



DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
SENEGAL INCLUSIVE AND SUSTAINABLE AGRIBUSINESS DEVELOPMENT PROJECT
APPROVED ON DECEMBER 19, 2013
TO
REPUBLIC OF SENEGAL

AGRICULTURE AND FOOD

AFRICA

Regional Vice President:	Hafez M. H. Ghanem
Country Director:	Nathan M. Belete
Regional Director:	Ede Jorge Ijjasz-Vasquez
Practice Manager/Manager:	Marianne Grosclaude
Task Team Leader(s):	Nicolas Ahouissoussi, Marie Caroline Paviot

**I. BASIC DATA****Product Information**

Project ID	Financing Instrument Investment Project Financing
Original EA Category	Current EA Category
Full Assessment (A)	Full Assessment (A)
Approval Date 19-Dec-2013	Current Closing Date 31-Dec-2019

Organizations

Borrower Republic of Senegal	Responsible Agency Ministry of Agriculture and Rural Equipment
---------------------------------	---

Project Development Objective (PDO)

Original PDO

The Project Development Objective is to develop inclusive commercial agriculture and sustainable land management in project areas

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-53340	19-Dec-2013	28-Mar-2014	26-Jun-2014	31-Dec-2019	80.00	26.19	46.08
TF-16708	28-Mar-2014	28-Mar-2014	26-Jun-2014	31-Dec-2019	6.00	2.24	3.76

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES



The project consists of the following components:

- **Component 1: Support to sector actors.** This component supports rural communities in the project areas to ensure land user's rights are allocated to private operators in an inclusive and sustainable way and to small-scale farmers for the establishment of producers' associations and business partnerships with large investors. It also provides vocational training and applied research to small-scale farmers and Small and Medium Enterprises (SMEs) on Sustainable Land and Water Management (SLWM) practices and support to private agribusiness investors. The component also supports the implementation of the land management process.
- **Component 2: Development of irrigation infrastructure and sustainable natural resources management.** This component finances public irrigation infrastructure (design, construction and equipment of critical primary and secondary canals) in the Ngalam Valley and around Lac de Guiers. It provides matching grants to small scale farmers and SMEs for tertiary irrigation infrastructure, business development services and training. The component also supports the implementation of an inclusive landscape management approach supportive of sustainable land practices on agricultural and non-agricultural land in the project intervention areas.
- **Component 3: Project coordination, management, communication, monitoring and evaluation.** During its first implementation years, the project faced several difficulties that have considerably slowed down its implementation, mainly around the level of security the initial land transaction model could (or not) ensure as well as inefficiencies in the coordination of the different implementing partners. To address these challenges and following the conclusion of the Mid-Term Review (MTR) carried out in November 2017, the Government of Senegal (GoS) requested a restructuring of the project aiming at (i) aligning the project with a revised land tenure security model; and (ii) accelerating the implementation of project activities. The three original components remained the same but activities in each were prioritized to accelerate implementation, the results framework was revised to reflect the adjustments made. The Restructuring was approved by the World Bank on June 28, 2018.

Progress has recently been made in the implementation of activities and significant results towards the Project Development objective (PDO) have been achieved, in particular with regards to (i) volume of agricultural products (13,000 tons on 200 ha from the pilot operation of Gnith), (ii) employment (3,749 jobs created with the pilot operation of Gnith), (iii) land regularization activities (54,338 ha registered and secured, 8,976 Secured Deliberations delivered to producers with Cadastral Identification Number – NICAD being processed by the DGID) and (iv) 32,507 ha under forest management plans. The first lot of primary irrigation infrastructure works has started and is advancing satisfactorily.

Significant delays occurred during the long negotiation process between the Communities and the private investors mainly due to discussions over the secondary and tertiary irrigation works. The conclusion of these negotiations has created a momentum to accelerate the infrastructure with three (3) agreements finalized and signed, representing a private investment of about 6 billion FCFA and a potential of 1,568 jobs. Additional two other agreements are in the pipeline and being negotiated. The project initial closing date is December 31, 2019 would not allow enough time to complete the secondary and tertiary irrigation works. The government has therefore requested a one-year extension of the closing date to allow implementation of these fresh commitments between the communities and the private investors.

Because of the progress noted since the November 2017 Mid-term Review and still pending few shortcomings, especially pertaining to the finalization of the negotiations and signing off the first agreements between the Communities and investors, the September 2019 implementation support mission maintained the rating of the



project’s performance for progress towards achieving the project’s development objective (DO) at Moderately Satisfactory.

With regards to the overall implementation progress (IP), the April 2019 upgraded the IP rating from Moderately Unsatisfactory to Moderately Satisfactory due to progress noted in the land regularization activities with all nine (9) planned land regularization offices built, the effective start off the delayed primary irrigation works, which are progressing satisfactorily. The September 2019 implementation mission has maintained the IP rating at Moderately Satisfactory due to the level of completion of the primary irrigation works including the additional works agreed upon during the April mission to ensure the flow of water in the absence of the second lot of irrigation works that were suppressed. In addition, all the land regularization offices are now operational. However, disbursement rates remain low for both the IDA Credit and the blended GEF grant (as of September 10, 2019 they are of 35.08 percent and 36.17 percent respectively). The rates are expected to increase rapidly with the ongoing primary irrigation works. It is expected that the disbursement rate will be about 52% when all the current commitments are accounted for. The Financial Management is moderately satisfactory and there is no overdue audit.

In a letter dated September 9, 2019, the Government of Senegal requested an extension of the closing date to allow the completion of the Project's activities. The objective of this restructuring is to extend the initial closing date for a year from December 31, 2019 to December 31, 2020, without any change to the PDO, the safeguards category, the design or scope of the Project nor the financing mechanisms. This will allow the completion of the remaining planned activities including the ongoing investments and attendant works (mainly the secondary and tertiary irrigation works). The first lot of primary irrigation infrastructures will be finalized and completed with additional works to ensure their durability, better management of water flow on production plots and the installation of the selected investors and start of their production activities after such a long selection. The secondary and tertiary irrigation works, that represent the bulk of the remaining budget, will be undertaken and completed. The successful model will give an additional incentive to new private investors to finalize the agreements with the Communities. The land regularization process over the 15,000 Secured Deliberations will be finalized with the attribution of a Cadastral Identification Number. These results will allow the achievements of the PDO and lay out the foundation of its sustainability.

The Government has submitted along with its request an action plan for completing the Project within the extension period; the team has reviewed this action plan and is satisfied with it. This is the first extension of the closing date of the project.

II. DETAILED CHANGES

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-53340	Effective	31-Dec-2019		31-Dec-2020	30-Apr-2021
TF-16708	Effective	31-Dec-2019		31-Dec-2020	30-Apr-2021



The World Bank

Senegal Inclusive and Sustainable Agribusiness Development Project ()
