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Report No: PAD1739

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF EUROS 18.40 MILLION  
(US\$20 MILLION EQUIVALENT)

TO THE

REPUBLIC OF SENEGAL

FOR

THE 2<sup>ND</sup> PHASE OF THE WEST AFRICA AGRICULTURAL PRODUCTIVITY PROGRAM

April 18, 2016

Agriculture Global Practice  
Country Department AFCE1  
Africa Region

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## CURRENCY EQUIVALENTS

Exchange Rate Effective February 29, 2016

Currency Unit = United States dollars (US\$)

CFAF 602 = US\$1

US\$1 = Euro 0.91882207

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
ANSD	<i>Agence Nationale de la Statistique et de la Démographie</i> (National Agency for Statistics and Demography)
CAADP	Comprehensive Africa Agricultural Development Program
CARGS	Competitive Agricultural Research Grant Schemes
CPS	Country Partnership Strategy
CERAAS	<i>Centre d'Etude Régional pour l'Amélioration de l'Adaptation à la Sécheresse</i> (Regional Study Center for Improvement of Drought Adaptation)
CNRA	<i>Comité national de la recherche agricole</i> (Nationale Council for Agricultural Research)
CORAF / WECARD	<i>Conseil Ouest et Centre Africain pour la Recherche et le Développement Agricole</i> (West and Central African Council for Agricultural Research and Development)
EAs	Environmental Assessments
EMPs	Environmental Management Plans
ENSA	<i>Ecole Nationale Supérieure d'Agriculture</i> (National Superior School of Agriculture)
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMPs	Environmental and Social Management Plans
ECOWAP	Economic Community of West African Agricultural Policy
ECOWAS	Economic Community of West African States
FAO	Food and Agriculture Organization
FM	Financial Management
FNDASP	<i>Fonds National de Développement Agro-Sylvo-Pastoral</i> (Agro-Sylvo-Pastoral Development National Funds)
FNRAA	<i>Fonds National de Recherche Agricole et Agro-Alimentaire</i> (National Funds for Agricultural and Agro-Processing Research)
GDP	Gross Domestic Product
GoS	Government of Senegal
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IP	Implementation Progress
ISR	Implementation Status and Results Report
ISRA	<i>Institut Sénégalais de Recherche Agricole</i>

	(Senegal Institute for Agricultural Research)
ISTA	International Seed Testing Association
MAER	<i>Ministère de l'Agriculture et de l'Équipement Rural</i> (Ministry of Agriculture and Rural Equipment)
NCoS	National Centers of Specialization
PAD	Project Appraisal Document
PDO	Project Development Objective
PIM	Project Implementation Manual
PMP	Pest Management Plan
PRACAS	<i>Programme d'Accélération de la Cadence de l'Agriculture Sénégalaise</i> (Program of Accelerated Cadence of Senegal Agriculture)
PSE	<i>Plan Sénégal Emergent</i> (Senegal Emergent Plan)
RAP	Resettlement Action Plan
RCoE	Regional Centers of Excellence
RSC	Regional Steering Committee
SORT	Systematic Operating Risk Tool
SCN	<i>Système de Comptabilité Nationale</i> (System of National Accounts)
TTL	Task Team Leader
UCTF	<i>Unité de Coordination Technique et Fiduciaire</i> (Technical and Fiduciary Coordination Unit)
WAAPP	West African Agricultural Productivity Program
WAEMU	West African Economic and Monetary Union

	Vice President:	Makhtar Diop
	Country Directors:	Rachid Benmessaoud – Regional Integration Louise Cord - Senegal
	Senior Global Practice Director:	Juergen Voegele
	Practice Manager:	Simeon Kacou Ehui
	Task Team Leaders:	Aifa Fatimata Ndoeye Niane; Abdoulaye Toure



# REPUBLIC OF SENEGAL

## The Second Phase of The West Africa Agricultural Productivity Program (WAAPP-2A) Additional Financing (P158265)

### Contents

ADDITIONAL FINANCING DATA SHEET .....	v
PROJECT PAPER.....	1
I. INTRODUCTION .....	1
II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING IN THE AMOUNT OF US\$20 MILLION .....	2
III. PROPOSED CHANGES.....	9
IV. APPRAISAL SUMMARY .....	14
V. WORLD BANK GRIEVANCE REDRESS .....	19
ANNEX 1: RESULTS FRAMEWORK.....	21
ANNEX 2: IMPLEMENTATION INSTITUTIONAL ARRANGEMENT .....	37
ANNEX 3: FINANCIAL MANAGEMENT.....	38
ANNEX 4: PROCUREMENT.....	38
ANNEX 5: POLICY EXCEPTIONS AND READINESS.....	39
ANNEX 6: THE E-VOUCHER PLATFORM .....	39

## ADDITIONAL FINANCING DATA SHEET

*WAAPP -2A - Support to Groundnut Value Chain in Senegal (P158265)*

Basic Information – Parent							
Parent Project ID:	P129565	Original EA Category:	B - Partial Assessment				
Current Closing Date:	31-Dec-2018						
Basic Information – Additional Financing (AF)							
Project ID:	P158265	Additional Financing Type (from AUS):	Scale Up				
Regional Vice President:	Makhtar Diop	Proposed EA Category:					
Country Director:	Louise J. Cord	Expected Effectiveness Date:	August 18, 2016				
Senior Global Practice Director:	Juergen Voegele	Expected Closing Date:	December 31, 2018				
Practice Manager/Manager:	Simeon Kacou Ehui	Report No:	PAD1739				
Team Leader(s):	Aifa Fatimata Ndoye Niane, Abdoulaye Toure						
Borrower							
Organization Name	Contact	Title	Telephone	Email			
Republic of Ghana	Azara Alie-Mamshie	WAAPP Ghana Project Coordinator	233302666567	chiefdir@mofa.gov.gh; minister@mofa.gov.gh			
Republic of Senegal	Cheikh Mouhamadou Bamba SIBY	Minister of Finance Technical Adviser	221338892123	csiby@minfinances.sn; bambasiby@outlook.com			
Ministry of Finance	Zamilatou SIDIBE	Secrtaire general	22320225858	cissezamilatou@yahoo.fr			
Project Financing Data - Parent ( West Africa Agricultural Productivity Program 2A- P129565 ) (in US\$ Million)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P129565	IDA-51350	Effective	22-May-2012	24-Aug-2012	20-Dec-2012	31-Dec-2017	31-Dec-2017
P129565	IDA-51360	Effective	22-May-2012	25-Sep-2012	12-Dec-2012	31-Dec-2017	31-Dec-2017

P129565	IDA-52860	Effective	28-Jun-2013	08-Oct-2013	19-Mar-2014	31-Dec-2018	31-Dec-2018		
<b>Disbursements</b>									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbur sed	% Disbursed
P129565	IDA-51350	Effective	XDR	38.70	38.70	0.00	23.32	15.38	60.27
P129565	IDA-51360	Effective	XDR	38.70	38.70	0.00	34.24	4.46	88.46
P129565	IDA-52860	Effective	XDR	39.80	39.80	0.00	15.35	24.45	38.57
<b>Project Financing Data - Additional Financing WAAPP -2A - Support to Groundnut Value Chain in Senegal ( P158265 ) (in US\$ Million)</b>									
<input type="checkbox"/>	Loan	<input type="checkbox"/>	Grant	<input type="checkbox"/>	IDA Grant				
<input checked="" type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee	<input type="checkbox"/>	Other				
Total Project Cost:		20.00		Total Bank Financing:		20.00			
Financing Gap:		0.00							
<b>Financing Source – Additional Financing (AF)</b>								<b>Amount</b>	
BORROWER/RECIPIENT								0.00	
International Development Association (IDA)								20.00	
Total								20.00	
<b>Policy Waivers</b>									
Does the project depart from the CAS in content or in other significant respects?								No	
Explanation									
Does the project require any policy waiver(s)?								No	
Explanation									
<b>Team Composition</b>									
<b>Bank Staff</b>									
<b>Name</b>		<b>Role</b>		<b>Title</b>		<b>Specialization</b>		<b>Unit</b>	
Aifa Fatimata Ndoye Niane		Team Leader (ADM Responsible)		Senior Agriculture Economist		Agriculture economics		GFA01	
Abdoulaye Toure		Team Leader		Lead Agriculture Economist		Agriculture economics		GFA01	
Mamadou Mansour Mbaye		Procurement Specialist (ADM Responsible)		Consultant		Procurement		GGO01	
Bella Lelouma Diallo		Financial		Sr Financial		Financial		GGO25	

	Management Specialist	Management Specialist	Management		
Abou Gueye	Safeguards Specialist	Consultant	Social Development	GSU01	
Aissatou Diallo	Team Member	Senior Finance Officer	Disbursement	WFALA	
Boury Ndiaye	Team Member	Program Assistant	Operations	AFCF1	
Chakib Jenane	Team Member	Senior Agribusiness Specialist	Agribusiness	GFA01	
Cheikh A. T. Sagna	Safeguards Specialist	Senior Social Development Specialist	Social Development	GSU01	
El Hadj Adama Toure	Team Member	Lead Agriculture Economist	Agriculture economics	GFA01	
Issa Thiam	Team Member	Finance Analyst	Disbursement	WFALA	
Juvenal Nzambimana	Team Member	Senior Operations Officer	Quality and Operations	GFA01	
Kishor Uprety	Team Member	Senior Counsel	Legal	LEGAM	
Medou Lo	Safeguards Specialist	Consultant	Environment	GENDR	
Sossena Tassew	Team Member	Operations Analyst	Operations	GFA01	
<b>Extended Team</b>					
<b>Name</b>		<b>Title</b>	<b>Location</b>		
<b>Locations</b>					
<b>Country</b>	<b>First Administrative Division</b>	<b>Location</b>	<b>Planned</b>	<b>Actual</b>	<b>Comments</b>
Senegal	Region de Dakar	Region de Dakar	X		Country coverage
Senegal	Region de Dakar	Region de Dakar	X		The project will have country coverage
Senegal	Dakar	Dakar		X	
Ghana	Greater Accra Region	Greater Accra Region	X		The project will have country coverage
Mali	Bamako	Bamako Region		X	
<b>Institutional Data</b>					



<b>Parent ( West Africa Agricultural Productivity Program 2A-P129565 )</b>				
<b>Practice Area (Lead)</b>				
Agriculture				
<b>Contributing Practice Areas</b>				
<b>Cross Cutting Topics</b>				
[ ] Climate Change				
[ ] Fragile, Conflict & Violence				
[ ] Gender				
[ ] Jobs				
[ ] Public Private Partnership				
<b>Sectors / Climate Change</b>				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Agriculture, fishing, and forestry	Agricultural extension and research	74	78	78
Public Administration, Law, and Justice	Public administration-Agriculture, fishing and forestry	15		
Industry and trade	Agro-industry, marketing, and trade	11		
Total		100		
<b>Themes</b>				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Rural development	Rural services and infrastructure	35		
Trade and integration	Technology diffusion	35		
Trade and integration	Regional integration	25		
Public sector governance	Public expenditure, financial management and procurement	5		
Total		100		
<b>Additional Financing WAAPP -2A - Support to Groundnut Value Chain in Senegal ( P158265 )</b>				

<b>Practice Area (Lead)</b>				
Agriculture				
<b>Contributing Practice Areas</b>				
<b>Cross Cutting Topics</b>				
[ X ] Climate Change				
[ ] Fragile, Conflict & Violence				
[ X ] Gender				
[ ] Jobs				
[ X ] Public Private Partnership				
<b>Sectors / Climate Change</b>				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Agriculture, fishing, and forestry	Crops	80	78	78
Industry and trade	Agro-industry, marketing, and trade	20		
Total		100		
<input type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				
<b>Green House Gas Accounting</b>				
Net Emissions	-155595.00	Gross Emissions	-1014450.00	
<b>Themes</b>				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Trade and integration	Technology diffusion	45		
Trade and integration	Export development and competitiveness	35		
Financial and private sector development	State-owned enterprise restructuring and privatization	20		
Total		100		
<b>Consultants (Will be disclosed in the Monthly Operational Summary)</b>				
Consultants Required? No consultants are required				

## PROJECT PAPER

### I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an additional national IDA credit in the amount of US\$20 million to the Republic of Senegal for the West Africa Agriculture Productivity Program – Second Phase (WAAPP-2A Senegal - P129565; IDA credit number 51350-SN).

2. The proposed Additional Financing (AF) is the World Bank’s response to the Government of Senegal’s (GoS) urgent request for assistance to its groundnut value chain reform agenda. More specifically, the proposed AF would help GoS finance the costs associated with: (i) strengthening the national certified seeds production and marketing system for groundnut; (ii) the selection of a new strategic investor for the groundnut-processing industry; (iii) elaborating a new groundnut value chain development strategy as well as financing other related studies, that will help the preparation of a longer-term program aimed at diversifying economic activities of the groundnut producing areas (groundnut basin)<sup>1</sup>; and (iv) contributing to the financing of the agricultural enterprises census including the agricultural organizations and cooperatives.

3. The WAAPP-2A project was selected for this AF because it has been instrumental in rebuilding the country’s seeds system for a number of crops of high economic and food security importance in Senegal and across West Africa. The project is also playing a key role in the development of community and private sector led seeds multiplication systems to facilitate access to improved new varieties by small farmers. Value chain development through technological and institutional innovations are core to the WAAPP support model, which will be extended to Senegal’s groundnut sector through the AF. The proposed AF will build on these achievements to further enhance and sustain the groundnut value chain productivity and competitiveness.

4. The Project Development Objective (PDO) of WAAPP-2A —“to *scale-up the generation, dissemination and adoption of improved technologies in the Participating Countries’ priority agricultural commodity areas*”, fully encompasses the new activities envisaged under the AF. The PDO, therefore, remains unchanged. The changes being proposed relate to: (i) the introduction of a number of additional activities under “*Component 3: Support to demand-driven technology generation, dissemination and adoption*” which are associated with the AF; (ii) the modification of the project’s results framework through the addition of intermediate results indicators that reflect the new activities and the increase of the number of beneficiaries; and (iii) the extension of the Project’s closing date from December 31, 2017 to December 31, 2018 for Senegal to enable the completion of the newly added activities. Ghana which is part of WAAPP 2A will close on time as scheduled on December 31, 2017 while WAAPP 2A for Mali closing date is already set for December 31, 2018.

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<sup>1</sup> Particularly regions of Kaolack, Kaffrine, Fatick, Diourbel, Thies, Louga, Tambacounda, Kedougou, Kolda, Sédhiou and Ziguinchor

5. The current AF will be the second restructuring of the WAAPP-2A project, the first was about adding Mali in the series through an additional financing instrument.

## **II. Background and Rationale for Additional Financing in the amount of US\$20 million**

### **A. Country context**

6. Senegal aspires to become an emerging economy by 2035. However, it has been trapped in a low-growth equilibrium since 2006. Over the last decade, Senegal has been outperformed by Sub-Saharan Africa which grew at an average rate of 6 percent whereas growth in Senegal averaged only 3.3 percent since 2006. Senegal also performed poorly as compared with non-resource rich Sub-Saharan countries. Moreover, while output per capita grew slowly, the volatility of growth was greater than that of other West African Economic and Monetary Union (WAEMU) countries.

7. In 2014, the country's economy began an upward trend with a gross domestic product (GDP) growth of 4.3 percent - the highest pace since 2008. This trend should continue to accelerate in 2015 and 2016 with a rebound in agriculture coupled with lower oil prices, reduced production costs, and electricity subsidies. Overall, real GDP growth is estimated at 6.5 percent in 2015<sup>2</sup> and projected at around 6.6 percent for the 2016-17 period, with the economy driven mainly by the services sector, particularly telecommunications and financial services<sup>3</sup>. Nevertheless, Senegal's entire economy faces the challenge of poverty reduction and remains vulnerable to external shocks and natural disasters.

8. Within Senegal, poverty remains high at 46.7 percent according to the 2011 Poverty household survey, and the number of poor has risen during the 2006-2011 period. Inequality is moderate in the country, and slightly lower than the Sub-Saharan African average. However, geographic disparities are very pronounced, with almost two out of three residents poor in rural areas, especially in the south, versus one in four in Dakar. Given an estimated annual population growth of 2.5 percent, GDP growth remains well below the rate necessary for significant poverty reduction. More broadly, a majority of the Millennium Development Goals will not be achieved and in terms of human development index (HDI), Senegal is ranked 170 out of 188 countries<sup>4</sup>.

9. In order to reverse these current socio-economic trends, the government has developed an ambitious program that prioritizes economic diversification and exports. The Emerging Senegal Plan or "Plan Sénégal Emergent - 2014" (PSE) is the authorities' blueprint to help Senegal exit the trap of low growth and high poverty. It intends to make Senegal a hub for West Africa by achieving high rates of equitably shared economic growth. The plan is articulated around three pillars: (i) higher and sustainable growth through structural transformation; (ii) human development and social protection; and (iii) improved governance, peace, and security. This AF will contribute to the first pillar of the program (higher and sustainable growth) by promoting sustainable groundnut certified seeds production and marketing systems to increase productivity, and by supporting the Government in rebuilding oil industry competitiveness for more value addition.

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<sup>2</sup> International Monetary Fund (IMF), 2016. IMF Staff Completes Review Mission to Senegal, Press Release No. 16/100, March 11, 2016

<sup>3</sup> Ministère de l'Economie, des Finances et du Plan, Direction de la Prévision et des Etudes Economiques (DPEE), 2015. Situation Economique et Financière en 2015 et Perspectives en 2016.

<sup>4</sup> UNDP, Human Development Index, 2015 data

## B. Sector Context

10. Although contributing only about 17 percent to the GDP, agriculture remains a key sector of Senegal's economy, as it accounts for two-thirds of export revenues and is the basis for food and livelihood for close to 70 percent of the rural population (or nearly half of the Senegalese population). It is characterized by the dominance of subsistence farming and is highly vulnerable to erratic and declining amount of rainfall, desertification, and volatile world commodity prices. Less than 3 percent of the cultivated areas are irrigated, despite the huge potential in surface water and run-off water.

11. Within the agriculture sector, the groundnut value chain plays a vital role in the country's economy. The commodity is grown by some 480,000 rural households (or 65 percent of the farming population) and covers 45 to 60 percent of cultivated land. Senegal was the fourth largest groundnut producer in the world in the 1960-70's, behind India (leader), Nigeria and China.

### Top production of groundnut and groundnut oil exports of Senegal

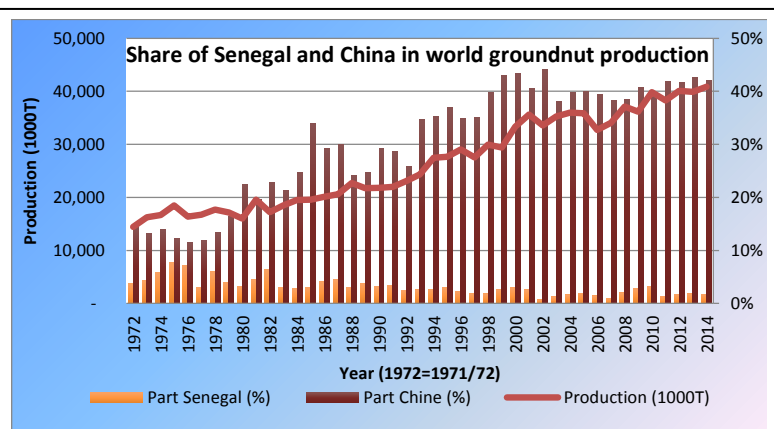
Year	Groundnut Production (1000t)	Groundnut oil Exports (1000t)
1975	1 424	286
1976	1 182	200
1978	1 053	120
1982	1 109	193
2000	1 003	116
2009	1 033	47
2010	1 286	63

Source: USDA, DAPSA

12. Since the 1980s, Senegal groundnut production has fluctuated over the years depending on the quality of the rainy season. The production has barely met or exceeded a stagnant record of one million tons (2000, 2009, 2010, and 2015-prevision) to rank Senegal among the top 5 world groundnut producers. Meanwhile, total world production is increasing and driven by China that made a huge jump forward. Actually, India has lost its place in favor of China which produced 40 percent of world groundnut production in 2014. China increased eightfold its groundnut production between 1972 and 2014. The factors of success in China, largely driven by productivity gains, with yield reaching nearly 3 tons/ha, can inspire Senegal particularly

with respect to the use of high quality seeds. Hopefully, this is actually happening with the GoS making efforts to rebuild groundnut certified seed capital with support from WAAPP and with a yield of 1-1.5 ton/ha recorded with producers using certified seeds.

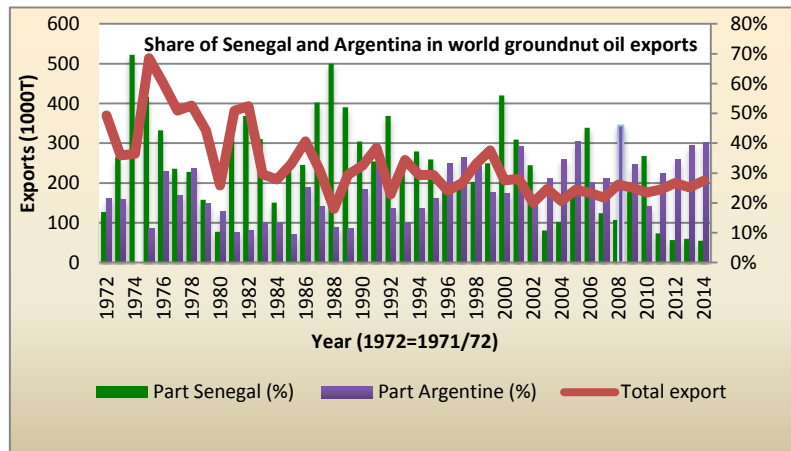
13. Regarding world groundnut oil production,



Source: Index Mundi (USDA data)

Senegal is following a downward ranking trend (7<sup>th</sup> in 2014) with China taking over the lead, reflecting its dominance on the groundnut production side. This trend resulted from a number of factors including the crisis of SUNEOR, the private company in Senegal that is the dominant groundnut processor, edible oils manufacturer and trader, operating drastically under capacity moving from 537,000 tons of groundnut collected and processed in 2001 to 60,000 tons in 2015. At the same time, China and India continued to increase their groundnut oil production used mostly for their domestic consumption. Together, China and India accounted for 71 percent of world groundnut oil production in 2014.

14. With respect to export of groundnut oil, Senegal was the leader in the past with a market share of up to 70 percent (243,000 tons on average in 1974-75). However, Senegal has lost much of its importance, especially in the last five years. This loss of market share occurs in a general trend of stabilization of world export of groundnut oil, but at their lowest level of about 200,000 tons/year. Senegal share on world groundnut oil export is at its lowest historical level with less than 10 percent in 2013/14. The groundnut oil export leader is neither China nor India (groundnut oil production leaders) but rather Argentina making up 40 percent of the exports.



15. The groundnut value chain in Senegal was confronted with difficulties including: (i) low yields (900 kg/ha in 2009-2014 in comparison with 1,500 kg/ha in Nigeria, 3,000 kg/ha in China, and 6,900 kg/ha in Israel) due to unpredictable rains, traditional farming with little mechanization and increased cultivation on marginal land, inefficiencies in distribution of seeds and fertilizers coupled with the use of low-yielding seed varieties, outbreaks of pests and diseases; (ii) unstructured producers’ organizations and value chain coordination bodies like the inter-professional committee, with weak or absence of linkages with the processing industry and end-markets; (iii) inconsistent and distorting sectoral policies; and (iv) the growing importance of alternative oilseed and oil products in the global market (palm oil, soya, cottonseed, rapeseed, sesame), which have caused groundnut market share erosion and falling export prices.

16. Furthermore, SUNEOR, has not only been operating below capacity, but currently the company is heavily indebted (about US\$100 million as at end September 2015) and near bankruptcy. SUNEOR’s consistently weak performance due to various factors, have seriously undermined the outcomes of the privatisation of the whole groundnut value chain in the country. As a result of all this, the groundnut value chain has been facing gradual decline in productivity and competitiveness. Current socio-economic data, show that some 60 percent of groundnut producers are living below the poverty line.

17. It is in response to all of these challenges above that the GoS decided to engage in the reform agenda of its groundnut value chain. The aim is to diversify economic activities in the groundnut producing areas. As part of the PSE, the GoS has taken measures and orientations to promote the development of the agriculture sector, which were articulated within the Program of Accelerated Cadence of Senegal Agriculture (PRACAS)<sup>5</sup>. One of the priorities within the PRACAS is the optimization of the groundnut value-chain performance with a production of 1,000,000 tons by 2017 of which 100,000 – 150,000 tons are exported per year. Both WAAPP-2A Senegal and the proposed AF are therefore aligned with the PRACAS and supports its objective related to the development of the groundnut value chain. Roughly, the expected contribution of the AF could be estimated at 300,000 tons<sup>6</sup>.

### **C. Rational for Additional Financing**

18. The proposed AF is based on a series of requests from the GoS, the latest of which was dated November 11, 2015. It is urgently needed to support the GoS objective of enhancing the performance of the groundnut value chain that plays a vital role in the country's economy. As stated earlier, the groundnut value chain occupies 65 percent of the farmers' population and covers 45-60 percent of the total cultivated land. The AF will help the GoS in: (i) strengthening the national certified seeds production and marketing system for groundnuts; (ii) proceeding to the selection of a new strategic investor for the groundnut-processing industry; (iii) elaborating a new groundnut value chain development policy strategy as well as financing other related studies, that would help the preparation of a longer-term program aimed at diversifying economic activities of the groundnut producing areas; and (iv) contributing to the financing of the agricultural enterprises census including the agricultural organizations and cooperatives.

19. The World Bank through WAAPP is already playing a leading role in rebuilding the seeds system in Senegal. Therefore, with the proposed AF, it will help the GoS consolidate the entire system by securing funding for timely collection, conservation and distribution of certified seeds, thus moving away from the widespread use of unidentified sources of seeds which constitute one of the main reasons for the longstanding stagnation of groundnut productivity in Senegal. Moreover, the GoS is committed to the successful implementation of the AF, especially ensuring that the processing industry is fully privatized and operating efficiently and that the groundnut value chain is made sustainable and inclusive of small-scale farmers. The GoS is actively searching for a private operator to replace SUNEOR and is not tempted to get involved in the processing and commercialization of the groundnuts.

20. Alternative fundings have been considered but were not obtained. These include financing from the Government budget, restructuring of the original project, other development partners, and private sector. First, the GoS is facing fiscal constraint with a number of public enterprises in financial difficulty, with important social and financial risks. Nonetheless the GoS

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<sup>5</sup> The PRACAS has set the following priority objectives: (i) self-sufficiency in rice by 2017 with a targeted production of 1,600,000 tons of paddy (baseline 436,153 in 2013); (ii) self-sufficiency in onion by 2016 with 350,000 tons (baseline 210,000 in 2013); (iii) optimization of the groundnut value-chain performance with a production of 1,000,000 tons by 2017 of which 100,000 – 150,000 tons exported per year; and (iv) development of off-season fruits and vegetable value-chains with an export objective of 157,500 tons by 2017 (baseline 67,600 tons in 2013).

<sup>6</sup> 300 000 tons = 40 000t seeds/120kg seeds/ha\*1t/ha of yield

has budgeted FCFA 3 billion (US\$5 million) to support the national certified seeds production and marketing system, but the funding is far from meeting the US\$15 million urgently required to secure the minimum volume of 40,000 tons of groundnut seeds stock in addition to the financial resources required to rebuild the oil industry competitiveness. Second, the reallocation of current categories funding of WAAPP 2A Credit toward the new groundnut value chain activities could undermine the attainment of the PDO, especially if planned support of the upstream segment of the seed production systems are not properly funded. Third, other financiers supporting the seeds production system of the groundnut value chain such as USAID-Feed the Future or the European Commission have fully committed their resources under ongoing programs. The Islamic Development Bank is engaged in the marketing of groundnut, supporting through a credit line the provision in groundnut of SUNEOR to overcome this difficult period of transition. Finally, the private sector, especially the groundnut processing industry, is heavily indebted and has little financial resources available to redirect currently towards upgrading the groundnut value chain.

21. From the regional perspective, Senegal is pioneering sub-Saharan Africa groundnut research and is the depository of a number of germ plasms. Senegal hosts also WAAPP National Center of Specialization for dry cereals and associated crops like groundnut. Supporting certified seeds production and marketing system will ensure availability of the quality seeds in Senegal, and even in the long-run in the region, similar to what is happening with other cereals like rice, millet, sorghum and maize seeds which are crossing the borders under WAAPP. Moreover, if the AF succeeded in using the e-platform effectively, for the groundnut seed distribution to ensure transparency, efficiency and targeting of beneficiaries, this would be adopted widely over West Africa. Also agricultural equipment technologies developed in other WAAPP countries and useful for groundnut production could be transferred to Senegal.

22. Overall, the regional dimension of the AF would include activities related to transfer of know-how and technologies on certified seeds multiplication and marketing, and eventually, opportunities to promote a regional certified seeds market using the WAAPP regional e-seed platform hosted by the West and Central African Council for Agricultural Research and Development (CORAF/WECARD). Results of the AF will be shared regularly with other WAAPP countries during regional wrap-up implementation support missions meetings. Altogether, although the proposed AF is specific to Senegal and will be financed solely from national IDA, it could contribute to strengthening regional integration in WAAPP countries. This is the whole rationale behind taking a regional approach under WAAPP. The AF is a good example of how national IDA can be used to build further upon the successes achieved through regional integration programs.

#### **D. Strategic alignment to Government of Senegal and Bank strategies**

23. The proposed AF (and WAAPP-2A), is aligned with the GoS' new development strategy (PSE and the derived agriculture program PRACAS), that clearly identified the groundnut value chain as a priority area for reforms and Government support. Furthermore, the proposed AF (and WAAPP-2A) is aligned with Pillar 3 of the World Bank Regional Integration Assistance Strategy for Sub-Saharan Africa (RIASS-updated in 2011), as well as Pillar 1 of Senegal's CPS on growth and employment, with particular emphasis on agricultural productivity and policies



that can restore inclusive growth and reduce poverty at a faster pace. The project is echoing the Bank's increased focus on climate change, spearheading the Agriculture Global Practice effort in promoting climate smart agriculture in Senegal and West Africa. The primary focus area for WAAPP is to promote accelerated generation and adoption of climate smart technologies that are high yielding, early maturing and drought resistant varieties, hence building farmers's resilience to climate change effects. Finally, the proposed AF (and WAAPP-2A) is consistent with the World Bank Group's goal of promoting shared prosperity and reducing poverty and is well aligned with the Agriculture Global Practice key priorities areas of value chains, jobs, and links with the private sector.

## **E. Original Credit Description and Performance**

24. The parent Project (WAAPP-2A) is the second phase of the first series of countries under the West Africa Agriculture Productivity Program<sup>7</sup>. WAAPP-2A Senegal was approved by the Board on May 22, 2012 and became effective on December 20, 2012 in Senegal. It is financed through an International Development Association (IDA) credit in the amount of US\$60 million. It is currently under implementation with a current closing date of December 31<sup>st</sup>, 2017.

25. The Project Development Objective (PDO) of WAAPP-2A is *to scale-up the generation, dissemination and adoption of improved technologies in the participating countries' priority agricultural commodity areas.*

26. The WAAPP-2A is currently structured around four components, namely:

- (i) *Component 1:* Enabling conditions for regional cooperation in the generation, dissemination and adoption of agricultural technologies; which aims at strengthening the mechanisms and procedures for the exchange of technologies, so as to allow participating countries to benefit fully from regional cooperation in technology generation and exchange;
- (ii) *Component 2:* National centers of specialization – NCoS; which mainly finance construction and rehabilitation of core infrastructure, ISO certification of the NCoS, capacity building, grants to implement core research activities, etc. with the ultimate goal of helping upgrading of the NCoS into Regional Centers of Excellence (RCoE);
- (iii) *Component 3:* Support to demand-driven technology generation, dissemination and adoption; which aims at strengthening priority-focused demand-driven agricultural research and development, scale-up technology dissemination and adoption within participating countries and facilitating access to improved genetic material; and
- (iv) *Component 4:* Project coordination, management, monitoring and evaluation.

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<sup>7</sup> The West Africa Agricultural Productivity Program is a 2-phase/10-year sub-regional Program which presently involves 13 ECOWAS countries namely; Ghana, Mali, Senegal, Burkina Faso, Cote d'Ivoire, The Gambia, Liberia, Togo, Benin, Sierra Leone, Niger and Nigeria. The countries joined the program in series of projects; i.e. WAAPP-1B (Burkina, Cote d'Ivoire and Nigeria), WAAPP-1C (Benin, Gambia, Liberia, Niger, Guinea, Sierra Leone, and Togo), and WAAPP-2A (Ghana, Mali, and Senegal).

27. In Senegal, the project performance is currently rated “*Satisfactory*” for progress towards achievement of the PDO as well as for the Implementation Progress (IP). At mid-term review, completed on October 30, 2015, the credit disbursement rate stood at 55 percent and generally progress continues to be solid across the project’s four component at this stage of implementation. As of March 25, 2016, the disbursement rate stood at 63 percent for WAAPP 2A Senegal. The first phase of the project (WAAPP-1A) was completed in December 2012 with also satisfactory ratings for both DO and IP.

28. WAAPP-2A is making good progress in meeting the PDO. As of November 2015 the Project has reached directly around 423 752 beneficiaries in Senegal against a cumulative target of 350 000 beneficiaries at the end of 2015. About 24 technologies have been generated by the NCoS dry cereals of Senegal including 12 new climate-smart varieties, with early-maturing, drought-resistant and high-yielding, mechanical, post-harvest and processing technologies. Around 60 percent of the beneficiaries have adopted the new technologies disseminated by the project, and about 319 000 ha are covered with the improved technologies, mainly the certified seeds produced with the project support. Women beneficiaries account for 38 percent against a target of 40 percent. Beneficiaries using the new varieties are experiencing an increase of yield and/or income ranging from 50 percent to 150 percent with important impact on their lives. WAAPP succeeded to implement an important fellowship program with 170 beneficiaries of which 99 were PhD and 71 were MSc. This was done for career development of young researchers and to fill the skill gap observed in some agricultural research fields.

29. Specifically for the seeds sector, WAAPP-2A, among others, has been instrumental in rebuilding the country’s seeds system for a number of crops of high importance for food security in West Africa (e.g. millet, sorghum, cowpea, maize and groundnut) and for which the country is hosting the Program’s NCoS at the CERAAS-CORAF’s Regional Study Center for Drought Adaptation Improvement. The project is also playing a key role in the development of community and private sector led seeds multiplication systems to facilitate access to improved new varieties by small farmers. As a result, the country moved from 700MT of certified groundnut seeds in 2012 to 25,000MT (e.g. 62.5 percent of 40,000MT required to secure minimum seeds capital) of which WAAPP contributed directly with 13,000MT in 2014 and 2015.

30. WAAPP achieved very significant results across the groundnut value chain and particularly in the generation of improved technologies to control for aflatoxin. Most of all, two new varieties of groundnut resistant to *Aspergillus flavus* (aflatoxin-producing fungi) were generated by the NCoS and will be released in 2016, and disseminated. The two new improved groundnut varieties are also high-yielding (2-3 tons/ha), drought-resistant, and high oil content, making them suitable for oil industry. In addition, WAAPP is disseminated widely over the groundnut production area, best practices and improved technologies of artisanal oil processing developed by the NCoS (Agro-Food Processing Technology Institute -ITA). These oil processing technologies helped to control for aflatoxin content of groundnut artisanal oil by using a clay called *attapulgate*. The project will also support the large diffusion of the use of AFLASAVE, a product developed and tested in Senegal with the support of International Institute of Tropical

Agriculture (IITA) and Virginia Tech. This product has demonstrated its effectiveness in controlling aflatoxin at field level and during storage.

WAAPP video on key achievements at regional level, January 2016:

<https://www.youtube.com/watch?v=n28eLmCTUIE>

WAAPP is building a climate-smart food system in Senegal, January 2016: [story video](#)

### III. Proposed Changes

#### Summary of Proposed Changes

31. The original PDO and components are still relevant for the proposed AF. Thus the only changes will be: (i) to reflect the additional specific activities related to the AF which will be included as part of Component 3 “Support to demand driven technology generation, dissemination and adoption”; (ii) to increase the PDO indicator related to the number of beneficiaries and to add new intermediary results indicators to the results framework (under component 3) to measure the impact of the AF activities; and (iii) to extend the project’s closing date by one year to December 31<sup>st</sup>, 2018 for Senegal.

Change in Implementing Agency	Yes [ ] No [ X ]
Change in Project's Development Objectives	Yes [ ] No [ X ]
Change in Results Framework	Yes [ X ] No [ ]
Change in Safeguard Policies Triggered	Yes [ ] No [ X ]
Change of EA category	Yes [ ] No [ X ]
Other Changes to Safeguards	Yes [ ] No [ X ]
Change in Legal Covenants	Yes [ ] No [ X ]
Change in Loan Closing Date(s)	Yes [ X ] No [ ]
Cancellations Proposed	Yes [ ] No [ X ]
Change in Disbursement Arrangements	Yes [ ] No [ X ]
Reallocation between Disbursement Categories	Yes [ ] No [ X ]
Change in Disbursement Estimates	Yes [ ] No [ X ]
Change to Components and Cost	Yes [ X ] No [ ]
Change in Institutional Arrangements	Yes [ X ] No [ ]
Change in Financial Management	Yes [ ] No [ X ]
Change in Procurement	Yes [ ] No [ X ]
Change in Implementation Schedule	Yes [ X ] No [ ]
Other Change(s)	Yes [ ] No [ X ]

PHHHDO

**Development Objective/Results**

## Project's Development Objectives

### Original PDO

32. The development objective of WAAPP-2A is to scale-up the generation, dissemination and adoption of improved technologies in the participating countries' priority agricultural commodity areas.

### Change in Results Framework

Explanation:

33. The changes made in the result framework are as follows :

- i) Increase by 150,000 the end project target value of the PDO indicator related to the number of beneficiaries to account for the AF new activities and the extension of the project's closing date by one year to December 31<sup>st</sup>, 2018 ;
- ii) Adding four new intermediary results indicators on components 3 to measure the achievements of the new activities funded under the AF:
  - Groundnut certified seeds distributed by the project to farmers (in tons), of which distributed through the e-subsidy platform (in %);
  - Performance contract between the Government of Senegal and SUNEOR elaborated during the transition period;
  - Transaction advisory services provided to the Government to complete the bidding process for SUNEOR cession;
  - New policy development letter for the groundnut value chain completed and validated by the Government.

## Compliance

Covenants - Additional Financing ( WAAPP -2A - Support to Groundnut Value Chain in Senegal - P158265 )						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
				<input type="checkbox"/>		

## Conditions

Source Of Fund	Name	Type
IDA	Withdrawal Conditions; Withdrawal Period	Disbursement
Description of Condition		
No withdrawal shall be made for Eligible Expenditures under Category 2(c) of the Additional Credit for payments made prior to the date of the Financial Agreement, except that withdrawals up to an aggregate amount not to exceed Euros 3,700,000 may be made for payments made prior to this date but on or after February 15, 2016.		

### Risk

<b>Risk Category</b>	<b>Rating (H, S, M, L)</b>
1. Political and Governance	Substantial
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	Moderate
7. Environment and Social	Moderate
8. Stakeholders	Moderate
9. Other	Substantial
OVERALL	Substantial

### Finance

**Loan Closing Date - Additional Financing ( WAAPP -2A - Support to Groundnut Value Chain in Senegal - P158265 )**

#### **Proposed Additional Financing Loan Closing Date**

Explanation:

34. The closing date of the original IDA Cr-51350-SN was December 31<sup>st</sup>, 2017 and it is proposed to be extended to December 31<sup>st</sup>, 2018, to allow completion of the expanded program.

<b>Ln/Cr/TF</b>	<b>Status</b>	<b>Original Closing Date</b>	<b>Current Closing Date</b>	<b>Proposed Closing Date</b>	<b>Previous Closing Date(s)</b>
IDA-51350	Effective	31-Dec-2017	31-Dec-2017	31-Dec-2018	31-Dec-2017
IDA-51360	Effective	31-Dec-2017	31-Dec-2017		
IDA-52860	Effective	31-Dec-2018	31-Dec-2018		31-Dec-2018

**Allocations - Additional Financing ( WAAPP -2A - Support to Groundnut Value chain in Senegal - P158265 )**

Source of Fund	Currency	Category of Expenditure	Allocation	Eligible Disbursement percentage (Type Total)
			Proposed	Proposed
IDA	Euro	Category 1: works	1.80	100
IDA	Euro	Category 2: Goods, consultant services, non-consultant services, training, study tours, workshop and operational costs	16.60	100
		Total:	18.40	100

**Components**

**Change to Components and Cost**

Explanation:

35. There is no change on the components which are still relevant for the proposed additional financing. Only the scope of component 3 will be expanded with new activities related to the AF, namely:

- i) Strengthening of the national certified seeds production and marketing systems for groundnuts (US\$15.60 million): As part of this process, the AF will finance costs related to: (1) the acquisition and distribution of about 40 000 tons of certified groundnut seeds (US\$12.50 million) by matching the Government funding to keep certified seeds prices at affordable level while expanding the use of an ITC based platform developed under WAAPP-2A (US\$0.10 million) for targeting farmers and ensuring transparency in the system; and (2) the provision of storage facilities (US\$2.00 million) and agricultural equipment to cooperatives and seed producers' organizations (US\$1.00 million);
- ii) Supporting comprehensive technical assistance as a building block for longer-term sustainability of the groundnut value-chain and economic diversification in the groundnut producing areas (US\$2.10 million). As part of this process, the AF will finance costs related to:
  - a. Support to SUNEOR cession (US\$0.85 million) including: (1) establishing a performance contract between the Government and SUNEOR for the transitional period and conducting a readiness scoping study with IFC support to provide an updated financial, technical and legal due diligence status of SUNEOR (US\$0.05 million). This

preliminary study will help to determine how soon and under what conditions a competitive bidding process could be launched to attract new strategic partners for SUNEOR. IFC will also assist in the drafting of terms of reference for a transaction adviser; (2) procuring transaction advisory services to elaborate the baseline business plan and assist the GoS in attracting new investors for SUNEOR through a competitive and transparent process (US\$0.80 million);

b. Support to the GoS for the elaboration of a new development policy strategy for the groundnut value chain, conduct necessary analysis for the preparation of a longer term strategy along with an investment program for the economic restructuring and diversification of the groundnut producing regions (US\$1.25 million);

iii) Supporting the GoS in conducting the agricultural enterprises census (US\$2 million) as part of the general census of Senegalese enterprises aiming at updating the national directory of enterprises and associations. This census is an important component of the national initiative to rebase national account figures, adopt the 2008 System of National Accounts (SNA) and obtain updated economic statistics that better reflect the most recent structure of the Senegalese economy. The revised macroeconomic aggregates computed from the SNA reforms will help establish more robust basis for planning and monitoring political, economic and social interventions to reinvigorate agro entrepreneurial development in Senegal. The census will be implemented in partnership with the Agence National de la Statistique et de la Démographie (ANSD – National Agency of Statistics and Demography).

36. In terms of cost, the components 3 would be mostly replenished and to some extent the component 4 to cover the staff costs for the additional year (US\$0.30 million).

<b>Current Component Name</b>	<b>Proposed Component Name</b>	<b>Current Cost (US\$M)</b>	<b>Proposed Cost (US\$M)</b>	<b>Action</b>
Component 1: Enabling conditions for Sub-Regional Cooperation in the Generation, Dissemination and Adoption of Agricultural Technologies	Component 1: Enabling conditions for Sub-Regional Cooperation in the Generation, Dissemination and Adoption of Agricultural Technologies	7.20	7.20	No Change
Component 2: National Centers of Specialization (NCOS)	Component 2: National Centers of Specialization (NCOS)	27.40	27.40	No Change
Component 3: Support to Demand-driven Technology Generation, Dissemination and Adoption	Component 3: Support to Demand-driven Technology Generation, Dissemination and Adoption	75.10	94.80	Revised
Component 4: Project	Component 4: Project	10.30	10.60	Revised

Coordination, Management and Monitoring and Evaluation	Coordination, Management and Monitoring and Evaluation			
	<b>Total:</b>	120.00	140.00	

### **Other Change(s)**

#### **Change in Institutional Arrangements**

Explanation:

37. The institutional arrangements set up for WAAPP-2A are still relevant and will continue to govern the AF implementation. Nevertheless, the Agence Nationale de la Statistique et de la Démographie (ANSD – National Agency of Statistics and Demography) will join the Project as a new technical partner for the implementation of activities related to the agricultural enterprises census as part of the general census of Senegalese enterprises, while the project coordination unit will retain its fiduciary responsibility. A contractual arrangement and in particular, a Memorandum of Understanding will be signed by the project coordination unit and ANSD.

#### **Change in Implementation Schedule**

Explanation:

38. Extension of the project's closing date from December 31, 2017 to December 31, 2018 to enable the completion of the newly added activities.

### **IV. Appraisal Summary**

#### **Economic and Financial Analysis**

Explanation:

39. An economic and financial analysis of the AF was done to determine whether improvements in smallholders' agricultural productivity, production, and income, expected from the use of the groundnut certified seeds and other equipment through the AF, would be economically and financially profitable in relation to the investments to be made.

40. The financial and economic analysis was based on technical and financial data collected from groundnut producers. The methodology used is an incremental cost-benefit analysis. It assessed and compared costs and benefits under two scenarios: with and without the project. The "without project" scenario used data to estimate trends in area, yield, production, costs and margin based on an eight-year series of dataset (2008-2015) collected by agricultural cooperatives. The financial analysis used following farms models promoted under WAAPP: (i) model of groundnut certified seed production farm evolving from 2 to 4 hectares over a ten-year period; (ii) model of farm of 5 ha producing for household and oil industry consumption; (iii) model of farm processing in an artisanal way groundnut oil using improved technologies to control for the toxin (aflatoxin); and (iv) model of groundnut seed cooperatives accounting 650 members on average. A discount factor of 6 percent was used for the assessment.



41. The production and distribution of groundnut certified seeds as well as other technologies for a better mechanization of the production system and the artisanal oil processing, required improved technical capacity and increased costs. Nevertheless, the financial analysis showed that such investments contributed to a substantial increase of the yield (44%), the revenue and the margin of the producers, demonstrating the profitability of the farm models the project is promoting. In fact, the Financial Internal Rates of Return (FIRR) are equal to 31 percent for the production of groundnut certified seeds, 27 percent for the production of groundnut for consumption of household and oil industry, 33 percent for the improved artisanal processing of groundnut oil, and 84 percent for the agricultural cooperative.

42. The Net Present Value (NPV) is estimated at FCFA 2.5 million (US\$4,200) for the model of seed production farm; FCFA 1.7 million (US\$2,800) for the model of farm producing for household and oil industry consumption; FCFA 3.3 million (US\$5,500) for the model of farm processing groundnut oil and; FCFA 233.7 million (US\$389,500) for the model of seed cooperative. The sensitivity analysis showed that the project is slightly sensitive to the increase of investments costs but very sensitive to the decrease of yield and output prices. Overall, from the financial analysis can be concluded that the project is financially sound as it increases farm margin. Consequently, the project has particularly, an important impact on farmers' income.

43. The results from the economic analysis showed that the AF is an economically acceptable project with an Economic Internal Rate of Return (EIRR) of 18 percent and a NPV of FCFA 5.40 billion (US\$9.0 million). The sensitivity analysis based on the increase of project cost by 10, 20 and 50 percent respectively, showed respective EIRR of 17, 15 and 12 percent. Similarly, the sensitivity analysis based on a decrease of 10, 20 and 50 percent respectively of the gross margin displayed an EIRR of 16, 14 and 7 percent respectively, showing the robustness of the analysis and confirmed the economic soundness of the project.

44. The development impact of the whole project (including the Additional Financing) would include providing the country with certified seeds of high-yielding and early maturing varieties to reduce the vulnerability of farmers by increasing agricultural productivity, production and income for household-welfare. Some spillover effects across the West Africa region could be expected in the long-run when Senegal succeeded to exceed the level of production of certified seeds necessary to cover its national needs, and could export some surplus.

## **Technical Analysis**

### **Explanation:**

45. The proposed AF is a response to an urgent request from GoS seeking World Bank support in (i) strengthening the national certified seeds production and marketing systems for groundnut; (ii) finding solution for the current groundnut oil industry crisis and rebuilding competitiveness in the sector. WAAPP-2A is playing a leading role in rebuilding Senegal's seeds system including groundnut. The Project has succeeded in professionalizing agricultural cooperatives in certified seed production to make good quality seeds available to local communities.

46. The AF would build on this success by collecting and distributing groundnut certified seeds to farmers and providing them with storage facilities and agricultural equipment. As a

result, the AF would contribute to improving the use of certified seeds and the mechanization of groundnut production system and to increasing productivity. Moreover, by supporting the GoS through a technical assistance to get new highly qualified investors for SUNEOR to rebuild competitiveness of the groundnut industry, the AF would bring a valuable contribution to the groundnut value chain reform agenda. The AF will also support the GoS in the update of its development policy strategy that will serve as the basis for the preparation of a specific operation exploring and adding value to the diverse potentials of the groundnut basin to transform it to a real development and growth pole paving farmers' way out of poverty. In addition, the agricultural enterprises census, as part of the rebasing of the national account figures, would contribute to updating macroeconomic aggregates and gain more knowledge to better guide agribusiness development. All these activities would make the AF technically sound.

47. For the preparation of the project, the World Bank mobilized a strong team with good knowledge and experience on the groundnut sector and agro-industry reform. The team worked in close partnership with IFC who contributed to defining the required technical assistance for GoS to get new strategic investors for SUNEOR. The project's design is also based on established and experimented institutions demonstrating good performance in implementing WAAPP-2A activities. The preparation of the AF was conducted through a participatory process and in partnership with an inter-ministerial committee, promising a strong Government ownership.

## **Social Analysis**

Explanation:

48. Diverse stakeholders are involved in the groundnut value chain. The AF's overall activities are expected to provide huge positive socioeconomic benefits to hundreds of thousands of Senegalese' beneficiaries whose main livelihoods depends largely on the groundnut value chain. By strengthening the marketing of groundnut certified seeds, producers as well as agricultural cooperatives or organizations, seed producers and private sector (seed operators) would benefit from the AF. As a well-known and appreciated crop, especially in the groundnut producing area (covering the regions of Kaolack, Kaffrine, Fatick, Diourbel, Thiès, Louga, Tambacounda, Kedougou, Kolda, Sédhiou and Ziguinchor), groundnut is one of the main sources of income and food for more than half of rural households, of which about 60 percent are under the poverty threshold. Improving groundnut productivity by enabling farmers' access to certified seeds, agricultural equipment and facilities, would lead to increased production and consequently, more food and income to get out of poverty. Similarly, at the downstream of the value chain, the AF may impact positively in creating jobs by revamping groundnut oil industry productivity and competitiveness with new strategic investors taking over SUNEOR.

49. From a social inclusion and gender mainstreaming perspective, WAAPP 2A succeeded in ensuring that both women and youth benefit from the project by financing gender-specific subprojects. With 38 percent female beneficiaries, the project is about to meet the target of 40%. Because of the central role women play in the agriculture sector, especially in the groundnut value chain, as well as because of the Government's ambitious program on youth involvement in the agriculture sector, the project will ensure these two social subgroups are fully kept abreast, engaged throughout the project life-cycle and get benefit from it. Efficient operation of the oil industry will lead to job creation, particularly for women and youth in addition to market

opportunities for producers.

50. The outcomes of the rounds of participatory citizen consultation and engagement will influence the final design of the AF activities hence creating beneficiaries ownership and fostering social accountability (full determination to ensuring that project is successfully implemented) which altogether are meant to encourage/grant project sustainable development among and within beneficiary communities in the project areas in particular, and in the country as a whole.

## **Environmental Analysis**

Explanation:

51. WAAPP-2A has been satisfactorily and consistently implementing World Bank Group operational policies, guidelines and procedures on environmental and social safeguards. The AF is not expected to change the PDO nor add a new component, but rather contribute to consolidating the groundnut value chain in Senegal. In lights of the above, the AF will maintain the same category B rating as the parent-project. Furthermore, given the scope, nature and scale of activities to be funded under the proposed project, the AF is expected to have no significant negative social and environmental impacts and/or risks; rather its foreseen social and environmental impacts are expected to be mostly positive. The foreseen adverse social and environmental impacts and risks are expected to be low in size and scale, mostly site specific, characteristic of category B projects, and easily manageable. Therefore, the parent-project WAAPP-2A's safeguards instruments, namely Environmental and Social Management Framework (ESMF), Pest Management Plan (PMP) and Resettlement Policy Framework (RPF) were slightly updated and applied de facto to the AF. Updates cover: (i) the specificities of the proposed activity to support certified seeds production and distribution system; (ii) lessons learned as well as missed opportunities from the implementation of WAAPP 2A; and (iii) implementation arrangement to improve safeguards performance in support of agricultural technologies that promote better use of land and water resources. Likewise, the Project Implementation Manual (PIM) was adjusted accordingly, where necessary, to reflect improvement in project support for certified seeds production and distribution.

52. In the ongoing project, the risks associated with pesticide use are mitigated by a strategy that promotes the use of biological and environmental control methods and reduces reliance on synthetic chemical pesticides. The AF will build on these initial gains and the Pest Management Plan includes provision to disseminate environmentally and socially friendlier technologies, and strengthen the capacity of different actors (farmers, local vendors, regional agricultural agents, etc.) throughout the lifespan of the project. Furthermore, easily understandable illustrated pamphlets on local languages will be developed and made available to these beneficiaries to further deepen the grasp of appropriate mitigation measures to properly handle these potential risks and impacts.

## **Risk**

Explanation:

53. The project overall risk is rated Substantial. The rating takes into account (i) on one hand the experience gained as part of implementation of the WAAPP, and the strong commitment demonstrated by the Government of Senegal (GoS) in revitalizing the groundnut value chain, in particular rebuilding the seeds capital, and (ii) on the other hand, the challenge behind restructuring SUNEOR, the largest processing company. The paragraphs below summarize the key risks and the proposed mitigation measures that will be regularly assessed during project implementation.

54. Political and Governance risks are rated Substantial due to mainly: (i) risk of mismanagement of SUNEOR leading to further deterioration of its performance; (ii) risk of lack of interest from private investors to take over a failing enterprise. The attraction of strategic investors is a market-driven outcome, which is inherently risky to pre-determine; and thus (iii) risk of an incomplete reform of the groundnut sector. While the GoS is clearly committed to reforming the groundnut value chain, the political economy surrounding the sector has to be taken into consideration, given the diversity of stakeholders involved and the importance of the sector in terms of export revenues and impact on the rural economy. The reform of SUNEOR would not therefore be a simple task given also its difficult financial situation and possibilities of mismanagement which may lead to further deterioration of its situation. To mitigate these risks, the Project will support the establishment of a performance contract between the GoS and SUNEOR for the transition period which will be monitored on a quarterly basis. In addition, it will provide the GoS with transactions advisory services to adequately prepare the transfer of SUNEOR and find new strategic investors. The project will further promote mutual accountability by using a participatory and pro-active decision-making approach, working closely with the inter-ministerial committee in charge of the SUNEOR reform to build consensus along the whole transaction process.

55. In terms of macroeconomic and sector strategies and policies, the risks are also rated as Moderate. The groundnut value chain in Senegal plays a vital role in the country's economy. It is identified as one of the main priorities for the "Plan Senegal Emergent (PSE)". However, there is a need to elaborate a new policy development strategy for groundnut referring to the Program of Accelerated Cadence of Senegal Agriculture (PRACAS) defining the new agricultural orientations, as the last strategy is dated 2003. This activity is included as part of the proposed AF.

56. Technical Design of Project and institutional capacity for implementation risks are considered Moderate. The proposed AF is based on clearly identified needs and sound analytical underpinnings. There is also a broad buy-in from all stakeholders (GoS, farmers' cooperatives, processing industry, etc.) into planned interventions. Furthermore, strong technical in-country capacity for implementing similar projects in the agricultural sector, combined with enhanced fiduciary and safeguards control measures using World Bank guidelines, should ensure adequate implementation of project activities. Nonetheless, the effective use of the electronic platform (e-voucher) to allow transparency in the distribution of certified seeds may be challenging. Smart policy dialogue to promote the use of this tool by concerned services and close supervision by the Bank team will be ensured to mitigate this potential risk, including capacity-building in the operationalization and use of the e-platform. The pending issues regarding the full transfer of the e-platform data base to the Ministry of Agriculture and Rural Equipment (MAER), should not be

a reason for not scaling up its use to improve transparency in the seeds distribution system and effectiveness targeting of intended beneficiaries (small farmers). MAER seems firmly committed to move to that direction and if necessary, will find alternative solution under the AF to select competitively another IT firm to redevelop the application with the existing data base of about 800,000 producers. In any case, the project should endeavor to ensure that a minimum of 75 percent of improved seeds distributed under the Project through cooperatives will be through the e-platform.

57. Environmental and Social risks are considered to be Moderate. Activities supported under the AF are largely related to groundnut seeds production and distribution. This activity is already under implementation as part of the WAAPP-2A and its impacts on the environment is low while on the social side, it will most likely be positive. Nevertheless, the certified seed allocation may suffer from major leakages and inefficiencies. Beneficiaries such as the needier smallholder-farmers might not be adequately targeted and some agro-dealers and traders may over sale the certified seeds. The mitigation measures for these risks would be to ensure the effective use of the electronic platform to guarantee targeting, transparency and efficiency in the allocation of the certified seeds.

58. Stakeholder risks are considered to be Moderate. All key stakeholders are committed to the implementation of the proposed additional financing and to the sustainable development of the groundnut value chain. Planned activities foresee: (i) a participatory approach at all stages, including for seeds production (certified seeds), expansion of the use of the seeds e-platform distribution system, and the restructuring of SUNEOR; and (ii) consultations with all key public and private value chain stakeholders to explain the project objectives and discuss/clarify roles and responsibilities. Various contractual activities for seeds production will also be promoted which should contribute to mitigating the stakeholder risks.

59. The others risks are related to market risks (international commodity prices downturn) and weather variability given in particular, the climate change context. These risks are rated as Substantial with possible adverse impact on expected outputs. The mitigation measures would include project focus on securing collection and distribution of high-yielding and early maturing varieties of certified groundnut seeds, which could better fit insufficient and short rainy season. The use of high-yielding varieties would increase productivity and production, mitigating the effect of a decreasing market price on producers' income.

## **V. World Bank Grievance Redress**

60. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World

Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

### Annex 1: Results Framework

Project Name:	WAAPP -2A - Support to Groundnut Value Chain in Senegal (P158265)	Project Stage:	Additional Financing	Status:	FINAL
Team Leader(s)	Aifa Fatimata Ndoye Niane; Abdoulaye Toure	Requesting Unit:	AFCW2	Created by:	Aifa Fatimata Ndoye Niane on 10-Dec-2015
Product Line:	IBRD/IDA	Responsible Unit:	GFA01	Modified by:	Aifa Fatimata Ndoye Niane on 30-Mar-2016
Country:	Africa	Approval FY:	2016		
Region:	AFRICA	Lending Instrument:	Investment Project Financing		
Parent Project ID:	P129565	Parent Project Name:	West Africa Agricultural Productivity Program 2A (P129565)		

#### Project Development Objectives

Original Project Development Objective - Parent:

The development objective of WAAPP-2A is to scale-up the generation, dissemination and adoption of improved technologies in the participating countries' priority agricultural commodity areas.

Proposed Project Development Objective - Additional Financing (AF):

#### Results

Core sector indicators are considered: Yes

Results reporting level: Program Level

#### Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual (Current)	End Target
Revised	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	236000.00	1340838.00	2250000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
Revised	Direct project beneficiaries -	<input type="checkbox"/>	Number	Value	80000.00	423752.00	850000.00

	Senegal		Sub Type Breakdown	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			Increasing the end project target value of the number of beneficiaries by 150 000 to account for the AF.
New	Female beneficiaries	<input type="checkbox"/>	Percentage Sub Type Supplemental	Value		38.00	40.00
No Change	Direct project beneficiaries - Ghana	<input type="checkbox"/>	Number Sub Type Breakdown	Value	100000.00	508511.00	700000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	40.00	39.00	40.00
No Change	Direct Project Beneficiaries - Mali	<input type="checkbox"/>	Number Sub Type Breakdown	Value	56000.00	408575.00	70000.00
				Date	19-Mar-2014	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Beneficiaries who are using technologies generated by other countries - disaggregated by country	<input type="checkbox"/>	Number	Value	0.00	115282.00	420000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Beneficiaries who are using technologies generated by	<input type="checkbox"/>	Number Sub Type	Value	0.00	38867.00	140000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018



	other countries - Senegal		Breakdown	Comment			
No Change	Beneficiaries who are using technologies generated by other countries - Ghana	<input type="checkbox"/>	Number	Value	0.00	62198.00	140000.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Beneficiaries who are using technologies generated by other countries - Mali	<input type="checkbox"/>	Number	Value	0.00	14217.00	140000.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Generated/released technologies by the Project with at least 15% productivity increase over the control – disaggregated by country	<input type="checkbox"/>	Number	Value	36.00	79.00	59.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Generated/released technologies by the Project with at least 15% productivity increase over the control for SENEGAL	<input type="checkbox"/>	Number	Value	18.00	38.00	26.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Generated/released technologies by the Project with at least 15% productivity increase over the control for GHANA	<input type="checkbox"/>	Number	Value	10.00	30.00	17.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Generated/released technologies by the Project with at least 15% productivity increase over the control for MALI	<input type="checkbox"/>	Number	Value	8.00	11.00	16.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Producers with knowledge of generated/released	<input type="checkbox"/>	Percentage	Value	13.00	55.00	80.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018

	technologies by the Project	<input type="checkbox"/>		Comment			
No Change	Producers with knowledge of generated/released technologies by the Project for SENEGAL	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	10.00	71.00	80.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Producers with knowledge of generated/released technologies by the Project for Ghana	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	20.00	60.00	80.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Producers with knowledge of generated/released technologies by the Project for MALI	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	10.00	33.00	80.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Area under new technologies - Disaggregated by country	<input type="checkbox"/>	Hectare(Ha)	Value	135000.00	702079.00	1700000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Area under new technologies for SENEGAL	<input type="checkbox"/>	Hectare(Ha) Sub Type Breakdown	Value	40000.00	319109.00	500000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Area under new technologies for GHANA	<input type="checkbox"/>	Hectare(Ha) Sub Type Breakdown	Value	50000.00	257605.00	600000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Area under new technologies for MALI	<input type="checkbox"/>	Hectare(Ha) Sub Type Breakdown	Value	45000.00	125365.00	600000.00
				Date	18-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Processors/ producers who have adopted at least one	<input type="checkbox"/>	Number	Value	105000.00	747988.00	1240000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018

	new technology - disaggregated by country	<input type="checkbox"/>		Comment			
No Change	Processors/ producers who have adopted at least one new technology - Senegal	<input type="checkbox"/>	Number Sub Type Breakdown	Value	30000.00	343047.00	420000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Processors/ producers who have adopted at least one new technology - Ghana	<input type="checkbox"/>	Number Sub Type Breakdown	Value	25000.00	228206.00	400000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Processors/ producers who have adopted at least one new technology - MALI	<input type="checkbox"/>	Number Sub Type Breakdown	Value	50000.00	176735.00	360000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			

### Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Pesticide products/genetic materials registered by national committees	<input type="checkbox"/>	Number	Value	409.00	974.00	810.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Pesticide products/genetic materials registered by national committees for SENEGAL	<input type="checkbox"/>	Number Sub Type Breakdown	Value	205.00	263.00	370.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Pesticide products/genetic materials registered by national committees for GHANA	<input type="checkbox"/>	Number Sub Type Breakdown	Value	204.00	701.00	465.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Pesticide products/genetic materials registered by	<input type="checkbox"/>	Number	Value	0.00	0.00	75.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018

	national committees for MALI	<input type="checkbox"/>	Breakdown	Comment			
No Change	Laboratories with ISTA/ISO certification	<input type="checkbox"/>	Number	Value	0.00	2.00	12.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Laboratories with ISTA/ISO certification for SENEGAL	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	5.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2017
				Comment			
No Change	Laboratories with ISTA/ISO certification for GHANA	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	2.00	3.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2017
				Comment			
No Change	Laboratories with ISTA/ISO certification for MALI	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	4.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Technologies with International Property Rights	<input type="checkbox"/>	Number	Value	53.00	115.00	78.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Technologies with International Property Rights for SENEGAL	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	4.00	8.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Technologies with International Property Rights for GHANA	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	48.00	5.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Technologies with	<input type="checkbox"/>	Number	Value	0.00	63.00	65.00

	International Property Rights for MALI		Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Varieties generated by NCOS registered in the Regional Catalogue	<input type="checkbox"/>	Number	Value	0.00	25.00	47.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Varieties generated by NCOS registered in the Regional Catalogue for SENEGAL	<input type="checkbox"/>	Number	Value	0.00	0.00	12.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Varieties generated by NCOS registered in the Regional Catalogue for GHANA	<input type="checkbox"/>	Number	Value	0.00	25.00	15.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Varieties generated by NCOS registered in the Regional Catalogue for MALI	<input type="checkbox"/>	Number	Value	0.00	0.00	20.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Hits for the regional/national Web-based information system on agricultural technologies and research skills	<input type="checkbox"/>	Number	Value	0.00	305448.00	350000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Hits for the regional/national Web-based information system on agricultural technologies and research skills for CORAF	<input type="checkbox"/>	Number	Value	0.00	234500.00	200000.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			
No Change	Hits for the regional/national Web-based information system on agricultural technologies and research	<input type="checkbox"/>	Number	Value	0.00	0.00	50000.00
			Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
			Breakdown	Comment			

	skills for SENEGAL						
No Change	Hits for the regional/national Web-based information system on agricultural technologies and research skills for GHANA	<input type="checkbox"/>	Number Sub Type Breakdown	Value	10000.00	298288.00	50000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Hits for the regional/national Web-based information system on agricultural technologies and research skills for MALI	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	7160.00	50000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	National action plans developed on gender, communication and climate change-disaggregated by country	<input type="checkbox"/>	Number	Value	3.00	8.00	9.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	National action plans developed on gender, communication and climate change - Ghana	<input type="checkbox"/>	Number Sub Type Breakdown	Value	1.00	3.00	3.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	National action plans developed on gender, communication and climate change - Senegal	<input type="checkbox"/>	Number Sub Type Breakdown	Value	1.00	2.00	3.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	National action plans developed on gender, communication and climate change - MALI	<input type="checkbox"/>	Number Sub Type Breakdown	Value	1.00	3.00	3.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Qualifying criteria met by the NCoS to become RCoE - disaggregated by country	<input type="checkbox"/>	Number	Value	0.00	17.00	18.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			

No Change	Qualifying criteria met by the NCoS to become RCoE - GHANA	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	5.00	6.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Qualifying criteria met by the NCoS to become RCoE - MALI	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	6.00	6.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Qualifying criteria met by the NCoS to become RCoE - SENEGAL	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	6.00	6.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	NCoS/RCoE with ISO certificate - disaggregated by country	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	NCoS/RCoE with ISO certificate - GHANA	<input type="checkbox"/>	Yes/No Sub Type Breakdown	Value	No	No	Yes
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	NCoS/RCoE with ISO certificate - MALI	<input type="checkbox"/>	Yes/No Sub Type Breakdown	Value	No	No	Yes
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	NCoS/RCoE with ISO certificate - SENEGAL	<input type="checkbox"/>	Yes/No Sub Type Breakdown	Value	No	No	Yes
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Technologies generated by NCoS and demonstrated in at least three ECOWAS countries outside the country	<input type="checkbox"/>	Number	Value	2.00	20.00	17.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			

	of origin - disaggregated by country						
No Change	Technologies generated by NCoS and demonstrated in at least three ECOWAS countries outside the country of origin - Ghana	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	6.00	6.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Technologies generated by NCoS and demonstrated in at least three ECOWAS countries outside the country of origin - Senegal	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	4.00	6.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Technologies generated by NCoS and demonstrated in at least three ECOWAS countries outside the country of origin - Mali	<input type="checkbox"/>	Number Sub Type Breakdown	Value	2.00	10.00	6.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Study sponsorship- desegregated by country and MSc and PHD	<input type="checkbox"/>	Number	Value	31.00	380.00	213.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Study sponsorship - Ghana	<input type="checkbox"/>	Number Sub Type Breakdown	Value	16.00	107.00	73.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Study sponsorship - Senegal	<input type="checkbox"/>	Number Sub Type Breakdown	Value	9.00	168.00	70.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Study sponsorship - MALI	<input type="checkbox"/>	Number Sub Type	Value	6.00	105.00	70.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018



			Breakdown	Comment				
No Change	Scientific exchange visits - disaggregated by country	<input type="checkbox"/>	Number	Value	18.00	90.00	86.00	
				Date	22-May-2012	20-Nov-2015	31-Dec-2018	
				Comment				
No Change	Scientific exchange visits - Ghana	<input type="checkbox"/>	Number	Value	12.00	56.00	32.00	
				Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Breakdown	Comment			
No Change	Scientific exchange visits - Senegal	<input type="checkbox"/>	Number	Value	4.00	18.00	32.00	
				Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Breakdown	Comment			
No Change	Scientific exchange visits - MALI	<input type="checkbox"/>	Number	Value	2.00	16.00	22.00	
				Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Breakdown	Comment			
No Change	Multi-country research proposals financed by the regional CARGS - disaggregated by country - CORAF	<input type="checkbox"/>	Number	Value	4.00	7.00	5.00	
				Date	22-May-2012	20-Nov-2015	31-Dec-2018	
				Comment				
No Change	National demand-driven research projects financed by the national CARGS - disaggregated by country	<input type="checkbox"/>	Number	Value	97.00	208.00	197.00	
				Date	22-May-2012	20-Nov-2015	31-Dec-2018	
				Comment				
No Change	National demand-driven research projects financed by the national CARGS - Ghana	<input type="checkbox"/>	Number	Value	30.00	62.00	65.00	
				Sub Type	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Breakdown	Comment			
No Change	National demand-driven	<input type="checkbox"/>	Number	Value	37.00	75.00	62.00	

	research projects financed by the national CARGS - Senegal		Sub Type Breakdown	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	National demand-driven research projects financed by the national CARGS - Mali	<input type="checkbox"/>	Number	Value	30.00	75.00	70.00
			Sub Type Breakdown	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Demonstration plots established – disaggregated by country	<input type="checkbox"/>	Number	Value	8100.00	34350.00	80000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Demonstration plots established - Ghana	<input type="checkbox"/>	Number	Value	400.00	7049.00	25000.00
			Sub Type Breakdown	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Demonstration plots established - Senegal	<input type="checkbox"/>	Number	Value	700.00	1629.00	20000.00
			Sub Type Breakdown	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Demonstration plots established - Mali	<input type="checkbox"/>	Number	Value	7000.00	25672.00	35000.00
			Sub Type Breakdown	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Number of technologies demonstrated – disaggregated by country	<input type="checkbox"/>	Number	Value	23.00	93.00	55.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Number of technologies demonstrated - Ghana	<input type="checkbox"/>	Number	Value	10.00	37.00	22.00
			Sub Type Breakdown	Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			

No Change	Number of technologies demonstrated - Senegal	<input type="checkbox"/>	Number Sub Type Breakdown	Value	5.00	31.00	15.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Number of technologies demonstrated - Mali	<input type="checkbox"/>	Number Sub Type Breakdown	Value	8.00	25.00	18.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Targeted clients (male and female farmers or businesses) satisfied with extension services – disaggregated by country	<input type="checkbox"/>	Percentage	Value	0.00	60.00	70.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Targeted clients (male and female farmers or businesses) satisfied with extension services – Ghana	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	60.00	70.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Targeted clients (male and female farmers or businesses) satisfied with extension services – Mali	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		70.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Targeted clients (male and female farmers or businesses) satisfied with extension services – Senegal	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	60.00	70.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Certified foundation seeds and improved breed stock produced - Rice	<input type="checkbox"/>	Metric ton	Value	736.00	4600.00	3500.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Certified foundation seeds and improved breed stock	<input type="checkbox"/>	Metric ton	Value	385.00	2601.00	5350.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018

	produced - Maize	<input type="checkbox"/>		Comment			
No Change	Certified foundation seeds and improved breed stock produced - Cassava	<input type="checkbox"/>	Hectare(Ha)	Value	400.00	2976.80	3000.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Certified foundation seeds and improved breed stock produced - Millet	<input type="checkbox"/>	Metric ton	Value	170.00	822.00	2800.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Certified foundation seeds and improved breed stock produced - Sorghum	<input type="checkbox"/>	Metric ton	Value	165.00	497.00	2800.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
New	Groundnut certified seeds distributed to farmers	<input type="checkbox"/>	Metric ton	Value	0.00	0.00	40000.00
				Date	31-Aug-2015	31-Mar-2016	31-Aug-2016
				Comment			
New	of which through the e-voucher platform	<input type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	0.00	50.00
New	Contract of performance with SUNEOR elaborated	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	23-Feb-2016	31-Mar-2016	31-Dec-2017
				Comment	No contract performance	No contract of performance	Contract performance elaborated with SUNEOR during transitory period
New	Transaction advisory services provided to the	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	01-Jan-2016	31-Mar-2016	31-Dec-2018

	Government to complete the bidding process for SUNEOR cession			Comment	No transaction advisory service provided	No transaction advisory service provided	Transaction advisory service provided to support the bidding process for SUNEOR cession.
New	New policy development letter for the groundnut value chain completed and validated by the Government of Senegal	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	31-Jan-2013	31-Mar-2016	31-Dec-2018
				Comment	Last policy development letter for groundnut dated 2013		
No Change	Procurement activities executed in conformity with the timing of the procurement plan - disaggregated by country	<input type="checkbox"/>	Percentage	Value	0.00	71.00	80.00
				Date	22-May-2012	20-Nov-2015	
				Comment			
No Change	Procurement activities executed in conformity with the timing of procurement plan - Ghana	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	90.00	80.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Procurement activities executed in conformity with the timing of the procurement plan - Senegal	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	45.00	80.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Procurement activities executed in conformity with the timing of procurement plan - Mali	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	79.00	80.00
				Date	22-May-2012	20-Nov-2015	31-Dec-2018
				Comment			
No Change	Disbursement rate of IDA	<input type="checkbox"/>	Percentage	Value	0.00	63.07	100.00

	funds - disaggregated by country			Date	22-May-2012	30-Mar-2016	31-Dec-2018
				Comment			
No Change	Disbursement rate of IDA funds -Ghana	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	88.46	100.00
				Date	22-May-2012	30-Mar-2016	31-Dec-2018
				Comment			
No Change	Disbursement rate of IDA funds - Senegal	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	62.88	100.00
				Date	22-May-2012	30-Mar-2016	31-Dec-2018
				Comment			
No Change	Disbursement rate of IDA funds - MALI	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	38.56	80.00
				Date	22-May-2012	30-Mar-2016	31-Dec-2018
				Comment			
No Change	Subproject granted with environmental management plan that have been implemented effectively - disaggregated by country	<input type="checkbox"/>	Percentage	Value	0.00	0.00	100.00
				Date	22-May-2012	31-May-2015	31-Dec-2018
				Comment			

## **Annex 2: Implementation institutional arrangement**

61. The institutional arrangements set up for WAAPP-2A are still relevant and will continue to govern the AF implementation. The Ministry of Agriculture and Rural Equipment (MAER) will be responsible for the implementation of the AF and will delegate the overall coordination, monitoring and evaluation (M&E) to the existing Technical and Fiduciary Coordinating Unit (UCTF) which is implementing WAAPP-2A. The activities related to the elaboration of the new policy development strategy for the groundnut value chain will be led by MAER through a task force to be established.

62. The overall institutional arrangement included: (i) the NCoS and FNRAA as executive agencies, (ii) CORAF/WECARD as the regional body coordinating activities at the regional level, and (iii) diverse partners such as ANCAR working closely with networks of agricultural producers organizations like ASPRODEB, RESOPP8 and other cooperatives for the transfer of improved technologies to producers and agro-processors as end-users. However, the Agence Nationale de la Statistique et de la Démographie (ANSD – National Agency of Statistics and Demography) will join the Project as a new technical partner for the implementation of activities related to the agricultural enterprises census, while the UCTF will retain its fiduciary responsibility. A contractual arrangement and in particular, a Memorandum of Understanding will be signed by the project coordination unit and ANSD.

63. Consultant firms will be hired by the project coordination unit to provide the Government of Senegal with the technical assistance to find new strategic investors for SUNEOR, with support from IFC and WB team. The inter-ministerial committee in charge of SUNEOR reform (including technical advisers from Prime Minister's office, Ministry of Economy, Finance and Planning -MEFP, and Ministry of Agriculture and Rural Equipment -MAER) was involved in the preparation of the AF and will oversee and monitor the project coordination unit in implementing activities related to the technical assistance to SUNEOR.

64. The groundnut certified seeds distribution will be managed by the Directorate of Agriculture (DA) and the Direction de l'Analyse, de la Prevision et des Statistiques Agricoles (Directorate of Analysis, Prediction and Agricultural Statistics – DAPSA) as implementing partners to the project coordination unit. The Original Project will continue to strengthen DA capacity to ensure adequate implementation of seed certification process. The distribution of the certified seeds will be conducted as much as possible through the electronic platform (e-voucher) to allow transparency, targeting and efficiency.

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<sup>8</sup> ANCAR : Agence National du Conseil Agricole et Rural – National Agency for Agricultural and Rural Advisory  
FNRAA: Fonds National de Research Agricole et Agro-Alimentaire; National Funds for Agriculture and Agro-Processing Research

ASPRODEB : Association pour la Promotion du Développement à la Base – Association for Gross-Roots Development

RESOPP : Réseau des Organisations Paysannes et Pastorales – Network of Farming and Patorial Organizations

### **Annex 3: Financial Management**

65. A Financial Management (FM) assessment of WAAPP-2A was conducted in May 2013 by the Bank's FM team, in accordance with the new Financial Assessment Principles. During its assessment, the Bank's FM team consulted the various texts establishing the national institutions in charge of implementing the project and reviewed the fiduciary arrangements of the proposed implementing entities which have experience in managing IDA financing. A review of the FM capacity of the entities involved in the implementation of WAAPP-2A identified inherent and control risks, for which the team developed corresponding mitigation measures. The residual control risk is moderate. The existing FM arrangements will be used for the AF as they are considered as adequate to meet the Bank's minimum fiduciary requirements. The implementing entities are compliant with the Bank's FM requirements and there are no overdue audit reports and interim financial reports from these entities. In addition, the FM performance was rated satisfactory and the related risk assessed as moderate during the mid-term review of WAAPP-2A completed in November 2015.

66. Disbursements will be made for 100 percent of eligible expenditures inclusive of taxes for the additional credit. A new Designated Account will be opened for the additional credit in a commercial bank acceptable to the Association. The ceiling of the DA is set to CFAF 1.6 billion (US\$3.3M equivalent), an amount estimated to cover the project's cash needs for a period of four (4) months, to pay for eligible expenditures during project implementation. The project will continue to use SOEs to document eligible expenditures paid from the DA.

67. The Project includes a retroactive financing option to jump start implementation activities. Such retroactive financing will be in accordance with the procurement plan and reimbursement will be based on expenditures that would have been procured following World Bank policies and procedures. The retroactive financing is limited to 20 percent of the credit amount, equivalent to Euros 3,700,000, and will cover payments made for eligible expenditures on or after February 15, 2016 but prior to the date of the financing agreement for the purchase of groundnut certified seeds, the agricultural enterprises census and the technical assistance to SUNEOR.

### **Annex 4: Procurement**

68. Experienced procurement team, with full knowledge of the Bank's procurement procedures, is already in place and fully functional in the project coordination unit and the implementing agencies. Likewise implementation and administrative procedures, acceptable to the Bank are already being used. The project implementation manual (PIM) was updated to include the new activities supported by the AF along with the related revision in the implementation arrangement.

69. Procurement for the proposed AF will be carried out in accordance with the Bank's (i) *"Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers"* dated January 2011 and revised July 2014; (ii) *"Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers"* dated January 2011 and revised July 2014; (iii)



*“Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”*, dated October 15, 2006, revised in January 2011; and the provisions stipulated in the Financing Agreement.

70. A draft procurement plan for the AF was submitted by the counterpart during the appraisal mission and was reviewed and agreed upon before submission of the project for board approval. The procurement plan will be adjusted as necessary during implementation. It is also referenced in the Amended Financing Agreement as stated in the Procurement Guidelines.

#### **Annex 5: Policy exceptions and readiness**

71. No exceptions are envisaged. The project is fully operational. All conditions are in place to ensure that the implementation of proposed activities can be scaled up as soon as the Credit is declared effective.

#### **Annex 6: The e-voucher platform**

72. Subsidies for agricultural inputs have become a significant expenditure in recent years, while also suffering from major inefficiencies and leakages in their allocation. To address these problems, WAAPP has developed over the last four years a new e-voucher platform which exploits cell phone technology. After a pilot project with 20,000 farmers enrolled in 2012 scaled up to 200,000 in 2013, the platform was country-wide extended to cover almost all producers in 2014 and 2015. Approximately, 800,000 farmers have been enrolled and constituted a huge database including cell phone number, gender, crop variety, area, location and organizational status (head of village or producer organization or cooperative or simple member). The different agro-dealers or suppliers (including seed cooperatives) and their contact persons at community level were registered as well as the volume of input allocated by the MAER. The distribution is usually done at local community through producers’ organizations (PO) or local committees gathering representatives from local authorities. Similarly, the contact persons of each PO or local committee of distribution were registered as well as the input allocated to be received from a mapped agro-dealer. The electronic platform uses SMS and Interactive Voice Response (IVR) to: (i) notify the availability of the input to the contact person of the PO or the local committee of distribution at a local mapped agro-dealer; (ii) send e-vouchers; (iii) validate vouchers; and (iv) distribute the subsidy. This first step helping to track subsidy distributed from agro-dealer to PO or local committee of distribution is followed by another one tracking amount of input really distributed by the later to producers. E-vouchers will be sent to producers to get their input from their mapped PO or local committee of distribution. For the purpose of the distribution of the groundnut certified seeds, the contacts persons of the agro-dealers selected, the local committees and the PO will be updated as well as the quantity of seeds respectively allocated. The web-based e-voucher platform will provide instantaneously information on the evolution of the groundnut seeds distribution. The payment of the agro-dealers will be done as much as possible based on the platform recorded results in preference, or alternatively based on registers adequately filled by the different parties.

Figure: E-voucher platform

