in gaining access to land, financial services and other factors of production; (ii) lack of training and low technical skills in new climate-resilient agricultural and processing technologies and techniques; (iii) low management and financial literacy skills, and limited participation in the various management committees; and (iv) lack of access to markets and difficulties in gaining access to correct information, advisory and guidance services and available opportunities. Specifically, virtually all women in the project areas have no land titles and no understanding of new climate-resilient farming techniques. In addition, the COVID-19 pandemic has had significant impacts on rural women, disrupting their activities (mainly in low-value-added production sectors with low income), thus exacerbating the feminisation of poverty.

By ensuring female beneficiaries' equitable access to various activities, the project will directly contribute to enhancing women's empowerment by promoting their equitable access to land and

participation in decision-making processes in the various organisational committees established. It will also directly contribute to improving their access to inputs, agricultural infrastructure and new production techniques, advisory support for access to financing, markets and other employment and agricultural entrepreneurship opportunities, as well as socio-economic infrastructure. Regarding the development of women's agricultural entrepreneurship, the project will design and adapt the Agriboost-OCP Africa programme to the needs of female beneficiaries. Briefly, this will entail providing technical assistance and coaching tailored to the needs of women in various sub-sectors ranging from production to marketing. The project will benefit 15 000 women (48% of the direct project beneficiaries) and they will represent half of the number of beneficiary young people (20%), that is 68% (18 000 women and girls) in total. It is expected that the various forms of assistance provided by this project will increase their agricultural and livestock production by 45% to 50% on average, and their income will increase by 5 to 7 times on average, depending on the different value chains.

The project will prioritise the following measures: (i) ensure that at least 60% of women have access to developed land and that their land rights are protected (see note on land appended to this report); (ii) ensure that at least 30% of women are represented on the decision-making bodies of the various entities established; (iii) reserve 60% of farm jobs for women; (iv) provide assistance for the structuring of women's economic interest groups, cooperatives and micro-enterprises and training and advisory support tailored to their needs (functional literacy, education and financial inclusion, processing, storage and conservation of agricultural products, natural resource management, women's leadership, reproductive health, etc.); (v) improve their access to local, national and regional markets (packaging and compliance with hygiene measures) by linking them with other women-led enterprises/FOs; and (vi) ensure their access to health coverage. To encourage female agricultural entrepreneurs, the project will organise a competition to award prizes to the best female entrepreneurs. To prevent and combat gender-based violence (GBV) and considering that the project will develop infrastructure (feeder roads and other construction works) that will involve the influx of non-local male workers, the project will implement GBV prevention and mitigation measures, including within the framework of the complaints management mechanism.

Concerning implementation, the project will set up a monitoring and evaluation system based on sex-disaggregated data as well as gender-related indicators. A gender and development specialist recruited and attached to the PMU will prepare, design, implement and monitor the project's budgeted gender action plan. It was recommended that the PMU ensure gender balance in future recruitments (giving preference to female candidates with equal qualifications).

4 PROJECT IMPLEMENTATION

A. Institutional and Implementation Arrangements

PRESAN-PC has been placed under the supervisory authority of the Ministry of Agriculture, Rural Equipment and Food Sovereignty (MAERSA). Its activities will be coordinated and implemented by a steering committee and a management unit.

Steering mechanism: PRESAN-PC will be managed by the PASA/LMK committee (an inter-ministerial technical committee) that will be adjusted to take into account the project's specificities. The Steering Committee will be chaired by MAERSA or its representative, with the Ministry of Livestock and Animal Production (MEPA) or its representative acting as Vice-chair. It will include representatives from the MPEC and the Ministry of Finance and Budget (MFB). The Steering Committee will meet in ordinary session twice a year to examine annual reports, validate technical programmes and annual budgets (TPAB), and discuss any project-related issue. The regional coordination and monitoring committees (RCMCs) to be set up by order of the governors concerned will supervise PRESAN-PC's activities in the regions. The RCMCs will ensure that the activities to

be implemented at the regional level are consistent with existing municipal development plans, that local procedures are followed and that the municipalities concerned by the project are treated fairly.

Coordination and management: PRESAN-PC will be coordinated by a Project Management Unit (PMU) which will be responsible for its technical, administrative and financial management. Although the project involves multi-sector activities, it will be managed as a single entity headed by a national coordinator assisted by a team of dedicated staff at the national level and a small team in the project impact regions. The key staff of the PMU at the national level will include: (i) 1 national coordinator; (ii) 1 administrative and financial officer; (iii) 1 procurement and contracting specialist; (iv) 1 monitoring, evaluation and communication officer; (v) 1 GR specialist specialised in infrastructure; (vi) 1 gender and social inclusion specialist, (vii) 1 value chain and rural entrepreneurship specialist; and (viii) 1 environmental and social safeguards specialist. They will be supported by assistants (1 assistant to the coordinator, 1 store accountant and 1 secretary) and support staff (liaison officer, drivers and guards). The PMU team will be based in Dakar.

The PASA/LMK Management Unit, whose mandate will end in December 2023, will coordinate PRESAN-PC, considering that some of its staff members (i) have considerable experience; (ii) are familiar with the project impact area; and (iii) have a good understanding of Bank procedures.

Following the evaluation conducted by MAERSA and its validation by the Bank, it was recommended that: (i) the monitoring-evaluation/communication specialist; and (ii) the GR specialist specialised in infrastructure (currently in charge of procurement) be reappointed at the central coordination; (iii) the livestock specialist (based in Linguère); and (iv) the capacity-building and FO specialist (head of the Surface Water Component, based in Kaffrine) be maintained at the regional level. The administrative and financial officer, the procurement and contracting specialist, and the environmental and social safeguards specialist, who were recruited through a call for bidders for the C19-PASA LMK, will be reappointed based on the evaluation of their performance during the first six months. These reappointments will be formalised through a letter of MAERSA. The other specialists, namely the project coordinator and the gender and social inclusion specialist will be recruited at project start-up through calls for bidders initiated and implemented by MAERSA based on a competitive, rigorous and transparent process. The number of assistants and support staff will be maintained as provided for in PRESAN-PC's budget.

The project impact regions will be covered by branches in Kaffrine and Linguère. The Kaffrine branch will cover activities in Nioro and Koumpontoum will be covered by Kaffrine branch. This option was chosen based on the number and complexity of the activities to be implemented, particularly the development of sustainable irrigation and grazing infrastructure (Component 1). The project's branches will be managed by a branch manager who will be assisted by a secretary/accountant, a driver and a security guard. The staff assigned to each region will be responsible for the implementation of all planned project activities in their region.

Associated entities: the project's intervention strategy will be based on the "make-or-buy" principle. To that end, the project will conclude partnership agreements with competent partner entities: DBRLA, DRDR, MEPA; DIREL; DSV; DIA; SREPA; DAPSA; OFOR; ISRA; DRDR; MEPA; DSV; DIA and SREPA; DBRLA; DRDR; MEPA; DIREL; DSV; DIA; SREPA; DAPSA; OFOR; ISRA; ANIDA; ANA; DHORT; DMER; the Gender Units of MAERSA and MEPA; DEEC; DREEC; CNAG; CSE; IREF; and CMU. Private service providers and civil society organisations (contractors, suppliers, consulting firms, individual consultants, NGOs, etc.) will be responsible for the supply of all project works, goods and services, and recruited on a competitive basis and linked to the project by contracts.

B. Procurement Arrangements

In line with the provisions of paragraph 4.3 of the Procurement Policy for Bank Group-Funded Operations, all procurement of goods, works and consultancy services financed in whole or in part by with Bank resources will be done in accordance with the October 2015 edition of the Procurement Framework for Bank Group-Funded Operations and the provisions set out in the Financing Agreement. In line with this, an assessment of the country system was carried out and the risk regarding its use was deemed “moderate”. Furthermore, the contextualization of this generic risk and the various assessments made (see details in Technical Appendix) at sector, project and Executing Agency level have enabled us to determine a "Moderate" level of overall risk for the implementation of PRESAN PC, as indicated in paragraph 4.5.2.5 of Technical Appendix 4.5.

Accordingly, a number of procurements will be done per the country procurement system (“National System”) enshrined in Decree No. 2022-2295 du 28 Decembre 2022 instituting the Public Procurement Code (PPC) and related instruments using standard national bidding documents (SNBDs).

The use of the National System for part of the project will help to improve efficiency through greater ownership of the procurement system by the project executing agency. However, the Bank reserves the right to request the Borrower to revert to the use of the Bank System if: (a) the Senegalese legal framework for public procurement changes to a system that is unacceptable to the Bank; (b) the Executing Agency fails to comply with the provisions in force; or (c) (c) the appropriate risk mitigation measures outlined in the Risk Assessment Action Plan to be developed during project appraisal are not complied with. Procurement details for PRESAN PC are available in Appendix 4-5.

C. Financial Management, Disbursement and Auditing

Financial management arrangements: The project management team responsible for financial management has more than 20 years' experience with technical and financial partners, particularly the Bank.

The assessment of the financial management capabilities was deemed satisfactory during the Bank's last supervision of the project. The project management team has (i) an administrative, accounting and financial procedures manual, (ii) multi-project accounting software that has been approved by the Bank to keep separate accounts, (iii) accounting and financial staff with the capacity to set up adequate financial management for the project.

During project implementation, budget management will continue to be based on the existing project management team structure. The project will continue to produce an annual work program and budget (PTBA), incorporating both the Bank's resources and those of the national counterpart. It will be validated by the steering and monitoring committee, then submitted to the Bank for a no-objection opinion (ANO) before December 31st of the current year. The existing software will be repackaged to enable separate accounting for PRESAN PC, so as to enable budget execution and the production of quarterly financial monitoring reports based on execution of the annual work program and budget. Quarterly financial monitoring reports will be sent to the Bank within 45 days of the end of each quarter. An addendum to the procedure manual will be produced to take account of the specific features of PRESAN PC. The manual and the addendum will be sent to the Bank for approval. Accounting will be private and will comply with the revised SYSCOHADA standards, in particular the new Accounting System for Non-Profit Entities (SYCEBNL) applicable to the OHADA development project and mandatory from January 1, 2024. The administrative inspectorate of the Ministry of Agriculture and Rural Equipment will act as the project's internal auditor.

Disbursement: Disbursements of funds will be made in accordance with the Bank's rules and procedures. A special account will be opened in the books of a commercial bank to receive part of the loan resources. Three disbursement methods will be used: (i) the special account method for operating, training and other out-of-pocket project expenses; (ii) the direct payment method for the settlement of contracts for goods, works and services (including agreements); and (iii) the reimbursement method for expenses chargeable to the ADB but settled using the resources of the national counterpart with the Bank's prior agreement. Bank advances to the special account will be made on the basis of the annual work program and budget (AWPB) approved in advance by the Bank. To ensure a good understanding of the Bank's financial management requirements, training of CEP staff will be organized by the Bank for the launch of the Project. **The use of the special account method will be conditional on the final liquidation of advances and special account balances for all closed projects in Senegal.**

External audit: The audit of the project's financial statements will be carried out by an independent external auditor on an annual basis and at project closure in accordance with the terms of reference for the audit of operations financed by the Bank Group, which will be adapted to the project's specificities. The project audit will cover the use of all project financing resources by all stakeholders, including the PMU. The auditor will be recruited on the basis of the qualifications and experience set out in the Bank's terms of reference, no later than six months after the project comes into force. The audit contract will be concluded for a period not exceeding three financial years, and will be renewable after the audit of each financial year on the basis of the auditor's performance. Program audit reports, including internal control reports, must reach the Bank no later than six (6) months from the closing date of the audited financial year.

D. Monitoring and Evaluation

The PRESAN-PC monitoring and evaluation system will be a continuation of the PASA/LMK system which, on the whole, is deemed satisfactory. It will be based on the continuous internal monitoring of all activities selected based on key physical and financial monitoring indicators, as well as beneficiary impact indicators in line with specific project objectives, and on the external monitoring of activities in the field, particularly through supervision missions and mid-term reviews carried out by the AfDB and/or the national party. The baseline situation will be established at the start of the project to determine the quantitative and qualitative values of the indicators selected. At the end of the project, the Government will prepare a completion report based on which the Bank will prepare its project completion report (PCR) to assess the outcomes achieved and the lessons learned. Annual surveys will be conducted to feed into the M&E system and quantify the indicators selected. This system will be participatory, involving project beneficiaries and stakeholders in data collection and reporting on the ground (difficulties encountered, risks and possible delays, etc.).

Table 8 : Project Implementation Schedule

PHASES	TIMEFRAME	RESPONSIBLE ENTITY
Negotiations	November 2023	GVT / AfDB Team
Board Approval	February 2024	AfDB/GAFSP
Signing of GAFSP Grant Agreement	March 2024	AfDB/GAFSP/GVT
Fulfilment of conditions precedent to first disbursement	March 2024	AfDB /GVT
Implementation of activities	April 2024 – March 2025	PMU/GVT/Service providers
Mid-term Review	March 2026	AfDB/GVT/PMU/ Consultants
Closing of activities	March 2028	AfDB /GAFSP/GVT
Last disbursement	July 2028	AfDB /GAFSP

E. Governance

Senegal is one of the best-performing African countries in terms of governance. According to the latest Country Policy and Institutional Assessment (CPIA, 2020), Senegal is ranked 2nd out of 37 African countries with a score of 4.5, behind Rwanda (4.9). This positive assessment of governance is reflected by the Mo Ibrahim Index (2020), which ranks Senegal 9th out of 54 African countries with a score of 63.2, compared with the African average of 48.8. Senegal enjoys long-standing stability bolstered by strong democratic institutions. Many efforts have been made by various governments to promote good governance, particularly in the fight against corruption and public finance management. This has led to the establishment or strengthening of key institutions such as the Court of Auditors, the General State Inspectorate (IGIE), the National Financial Information Processing Unit (CENTIF), the National Authority for the Fight against Fraud and Corruption (OFNAC), and the Public Procurement Regulatory Authority (ARMP). As a result of these reforms, Senegal was ranked 7th out of 54 African countries in the “Transparency and Accountability” category of the Mo-Ibrahim Index in 2020 and 73rd out of 180 countries in Transparency International’s Corruption Perceptions Index in 2021. The Government should, however, continue its efforts in the areas of budgetary discipline, strategic allocation of resources, gender-sensitive budgeting (GSB), and effective delivery of public services. The challenges in the agricultural sector concern the stability of the institutional framework, the efficacy of input subsidies, policy development and monitoring, as well as the GSB and the inadequacy of land policy.

F. Sustainability

PRESAN-PC’s key concern is sustainability. It is reflected in the selection of infrastructure investments and the development of resilient agro-pastoral and fishery value chains. Besides these investments, whose quality will be continuously monitored, technical and organisational training will be provided for employees of actors involved in project implementation, including beneficiaries. The project is based on an approach that puts actors at the centre of decision-making while building their capacity to take on new responsibilities. The involvement of project beneficiaries from the planning of activities to their implementation will ensure the sustainability of PRESAN-PC’s achievements. Management Committee members will be trained in how to manage endogenous funds for facility maintenance. The amount of such funds will be determined by mutual agreement between beneficiaries based on the recurrent costs of maintaining each type of facility. The project will train young entrepreneurs in the day-to-day maintenance of facilities and provide them with the necessary equipment kits. These repair technicians are expected to transition into maintenance service providers who can be quickly mobilised in the event of a breakdown. The development of local expertise through the implementation of the project will foster project ownership and contribute to ensuring the sustainability of all infrastructure.

G. Risk Management

PRESAN-PC implementation will pose no specific risks as similar operations (including PASA/LMK and P1-P2RS) have already been implemented and mitigation measures identified and reflected in the design of this project. The risk matrix format is provided in Annex 3-2.

H. Knowledge Building

PRESAN-PC will continue PASA/LMK’s efforts to build the population’s resilience, particularly in the face of climate change, by developing and disseminating innovative agricultural and livestock technologies across value chains. It will enable young people and women to develop inclusive water mobilisation techniques using innovative resilient irrigation techniques, as well as the prudent use of climate information through digitisation techniques.

Through the various communication mechanisms already established under PASA/LMK, the staff of the PASA/LMK Management Unit, which will coordinate PRESAN-PC, will benefit from the transfer of skills in water resource management, irrigation, agricultural counselling, database management, climate information dissemination and use, youth entrepreneurship, and environmental and social safeguards best practices.

5 LEGAL INSTRUMENT AND AUTHORITY

A. Legal Instrument

To finance the project, a Global Agriculture and Food Security Program (GAFSP) Trust Fund Grant Agreement will be signed between the African Development Bank (the "Bank") in its capacity as GAFSP Supervisory Entity and the Republic of Senegal (the "Recipient").

B. Conditions for Bank Intervention

The award of the GAFSP Grant (the "Grant") shall be subject to the following conditions:

Conditions Precedent to Grant Effectiveness

B.1 The entry into force of the Memorandum of Understanding is subject to its signature by the Donee and the Bank.

Conditions precedent to first disbursement: in addition to effectiveness of the Grant Agreement per the provisions of paragraph B.1 above, the first disbursement of grant resources by the Bank shall be subject to fulfilment by the Recipient, to the Bank's satisfaction, of the following conditions:

- (a) Submission to the Bank of satisfactory evidence of payment of the remaining balance of 10;505 UA for use of the special account;
- (b) Submission to the Bank of satisfactory evidence of the recruitment of the National Project Coordinator, in line with the Bank's recommendations set out in its Letter COSN/LTR/MAC/FH/ACS/2023/04/025 dated 25 April 2023.
- (c) Submission to the Bank of satisfactory evidence of the renewal of the following PASA/LMK project staff: (i) the monitoring-evaluation/communication expert, (ii) the rural engineering expert in charge of infrastructure (currently in charge of procurement), (iii) the livestock expert (head of antenna based in Linguère), and (v) the capacity-building and farmers' organizations expert (head of antenna based in Kaffrine);
- (d) Provide the Bank with satisfactory evidence of reappointing the following staff recruited for the C19 PASA/LMK through a competitive process: (i) the administrative and financial officer; (ii) the environmental and social safeguards specialist, whose experience and qualifications are acceptable to the Bank;
- (e) Submission to the Bank of satisfactory evidence of recruitment of the Procurement and Contracting Expert whose experience and qualifications have been acceptable to the Bank.
- (f) Submission to the Bank of satisfactory evidence of the extension of the mandate of the steering committee of the Programme National des Investissements Agricoles et de la Sécurité Alimentaire et Nutritionnelle (PNIASAN) to the project.

Other conditions: the Recipient shall:

- (i) Provide the Bank with satisfactory evidence of recruiting the gender, social inclusion specialist, whose experience and qualifications are deemed acceptable to the Bank, no later than six months following the launching of the project;
- (ii) Configure the project's accounting software within three months after the first disbursement;
- (iii) Revise the Administrative, Financial and Accounting Procedures Manual to reflect the specificities of PRESAN-PC and submit it to the Bank within three months of the first disbursement;
- (iv) Submit to the Bank, no later than six months after the launching of the project, the orders issued by governors establishing the five regional consultation and monitoring committees (CRCS); and
- (v) Submit to the Bank, no later than six months after the launching of the project, all the agreements concluded between the project and its key partners (DBRLA, DRDR, MEPA/DIREL, DSV, DIA, SREPA, ANIDA, and ANCAR).

B.2 Commitments to environmental and social safeguards

The Beneficiary shall, and shall obligate PRESAN PC all its contractors, subcontractors, and agents to:

a) implement the project in accordance with the Environmental and Social Management Plan ("ESMP"), the Bank's requirements and applicable national legislation in a manner and substance satisfactory to the Bank;(b) prepare and submit to the Bank, no later than the 05th of the month following the expired quarter, a consolidated quarterly report on the implementation of E&S measures. It shall also submit by January 31 of each year, the previous year's environmental and social performance audit report conducted by an independent auditor including any implementation deficiencies and related remedies; (c) refrain from taking any action that would prevent or hinder the implementation of the ESMP, including any modification, suspension, waiver and/or cancellation of any provision thereof, in whole or in part, without the prior written consent of the Bank; and (d) cooperate fully with the Bank in the event that the implementation of the Project or a change in the scope of the Project results in hitherto unforeseen displacement and/or resettlement of people, and will not commence any work in the area affected under the Project, unless all PAPs in such areas have been compensated and/or resettled in accordance with a PARC, to be prepared by the Beneficiary.

Recipient's counterpart contribution: the Recipient will contribute USD 1.29 million, which is equivalent to XOF 771 537 839 F.CFA as its counterpart contribution (the "Counterpart Contribution") to project costs.

C. Compliance with Bank Policies

- This project is consistent with all applicable Bank policies.
- There are exceptions to Bank policies.

African Development Bank Group Independent Recourse Mechanism

Communities and individuals who believe that they are adversely affected by an African Development Bank (AfDB) Group-supported project can submit complaints to existing project-level grievance mechanisms or with AfDB's Independent Recourse Mechanism (IRM). The IRM ensures project-affected communities and individuals may submit their complaints to the AfDB

Independent Recourse Mechanism, which determines whether harm occurred or could occur, as a result of AfDB non-compliance with its policies and procedures. To submit a complaint or request for more information, please contact: IRM@afdb.org or visit the IRM website www.irm.afdb.org. Complaints may be submitted at any time after concerns have been brought directly to AfDB's attention, and Bank Management has had the opportunity to respond before reaching out to the IRM.

6 RECOMMENDATION

Management recommends that the Board of Directors approve the proposal to award a **USD 20 million** GAFSP grant to the Republic of Senegal for the purpose and under the conditions outlined in this report.

7. RESULTS FRAMEWORK



A PROJECT INFORMATION					
PROJECT NAME AND SAP CODE: Post-COVID Food and Nutrition Security Enhancement Project (PRESAN-PC)			COUNTRY/REGION: SENEGAL/RDGW		
PROJECT DEVELOPMENT GOAL: Contribute to strengthening food security and increasing the income of small producers in Louga, Matam, Kaffrine, Tambacounda and Kaolack Regions.					
ALIGNMENT INDICATOR(S): (1) Increase agricultural production and productivity (rate of coverage of rice needs: 80% and that of other horticultural products: 100%); and (2) Increase cereal yields (level 1 indicator of the Bank's RMF 2016-2025)					
B RESULTS MATRIX					
RESULTS CHAIN AND DESCRIPTION OF INDICATORS	RMF OR ADOA INDICATOR	UNIT OF MEASUREMENT	BASELINE (2022)	TARGET AT COMPLETION (2028)	MEANS OF VERIFICATION
OUTCOME 1: Agricultural and livestock production has increased					
OUTCOME INDICATOR 1.1: Annual market-garden production	<input type="checkbox"/>	Tonne	8 420	13 670	Agricultural surveys and statistics DAPSA
OUTCOME INDICATOR 1.2: Annual rice production	<input type="checkbox"/>	Tonne	5 010	6 260	
OUTCOME INDICATOR 1.3: Annual meat production	<input type="checkbox"/>	Tonne	33	47	
OUTCOME INDICATOR 1.4: Annual milk production	<input type="checkbox"/>	Litre	9 660	28 000	
OUTCOME INDICATOR 1.5: Increased agricultural productivity	<input type="checkbox"/>	Tonne/Ha	3	3.5	
OUTCOME INDICATOR 1.6: Percentage of agricultural production sold on domestic and regional markets (%)	<input type="checkbox"/>	Percentage	40	60	
OUTCOME 2: Improved income of value chain actors					
OUTCOME INDICATOR 2.1: Average income in lowlands (rice and off-season market gardening)	<input type="checkbox"/>	XOF thousand	58	400	Agricultural surveys and statistics DAPSA
OUTCOME INDICATOR 2.2: Average income for market garden farms	<input type="checkbox"/>	XOF thousand	211	1.019	
OUTCOME INDICATOR 2.3: Farmers supported in accessing improved marketing opportunities (farmer)	<input type="checkbox"/>	Number	15 000	42 000 (12600 of women)	
OUTCOME 3: Food and nutrition security indices have improved					
OUTCOME INDICATOR 3.1: The prevalence of moderate and severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES).	<input type="checkbox"/>	%	14%	13%	Field surveys conducted at the beginning and in the fourth year of the project. Statistical reports National Statistics and Demography Agency (ANSD)/CNSA
OUTPUT 1: Beneficiaries adopt climate-smart agricultural and financial systems					
OUTPUT INDICATOR 1.1: Number of smallholder producers/processors receiving productivity enhancement support (person)	<input type="checkbox"/>	Number	0	15 000 (9 000 them are women)	Periodic progress reports of the project, technical services and local operators
	<input type="checkbox"/>	Number	0	553 (165 women)	Surveys, monitoring sheets and periodic progress reports of the project, technical services and local operators
OUTPUT INDICATOR 1.2: Persons supported by project in rural areas accessing financial services (person)	<input type="checkbox"/>	Number	0	4.000 (1200 of women)	Periodic progress reports of the project and local operators

OUTPUT INDICATOR 1.3: Number of farmers receiving inputs or service on climate resilient or sustainable agriculture practices (farmer)	<input type="checkbox"/>	Number	0	+ 4 500 (2 800 of them women) 2 500 farmers applying ITKs.	Surveys, monitoring sheets and periodic progress reports of technical services and local operators
OUTPUT INDICATOR 1.4: Land area where climate-smart agriculture practices are implemented (hectare)	<input type="checkbox"/>	Hectare	3 759	5 314 (1 555 of which are new)	Progress reports of the project, technical control agencies, technical services and partner civil society organisations
OUTPUT INDICATOR 1.5: Number of agri-food companies/enterprises/operators adopting agri-food climate-resilience measures and sustainable agricultural practices	<input type="checkbox"/>	Number	0	12	Monitoring sheets Surveys
OUTPUT INDICATOR 1.6: Number of people receiving direct benefits (person)	<input type="checkbox"/>	Number	0	31000 (12600 of women)	Progress reports of the project, technical control agencies, technical services and partner civil society organisations
II OUTPUT 2: Post-production, processing and agricultural production storage facilities are developed.					
OUTPUT INDICATOR 2.1: Length of roads constructed or rehabilitated	<input type="checkbox"/>	Kilometre	125	140	Monitoring sheets Minutes of works acceptance Technical control agency report
OUTPUT INDICATOR 2.2: Number of processing, storage, and market facilities constructed and/or rehabilitated (facility)	<input type="checkbox"/>	Number	89	159	Periodic progress reports of the project, ANCAR, DRDRs, DBRLA and other technical services and local operators
III OUTPUT 3: The capacity of households to mainstream nutrition is strengthened.					
OUTPUT INDICATOR 3.1: Number of people benefiting from improved nutrition services and products	<input type="checkbox"/>	Number	0	7 000 (2100 of women)	Agricultural statistics surveys, Monitoring sheets

(*) Level 1 output indicators (impact indicators) and Level 2 output indicators are defined in the 2022 GAFSP M&E Plan Review Note.

8. ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

A. Basic Information			
Project Name: Post-COVID Food and Nutrition Security Enhancement Project (PRESAN-PC)		Project "Code SAP": P-SN-A00-023 Project "Trust Fund Code": xxxxxxxx	
Country: Senegal	Financing Instrument*: DI <input type="checkbox"/> FI <input type="checkbox"/> BS <input type="checkbox"/> CL <input type="checkbox"/> GU <input type="checkbox"/> RPA <input type="checkbox"/> EF <input type="checkbox"/> RBF <input type="checkbox"/>		
Project Sector: Agriculture		Project Officer:	
Ex-ante Appraisal Mission Date : 2-13/05/23		Estimated Board Presentation Date: 28/02/2024	
Environmental Safeguards Specialists:			
Social Safeguards Specialist:			
Environmental and Social Category: 2	Categorisation Date: dd/mm/yy	Operation Type: SO <input checked="" type="checkbox"/> NSO <input type="checkbox"/> PBO <input type="checkbox"/>	
Is this project processed under rapid responses to crises and emergencies?			Yes <input type="checkbox"/> No <input type="checkbox"/>
Is this project processed under a waiver to the Integrated Safeguards System?			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
B. Disclosure and Compliance Monitoring			
B.1 Mandatory Disclosure			
Environmental Assessment/Audit/System/Others (specify: 1 ESMF, SP, ESMS, PMP, PU, SEP,)			
Was/were the document (s) disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Date of "in-country" disclosure by the Borrower/Client		[Date]	
Date of receipt, by the Bank, of the authorisation to disclose		[Date]	
Date of disclosure by the Bank		[dd/mm/yy]	
Resettlement Action Plan/Framework/Others (specify: RPF, ARP, LRP.....)			
Was/were the document(s) disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Date of "in-country" disclosure by the Borrower/Client		[Date]	
Date of receipt, by the Bank, of the authorisation to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
Vulnerable Peoples Plan/Framework/Others (specify: PGGV, CPPF, PPA,)			
Was/were the document(s) disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Date of "in-country" disclosure by the Borrower/Client		[Date]	
Date of receipt, by the Bank, of the authorisation to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
If in-country disclosure of any of the above documents is not expected, please explain why:			
B.2. Compliance Monitoring Indicators			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Is the total amount for the full resettlement of affected people, as integrated in the total project cost, <i>effectively mobilised and secured</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
Have satisfactory implementation arrangements been agreed with the Borrower/Client and the same been adequately reflected in the project legal documents?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>	
C. Clearance			
Is the project compliant to the Bank's environmental and social safeguards requirements, and to be submitted to the Board? Yes <input type="checkbox"/> No <input type="checkbox"/>			

Prepared by:	Name	Signature	Date
Environmental Safeguards Officer:	xxxxxx		
Social Safeguards Officer:	LOKOSSOU Hortense /SONOU AGOSSOU Sabas		02/10/2022
Task Team Leader:	FELLAH HATEM		27/10/2023
Submitted by:			
Sector Director:	Martin FREGENE		01/02/2024
Cleared by:			
Director SNSC:	Maman-Sani ISSA		07/02/2024

⁷ Note: This ESCON shall be appended to the ex-ante Project Appraisal Report before Senior Management and Board approvals.

⁸ DI=Direct Investment; FI=Financial Intermediary; BS=Budget Support; CL=Corporate Loan; GU=Guarantee; RPA=Risk Purchase Agreement; EF=Equity Financing; RBF=Results Based Financing.

AFRICAN DEVELOPMENT BANK

BOARD OF DIRECTORS

Resolution N° B/SN/2024/04

Adopted by the Board of Directors on a lapse-of-time basis, on 5 March 2024

Grant to the Republic of Senegal, from the approved resources of the Global Agriculture and Food Security Program (GAFSP) Trust Fund to finance part of the costs of the Post-COVID Food and Nutrition Security Enhancement Project (PRESAN-PC)

THE BOARD OF DIRECTORS,

HAVING REGARD TO: (i) Articles 1, 2, 10, 12, 13, 17, 32 and 37 of the Agreement Establishing the African Development Bank (the “Bank”); (ii) the Transfer Agreement under the Global Agriculture and Food Security Program (GAFSP) Trust Fund between the Bank and the International Bank for Reconstruction and Development (IBRD) as Trustee of the GAFSP Trust Fund effective 26 October 2010 (the “Transfer Agreement”); and (iii) the Appraisal Report contained in document ADB/BD/WP/2024/22/Approval (the “Appraisal Report”);

RECALLING THAT:

- (i) GAFSP Trust Fund was established to provide funding for projects supporting national and regional strategies targeting agriculture and food security in developing countries; and
- (ii) Pursuant to the Transfer Agreement, the Bank has been designated as one of the Supervising Entities of the GAFSP Trust Fund;

HAVING CONSIDERED:

- (i) That on 11 January 2024, the GAFSP Steering Committee approved a grant of an amount not exceeding Twenty Million United States Dollars (USD 20,000,000) out of the resources of the GAFSP Trust Fund, to the Republic of Senegal to finance part of the costs of the Post-COVID Food and Nutrition Security Enhancement Project (PRESAN-PC) (the “Project”); and
- (ii) The letter of commitment issued by IBRD as Trustee of the GAFSP Trust Fund on 30 January 2024, for an amount not exceeding Twenty Million United States Dollars (USD 20,000,000) in favor of the Bank for the implementation of the Project;

DECIDES as follows:

1. To award to the Republic of Senegal (the “Recipient”), from the approved resources of the GAFSP Trust Fund, a grant of an amount not exceeding Twenty Million United States Dollars (USD 20,000,000) (the “Grant”) to finance part of the costs of the Project;
2. To authorize the President to conclude a grant agreement between the Bank, as Supervising Entity for the GAFSP Trust Fund and the Recipient (the “Grant Agreement”), on the terms and conditions specified in the Standard Conditions Applicable to Grants made by the African Development Bank and the African Development Fund from the Resources of Various Funds, the Transfer Agreement and the Appraisal Report;
3. The President may cancel the Grant if the Grant Agreement is not signed within ninety (90) days from the date of approval of the Grant by this Board; and
4. This Resolution shall become effective on the date above-mentioned.