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Program Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 10-Jun-2025



BASIC DATA

A. Product Information

Main: Senegal Jobs, Economic Transformation & Recovery Program (P174757)

Operation ID P174757	Product/Financing Instrument Program-for-Results Financing (PforR)
Beneficiary Country/Countries Senegal	Geographical Identifier Senegal
Practice Area (Lead) Finance, Competitiveness and Innovation	
Borrower(s) Republic of Senegal	Implementing Agency ADEPME, APIX, FONGIP, FONSI, Ministry of Economy, Planning and Cooperation, The Ministry of Finance and Budget, The Ministry of Industry and Commerce

Additional Financing Request 1

Estimated Appraisal Date 12-Jun-2025	Estimated Board Date 23-Jun-2025
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Development Objective

Original Development Objective (Approved as part of Approval package on 21-May-2021)

Improve the competitiveness of selected value chains, MSMEs capabilities, and private sector investment in Senegal

COSTS & FINANCING (US\$, Millions)

Summary

	Last Approved	Proposed	
		Additional	Total



Government program Cost	362.00	195.00	557.00
Total Operation Cost	125.00	202.10	327.10
Total Program Cost	125.00	202.10	327.10
Total Financing	125.00	202.10	327.10
Financing Gap	0.00		0.00

Financing Details

World Bank Group Financing	Last Approved Financing	Proposed Additional Financing	Total Proposed Financing
Commercial Financing	0.00	137.00	137.00
Commercial Financing Guaranteed	0.00	0.00	0.00
Unguaranteed Commercial Financing	0.00	137.00	137.00
International Development Association (IDA)	125.00	65.10	190.10
IDA Credit	125.00	65.10	190.10
Non-World Bank Group Financing			
Commercial Financing	0.00	137.00	137.00
Commercial Financing Guaranteed	0.00	0.00	0.00
Unguaranteed Commercial Financing	0.00	137.00	137.00

IDA Resources

	Credit	Grant	SML	Guarantee	Total
Senegal	65.10	0.00	0.00	0.00	65.10
National Performance-Based Allocations (PBA)	65.10	0.00	0.00	0.00	65.10
Scale-Up Window (SUW)	0.00	0.00	0.00	0.00	0.00
Total	65.10	0.00	0.00	0.00	65.10



Other Decision (as needed)

B. Introduction and Context

Country Context

A. Changes to Country Context

- To capitalize on its potential, Senegal must address constraints to private sector development so businesses can formalize and create the needed jobs.** Senegal has great potential with its young, dynamic population, natural resources, strategic location, and culture of democracy and friendship that attracts investors and visitors. The challenge is to reduce poverty sustainably by creating more than 300,000 jobs per year, potentially rising to 427,000 by 2030 and 500,000 by 2050. These jobs can only be sustainably created by a private sector that is formal and growing. Mobilizing the private sector is also critical for necessary infrastructure investments as highlighted in the national agenda “Senegal 2050.”
- The new national agenda "Senegal 2050", launched in October 2024, is a comprehensive national development plan that emphasizes the crucial role of the private sector in transforming the country.** The "Agenda Senegal 2050" aims to address private sector development and job creation through a multifaceted approach that includes enhancing productivity, fostering entrepreneurship, and improving the business environment. The agenda emphasizes boosting the productivity of both formal and informal enterprises to improve job quality and economic output. In essence, the focus is on creating better jobs for more people. Recent growth in Senegal has been driven by exports, agriculture, services, and foreign direct investment (FDI). The agenda “Senegal 2050” aims to continue this trend by diversifying exports and increasing productivity in key sectors such as agriculture and services. The agenda also promotes industrial integration and local processing of goods, thereby strengthening the domestic private sector and creating jobs, especially for youth. The agenda includes policy reforms to create a more conducive environment for private sector growth. This entails improving the investment climate, reducing regulatory burdens, and enhancing access to finance for SMEs. The government is also focusing on improving infrastructure, such as energy and digital connectivity, to support business growth. Finally, the plan encourages the use of public private partnerships (PPP) to mobilize private investment and enhance competitiveness in key sectors.
- The Government of Senegal has selected the Program for Accelerating Competitiveness and Employment (PACE) as a strategic program to deliver on the private sector ambitions in the agenda “Senegal 2050”.** The PACE is a national flagship, long-term development program to achieve structural transformation of the economy. The program was launched during the COVID pandemic to support the recovery. It aims to support economic growth, industrialization, and job creation. The program has three subprograms : (1) “Reinforcing the competitiveness of value chains with growth and job creation potential” that aims to strengthen priority value chains through better understanding of bottlenecks and the reforms to be implemented; (2) “Accelerating the development of the private sector” that seeks to improve access by MSMEs to financing



and the formalization of economic actors and provide support to the private sector to upgrade their technology use and access more markets; and (3) “Promoting Private Investment” that aims to attract new financing and develop transformative projects, particularly through the promotion of PPPs. The program PACE is being scaled up and extended to deliver on the new GoS ambitions.

B. Update on Sectoral Context

4. **The business regulatory environment in Senegal remains burdensome, with complex procedures, high entry costs, and lack of transparency.** Distorting policies and uneven enforcement obstruct the development of a level playing field and challenge the emergence of a healthy business environment. In practice, there is very limited transparency of business-related information provided to entrepreneurs in Senegal and very little to no business regulation information and statistics published online as measured by the Business Ready.¹ The formal private sector complains about information asymmetries and unfair competition from the informal sector. According to the latest Enterprise Surveys released in 2025, 23.7% of Senegalese companies identify business licensing as a major constraint, higher than the Sub-Saharan African average (16.4%) and almost double the world average (12.6%). A lack of transparency and access to information hinders the growth of the private sector and raises the cost of doing business.

5. **While there is a growing presence of women in entrepreneurship, they still face significant barriers compared to their male counterparts, including to access formal financial services.** While women-led MSMEs represent 16 percent² of the total MSME population, they account for only 3 percent of the total MSME finance gap. This suggests that their financing needs remain largely unmet, or that they are disproportionately excluded from formal credit markets altogether. According to the 2021 Global Findex, only 24 percent of women held an account at a financial institution, compared to 32 percent of men. Access to credit is even more limited: while 87 percent of men who borrow do so from formal institutions, only 38 percent of women do. This discrepancy reflects structural challenges, such as women’s lower asset ownership, which restricts their ability to provide collateral and subjects them to less favorable lending conditions, including smaller loan sizes, shorter terms, and higher interest rates. The magnitude of the gender gap in financing is further highlighted by MSME Finance Gap estimates. Sixty percent of women-led MSMEs are credit constrained, and half receive loans insufficient to meet their business needs. This compares to just 24 percent of men-led MSMEs facing similar constraints³, pointing to systemic underfinancing of women entrepreneurs.

¹ The World Bank has launched in 2024 a new business environment barometer called “Business Ready”, which replaces the Doing Business rating. Business Ready (B-READY) 2024 report assesses the regulatory framework and public services directed at firms, and the efficiency with which regulatory framework and public services are combined in practice. See B-READY website for more information: [Business Ready](#)

² MSME Finance Gap – Senegal (2025), IFC MSME Finance Gap Database.

³ MSME Credit Constraint Breakdown – Senegal (2025), IFC MSME Finance Gap Database



PforR Program Scope

6. **The Senegal Jobs and Economic Transformation Program for Results (P174757) - the parent Program - supports the implementation of the scaled up and extended Program for Accelerating Competitiveness and Employment (PACE) that supports the implementation of the private sector actions and ambitions identified by the agenda “Senegal 2050”. The program supports four result areas: 1) Competitiveness Reinforcement (RA1); 2) Small and Medium Enterprise (SME) Technology Adoption and Support (RA2); 3) Access to Finance (RA3); and 4) Public Private Partnerships – PPP and Investments (RA4). The program received additional funding from the African Development Bank of US\$125 million.**

Table 1: Program Boundaries and Proposed Changes

Government program PACE	Original PforR (and restructuring)	AF
Objective: Facilitate access to financing for SMEs and small and medium industries (SMIs), Strengthen the competitiveness of sectors with high employment and export potential and support the national strategy for the development of the private sector.	PDO: Improve the competitiveness of selected value chains, MSMEs capabilities, and private sector investment in Senegal	PDO: Improve the competitiveness of selected value chains, MSMEs capabilities, and private sector investment in Senegal
Duration: 2021-2028	Duration: 2021-2025 (extension planned for 2027)	Duration: 2025-2027
Geographic coverage: Nationwide	Geographic coverage: Nationwide	Geographic Coverage: Nationwide
Subprograms: OS1: Accelerating the development of the private sector; OS2: Reinforcing the competitiveness of value chains with growth and job creation potential OS3: Promoting private investment	Results Areas: RA1: Competitiveness Reinforcement - DLR 1 (revised): 16 reports on projects and private sector in poles RA2: SME Technology Adoption and Support - DLI 2 (revised): No. of business action plans in the database RA3: Access to Finance RA4: PPPs - DLI 9 (revised): No. of reviewed PPP projects	Results Areas: RA1: Competitiveness Reinforcement - DLI 9 (new): Industrialization planning, key reform progress monitoring and information sharing RA2: SME Technology Adoption and Support - DLI 3.1-2. (scale up): SME matching grants and other awards, for women businesses. - DLR 3.3 (new): SME platform upgraded RA3: Access to Finance - DLR 6.2 (new) Operationalization of the Oyass Fund RA4: PPPs and Investment Reforms - DLR 7.3 (new); Operationalization of FAPPP - DLI 8 (new): Strengthening investment reforms and promotion, including business registration and investor services
Total financing: US\$622 million	Total IDA financing: US\$125 million Total AFDB financing: US\$125 million Total GoS contribution: US\$112 million	Total IDA financing: US\$ 65.1 million Total GoS contribution: US\$ 195 million



7. **This Program Paper seeks the approval of the Regional Vice-President for an additional credit in the amount of US\$ 65.1 million from the International Development Association (IDA) to the Republic of Senegal and for the restructuring of the Senegal Jobs and Economic Transformation Program (P174757).** The parent Program was approved on May 21, 2021, in response to the pandemic, for an equivalent of US\$ 125 million (IDA-61790). The Program Development Objective (PDO) is to improve the competitiveness of selected value chains, MSMEs capabilities, and private sector investment in Senegal. The Program became effective on August 13, 2021, with a closing date of June 30, 2025. Disbursements stand at 45%, with an additional US\$ 8.6 million in results verified and disbursements being processed, bringing the Program’s total disbursements to US\$ 60.2 million.

8. **The AF and restructuring will support the new government ambitions under the scaled-up and extended program PACE responding to the agenda “Senegal 2050” and promoting the private sector’s role in the economy.** The AF is a scale up of the Program’s envelope, ambitions and time horizon. The proposed AF would help finance the expenditures associated with (i) the scaled-up support to SMEs; (ii) a continued support to sector and private sector competitiveness reforms, including the industrialization planning; and (iii) a continued support to private investment, with a strengthened focus on investment climate reforms, including business information sharing. The AF would add two implementing entities: The National Agency for Investment Promotion and Major Projects (APIX) and the Ministry of Industry, Commerce, and Small and Medium Enterprises (MINCOM). The overall program would be extended by 30 months to December 31, 2027.

9. **The Restructuring of the parent Program (level two) would introduce the following changes:** (i) adjusting names, numbering, activities and targets for selected DLI/DLRs, (ii) aligning activities with the Government of Senegal’s more ambitious agenda by adjusting activity focus on economic “poles” in the regions (iii) strengthening PDO indicators to align with the Government’s agenda and corporate scorecard; (iv) updating the results framework; (v) updating the Priority Action Plan (PAP) to reflect new key reforms and activity strengthening; and (vi) extending the Program’s closing date by 30 months to the end of December 2027. Note: There is an ongoing parallel restructuring process to initially extend the parent Program by 12 months, to June 2026, to bridge the period between the current Program’s end date and AF effectiveness.

C. Program Development Objective(s)

Original Development Objective

Improve the competitiveness of selected value chains, MSMEs capabilities, and private sector investment in Senegal

Current Development Objective

Improve the competitiveness of selected value chains, MSMEs capabilities, and private sector investment in Senegal

Proposed New Development Objective

Improve the competitiveness of selected value chains, MSMEs capabilities, and private sector investment in Senegal



10. **The PDO of the parent Program remains adequate for the proposed AF & Restructuring.** The result framework has been updated to reflect the scaled-up ambition and the overall 30-month extension and is now aligned with the corporate scorecard. The Theory of Change remains the same as for the parent Program, with scaled up AF activities reflected.
11. **The AF is adding two new DLIs (8 and 9) for industrialization planning and investment climate reforms, thus increasing the number of DLIs from 7 to 9 under the same existing result areas.** The AF will finance a revised and scaled up DLI 1 to align the focus on “poles”. DLI 2 on SME technology adoption is adjusted and scaled up due to the difficulty in measuring and achieving the aggregate technology adoption index. DLI 3 on SME support through grants and awards is being scaled up. DLIs 1, 3, 6 and 7 are revised with some DLR adjustments to promote institutional reforms and operationalization, to strengthen business services and information sharing and to align with the agenda “Senegal 2050”.
12. **Some of the expected results of the AF include supporting an additional 5,000 businesses (10,000 by Program end, in total), registering over 60,000 businesses, and enabling over US\$360 million in private capital.** The program will also contribute to over 85,000 new and better jobs under the AF and catalyze over US\$136 million in private investments. Institutional reform results include increased transparency and digitalization of government services for businesses, which are essential for preparing for decentralization reform. These results are well aligned with priority B-Ready informed reforms and include e-payments and digital processes for business registration and improved licensing.
13. **The AF is deemed strategically relevant and technically sound.** It consolidates and strengthens the focus of the parent Program on (1) supporting SMEs, (2) mobilizing private sector investment, and (3) promoting investment climate reforms which are critical to promote sustainable private sector growth and job creation. The AF and restructuring will contribute to the "Senegal 2050" agenda by promoting industrialization planning, business services and information sharing and partnerships between public and private sectors.



D. Environmental and Social Effects

14. **A draft addendum to the Environmental and Social Systems Assessment (ESSA)** evaluates the Program’s potential environmental and social risks and impacts in its area of influence, examine alternatives and identify ways of mitigating and managing adverse environmental and social impacts throughout Program implementation. The Program doesn’t include any activities that are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented. The Addendum to the ESSA concludes that:

- The program's positive environmental and social impacts are numerous and should be sustained over time.
- The negative environmental and social effects of the Program could be moderate or substantial, but generally controllable and manageable through a set of appropriate mitigation measures.
- Taken individually, all the possible effects of the Program appear moderate in the long term. The cumulative aspect of these negative effects should be carefully assessed when evaluating the environmental and social impact of specific projects.
- A rigorous system of environmental and social control and monitoring will minimize any risk or negative impact.

Legal Operational Policies

Policies	Triggered?
	Current
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

E. Financing

The proposed AF consists of US\$ 65.1 million complemented by government contribution of US\$ 195 million. Overall Program financing amounts and sources for the original PP and the AF are illustrated in Table 3 below.

Table 7: Program Financing

Financing Source	Original Program, US\$M	AF Program, US\$M	Total, US\$M
BORROWER/RECIPIENT	US\$ 112	US\$ 195	US\$ 307
IBRD/IDA	US\$ 125	US\$ 65.1	US\$ 190.1
OTHER	US\$ 125	US\$	US\$ 125
TOTAL	US\$ 362	US\$ 260.1	US\$ 622.1



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APPROVAL

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