

II. Financing and Implementation Arrangements

A. Financial Envelope and Knowledge

Activities outlined in the CPF will be financed through a combination of IDA resources and efforts to leverage and de-risk private investments. This includes an indicative IDA envelope of SDR160.2 million in total, or about an annual SDR53.4 million for FY26, FY27, and FY28. Mauritania will also be able to access resources from the IDA Window for Host Communities and Refugees (WHR), Global and Regional Opportunities Window (GROW) and Scale-up Window (SUW) to complement its core IDA allocations. Additionally, more IDA21 resources could be made available through the Prevention and Resilience Allocation, should Mauritania seek and obtain eligibility. IDA resources will lay the groundwork for sequenced investments by IFC and MIGA. WBG instruments will be complemented by support from other international financial institutions, non-governmental organizations, and private sector entities for greater collective impact.

A Rapid Response Option (RRO) will allow access to 10 percent of undisbursed funds from active Investment Project Financing (IPFs) and Programs-for-Results (PforRs) for crisis response. The Ministry of Economy and Finance has confirmed its interest in an RRO to enhance the World Bank's crisis support. Based on the current portfolio, this would give the government access to around US\$57 million for eligible crises. The Ministry has expressed an interest in using the RRO through the existing Catastrophe Deferred Drawdown Option (Cat DDO) for natural catastrophes, including public health emergencies, and will explore preparing a Contingent Emergency Response Project (CERP) for other eligible crises.

IFC's portfolio is expected to expand during the CPF period, fostering collaboration with IDA and MIGA. Key priorities include supporting the mining sector by promoting renewable energy in mining operations, supporting the 225 MW Grand Tortue Ahmeyim (GTA) Gas-to-Power Plant, strengthening agribusiness value chains in crops, and enhancing micro, medium, and small enterprise (MSME) capacity, addressing gaps in skills through technical and vocational education and training (TVET), and access to finance to foster entrepreneurship and job creation. IFC will continue to support sustainable mineral development by scaling private sector growth and partnering with the government to enhance environmental, social, and governance standards and infrastructure for mineral production and processing, thereby fostering economic growth. Additionally, it will collaborate with the World Bank to support key large-scale iron-ore mining projects with a holistic energy sector approach. IFC will also prioritize PPPs to attract investment in critical sectors like water, sanitation, and road infrastructure. IFC has maintained a robust portfolio and a growing pipeline in Mauritania. As of December 31, 2024, IFC's cumulative Long-Term Finance for FY20-25 (based on country of proceeds) stood at US\$2.07 billion, including US\$326.9 million from Own Account and US\$1.75 billion from Core Mobilization. Short-Term Finance, which emerged in FY25, reached US\$14.7 million, with US\$11 million from Own Account. IFC's operations pipeline is expected to grow, particularly in priority areas such as manufacturing, agribusiness, financial sector activities, as well as gas, energy, and mining, which includes the El Aouj Project with a signed mandate as well as the Atomai Project. These areas aligned with the CPF's Outcomes, especially Outcome 1, more and better jobs.

MIGA's engagement is expected to leverage the WBG Guarantee Platform and closer collaboration with IFC and IDA. MIGA's portfolio in Mauritania stands at US\$300 million as of end-December 2024, consisting of one gold mining sector project. During the CPF period, MIGA will focus on supporting the transition to a cleaner energy mix by offering political risk insurance in renewable energy and gas-to-power. It will explore additional opportunities in the iron ore mining, hospitality, and transport sectors. MIGA will also coordinate with IFC and IDA to identify upstream opportunities and design and implement the most

appropriate de-risking solutions, particularly addressing Mauritania’s state-owned electric utility company, SOMELEC’s, credit risk in the power sector, including through the WBG Guarantee Platform.

In line with the pro-prevention approach, the CPF considers *how* the WBG engages, adopting a *do-no-harm* and resilience-focused approach. This entails (i) embedding a prevention and resilience lens in WBG programming to enable risk-informed decision-making, equipping staff with a better grasp of FCV dynamics and their impact on operations, while identifying opportunities to support resilience and mitigate risks, (ii) undertaking sector-specific political economy analyses to inform realistic project design and reforms, and (iii) organizing monthly country team discussions on FCV risks and implementation challenges and semi-annual dialogue on prevention with key development partners. Building on the 2023 Risk and Resilience Assessment. Mauritania will continue exploring its eligibility through the expanded pathway under IDA21 to access the Prevention and Resilience Allocation (PRA).

The **WBG Portfolio Snapshot** details the status of projects under implementation.

Knowledge work will support implementation across Outcomes. The new Sahel and West African Coastal Countries (SAWAC) Umbrella Fund will support three countries, including Mauritania, to develop a PPP model for skills provision. This will enable private sector, alongside the public sector, to co-govern skills curricula and TVET establishments in key growth sectors. SAWAC will also support the implementation of a pro-prevention approach, with a focus on cross-border, spillover, and regional dynamics and on undertaking analytical and advisory work to strengthen how operations and programs integrate FCV considerations. The Global Financing Facility (GFF)¹ will continue to support scaling up health, nutrition, and population services. At the same time, the Digital and Urban Programmatic Advisory Services and Analytics (PASAs) will provide cutting-edge knowledge to expand digital services and connect urban and rural communities and markets. The Sahel Adaptive Social Protection Program TF will continue mobilizing knowledge to expand and upgrade Mauritania’s social protection and shock response systems. All these TFs operate in partnership with key donors.

B. CPF Outcomes and IDA21 Policy Commitments

The CPF is well-aligned to deliver on IDA21 Policy Commitments (PCs). The CPF’s main theme, Economic Diversification for Growth and Employment, supports Mauritania’s ambitions to transform its economy and build resilience through economic diversification and private investment, driving sustained growth and job creation. Contributing to this are the selectively chosen Outcomes and Indicators, which support various IDA21 pillars – *prosperity, private investment, planet, infrastructure, digital transformation, and people*. Moreover, the pro-prevention approach integrated into all aspects of WBG engagement will play a crucial role in helping achieve the PCs on addressing *fragility and cross-border spillovers*, in recognition of fragility and conflict in Mauritania’s Sahelian neighborhood. The CPF also emphasizes a *One WBG* approach wherever possible, particularly in four priority areas: (i) energy, mining, and extractives, (ii) agribusiness, (iii) employment via TVET, and (iv) spatial development (housing and infrastructure), contributing to the PC on mobilizing private capital. All WBG engagements also support PCs such as *client implementation capacity* and *knowledge compact*. Contributions to these will be made through efforts to closely work with the client on project implementation and leveraging the WBG’s regional and global knowledge to inform dialogue and drive impact.

Outcome 1, more and better jobs, contributes to three PCs and directly aligns with the PC on *more and better jobs*. By prioritizing skills development – with early and active involvement of the private sector –

¹ GFF is a multi-donor trust fund (TF) hosted at the WBG that supports advancing health outcomes, with a focus on women, children and adolescents.

and expanding access to education for girls, this outcome places a strong emphasis on youth and women. In doing so, it also contributes to IDA21 PCs on *gender equality and business environment*.

Outcome 2, strengthened institutions and improved governance, contributes to the IDA21 PC on *institutional strengthening*. The Outcome does this through its support for program-based budgeting, decentralization, and digital public services, ensuring CPF efforts translate into improvements in institutional transparency, efficiency, and citizen access. It also contributes to the PC on *digital transformation*.

Outcome 4, resilient populations, contributes to IDA21 PC on *continuity of services and crisis preparedness*. By promoting climate-smart agriculture, strengthening the state’s ability to deliver basic health services, strengthening social safety nets, and supporting Mauritania’s open-door refugee policy, ensuring CPF efforts translate into measurable gains in household and community resilience. This Outcome also contributes to the PC on *gender equality*.

C. Relevant Implementation Issues

Service delivery challenges in Mauritania affect the effectiveness and accessibility of essential services. Weak governance and institutional capacity undermine inclusive access to public services and resources for the population. Overall, there is a need to improve efficiency in the delivery of social services (health, education, and social protection), as well as in infrastructure spending. In response, the government has adopted a Public Financial Management (PFM) Strategy 2025-2030 with the overarching objective of enhancing fiscal space. This will be achieved through efforts to improve revenue collection, strengthen PFM, and reallocate resources toward high-impact areas to improve public service delivery in the social sectors. As a part of this, the government is transitioning towards program-based budgeting (PBB), while the World Bank portfolio is shifting towards more PforRs. Notably, IDA is financing a US\$50 million PforR, which includes US\$8 million dedicated to building the Ministry of Economy’s staff and project/program implementation units’ capacity.

D. Business Planning Process

Regular business planning exercises with the government and development partners will inform pipeline programming, knowledge and analytical needs, and advisory services. The One WBG country team in Mauritania will track CPF results and refine priorities, using the Results Matrix as a management tool linked to portfolio reviews. The business planning exercises will fully align with the government’s programs and plans and offer a chance to regularly review progress toward results, reassess risks, and adjust the program and pipeline to respond to emerging opportunities or risks, if any. Moreover, key development partners will be involved in the business planning process to identify opportunities for co-financing, parallel financing, or other forms of joint programs from the outset. The first business planning exercise is planned for FY26.

Figure 1. Business Planning Process: Adjustments to the Implementation Strategy



Partners' Contributions to CPF Outcomes and Indicators

This CPF builds on the WBG's partnerships, prioritizing complementarity, coordination, and co-financing to maximize development impact. The previous CPF period strengthened the WBG's partnership with various development partners, laying out the foundation for deeper collaboration. Building on this momentum, this CPF takes a more deliberate approach to selectivity guided by partner engagement, focusing on complementarity, avoiding overlap, and enhancing coordination to scale impact. In areas with strong government ownership and/or partner engagement, and where WBG interventions have demonstrated high impact, the WBG will remain engaged with the goal of driving impact at scale. Here opportunities for co-financing, parallel financing, and other joint initiatives will be prioritized. For instance, in collaboration with UNHCR, the World Bank will sustain efforts to integrate refugees into national health and social protection systems, ensuring inclusion and fostering social cohesion. The CPF also focuses on areas critical to Mauritania's development where the WBG brings a clear comparative advantage, even in the absence of significant partner activity. Table 1 presents partnerships in different sectors, illustrating how the WBG is leveraging synergies and complementarities with humanitarian, development, and peacebuilding partners on the ground. The government has also indicated that it will establish a donor coordination group for Mauritania to enhance alignment and effectiveness. It envisions regular meetings to ensure strategic coordination. The WBG will actively participate in and support these efforts.

Currently, 29.34 percent of the IDA portfolio (three national and two regional projects) is co-financed by other development partners, with this share expected to increase over the CPF implementation period. Current co-financers include the AFD, AfDB, and European Investment Bank (EIB).

Table 1. Partner Contributions to CPF Outcomes and Indicators

CPF Outcomes	CPF Indicators	WBG	AFD	AfDB	EU	IMF	Others
More and better jobs	1.1 Students supported with better education	✓					KfW
	1.2 Private investment as a percent of GDP, of which private investment in non-extractives	✓	✓	✓	✓		
	1.3 Wage and salaried workers, including women	✓					GIZ
Strengthened institutions and improved governance	2.1 Tax revenue to GDP ratio	✓					
	2.2 People using digitally enabled services	✓					
	2.3 Percentage of public priority projects with time overrun	✓	✓		✓	✓	
Connected communities	3.1 People provided with access to electricity	✓	✓	✓	✓		JICA, EIB
	3.2 People provided with water, sanitation, and/or hygiene, and the number provided with safely managed services	✓					Spain
	3.3 People that benefit from improved access to sustainable transport infrastructure and services	✓					Spain
Resilient populations	4.1 Beneficiaries with enhanced resilience to climate risks	✓		✓	✓	✓	IFAD, Spain
	4.2 millions of beneficiaries of social safety net programs	✓	✓			✓	WFP, UNHCR
	4.3 People receiving quality health, nutrition, population services	✓					UNHCR

Risks to CPF Implementation and Planned Mitigation Measures

Risk Categories	Rating	Description (if High or Substantial)
Political and governance	Substantial	Mauritania's political and economic advancements are hindered by entrenched inequalities, exclusion, and unresolved historical grievances, which are exacerbated by the lack of significant progress in broad-based power and resource sharing. Good governance is constrained by the limited capacity to deliver equitable basic services, especially in remote regions like the Triangle of Hope and the Hodhs. These domestic risks are compounded by deteriorating regional security – for instance, the intensifying conflict in Mali. This heightens the risk of violence spillovers and may result in a surge in refugees – beyond the capacity of existing camps and in the context of declining Official Development Assistance (ODA). As a result, tensions between refugees and host communities over access to services and natural resources, especially water and land, could increase. While these risks are exogenous, the WBG will carefully monitor the situation to minimize impact on its engagement. The introduction of regular business planning also allows for regular assessment of the WBG’s engagement and portfolio, with space to course correct. The CPF’s pro-prevention approach will also guide an increased FCV focus and preparedness in project design and implementation arrangements. Pipeline operations will apply for access to WHR resources to expand social services’ delivery and lower the additional pressure from the increase in refugees.
Macroeconomic	Moderate	N/A
Sector strategies and policies	Moderate	N/A
Technical design	Moderate	N/A
Institutional capacity for implementation and sustainability	Substantial	While progress has been made in building institutional capacity, the effectiveness of government agencies remains inconsistent across sectors. Executing agencies continue to face significant constraints in implementing externally funded projects. Implementation also involves multiple agencies and activities spread across different locations, adding to the complexity. Strengthening institutional capacity at all levels will be crucial to ensuring effective execution and long-term sustainability. Through the regular business planning process, the WBG, with the government, will focus on monitoring and periodically reviewing the portfolio to identify measures to improve implementation.
Fiduciary	Substantial	Despite some progress through reforms, significant weaknesses persist in Mauritania’s PFM system, including budget planning, execution, and transparency. A PforR is supporting a transition to program-based budgeting, alongside efforts to digitalize procurement. Tailored mitigation measures will also be implemented across operations, including: (i) dedicated financial management teams while building national capacity to take over project responsibilities, (ii) using adapted financial management information systems, (iii) establishing targeted control mechanisms and strengthening internal and external audit institutional capacity, (iv) designing context-specific fund flow arrangements for timely and secure resource disbursement, (v) using the SYGMAP system to reduce procurement processing times, (vi) updating standard procurement documents to reflect legal changes, and (vii) developing a framework for a national procurement policy.
Environment and social	Substantial	Mauritania is highly vulnerable to the impacts of climate change, which could undermine the WBG's longer-term efforts to reduce poverty. The WBG will consider climate risks and support efforts to improve climate resilience across all engagements. Moreover, the inclusion and pro-prevention approach will promote social inclusion and seek to help address entrenched social inequalities, particularly those affecting marginalized and remote communities. Across the portfolio, efforts will be made to bolster the country’s environmental and social systems and enhance institutional capacity to ensure more equitable and sustainable development.
Stakeholders	Moderate	N/A
Overall: Substantial		