

Republic of Senegal

First Multi-Sectoral Structural Reform Development Policy Financing

June 30, 2017

Chair Summary*

The Executive Directors approved a credit in the amount of Euro 54.9 million (equivalent to US\$60 million) to the Republic of Senegal for the First Multi-Sectoral Structural Reform Development Policy Financing (IDA/R2017-0190/2) on the terms and conditions set out in the President's Memorandum.

Directors acknowledged that the operation will help the Government of Senegal strengthen governance and management of the energy sector and enhance the legal and regulatory framework of the ICT sector. Directors stressed that more needed to be done. They emphasized the need for the World Bank Group to help Senegal diversify its energy mix towards renewable and gas-fired generation.

Directors appreciated that the operation supports structural reforms which are guided by the "cascade" principles to optimize the use of concessional financing and enable private sector participation. They highlighted that the reforms are aligned with the government's strategic master plan for the energy sector to help foster economic growth and reduce poverty. Directors also welcomed the operation's focus on addressing policy and institutional constraints. In this context, Directors emphasized the importance of medium-term engagement to maintain the momentum of these reforms to address persistent performance gaps in the energy and communication sectors. They also highlighted the importance of south-south cooperation in the implementation of this type of reforms.

Noting Senegal's reliance on coal to meet its energy needs, Directors appreciated that the approved strategic Master Plan for electricity generation supports diversification of the country energy mix toward lower carbon technologies.

Finally, Directors acknowledged the overall substantial risks of the operation, including the risk of reform implementation being slowed down in the face of entrenched interests. They highlighted the importance of closely monitoring the operation, and of providing timely support to the Government's implementation efforts.

The minutes will reflect that Ms. Ulbaek wished to be recorded as opposing and Mr. Zattler as abstaining.

*This summary is not an approved record.