



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 WEST

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I. BASIC DATA

Product Information

Project ID P124018	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 19-Dec-2013	Current Closing Date 30-Jun-2021

Organizations

Borrower Republic of Senegal	Responsible Agency Ministry of Agriculture and Rural Equipment
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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 (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-53340	19-Dec-2013	28-Mar-2014	26-Jun-2014	30-Jun-2021	80.00	47.02	26.67
TF-16708	28-Mar-2014	28-Mar-2014	26-Jun-2014	30-Jun-2021	6.00	3.30	2.70

Policy Waiver(s)

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

No



I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

1. This Project Paper (PP) seeks the approval of a reallocation of the proceeds of the Senegal Inclusive and Sustainable Agribusiness Development Project (P124018; Credit No. 53340-SN). An official request from the Recipient dated February 3, 2021 is attached. The technical aspect of this request was discussed with the Project Implementation Unit (PIU).

Project implementation status

2. The Project Development Objective (PDO) is to develop inclusive commercial agriculture and sustainable land management on the project areas. The total project cost is estimated at US\$ 86 million, financed by a credit from International Development Association (IDA) of US\$ 80 million and a grant from the Global Environment Facility (GEF) of US 6 million. The disbursement rates stand at 64% and 55% respectively for IDA and GEF.

3. Further to the first extension of the closing date, a second 6-month extension was granted in September 2020 to allow the full completion of key activities, including particularly the remaining irrigation infrastructure works – secondary and tertiary to ensure the water flow in the production perimeters. All due diligence related to these latter works have been successfully accomplished and the works are ongoing. However, some delays have been observed due to the COVID-19 and there is a risk that some of the works may not be completed before the closing date of June 30, 2021.

4. Overall, the project is on track and the December 2020 implementation support mission maintained the rating of the project's performance for progress towards achieving the project's development objective (DO) at Moderately Satisfactory and the overall implementation progress (IP) Moderately Satisfactory. The Financial Management is Moderately Satisfactory and there is no overdue audit. The Environmental and Social Safeguards are rated Moderately Satisfactory. The pending dated covenant pertaining to the dam safety has been sorted out and steps taken to carry the needed dam safety studies for both Manantali and Diama dams under respectively the Manantali Management Agency (SOGEM) and a Bank-funded PGIRE2 (P131323). Also, the draft protocol to be signed between the Government and OMVS (Organisation pour la mise en valeur du Fleuve Sénégal) to oversee the dams has been prepared and should be signed shortly. The GRM mechanism is in place and complaints have been addressed as required.

Rationale for reallocation

5. To ensure continued implementation of the Project activities, especially the matching grants for communities, a reallocation of the funds is needed. The proposed change is minor, and no changes are being introduced into the Financial Agreement with respect to project objective and description. The amount to be reallocated of SDR 1,716,903 DTS equivalent comes from the Category 3 (Refund of Preparation Advance), to be fully reallocated Category 2 (Matching grants).

6. The initial amount allocated under Category 3 was SDR 2,000,000 equivalent and only SDR 283,096 equivalent were disbursed before Project effectiveness. The reallocation will allow the funding of the activities under the Category 2 for which the funds are almost exhausted and cannot cover the existing and upcoming commitments.



II. DETAILED CHANGES

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Ln/Cr/TF	Current Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Disbursement % (Type Total)	
					Current	Proposed
IDA-53340-001 Currency: XDR	GD,WK,CS,AUD, NCS,TR & OC xcptPt B2	47,500,000.00	29,506,794.36	47,500,000.00	92.70	92.70
	Matching Grants Pt B2	2,600,000.00	2,239,155.28	4,316,903.00	100.00	100.00
	PPF REFINANCING	2,000,000.00	283,096.19	283,097.00		
	Total	52,100,000.00	32,029,045.83	52,100,000.00		