

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)**

Additional Financing

Report No.: PIDISDSA20601

Date Prepared/Updated: 07-Apr-2017

I. BASIC INFORMATION

A. Basic Project Data

Country:	Senegal	Project ID:	P162537
		Parent Project ID (if any):	P150351
Project Name:	Senegal Urban Water and Sanitation Project - Additional Financing (P162537)		
Parent Project Name:	Senegal Urban Water and Sanitation Project (P150351)		
Region:	AFRICA		
Estimated Appraisal Date:	10-Apr-2017	Estimated Board Date:	15-Jun-2017
Practice Area (Lead):	Water	Lending Instrument:	Investment Project Financing
Borrower(s)	Republic of Senegal		
Implementing Agency	Programme Eau Potable et Assainissement pour le Miillenaire (PEPAM), Societe Nationale des Eaux du Senegal (SONES)		
Financing (in USD Million)			
Financing Source			Amount
International Development Association (IDA)			30.00
Financing Gap			0.00
Total Project Cost			30.00
Environmental Category:			
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

Over the course of 2015, Senegal's macroeconomic performance has been strong with a growth rate of

6.5 percent, a rate that hasn't been achieved since 2003; making Senegal the second fastest growing economy in West Africa, behind Côte d'Ivoire. The primary sector is the fastest growing sector boosted by agriculture, fishing and extractives. In agriculture, good rainfall and strong outcomes from sectors targeted by government programs (including groundnuts, rice, and horticulture) explain this outcome. Industry decelerated somewhat despite strong performances in construction, chemistry and energy, while services – which represent more than half of the total gross domestic product (GDP) – is still growing rapidly, thanks to advances in the transport and communications sectors. From the demand side, all sectors are performing robustly with exports growing rapidly, mainly due to stronger output and exports from primary sectors. On the external front, rapidly growing exports helped reduce the current account deficit from nearly 9 percent in 2014 to 7.6 percent in 2015, despite higher imports linked to stronger growth. Similarly, higher revenues supported government efforts to progressively close the fiscal gap, which passed from a deficit of 8.5 percent of GDP in 2014 to 7.7 percent in 2015. Debt increased to close to 57 percent of GDP, but remains sustainable.

Sectoral and Institutional Context

At the time of the original project's design, the development of Senegal's urban water supply and sanitation sector was facing three major challenges:

- The emergence of water shortages in the Dakar region, where half of the urban water sub-sector's activity was concentrated, and also in the Petite Côte, a prime touristic area close to Dakar region. These shortages resulted from a rapid population growth and a faster than expected water demand growth, whereas the planned large water production investments could not be completed before 2020 at best, thus leading to a peak hour water supply deficit in the Dakar region of about 60,000 m3 per day and of 35,000 m3 per day in Petite Côte.
- The access gap between water and sanitation services, which was particularly wide outside of the Dakar area. Access rate to improved sanitation amounted to 78 percent in Dakar and 44 percent in other urban centers. While the creation of sewerage networks might not be justified everywhere, sewerage services provided by the National Sanitation Agency of Senegal (ONAS) were available in 17 urban centers only (as compared to 56 urban centers for water services).
- The need for a second-generation reform of the institutional and contractual framework of the sector, which had been set up in 1995. All sector stakeholders agreed that the lease contract with the private Senegalese Water Utility (SdE) for the delivery of urban water services, which could not be further extended, had to be re-bid and should be improved, particularly by shifting additional investment responsibilities to the private operator, while keeping responsibilities for bulky investment programs within the National Water Company of Senegal (SONES). At the same time, the results achieved by a performing and autonomous urban water supply sub-sector contrasted with the lagging urban sanitation sub-sector, which was also hampered by interferences in investment and management decisions and by unfunded mandates, particularly in flood control and drainage.

The original project represented IDA's contribution to the implementation of the Government's strategy addressing the sector challenges. At the Government's request, it focused on (a) addressing the water shortages by quickly developing groundwater resources in the vicinity of Dakar and Petite Côte; (b) developing access to urban sanitation services in secondary urban centers; and (c) supporting the design and implementation of the second-generation sector reform, the principles of which had been formulated in a December 2014 Framework Note, and strengthening the capacities of the sector actors.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

The proposed Project Development Objective (PDO) is to improve access to water and sanitation

services in selected urban areas in a financially sustainable manner.

Proposed Project Development Objective(s) - Additional Financing

The proposed Project Development Objective (PDO) is to improve access to water and sanitation services in selected urban areas in a financially sustainable manner.

Key Results

The proposed AF aims to scale up urban water supply activities of the original project that are designed to help eliminate water shortages in the Dakar –Thiès-Petite Côte area and improve the quality and reliability of water services, in line with the original PDO.

Accordingly, it is proposed to revise the associated Results Framework (targets of outcome and intermediary indicators to reflect the impact of the AF activities, as follows. (Refer to the table in the Project Paper)

The closing date of the original project will be extended by 18 months (from June 30, 2020 to December 31, 2021) to ensure sufficient time to implement the proposed additional activities.

D. Project Description

The classification of the components of the initial project will not be modified. The proposed AF activities will increase the costs of components 1 and 3 by US\$28.74 million and US\$1.26 million, respectively. The costs of component 2 would not be modified. AF activities are summarily described below.

Component 1 - Water Supply (US\$28.74 million): The following activities are planned under this component:

1.1 Development of groundwater resource, including:

1.1.1 Development of groundwater resources in the Tassette area (US\$18.83 million). Additional activities under this sub-component would help increase the availability of water and improve the quality of water services in Dakar and Petite Côte by:

- (i) Expanding the water transmission capacity by supplying and laying a 40-kilometer feeder pipe (ductile cast iron (DCI), diameter (DN) 1,200 mm) linking the Tassette well field to the new Mbour storage tanks
- (ii) Financing consulting services for the supervision and control of all waterworks

1.1.2 Development of groundwater resources in the Mbour area (US\$9.91 million). Additional activities under this sub-component would help increase the availability of water and improve the quality of water services in the petite Côte by:

- (i) Expanding the water transmission capacity by:
 - Supplying and laying feeder pipes (23 km, DCI, DN 400 to 700 mm) linking the Tassette-Mbour transmission line to water storage tanks in Saly, Somone and Joal-Fadiouth
 - Supplying and laying feeder pipes (10 km, DCI, DN 250 to 400 mm) in Mbour
- (ii) Expanding the storage capacity by approximately 2,000 m³ through the construction of one elevated storage tanks in Mbour

Component 2 – Sanitation: no additional activity.

Component 3 – Institutional Support and Project Management (US\$1.26 million): The following activities are planned under this component:

3.1 Support to DGPRES (US\$0.92 million). Additional activities under this sub-component would help strengthen groundwater monitoring and improve knowledge of groundwater resources, by:

- (i) Constructing two trial boreholes in the Maastrichtian aquifer in Diogo
- (ii) Financing a study of the Diogo aquifer

3.2 Technical and institutional studies: no additional activity.

3.3 Support to project management (US\$0.34 million) through the provision of support to implementation of the ESMP, including:

- The preparation of resettlement action plans and environmental and social impact assessments
- The preparation of the strategic environmental study of the Dakar-Thiès-Petite Côte Water Supply Master Plan
- Monitoring the implementation of the ESMP

Component Name:

Water Supply

Comments (optional)

Component Name:

Sanitation: no additional activity

Comments (optional)

Component Name:

Institutional Support and Project Management

Comments (optional)

E. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

For urban water supply, the initial project focusses on the regions of Dakar and Thiès, and particularly the areas of Tasset, Mbour, Nguekokh, Mdodiène and Joal-Fadiouth. The AF activities will focus on the same areas, but specific areas of intervention in the said cities will be determined by technical studies.

F. Environmental and Social Safeguards Specialists

Klessigue Robert Dembele(GSU01)

Melissa C. Landes(GEN07)

Salamata Bal(GSU01)

II. IMPLEMENTATION

The implementation arrangements will be maintained, as well as the structure of the original project.

Oversight. A Steering Committee (CCS) was established by Ministerial Decision no. MHA/5317 of April 8, 2015 to oversee the implementation of the original project. It regroups

representatives of MHA, MEFP (represented by the Directorate of Economic and Financial Cooperation and the Directorate of Investment (DI)), DEEC, SONES, ONAS and OFOR and the PCU as the CCS secretary. The CCS would oversee the implementation of the AF.

Implementation Responsibilities. The PEPAM's Project Coordination Unit (PCU) would continue to ensure the financial management and overall coordination. It would (i) carry out financial management; (ii) prepare annual work plans and budgets, to be approved by the CCS and the Association; and (iii) ensure monitoring and evaluation and reporting (including safeguards and financial reporting). The urban water supply component of the AF would be implemented by SONES. The PCU would manage implementation of the institutional support and project management component in cooperation with the technical departments of the MHA. The Project Implementation Manual has been updated to include the new activities under the AF.

Staffing. The PCU team is being strengthened with the recruitment of a full-time environmental specialist and of a social specialist. Given the limited workload generated by the AF activities, no further staff recruitment is required to implement the AF.

Financial Management Assessment. The financial management arrangements for the additional financing would be based on the existing arrangements in place under the ongoing project. The overall FM performance of the original Project was rated as Satisfactory during the supervision undertaken on December 2016 and the FM risk was assessed as Moderate. The staffing remains adequate to handle the additional activities resulting from the additional financing. The interim un-audited financial reports for the on-going project have been submitted with acceptable quality. However improvement points related to budget monitoring strengthening, and travel documentation were identified for the PCU.

Procurement. SONES would manage the procurement of all activities for this Additional financing. The Procurement Plan of the AF would be prepared based on the current guidelines and would be reviewed and agreed by the Bank before the Negotiations. The project will be supervised twice a year to ensure that project procurement arrangements still operate well and funds are used for the intended purposes and in an efficient way.

M&E. The M&E arrangements of the original project will continue to apply. The contractual framework of the urban water and sanitation sector, and particularly the performance contracts of SONES, SdE and ONAS provides for an adequate gathering of key of project outcome indicators. The progress reports produced by the consultants in charge of control and supervision of the water works would provide an adequate reporting of indicators of the AF's intermediate results. The PCU contracted the National Agency for Statistics and Demography to carry out satisfaction surveys to obtain customers' feedback on the delivery of water services. The PCU would carry out beneficiary assessments before completion.

III. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP	Yes	OP 4.01 is triggered because of the potential

4.01		environmental and social impacts of activities under the proposed AF. Based on lessons from the initial project, adverse environmental and social impacts associated with those activities would be small in scale and site specific, typical of a Category B project, and therefore easily manageable at an acceptable level. As the exact physical locations of future investments are not yet known, the Borrower has accordingly updated the ESMF of the original project that has been reviewed and disclosed both in-country and at the Bank's InfoShop on April 7, 2017.
Natural Habitats OP/BP 4.04	Yes	The original project triggers this policy; however, we do not anticipate that this AF will finance activities that impact natural habitats directly or indirectly.
Forests OP/BP 4.36	No	The AF project will not finance activities related to forest exploitation, harvesting, direct or indirect forest degradation, and increase access to forest.
Pest Management OP 4.09	No	The AF will not finance acquisition transport, distribution, storage or use of pesticides or similar chemicals that could threaten environmental and human health.
Physical Cultural Resources OP/BP 4.11	Yes	As for the parent project, this policy is triggered because of the nature of civil works that will be financed under the first two components of the project. The project intervention areas have been inhabited for centuries therefore likely to host underground artifacts. To prevent the destruction during implementation, a chance find procedure has been included in the ESMF and detailed in subsequent EIA/ESMP.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project intervention areas.
Involuntary Resettlement OP/BP 4.12	Yes	As for the initial project, the AF will include rights of way for the water distribution networks, and minimal land grab for water production, storage and distribution and sanitation facilities. Therefore, the Borrower has updated consulted upon and disclosed the Resettlement Policy Framework (RPF) on April 7, 2017 of the initial project that will guide the project team when any displacement issue arises during the implementation. In the course of implementation, the screening

		process will determine whether displacement will occur and a sub-project specific Resettlement Action Plan (RAP) is required.
Safety of Dams OP/BP 4.37	No	The AF will not finance dam works or activities associated to existing dam.
Projects on International Waterways OP/BP 7.50	No	The AF will not finance activities that will interfere with international watercourses; either in terms of water withdraw or discharge of pollutants.
Projects in Disputed Areas OP/BP 7.60	No	The AF intervention areas are not under dispute.

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The project's EA category remains B (Partial assessment) in alignment with that of the original project. The four (4) policies triggered by the original project (OP/BP 4.01 Environmental Assessment, OP/BP 4.04 Natural Habitats, OP/BP 4.11 Physical Cultural Resources and OP/BP 4.12 Involuntary Resettlement) will continue to apply to the AF; however, the AF does not trigger any new safeguards policy. No significant and/or irreversible adverse impact, direct or indirect, is expected to occur from activities under the proposed AF, either during the construction or operation phase. Instead, positive social aspects including access to potable water, improved hygiene and sanitation conditions, decreased prevalence of water related diseases, are expected to be significant.

The proposed additional activities (laying water transmission pipes, construction of water reservoirs and expansion of water distribution networks) are of the same nature as water works included in the original project. The impacts and risks that the borrower will prevent and monitor in the course of the project implementation, are as follow: (i) minor to moderate biophysical and social impacts (noise, increased dust in the local atmosphere, increased risk of accident, increased risk of communicable diseases, loss of vegetation at the borrow pit sites, etc.) and (ii) rights of way for the water transmission / distribution networks, and minimal land acquisition for water production and storage.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

No potential indirect or long term or cumulative impacts are foreseen from the AF construction and operation phase.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N/A

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

As the exact physical locations of future investments are not yet known and will not be known by appraisal and the activities are diverse, the Borrower has accordingly updated the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF) of the parent project. The revised ESMF and RPF have been reviewed and re-disclosed both in-country and at the Bank's InfoShop on April 7, 2017.

The ESMF provides a screening mechanism to guide the evaluation of negative impacts that a sub-project may cause as well as the determination of the level of environmental and social work required. Prior to its commencement, any eligible investment subproject/activity will be processed through the environmental and social screening procedure and then if eligible, be subject to the preparation and approval of an ESIA/ESMP and/or RAP prior its implementation. The screening is executed by Project coordination unit's environmental and social safeguard specialist. This process will result in the environmental classification of the subprojects in category B or C; category A subprojects will not be eligible to financing. The results of the screening are processed according to the national regulations under the control of the 'Direction de l'Environnement et des Etablissements Classés'. The RPF outlines the principles and procedures to be followed in the event of land acquisition, impact on assets and/or loss of livelihoods. Any specific Resettlement Action Plans (RAPs) prepared in accordance to the screening result will be negotiated, approved on with all the stakeholders then fully executed before the concerned activity starts.

An amount of US\$ 0.34 Million is earmarked in the AF budget to ensure the implementation of the safeguard measures.

The Borrower is successfully implementing the Environmental Management Plan (EMP) of the parent project which is rated Satisfactory by the Bank. The safeguards team of the PCU is being strengthened by the confirmation of a full time position for the environmental safeguards specialist and the recruitment of a Social safeguard Specialist to ensure adequate monitoring of the implementation of safeguard requirements.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders are the participating communities and communes in the project areas, ministries (and their relevant agencies/departments) in charge of urban development, habitat, hydraulics, environment and protection of nature; and local development and decentralization, NGOs and other relevant institutions.

Appropriate consultation has taken place during the development of the ESMF and the RPF as per the guidelines and the level of consultation is commensurate with the two instruments. Populations and local authorities were informed of the objectives, the scope and potential impacts of the project and their views have been reflected in the reports. The revised ESMF and the RPF were approved by the Bank and the Government and have been widely disclosed in country and at the World Bank's Info Shop on April 7, 2017.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	15-Feb-2017
Date of submission to InfoShop	07-Apr-2017
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Senegal	07-Apr-2017
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	15-Feb-2017
Date of submission to InfoShop	07-Apr-2017
"In country" Disclosure	
Senegal	07-Apr-2017
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why::	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.04 - Natural Habitats						
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
OP/BP 4.11 - Physical Cultural Resources						
Does the EA include adequate measures related	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

to cultural property?						
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.12 - Involuntary Resettlement						
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is physical displacement/relocation expected?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>
The World Bank Policy on Disclosure of Information						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
All Safeguard Policies						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

V. Contact point

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VII. Approval

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Practice Manager/Manager:	Name: Alexander E. Bakalian (PMGR)	Date: 10-Apr-2017
Country Director:	Name:R. Gregory Toulmin (CD)	Date:13-Apr-2017