

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC1047

Date ISDS Prepared/Updated: 18-Feb-2015

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Senegal	Project ID:	P146469
Project Name:	Senegal Growth and Export Development (P146469)		
Task Team Leader(s):	Jean Michel Noel Marchat		
Estimated Appraisal Date:	10-Jun-2015	Estimated Board Date:	29-Oct-2015
Managing Unit:	GTCDR	Lending Instrument:	Investment Project Financing
Sector(s):	Other domestic and international trade (75%), SME Finance (25%)		
Theme(s):	Export development and competitiveness (40%), Trade facilitation and market access (40%), Infrastructure services for private sector development (20%)		
Financing (In USD Million)			
Total Project Cost:	50.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			50.00
Total			50.00
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The Project Development Objective (PDO) is to develop exports and improve Senegal's investment climate.

C. Project Description

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The proposed project would consist of three operational components:

Component 1. Supporting export development.

The objective of this component is to help SMEs increase and diversify exports. This should favor overall growth, increase forex earnings, and has a strong potential for job creation, a key concern of GoS.

Sub-component 1.1: Business Plan Competition (BPC). The Project will finance the i) organization of a BPC aimed at assisting entrepreneurs in launching innovative new businesses with an export potential and ii) the one time equity grant provided to winners. Implementation would involve: (a) organizing an information campaign to raise awareness and invite proposals for new business ideas; (b) selecting the most promising business concepts; (c) providing them with support in the drafting of business plans and provision of required training in the areas of business planning and entrepreneurship; (d) selection of winners, (e) provision of seed capital (one time equity) to some of them; and (f) technical advice and mentoring to awardees to launch their business.

The competition will be for Senegalese having viable new business ideas. The grant award ceremony would be held every year for 5 years. In order to strongly encourage women's participation, two editions may be exclusively for young women.

Sub-component 1.2: Export Market Access Fund (EMAF). The proposed Senegalese Export Market Access Fund (EMAF) will be a matching grant fund. EMAF will help firms define and implement a strategy of access to export market. The grant would cover - on a temporary basis - a portion of costs related to business development services required to enable enterprises to enter export markets. This component will help Senegalese firms boost growth, employment and income through new export initiatives, and the diversification of markets and products. All firms exporting goods and services, indirectly or directly, can participate in the program. EMAF will specifically provide non-reimbursable co-financing of (i) 50 percent for 70 individual firms and (iii) 10 professional associations. It would draw lessons from past experiences and also have some key design element to ensure success (a public-private partnership for a demand driven scheme (first come first served basis), a sharing of costs and risks, the provision of TA to firms when needed, the financial autonomy of the fund and the responsiveness of a team). The grant would also finance EMAF management, acquisition of equipment and technical support in the preparation of export plans, sponsorship of implementation workshops and training seminars, monitoring and impact evaluation, and specific training programs.

Component 2: Improve tourism development.

The objective of this component is to support tourism which is an export sector that can help boost overall growth, increase forex earnings, and has a strong potential for job creation that could especially benefit less skilled workers.

Sub-Component 2.1: Market and Product Development. To reduce the effects of seasonality on tourism and maximize receipts per visitor, this subcomponent would support product diversification and effective promotion of the Senegal Destination.

The project would support the following activities:

- Support the development of Integrated Destination Development Plans in selected regions (Saly, Delta du Saloum, Tambacounda Kedougou-Niokolo Koba, Casamance, St Louis) to unveil the tourism potential of each region, with specific measureable targets that maximize economic, social

and cultural benefits for visitors and residents and minimize negative impacts;

- Provide technical assistance to review the master plans and related investor incentives to make sure they enhance sites value, address sustainability issues, are attractive for investors interested in quality accommodations and services, and incorporate local communities in the tourism product.
- Technical assistance to stimulate internal air traffic and support to organize a yearly national transportation and tourism forum focused on expanding internal air, road and maritime access to tourist destinations.

The project would also support the promotion of the Senegal Destination through:

- The development and implementation of national, site-specific and segment specific marketing strategies including an increased effort on social media marketing;
- Assistance for investor missions and the development of a Senegal tourism web portal to showcase Senegal;
- Organization of a large market show and a road show to attract investors once master plans and investor packages are revised;
- Assistance to the Ministry of Tourism to finalize a hotel quality classification system, establish tourist services and proper information centers in tourist sites, town halls and other logical locations for visitors;
- Assistance for regional cooperation in tourism marketing.

Sub-component 2.2: Redevelopment of Saly tourism area. The proposed sub-component would help counter current erosion and restore the attractiveness of the site of Saly through renovation of beaches and rehabilitation/construction of related erosion mitigation infrastructures. The sub-component would also support designing and implementing an operation and maintenance system for beaches protection investments as well as strengthening the integrated coastal management mechanism.

Beach restoration options: At Saly, the shoreline (7.5 km) is currently in strong recession, a situation which is threatening the hotel activities and infrastructures, the second homes and the village of Saly. Coastal erosion speed is very high in the region (about 6 m/year in the most exposed areas). By 2080, with just the forecast sea level rise, 60% of the current beaches could disappear. Concurrently, this tourist site has seen a very strong urban evolution, which is likely to continue in density (+15% of artificialized surfaces at the 2080 horizon) . Such an evolution has become a critical issue since the development of the tourist resort in the 1980s led to a strong increase in land occupation, especially along the shore. Today, several groin-type structures and longitudinal works made of riprap or gabions have been built mainly by the innkeepers for emergency protection most of the time without prior suitable technical studies. These small works have contributed to aggravate the erosion phenomenon in some part of the shoreline due to the perturbation of the sea dynamic and non-adoption of mitigation measures.

To help addressing the threat to Saly, a WB study in 2013 has pre-identified a range of restoration and protection options combining sand recharging, groins or breakwaters. The preparation studies would help selecting the optimal option to be supported under the proposed project. Operation and maintenance system (1% of investment cost estimated by the WB study) will be also defined and made operational.

- Beach Maintenance and recharging option : (i) Massive sand recharging on needed littoral areas; (ii) Reprofiling of recharged beaches; or (iii) Rehabilitation of existing infrastructures;

- Protection by heavy-weight maritime infrastructures option: (i) solution 1 (Construction of groins in needed sectors or recharging between lockers); (ii) solution 2 (Rehabilitation of existing submerged breakwaters or recharging between lockers); (iii) solution 3 (Construction of new breakwaters or recharging between lockers);
- Creation of artificial beaches adaptation measures option: (i) Breakwater Toe; (ii) Lateral groins; (iii) Backfilling.

The final chosen option will give priority to combined technical measures with non-incident negative effects beyond the protected areas as well as to simplified protection systems for an easy operation and maintenance. Detailed studies to be conducted during the project preparation phase, including the environmental and social assessment will provide all the needed elements to select the appropriate solution(s)/options.

Component 3: Improving the business environment.

Senegal's business environment has well known limitations, as reported by older Investment Climate Assessments (2005, 2009) and yearly publications such as Doing business or the Global Competitiveness Report. The GoS, within the framework of the "Plan Senegal Emergent", is trying to address these. The project would help this agenda by supporting efforts to improve business services to firms and administrative support they receive. Specifically, the project would finance the development of single windows in regions (on the model of the Dakar one) to allow for easier firm start up and better administrative services to exporters.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Saly- Portudal and related seafront beaches

E. Borrowers Institutional Capacity for Safeguard Policies

Work should be led by APIX which is highly experienced in infrastructure works and with world bank procedures.

F. Environmental and Social Safeguards Specialists on the Team

Yacouba Konate (GSURR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project is classified A because of the coastal shoreline protection infrastructures to finance under component 2.2. Disregarding the protection option that will be approved, the project will induce exacerbation of erosion, in areas beyond the western point of the 7.5 km to protect. In theory, rocky infrastructure may be of positive impact on some marine species that are subservient to such habitat; however, it would be important to know better about any disturbance such construction could introduce to existing niches in the project zone. The environmental and social impact assessment (ESIA) to prepare will, among other, indicate the best option

		of protection and the mitigation measures associated to its potential negative impacts. This ESIA, and a Resettlement Policy Framework (RPF), will be prepared, consulted upon and disclosed in-country and at the Bank Infoshop prior to appraisal.
Natural Habitats OP/BP 4.04	Yes	The nearby sea is a natural habitat as of the definition under this policy. The description of the receiving environment will provide details on the marine environment focusing on species that could be at threat because of the project, and provide appropriate mitigation measures through the environmental and social management plan (ESMP).
Forests OP/BP 4.36	No	The project will not finance activities related to forest exploitation, harvesting, direct or indirect forest degradation, and increase access to forest.
Pest Management OP 4.09	No	The project will not finance acquisition transport, distribution, storage or use of pesticides or similar chemicals that could threaten environmental and human health.
Physical Cultural Resources OP/BP 4.11	Yes	This policy is triggered because of the nature of civil works that will be financed under component 2.2. To prevent involuntary destruction of cultural wealth during exploitation of quarry and sand pits, a chance find procedure will be detailed as part of the ESMP and slotted in inserted in enterprise contracts.
Indigenous Peoples OP/BP 4.10	No	There are no indigenous people in the project area.
Involuntary Resettlement OP/ BP 4.12	Yes	The project is not expected to induce temporary displacement of socio-economic activities, physical displacement of human settlement or loss of productive land. However, due to potential erosion shifting to another areas of the coastal zone that are likely hosting properties or activities, the Borrower will prepare a Resettlement Policy Framework (RPF) that will be disclosed prior to appraisal as a free-standing document along with the ESIA. This instrument, in such a context, should focus also on communication and sensitization about risks associated to settling-in, in the specific threatened band of the coastal zone.
Safety of Dams OP/BP 4.37	No	The project will not finance dam works or activities associated to existing dam.
Projects on International Waterways OP/BP 7.50	No	The project will not finance activities that will interfere with international watercourses; either in terms of water withdraw or discharge of pollutants.

Projects in Disputed Areas OP/ BP 7.60	No	The project intervention areas are not under dispute.
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III. SAFEGUARD PREPARATION PLAN

- A. Tentative target date for preparing the PAD Stage ISDS:** 29-May-2015
- B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:**
N/A

IV. APPROVALS

Task Team Leader(s):	Name: Jean Michel Noel Marchat	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Alexandra C. Bezeredi (RSA)	Date: 17-Feb-2015
Practice Manager/ Manager:	Name: John F. Speakman (PMGR)	Date: 19-Feb-2015

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.