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IDA/R2015-0268/1

October 20, 2015

**Closing Date: Friday, November 6, 2015
at 6 p.m.**

FROM: The Corporate Secretary

Senegal - Transport and Urban Mobility Project

Additional Financing

Project Paper

Attached is the Project Paper regarding a proposed additional credit to Senegal for the Transport and Urban Mobility Project (IDA/R2015-0268), which is being processed on an absence-of-objection basis.

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Report No: PAD1300

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 35.6 MILLION
(US\$50 MILLION EQUIVALENT)

TO THE

REPUBLIC OF SENEGAL

FOR A

TRANSPORT AND URBAN MOBILITY PROJECT

October 13, 2015

Transport and ICT Global Practice
Africa

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CURRENCY EQUIVALENTS

(Exchange Rate Effective AUGUST 31, 2015)

Currency Unit	=	FCAF
CFAF583	=	US\$1
1.408US\$	=	SDR 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AFD	Agence Française de Développement (French Development Agency)
AFTU	Urban Transport Financing Association (Association de Financement des Transports Urbains)
AGEROUTE	Autonomous Road Management Agency (<i>Agence Autonome de Gestion des Routes</i>)
AF	Additional Financing
AfDB	African Development Bank
BRT	Bus Rapid Transit
CAS	Country Assistance Strategy
CETUD	Dakar Urban Transport Council (<i>Conseil Exécutif des Transports Urbains de Dakar</i>)
CPS	Country Partnership Strategy
CU	Coordination Unit
DA	Designated Account
DDD	Dakar Mass Transit Company (<i>Dakar-Dem-Dik</i>)
DGI	Infrastructure General Directorate
DP	Development Partner
DR	Directorate of Roads (<i>Direction des Routes</i>)
DTR	Directorate of Road Transport (<i>Direction des Transports Routiers</i>)
EIRR	Economic Internal Rate of Return
ESIA	Environmental and Social Impact Assessment
FERA	Autonomous Road Maintenance Fund (<i>Fonds d'Entretien Routier Autonome</i>)
FM	Financial Management
GDA	Greater Dakar Area
GDP	Gross Domestic Product
GoS	Government of Senegal
GRS	Grievance Redress Service
HDM	Highway Design and Management Model
HILM	High Intensive Labor-based Method
IRR	Internal Rate of Return

NDF	Nordic Development Fund
NPV	Net Present Value
PSE	Emerging Senegal Plan (<i>Plan Senegal Emergent</i>)
PATMUR	Senegal Transport and Urban Mobility Project (<i>Projet d'Appui au Transport et à la Mobilité Urbaine</i>)
PDO	Project Development Objective
PTB	Small Suburban Train (<i>Petit Train de Banlieue</i>)
RAP	Resettlement Action Plan
SC	Steering Committee
SNDES	Strategy for National Social and Economic Development Strategy
STUMP	Senegal Transport and Urban Mobility Project
VOC	Vehicle Operating Costs

Regional Vice President:	Makhtar Diop
Country Director:	Louise J. Cord
Senior Global Practice Director:	Pierre Guislain
Practice Manager/Manager:	Nicolas Peltier-Thiberge
Task Team Leader(s):	Aguiratou Savadogo-Tinto/ Ibou Diouf

SENEGAL

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ADDITIONAL FINANCING DATA SHEET

Senegal

Transport and Urban Mobility Additional Financing (P153078)

AFRICA

Transport and ICT Global Practice

Basic Information – Parent							
Parent Project ID:	P101415	Original EA Category:	B - Partial Assessment				
Current Closing Date:	31-Dec-2015	Current EA Category:	B - Partial Assessment				
Basic Information – Additional Financing (AF)							
Project ID:	P153078	Additional Financing Type (from AUS):	Scale Up				
Regional Vice President:	Makhtar Diop	Proposed EA Category:	B - Partial Assessment				
Country Director:	Louise J. Cord	Expected Effectiveness Date:	15-Feb-2016				
Senior Global Practice Director:	Pierre Guislain	Expected Closing Date:	31-Dec-2019				
Practice Manager/Manager:	Nicolas Peltier-Thiberge	Report No:	PAD1300				
Team Leader(s):	Aguiratou Savadogo-Tinto & Ibou Diouf						
Borrower							
Organization Name	Contact	Title	Telephone	Email			
Coordination du PATMUR	Ibrahima Ndiaye	Project Coordinator	+221338690751	ibndiaye@ageroute.sn			
Project Financing Data - Parent (SENEGAL: TRANSPORT AND URBAN MOBILITY PROJECT - P101415) - (in US\$ millions)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P101415	IDA-47370	Effective	01-Jun-2010	21-Jun-2010	29-Dec-2010	30-Sep-2014	31-Dec-2015

Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P101415	IDA-47370	Effective	XDR	36.30	36.30	0.00	27.30	9.00	75.22
Project Financing Data - Additional Financing Transport and Urban Mobility Additional Financing P153078) - (in US\$ millions)									
<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:		65.00			Total Bank Financing:		50.00		
Financing Gap:		0.00							
Financing Source – Additional Financing (AF)								Amount	
BORROWER/RECIPIENT								15.00	
International Development Association (IDA)								50.00	
Total								65.00	
Policy Waivers									
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									
Team Composition									
Bank Staff									
Name		Title	Specialization	Unit					
Aguiratou Savadogo-Tinto	Team Leader (ADM Responsible)	Sr. Transport Specialist (Task Team Leader)	Transport	GTIDR					
Ibou Diouf	Team Leader	Sr. Transport Specialist (Co-Task Team Leader)	Transport	GTIDR					
Tojoarofenitra Ramanankirahina	Team Member	Transport Specialist	Transport	GTIDR					
Cheick Traore	Procurement Specialist	Senior Procurement Specialist	Procurement	GGODR					

Mountaga Ndiaye	Procurement Specialist	Senior Procurement Specialist	Procurement	GGODR
Fatou Fall Samba	Financial Management Specialist	Senior Financial Management Specialist	Financial Management	GGODR
Maman-Sani Issa	Environmental Specialist	Senior Environmental Specialist	Environment	GENDR
Yacouba Konate	Social Safeguards Specialist	Social Development Specialist	Safeguards	GSURR
Maya Abi Karam	Counsel	Senior Counsel	Counsel	LEGAM
Marie Agnes Ndour Huchard	Team member	Team Assistant	Operations	AF1CF

Non-Bank Staff

Name	Title	Location

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Senegal	Region de Dakar	Region de Dakar		X	
Senegal	Region de Dakar	Port de Dakar		X	
Senegal	Region de Dakar	Rufisque		X	
Senegal	Region de Dakar	Sangalkam	X		
Senegal	Region de Louga	Lompoul	X	X	
Senegal	Region de Thies	Kayar			
Senegal	Region de Thies	Fas Boye		X	
Senegal	Region de Louga		X	X	
Senegal	Region de Saint Louis	Gandiole	X		

Institutional Data

Parent: SENEGAL TRANSPORT AND URBAN MOBILITY PROJECT - P101415

Practice Area (Lead)

Transport & ICT

Cross Cutting Areas				
[X] Climate Change				
[] Fragile, Conflict & Violence				
[X] Gender				
[X] Jobs				
[X] Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Transportation	Roads and highways	90	-	-
Transportation	Railways	10	-	-
Total		100	-	-
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Rural Development	Rural services and infrastructure	33		
Trade and integration	Regional integration	33		
Trade and integration	Trade facilitation and market access	17		
Financial and private sector development	Infrastructure services for private sector development	17		
Total		100		
Additional Financing: Transport and Urban Mobility Additional Financing - P153078				
Practice Area (Lead)				
Transport & ICT				
Cross Cutting Areas				
[X] Climate Change				
[] Fragile, Conflict & Violence				
[X] Gender				
[X] Jobs				
[X] Public Private Partnership				

Sector				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Transportation	Rural and Inter-Urban Roads and Highways	50	-	-
Public Administration, Law, and Justice	Public administration-Transportation	10		
Transportation	Urban Transport	30	-	-
Transportation	General Transportation	10	-	-
Total		100	-	-

I Certify that there is no Adaptation and Mitigation Climate change Co-benefits information that is applicable to this project.

Themes		
Theme (Maximum 5 and total % must equal 100)		
Major Theme	Theme	%
Rural Development	Rural services and infrastructure	30
Urban Development	City-wide Infrastructure and Service Delivery	30
Financial and Private Sector Development	Infrastructure Services for Private Sector Development	20
Urban Development	Urban Economic Development	10
Social dev/gender/inclusion	Gender	10
Total		100

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors of the International Development Association (IDA) to provide to the Republic of Senegal an Additional Financing (AF) Credit in the amount of US\$50 million for the Senegal Transport and Urban Mobility Project (STUMP) (Credit 5731-SN).

2. The proposed Credit would help finance the costs associated with the scaling up of activities for enhancing development effectiveness of the original project. The AF also proposes a second extension to the project closing date, from December 31, 2015 to December 31, 2019. The AF is consistent with OP/BP 10.00.

3. The scope of the proposed scaling-up activities is fully aligned with the current Project Development Objective (PDO) which is (a) to improve effective road management and maintenance, both at a national level and in urban areas and (b) to improve public urban transport in the Greater Dakar Area (GDA). The AF will focus on rehabilitating the road from Lompoul to Gandiole, paving urban roads connecting to the *Route des Niayes* (selected to be a main urban transport artery for GDA), and financing key preparatory activities for a possible pilot Bus Rapid Transit (BRT) project aimed at improving the urban transport system in the GDA.

4. The fiduciary and implementation arrangements will be the same as for the STUMP. The implementation of the proposed AF is expected to be completed within 48 months, which means that the closing date for the proposed AF will be December 31, 2019. The parent project closing date will be extended by 24 months to allow the full implementation of the remaining activities as referred to in paragraph 15 below. The initial closing date of the parent project was September 30, 2014, and has been extended once to December 31, 2015.

5. The AF of the STUMP is not being co-financed or parallel-financed with any other development partner (DP). However, together with other DPs, IDA is fully involved in the sector policy dialogue, especially with regard to road maintenance management and financing. The Government of Senegal (GoS) has agreed and confirmed a counterpart funding of about US\$15 million.

II. Background and Rationale for Additional Financing

A. Country Context

6. Senegal is a Sub-Saharan and coastal country with 13.5 million inhabitants as of 2013, of which almost 50 percent are below the age of 18. The country urbanization rate is 45 percent, of which 49 percent live in Dakar. Over the last five years, the country's average real Gross Domestic Product (GDP) growth rate was around 3 percent and the forecasted GDP growth rate for 2015 is 5.1 percent. The improved GDP growth rate, starting from 2014 (+4.7 percent), seems to be linked to strengthening domestic demand, boosted by public investment in infrastructure as the GoS started implementing the *Plan Senegal Emergent 2035* (PSE). The GoS, through the PSE, is expecting to focus on accelerating poverty reduction and boosting shared prosperity. Senegal is ranked 163 out of 187 in the United Nations Human Development Index (2014 report) with about a 46.7 percent poverty rate in 2011 and 45.6 percent in 2014.

7. The transport sector plays a strategic role in the economy of Senegal and currently accounts for approximately 4 percent of GDP. The main transport infrastructure networks include (a) 16,500 km of classified roads, of which about 6,000 km are paved; (b) 1,450 km of railway track, including the Dakar to Bamako railway line; (c) the Port of Dakar, the main international seaport for the country, as well as three secondary ports; and (d) one international airport in Dakar and 16 regional airports. Following the Sector Adjustment Program, which was closed in 1999, a Second Transport Program supported the sector until 2007 through a US\$581 million financing. Active donors included the European Union (EU), African Development Bank, Nordic Development Fund (NDF), and IDA.

8. Urban mobility in Senegal and especially in the GDA remains a key challenge for the government, local authorities, and civil society. The sector is facing a major crisis since the 1990s due to a combination of increasing urban population growth (3 percent on average, up to 8.5 percent in Dakar's suburbs); inadequate road maintenance; poor traffic management methods; unbalanced spatial distribution of roads between districts; aging public transport vehicles; and inadequate regulation of urban transport services. The population of the GDA now exceeds 2.5 million. This represents a quarter of the total population of Senegal, or half of its urban population. The GDA's contribution to the national GDP is estimated to be 60 percent. According to the most recent projections, the population of the GDA will grow to about 5 million inhabitants by 2025–2030, with most of the growth occurring in the outer suburbs.

B. High-level Objectives to which the Project Contributes

9. The proposed AF is consistent with the FY13–FY17 Country Partnership Strategy (CPS), adopted on January 18, 2013. The CPS supports the government's Strategy for National Social and Economic Development Strategy (SNDES) and the World Bank Group's twin goals of reducing poverty and increasing shared prosperity. The proposed activities are fully aligned with the first pillar of the CPS, which focuses on growth, productivity, and wealth creation in the country. This pillar builds on the Accelerated Growth Strategy and has put emphasis on rural and urban connectivity and mobility through roads, rail, and air infrastructure investments as well as port/logistics infrastructure and urban mass transport systems.

C. Parent Project Features and Performance

10. **Objective, design, and scope.** The STUMP was funded by an IDA Credit in the amount of SDR 36.300 million (about US\$55 million equivalent), including US\$5 million of pilot crisis response window resources. The project was approved on June 1, 2010, and the PDOs are (a) to improve effective road management and maintenance, both at a national level and in urban areas and (b) to improve public urban transport in the GDA. This PDO is to be achieved through (a) institutional strengthening of the key sector agencies; (b) rural and interurban road upgrading works in the selected *Grandes Niayes* region; (c) the development of public/mass transport services; (d) targeted technical assistance, awareness campaign and training, and procurement of computers and other equipment for the key sector agencies; (e) the development of the existing leasing scheme for buses; (f) support in implementation, training and communication for the two lead implementing agencies; (g) technical and financial audits; and (h) monitoring and evaluation.

11. The project initially included three components: Component 1: Support to Interurban Road Infrastructure Development (IDA Financing: US\$39 million); Component 2: Technical

assistance to the GDA for the Development of Public Transport Services (IDA Financing: US\$7.8 million); and, Component 3: Support in implementation, monitoring, and evaluation (IDA Financing: US\$3.2 million). IDA Financing also included US\$4.15 million for contingencies and US\$0.85 million for project preparation advance (PPA) refinancing.

12. The Credit Agreement was amended on December 29, 2010 to change the adoption of the Urban Mobility Policy letter from an effectiveness condition to a dated covenant¹ and allow its effectiveness the same day. The Credit Agreement was scheduled to close on September 30, 2014. The first restructuring of the STUMP was approved on June 24, 2014, and included the cancellation of some activities (studies and upgrading of the Fireman Bus Terminal - *Gare des Pompiers*), the reallocation of funds to different categories, and the extension of the closing date to December 31, 2015.

D. Project Implementation Performance

13. **Project status.** The implementation performance as well as the PDO are rated Satisfactory (S). The PDO is rated Satisfactory because the project is likely to achieve its objectives by the implementation completion date. Almost all Key Performance Indicators are on track with respect to project targets. For example, reduced transport time on selected itineraries inside the *Grandes Niayes* is estimated at 33.5 percent compared to a target of 30 percent. Finally, roads in good and fair conditions in the project zone have improved and reached 60 percent against a target of 54 percent. Implementation performance is rated satisfactory based on: (a) a satisfactory increase of disbursement ratio (almost 8 percent per quarter since November 2013) from 23 percent in November 2013 to 72.6 percent by mid-July 2015; (b) a contractual commitment rate of about 99 percent of project funds; (c) more proactive responsiveness of stakeholders in project activities implementation; and (d) substantial compliance with fiduciary requirements and legal covenants. Financial Management (FM) is satisfactory while the overall safeguards compliance (OP/BP 4.01 - Environmental Assessment and OP/BP 4.12 - Involuntary Resettlement) is rated Moderately Satisfactory as is procurement performance. To improve procurement performance for the AF proposed activities, a dedicated procurement specialist has been hired and the Autonomous Road Management Agency (*Agence Autonome de Gestion des Routes*, AGEROUTE) will put more emphasis on project follow-up and monitoring. In order to improve the project's social and environmental safeguards performance, measures have been taken to have AGEROUTE's experienced safeguards unit to be directly involved in the monitoring of the implementation of the mitigation measures. Furthermore, an individual consultant will be hired to facilitate the implementation of the social development measures. Finally, at the national level, the Directorate of Environmental Assessment - "Direction de l'Environnement et des Etablissements Classés (DEEC)", is supervising the project's safeguards aspects..

14. **Achievements.** Regarding physical implementation of the project activities, out of the 80 km of interurban roads initially planned to be rehabilitated, 63 km were awarded in the first phase and are fully completed. Due to a very competitive bidding process, cost savings have allowed the STUMP to award a second phase of 30 km. This implies that the length of roads to be rehabilitated will increase from 80 km originally envisaged under the project to about 93 kilometers. All the civil works funded under the project are expected to be completed by end-December 2015.

¹ The Urban Mobility Policy letter has been officially adopted on July 27, 2015.

15. The capacity-building activities supported by the STUMP to develop public transport services in the GDA is rated Satisfactory (S). More specifically, the Dakar Urban Transport Executive Council (*Conseil Exécutif des Transports Urbains de Dakar*, CETUD) was successfully restructured, while the renewal of the urban bus fleet was completed in a satisfactory manner. In addition, at 99 percent, reimbursement rates of loans from bus owners who accessed funds provided through the STUMP are satisfactory. Finally, key studies funded by the project, such as the BRT pilot project design and a household survey, are under implementation but will not be entirely completed by the project closing date.

16. **Indicators.** Most of the indicators have been achieved: (a) reduced transport time on selected itineraries inside the *Grandes Niayes* area is estimated at 33.5 percent compared to a target of 30 percent (travel time has decreased from 230 minutes to 153 minutes); (b) roads in good and fair conditions in the project zone have improved and reached 60 percent against a target of 54 percent; (c) the Urban Mobility Policy letter has been defined and adopted by the CETUD Board of Directors and approved by the ministers in charge of Transport and Finance on July 27, 2015; (d) the passengers in urban transport services—Dakar Mass Transit Company (*Dakar-Dem-Dik*, DDD) and Small Suburban Train (*Petit Train de Banlieue*, PTB)—on specific routes increased by 40 percent against a target of 50 percent; and (e) the number of buses that were renewed was 1,307 against 1,300 planned; and (f) the reimbursement rate for the leasing mechanism is 99 percent against a target of 98 percent.

17. **Fiduciary and covenant compliance.** The project has substantially complied with all legal covenants. There are no outstanding fiduciary or other safeguards issues and all financial audits are completed on time and are unqualified. Procurement processes applied in the project have followed the most updated procurement guidelines and are in line with the institutional arrangements that gave overall procurement responsibility to AGEROUTE.

18. The implementation of social and environmental safeguards of the parent project is rated Moderately Satisfactory. The project's environmental and social impacts are few and very small in magnitude, as reported by the safeguards supervision reports. However, an ex-post review has shown that not all ESMPs were fully implemented. A compliance assessment study was then recommended by IDA and completed on May 2015. Recommendations from this study are being implemented under the parent project and will be continued until full completion during the implementation of the AF. A more robust safeguards monitoring system was also put in place by AGEROUTE with the hiring under the proposed AF of an individual consultant to handle the social impact mitigation measures.

19. **Partnership.** The parent project was designed with a parallel co-financing of a €4 million grant from the NDF. The NDF's resources were provided to support resilience of the transport infrastructure to the impact of climate change in Senegal.

E. Rationale for Requesting the Additional Financing

20. The proposed AF is designed to finance the scaling-up of key activities to enhance the developmental impact of the initial project. The proposed rehabilitation of the 69 km road from Lompoul to Gandiole would complement the rehabilitation of the 93 km road from Rufisque (Dakar) to Lompoul, which is currently financed by the parent project. As the already existing and paved 15 km road between Gandiole and Saint-Louis is in good condition, rehabilitating the 69 km would create a second alternative paved road corridor between Dakar and the city of Saint-Louis, the two biggest cities in Senegal. The road section goes through the *Grande Niayes* region and would offer an alternate route to the National

Road number 2 which already has some very congested sections. The new road section will open up this high-intensive agriculture area and provide access to markets for about 540,000 tons of fruits and vegetables. At the same time, the AF will not only increase the accessibility and mobility of the initial project beneficiaries but will also improve it for an additional 650,000 project beneficiaries (including 120,000 people impacted by urban paving). The rehabilitation of this road section will also increase urban linkages between the small cities of Lompoul, Gandiole, Potou, and Léona and synergies with the bigger cities of Saint-Louis, Louga, Thies, and Kebemer.

21. Through the implementation of the urban roads rehabilitation in the GDA, the proposed AF would significantly improve urban mobility while promoting jobs creation through the labor-intensive part of the road works. As of today, the roads in the proposed project area are in very poor condition leading to poor all-weather mobility, particularly during the rainy season. The approach of using the High Intensive Labor-based Method (HILM) in the rehabilitation of urban roads is in line with the recommendation of the SNDES to partially address youth unemployment while doing urban road works. In addition, the proposed urban road works in the AF include the training of about 300 young people. It is estimated that the urban road paving works will generate 1000 person-months of work for unskilled labor and total revenues of about US\$200,000 that will benefit young people through the use of the HILM. It is anticipated that 30 percent of the labor force will comprise women.

22. By implementing these additional roads, the AF supports GoS’ development plans as indicated in the SNDES and the Transport Sector Strategy. In the SNDES, infrastructure investments in roads are considered high priority to support economic productivity, growth, and wealth creation. The GoS has defined a priority rural road development program of about 1,000 km per year for the five years starting in 2014 and has planned the urban roads rehabilitation/upgrading. This has been done not only to improve urban mobility and connectivity but also to address youth unemployment in the GDA.

23. The AF will also finance the second set of preparatory studies of the pilot BRT, the first one related to detailed engineering studies being currently financed by the initial project. They include the institutional scheme to put in place BRT system, public and private partnership structuring (legal, financial, and advisory activities). By undertaking the additional studies, the objective is to have the necessary studies to implement the first ever BRT project in Senegal and in Francophone West Africa.

24. The proposed AF is the most appropriate instrument to quickly and cost-effectively scale up key project activities by capitalizing on the current effective implementation arrangements and the proven capacities of the two implementing agencies—AGERROUTE and CETUD. There are no exceptions to Bank policies requiring waivers.

III. Proposed Changes

Summary of Proposed Changes
The project activities will be scaled up by: (a) rehabilitation/construction of a road section, from Lompoul to Gandiole (69 km); (b) paving of about 30 km of urban roads, inter alia, using the HILM in the GDA; and (c) complementary studies for a pilot BRT system in Dakar. The targeted urban roads are located in the GDA in the communes of Pikine, Guediawaye, Parcelles Assainies, and Sangalkam and connected to the roads (the Route des Niayes) under rehabilitation by the

original project. While the works of the 69 km road from Lompoul to Gandiole will be executed through mechanized construction methods as in the parent project, the 30 km urban road works in the GDA will be executed using both HILM and mechanized construction methods. This innovative approach promoted through the AF would create jobs and would contribute to fighting extreme poverty. The HILM will also be an opportunity to train nonqualified manpower in the production and layering of concrete blocks or cobblestones. This should ensure ownership and sustainability as the direct beneficiaries would be able to maintain the roads. Under the AF, the gender dimension would be strengthened. For example, the environmental and social mitigation plan of the road rehabilitation includes measures to support women carrying out commercial activities such as storage for salt, onion, and other vegetables. With regards to the high labor-intensive works, it was agreed to allocate 30 percent of jobs to women.

The proposed AF will also finance technical assistance to the CETUD to assist them in the development of a pilot BRT project in the GDA.

The current project closing date of the parent project, set at December 31, 2015, will be extended by 24 months. This is to allow the full implementation of the remaining activities which are mainly key studies funded by the project. Therefore, the new closing date for the parent project will be December 31, 2017.

Project results would be measured through the existing outcome indicators extended with a few additional indicators to better capture the impacts of the project. The results framework is updated accordingly. The fiduciary and safeguards responsibilities in the institutional arrangements are also revised to cover the extended and additional activities in the project.

Change in Implementing Agency	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Project's Development Objectives	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Results Framework	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Safeguard Policies Triggered	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change of EA category	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Changes to Safeguards	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Legal Covenants	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Loan Closing Date(s)	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Cancellations Proposed	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Arrangements	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Reallocation between Disbursement Categories	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Estimates	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change to Components and Cost	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Institutional Arrangements	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Financial Management	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Procurement	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]

Change in Implementation Schedule	Yes [X] No []
Other Change(s)	Yes [] No [X]
Development Objective/Results	
Project's Development Objectives	
Original PDO	
The development objectives of this project are: (a) to improve effective road management and maintenance, both at a national level and in urban areas; and (b) to improve public urban transport in the GDA. Project results would be measured through the following outcome indicators: (a) reduced transport time (or cost) on selected routes inside the <i>Grandes Niayas</i> area; (b) roads in good and fair conditions in the project zone; (c) direct project beneficiaries; and (d) the GDA Urban Mobility Policy Letter being defined and adopted.	
Change in Results Framework	
Explanation:	
Project results would be measured through the existing outcome indicators, together with a few additional indicators to better capture the impact of the project. The additional outcome indicators are (a) reduced transport time between Lompoul and Gandiole; (b) percentage of roads in good and fair condition in the project-affected area; and (c) number of direct beneficiaries (of which 30 percent are women).	

Compliance						
Covenants - Additional Financing (Transport & Urban Mobility Additional Financing - P153078)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
		No covenants		<input type="checkbox"/>		
Conditions						
Source Of Fund	Name			Type		
Description of Condition						
No conditions						
Risk						
Risk Category					Rating (H, S, M, L)	
1. Political and Governance					Moderate	
2. Macroeconomic					Substantial	
3. Sector Strategies and Policies					Moderate	

4. Technical Design of Project or Program		Low								
5. Institutional Capacity for Implementation and Sustainability		Moderate								
6. Fiduciary		Moderate								
7. Environment and Social		Moderate								
8. Stakeholders		Low								
OVERALL		Moderate								
Finance										
Loan Closing Date - Additional Financing (Transport & Urban Mobility Additional Financing - P153078)										
Source of Funds		Proposed Additional Financing Loan Closing Date								
International Development Association (IDA)		31-Dec-2019								
Loan Closing Date(s) - Parent (SENEGAL: TRANSPORT & URBAN MOBILITY PROJECT - P101415)										
Explanation:										
The current closing date is December 31, 2015. The proposed AF closing date is December 31, 2019, to allow sufficient time for the implementation of the additional activities. The closing date of the parent project will be extended to December 31, 2017 to allow the full implementation of the remaining activities which are mainly some key remaining studies.										
Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)					
IDA-47370	Effective	30-Sep-2014	31-Dec-2015	31-Dec-2017	31-Dec-2015					
Change in Disbursement Arrangements										
Explanation:										
The project has two disbursement categories. The first one will disburse at 100% on IDA funds and the second category will disburse at 75%.										
Change in Disbursement Estimates		(including all sources of Financing)								
Explanation:										
Disbursement estimates will go through April 2020, as the closing date is set for December 31, 2019.										
Expected Disbursements (in USD Million)(including all Sources of Financing)										
Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual	0.00	5.00	10.00	15.00	15.00	5.00	0.00	0.00	0.00	0.00
Cumulative	0.00	5.00	15.00	30.00	45.00	50.00	0.00	0.00	0.00	0.00
Allocations - Additional Financing (Transport & Urban Mobility Additional										

Financing - P153078)				
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)
			Proposed	Proposed
IDA	XDR	(1) Goods, non-consulting services and consultants' services for Parts A.(1) (except (e)); A.2.(d); A.2.(e); B.(1).(a);	4,315,000.00	100.00
IDA	XDR	(1) Works for Parts A.2.(d) and A.2.(e) of the Project	31,285,000.00	75.00
		Total:	35,600,000.00	
Components				
Change to Components and Cost				
Explanation:				
The components are the same but will capture the new activities.				
Component 1: Support to Interurban Road Infrastructure Development.				
Component 2: Capacity Building for the Development of Public Transport Services in the GDA				
Component 3: Support to implementation, coordination, monitoring and evaluation.				
Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
1. Support to interurban road infrastructure development	1. Support to Interurban Road Infrastructure Development	43.00	103.00	Revised
2. Capacity Building for the development of public transport services in the GDA	2. Capacity Building for the Development of Public Transport Services in the GDA	45.80	49.80	Revised
3. Support to implementation, M&E (AGEROUTE Senegal and CETUD)	3. Support to implementation, coordination, monitoring and evaluation.	3.20	4.20	Revised
Project Preparation Advance (PPA) refinancing and contingencies	-	5.00	5.00	
	Total:	97.00	162.00	

Other Change(s)		
Change in Implementing Agency		
Explanation:		
The implementation agencies are the same but the name of one of them has changed from "Agence Autonome des Travaux Routiers, AATR" to "Agence Autonome de Gestion des Routes AGEROUTE)"		
Implementing Agency Name	Type	Action
Agence Autonome de Gestion des Routes (AGEROUTE)	Implementing Agency	Implementing Agency
Conseil Exécutif des Transports Urbains de Dakar (CETUD)	Implementing Agency	Implementing Agency
Change in Institutional Arrangements		
Explanation:		
There is no significant change. Some improvements are introduced in the institutional arrangement.		
<p>Institutional arrangements. Based on the lessons learned from the ongoing project, some improvements have been introduced in the implementation arrangements to strengthen the fiduciary role of the lead implementing agency, AGEROUTE. They include a designated procurement specialist with the responsible for the technical oversight and overall quality control of procurement activities financed by the project. In addition, the role of the Steering Committee (SC) has been strengthened to ensure that it is more functional and effective.</p>		
<p>Project management structure. The implementation of the AF will be carried out by the same institutions implementing the original project. Specifically, the AF activities will be implemented by AGEROUTE for Component 1 and the CETUD for Component 2. AGEROUTE and the CETUD are already in charge of those components under the initial project and their experience will be an asset for the implementation of the AF. FM and procurement activities will be carried out by the fiduciary team dedicated for the project hosted by AGEROUTE. The detailed responsibilities were confirmed at appraisal.</p>		
<p>Governance and citizen engagement. The project will ensure that a third-party monitoring mechanism is in place, using information technologies (e.g mobile phones), to report on project implementation progress and status. Third parties (such as civil society organizations, nongovernmental organizations, and individual consultants) will also be responsible for overseeing the recruitment of unskilled employees and assessing the gender inclusion dimension in the project.</p>		

Change in Procurement	
Explanation:	
<p>A dedicated procurement specialist has been designated by AGEROUTE.</p> <p>A procurement specialist was assigned by AGEROUTE and tasked to handle all the procurement aspects of the project in interaction with the two executing agencies, AGEROUTE and CETUD. This would strengthen the fiduciary team which already includes an FM specialist.</p>	
Change in Implementation Schedule	
Explanation:	
<p>The implementation will be from the Board approval planned for October 29, 2015 to December 31, 2019 to allow the full implementation of scaled up activities.</p>	
Appraisal Summary	
Economic and Financial Analysis	
Explanation:	
<p>An economic analysis was carried out as part of the preparation of the detailed design for all planned investments. For the road section between Lompoul-Gandiole, the economic analysis for construction/rehabilitation is conducted with the Highway Design and Management Model (HDM-4) using the ‘with/without’ project approach. The economic benefits have taken into account travel time, vehicle operating costs (VOC), impact on agricultural markets, and road safety. The Net Present Value (NPV), at 12 percent discount rate, and the Economic Internal Rate of Return (EIRR) were calculated. The most pessimistic hypothesis (combination of 20 percent increase of the project costs and 20 percent decrease of traffic vehicles) gives an Internal Rate of Return (IRR) of 16.4 percent and a NPV of US\$13,330,000. See annex 5 for more details.</p> <p>For the urban roads covered under the AF, socioeconomic impact analysis and jobs creation in the targeted areas were considered. The study was refined for the urban roads paving component to measure benefits through a socioeconomic impact analysis based on: (a) accessibility improvement of project-affected zones; (b) opportunity for improved access to basic services through the paved roads in project-affected zones; (c) reduced adverse impacts in project-affected zones; and (d) number of local jobs created and revenues generated for local communities. The results that came out show that (a) the component will improve the accessibility of about 120,000 people of remote areas in the GDA; (b) around 104 facilities—health centers (20), schools (63), markets (13), and public spaces (8)—have improved accessibility; (c) about 10,000 households are protected from flood through better drainage of rainwater; and (d) temporary jobs equivalent to 1000 person-months are created. See annex 5 for more details.</p>	
Technical Analysis	
Explanation:	
<p>The project’s investment component comprises two major subcomponents.</p> <p>The first subcomponent focuses on the rehabilitation/construction/reconstruction of a road</p>	

section from Lompoul to Gandiole, via Léona and Potou. This road is approximately 69 km long and is located in the northwest of the country in the regions of Louga and Saint-Louis. The proposed design standard is a road section width of 7.0 m with a 1.5 m width of paved shoulders. The technical design specifications are as follows: (a) 20 cm sub-base of banco-coquillage; (b) 15 cm bearing course of cement stabilized laterite; and (c) 5 cm asphaltic concrete wearing course. The design also includes culverts, specific inlet, outlet and drainage improvements, and possibly small bridges.

The second subcomponent focuses on the paving of urban roads in high-density population urban areas. The HILM for the pavement works of 30 km for the upgrading of urban roads connecting with the “Route des Niayes” GDA suburbs will be used. The operational procedure proposed is that selected contractors would use the traditional mechanized methods for earthworks. This would be followed by the training of nonqualified manpower for the HILM for both the production and the laying of concrete blocks or cobblestones. The HILM approach can be effective in fighting extreme poverty by providing income to unemployed youth while at the same time improving youth employability through hands-on vocational training. A mixed approach, combining the use of equipment and HILM, ensures the quality of the infrastructure while creating jobs and better opportunities for youth. This also has another value-adding dimension, which is ownership by local communities and its impact on maintenance sustainability.

Social Analysis	
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Explanation:

The project is expected to have only limited and reversible adverse impacts on human populations and vulnerable social groups. The potentially negative social impacts of activities carried out under the project are limited and site specific, typical of such projects. It is unlikely that the proposed activities will entail major resettlement such as the relocation of dwellings. One of the criteria in selecting urban roads is that there will not be a need to relocate people. However, if it was deemed necessary for some reason, an appropriated Resettlement Action Plan (RAP) would be prepared and submitted to the Bank for approval, before commencement of any of the planned road works.

A Resettlement Policy Framework for the proposed AF was prepared by the GoS and approved by IDA, disclosed in the country on March 13, 2015, and in the World Bank’s InfoShop on March 19, 2015. Although AGEROUTE is already familiar with World Bank procedures, additional training sessions are planned for staff on Bank safeguards policies before effectiveness. The capacity building will also involve local government and other civil society organizations participating in the project implementation.

The proposed AF is expected to deliver significant social benefits by improving the living conditions and urban mobility of vulnerable people in the GDA who are currently affected by limited transport infrastructure. The proposed AF will also improve access to social services and markets. In addition, during construction and due to the revenue generation resulting from the use of the HILM construction method for the paving roads, the project will contribute to fighting extreme poverty in the Project affected areas, both for men and women (30 percent of the labor force). If needed, a RAP will ensure that proper consultations with the neighboring communities are carried out and will define necessary mitigation measures consistent with OP 4.12.

V. World Bank Grievance Redress

Communities and individuals who believe that they are adversely affected by specific country policies supported as prior actions or tranche release conditions under a World Bank Development Policy Operation may submit complaints to the responsible country authorities, appropriate local or national grievance redress mechanisms, or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address pertinent concerns.

Affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of noncompliance with policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention and World Bank management has been given an opportunity to respond.

For information on how to submit complaints to the Bank's corporate 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.

Environmental Analysis

Explanation:

The environmental and social safeguard category for the AF is B, like the original project. The environmental and social impacts for the project are expected to be mostly minimal, site specific, and manageable to an accepted level. The AF triggers three applicable World Bank safeguard policies: (a) Environmental Assessment - OP/BP 4.01; (b) Physical Cultural Resources - OP/BP 4.11; and (c) Involuntary Resettlement - OP/BP 4.12. Accordingly, an Environmental and Social Management Framework for the project was prepared by the GoS and approved by the World Bank, disclosed in the country on March 19, 2015, and in the Bank's InfoShop on March 19, 2015. The Environmental and Social Impact Assessments (ESIAs) for both the interurban and urban roads and the associated Environmental Management Plans have been completed, published in-country on July 23, 2015, and has been disclosed in the World Bank's InfoShop on August 21, 2015. When required, RAPs will be prepared and implemented before any commencement of works.

Road investments (construction and rehabilitation), though beneficial to the local communities, sometimes have adverse impacts. However, the impact of the proposed activities on the biophysical (that is, water and air quality, land resources, hydrology, and fauna and flora) and socioeconomic (land acquisition, loss of livelihood) dimensions of the project are likely to be negligible. Nevertheless, if not managed properly, there might be a risk regarding the prevalence of HIV/AIDS and other sexually transmitted diseases among local community members and workers at the construction sites and camps. Proper prevention measures will be taken, and the mitigation of the social and environmental risks identified in the ESIA or Environmental Management Plan will be monitored closely.

Risk

Explanation:

The project has an overall **Moderate** risk rating. Corresponding risk mitigating measures are included in the project activities. The macroeconomic risk is rated Substantial. The

macroeconomic status of the country is impacted by the uncertainty created by slower implementation of reforms to curb unproductive public consumption and delays in raising expenditure efficiency. All these could hamper implementation of the government's new strategy for an emerging Senegal. Furthermore, slow policy reform in the key energy and agriculture sectors, together with their limited absorptive capacity, could reduce the long term growth rate potential for the Senegalese economy.

Annex 1: Revised Results Framework and Monitoring Indicators

A. Summary of Results Framework Changes

Revisions to the Results Framework		Comments/ Rationale for Change
PDO		
Current (PAD)	Proposed change*	
To improve effective road management and maintenance, both at a national level and in urban areas	No Change	
To improve public urban transport in the GDA	No change	
Project Outcome Indicators	PDO indicators	
Current (PAD)	Proposed change*	Comments/Rationale for Change
Reduced transport time on selected itineraries inside the <i>Grandes Niayes</i> area	Change	To measure travel time from Lompoul to Gandiole which is the new road section covered by the AF To include additional beneficiaries
Roads in good and fair conditions in the project zone	No change	
GDA Urban Mobility Policy letter defined and adopted	No change	
Direct project beneficiaries, of which female	Change	
Intermediate Outcome Indicators		Comments/ Rationale for Change
Current (PAD)	Proposed change*	
Road rehabilitated by the project (km)	Change	To include the new road section between Lompoul and Gandiole
Share of rural population with access to an all-season road	Change	To include the population affected by the new road section between Lompoul and Gandiole
Number of Additional beneficiaries of improved accessibility		
Autonomous Road Maintenance Fund (<i>Fonds d'Entretien Routier Autonome</i> , FERA) (amount)	Change	To take into account the additional population benefiting from an improved accessibility due to the project

Revisions to the Results Framework		Comments/ Rationale for Change
Share of the road maintenance budget coming from fuel levy “Taxe sur les Produits Petroliers” (%)	No change No change	
None	Urban roads paved (km)	To take into account the paving of urban roads
None	Number of jobs created through HILM	To take into account the jobs created by the HILM for paving of urban roads
None	Total amount of revenues distributed to the local population during the labor-based works	To take into account monetary revenues generated by the HILM for urban roads paving to the local population
None	Number of youth benefitting from training during the road works, of which 30% are women	To take into account the number of youth who benefited by training from the HILM for urban roads paving
Passengers in urban transport services (DDD and PTB) on specific routes	Not applicable to the AF	Was measured within the original project. No activities to impact the indicator in the AF.
Number of minibuses entered in the fleet renewal operation	Not applicable to the AF	Was measured within the original project and achieved
Reimbursement rate for the leasing mechanism (%)	Not applicable to the AF	Was measured within the original project and achieved
None	Institutional scheme defined for the pilot BRT in Dakar	To ensure preparatory activities of the BRT are completed

B. Revised Result Framework - Arrangements for Results Monitoring

Project Outcome Indicators	Baseline As of August 2015 (appraisal)	Data Collection and Reporting						
		2016	2017	2018	2019	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Reduced transport time on selected itineraries inside the <i>Grandes Niayes</i> area (minutes):								
• (Ruffisque-Bayack-Notto-Diogo-Lompoul)	153	-	153	153	153		Specific survey	AGERROUTE
• Lompoul-Gandiolo	202	-	202	202	100	End of project	Specific survey	AGERROUTE
Road in good and fair conditions in the project zone	60%	60%	60%	60%	60%	End of works	Annual FERA reports	FERA
Direct project beneficiaries, of which female	0	-	-	-	726,000 50%	End of project	Specific survey	AGERROUTE
GDA Urban Mobility Policy defined and adopted	Adopted on July 27, 2015	Adopted	Adopted	Adopted	Adopted			
Intermediate Outcome Indicators								
1. Interurban roads								
Road rehabilitated (km)	93	100	125	150	162	End of	Project final	AGERROUTE

						project	report	
Road maintenance budget (FERA) (amount)	CFAF 52 billion	52	60	60	65	Annual	Annual FERA reports	FERA
Share of the road maintenance budget coming from TSPP (%)	30%	50%	70%	80%	80%	Annual	Annual FERA reports	FERA
Additional beneficiaries of improved accessibility	0	0	0	0	650,000	End of project	Project final report	AGEROUTE
Urban roads paved (km)	0	5	15	25	30	–	–	
Number of jobs created through HILM (person-months)	0	200	500	900	1000	–	–	AGEROUTE
Amount of wages paid during implementation of HILM works (US\$ million)	0.000	0.025	0.075	0.100	0.200	–	–	AGEROUTE
Number of youth benefitting from training during the road works	0	100	200	200	100	–	–	AGEROUTE
2. Urban transport services								
Passengers in urban transport services (DDD, AFTU and PTB) (% increase, million passengers)	+40% (189)	+40% (189)	+40% (189)	+40% (189)	+40% (189)	–	–	CETUD
Number of minibuses entered in the fleet renewal operation	1,307	1,307	1,307	1,307	1,307	Quarterly	Quarterly FERA reports	CETUD
Reimbursement rate for the leasing mechanism (%)	99%	98%	98%	98%	98%	Quarterly	Quarterly AFTU reports	CETUD
Institutional arrangement for the pilot BRT defined and adopted	No	No	No	No	Yes	End of project	CETUD reports	CETUD

Note: AFTU = Urban Transport Financing Association (*Association de Financement des Transports Urbains*).

Annex 2: Systematic Operations Risk-Rating Tool

Risk Categories	Rating (H, S, M, or L)
1. Political and Governance	M
2. Macroeconomic	S
3. Sector Strategies and Policies	M
4. Technical Design of Project or Program	L
5. Institutional Capacity for Implementation and Sustainability	M
6. Fiduciary	M
7. Environment and Social	M
8. Stakeholders	L
Overall	M

Annex 3: Detailed Description of Additional Activities

1. Component 1: Support to Interurban Road Infrastructure Development (estimated cost US\$60 million, of which US\$15 million to be financed by the GoS). This component comprises two subcomponents: (a) Institutional strengthening of the institutions in charge of road management and maintenance and (b) Investments.

2. Subcomponent 1.1: Institutional strengthening of the institutions in charge of road management and maintenance (estimated cost: US\$1 million financed by IDA) through the provision of technical assistance and goods and the carrying out of training and awareness-building activities to:

- (a) strengthen the institutional oversight framework for the definition of adequate road technical standards through the elaboration of a regulatory framework for road laboratories and through the provision of technical support to the road directorate within the ministry in charge of transport and the “*Centre Expérimental de Recherche et d’Etudes pour l’Equipement*” CEREEQ;
- (b) strengthen the FERA second generation road fund, including its ability to manage and supervise road maintenance planning and activities;
- (c) strengthen the ability of the Directorate of Road Transport (DTT) to support the modernization of vehicles and drivers’ license registration, disseminate sector legal framework and regulations, and implement a pilot program of road safety activities;
- (d) strengthen AGEROUTE SENEGAL’s capacity in road maintenance program planning, programming, and procurement activities; and
- (e) support Infrastructure General Directorate (IGD) of the ministry in charge of infrastructure in the development of strategic planning of road network development and maintenance, promotion of axle load control, and the definition of adequate road technical standards.

3. This subcomponent aims to support the operational capability of the institutions in charge of road maintenance management and financing and road safety—AGEROUTE, FERA, Directorate of Roads (*Direction des Routes*, DR), and Directorate of Road Transport (*Direction des Transports Routiers*, DTR). This component will finance targeted technical assistance; targeted training sessions needed for project implementation, as well as information and communication technologies (ICT) for the key sector agencies (FERA, DR, DTR, and AGEROUTE) and the Ministry of Finance. There will be focus on continuous policy dialogue regarding FERA autonomy and the maintenance program managed by AGEROUTE. The objective is to strengthen the existing framework and ensure efficient road maintenance program planning, programming, and financing. The AF will pursue the implementation of road safety activities started under the initial project. The activities to be implemented comprise an awareness campaign for road safety and sensitization campaigns for road users and citizens, particularly scholars due to their vulnerability and as per road safety action plan.

4. **Subcomponent 1.2: Investments (estimated cost, US\$59 million, of which IDA is funding US\$44 million and the GoS US\$15 million).** This component will finance (a) rehabilitation of the *Route Lompoul and Gandiole* in the *Grandes Niayes* region by conducting necessary studies, including ESIA, services, and works; (b) paving of urban roads in the GDA connected to the *Grandes Niayes* by conducting necessary studies, services, and works, including the use of HILM.

(a) **Rehabilitation of about 69 km of interurban roads (estimated cost about US\$42 million, of which IDA is funding US\$31.5 million and the GoS US\$10.5 million).** This concerns the road section Lompoul-Léona-Potou-Gandiole and includes (a) consultant services for works control and supervision and (b) environmental and social impact mitigations measures for interurban roads paving and technical audits of works. This road is located in the northwest part of the country in the regions of Louga and Saint-Louis. This comprises three main sections:

- Section Lompoul - Léona: 43 km to be reconstructed
- Section Léona - Potou: 7 km to be rehabilitated
- Section Potou - Gandiole: 19 km to be reconstructed

These three sections would have the same characteristics:

- Road width: 7 m and 1.5 m each side for shoulders
- Sub-base of Banco-shell (*banco-coquillage*): 20 cm
- Base of cement stabilized laterite: 15 cm
- Asphaltic concrete wearing course: 5 cm

(b) **Paving of about 30 km of urban roads, inter alia, using the HILM (estimated cost about US\$17 million, of which IDA is funding US\$12.5 million and the GoS US\$4.5 million).** The project will finance the works for the 30 km of urban roads paving, including (a) consultant services for works control and supervision; and (b) environmental and social impact mitigation measures for paving of urban roads construction. Urban roads are located in the GDA periphery and high-density population zones (Pikine, Guediawaye, Parcelles Assainies, and Sangalkam) connected to the *Grandes Niayes*. The initial project is financing the update of the detailed studies, the economic analysis, and the ESIA of the roadworks. The bidding process should be initiated during the preparation process to ensure contractors are on board by project effectiveness.

5. **Component 2: Capacity Building for the Development of Public Transport Services in the GDA. (Estimated cost about US\$4 million, funded by IDA).** The component will finance the preparation of a pilot BRT system and feeder minibus facilities, including through the carrying out (a) of feasibility studies, technical studies, and the preparation of bidding documents; (b) financial engineering assessments; (c) design of a public-private partnership scheme; (d) review of existing institutional arrangements and key stakeholder responsibilities; and (e) participatory and consultative process for information, sensitization, and communication on the BRT concept.

6. The technical design of the BRT is ongoing and is financed under the parent project, including an environmental and social impact study. The new activities proposed to be financed under the AF in this component are necessary for the BRT’s efficient design. This component will also finance a monitoring and evaluation system. It will include the baseline data and gender inclusion to ensure female beneficiaries’ specificities are included in the design.

7. **Component 3: Support in implementation, coordination monitoring, and evaluation (US\$1 million, funded by IDA).** This component will also finance the monitoring and evaluation system, including the baseline survey, taking into account the gender dimension so that female beneficiaries’ specificities are included in the design. The detailed activities financed are (a) the provision of equipment and training and the financing of operating costs for AGEROUTE SENEGAL and the CETUD; (b) the financing of technical and financial audits; (c) the provision of support to monitoring and evaluation activities, including surveys and beneficiary assessments; and (d) information, education, and communication activities for the project.

Table 3.1. List of Initial Project and AF Project Activities

Parent Project Activities	AF Activities
<p>Component 1: Support to Interurban Road Infrastructure Development</p> <p>1.1. Institutional strengthening</p> <ul style="list-style-type: none"> • Road safety activities Directorate of land Transport “ Direction des Transports Terrestres,DTT)” • Strategic planning (CEREEQ, DGI) • Support to FERA • Support to “Agence Autonome des Travaux Routiers, AATR)” <p>1.2. Investments</p> <ul style="list-style-type: none"> • Rehabilitation of RN1 Rufisque-Bargny • Upgrading of Pompiers bus terminal • Priority Investment Program <i>Grandes Niayes</i> 	<p>Component 1: Support to Interurban Road Infrastructure Development</p> <p>1.1. Institutional strengthening</p> <ul style="list-style-type: none"> • Road safety activities (DTR) (former DTT) • Support to FERA • Support to DR,CEREEQ • Support to AGEROUTE <p>1.2. Investments</p> <ul style="list-style-type: none"> • Rehabilitation/reconstruction (asphalting) of 69 km of interurban roads • Paving of 30 km urban roads interalia, through HILM
<p>Component 2: Capacity Building for the Development of Public Transport Services in the GDA.</p> <p>2.1. Support to the development of mass transport services</p> <ul style="list-style-type: none"> • Technical assistance to CETUD • Support to DDD-PTB commercial operations 	<p>Component 2: Capacity Building for the Development of Public Transport Services in the GDA.</p> <p>2.1. Support to the development of mass transport services</p> <ul style="list-style-type: none"> • Technical assistance to CETUD for the management of the public transport sector. • Preparation of a pilot BRT system and feeder

<ul style="list-style-type: none"> • Preparation of BRT system <p>2.2. Support to the development of the minibus leasing scheme</p>	<p>minibus facilities, including through the carrying out of (a) feasibility studies, technical studies, and the preparation of bidding documents; (b) financial engineering assessments; (c) design of a public-private partnership scheme; (d) review of existing institutional arrangements and key stakeholder responsibilities; and (e) participatory and consultative process for information, sensitization, and communication on the BRT concept.</p>
<p>Component 3: Support to implementation, monitoring, and evaluation</p> <ul style="list-style-type: none"> • Support to AATR • Support to DGI • Support to CETUD 	<p>Component 3: Support in implementation, coordination monitoring, and evaluation</p> <ul style="list-style-type: none"> • Project management cost (AGEROUTE, DR, and CETUD) • Audits • Monitoring and evaluation

Note: DGI = Infrastructure General Directorate.

Annex 4: Detailed Costs of Additional Activities

Project Cost By Component and/or Activity	Local US\$, millions	Foreign US\$, millions	Total US\$, millions
Component 1: Support to Interurban Road Infrastructure Development (estimated cost US\$60 million, of which US\$15 million to be financed by the GoS)	60.00	0.00	60.00
1.1. Institutional strengthening	1.00	0.00	1.00
Road safety activities (DTR)			
Support to FERA			
Support to DR			
Support to AGEROUTE			
1.2. Investments (estimated contribution of IDA is US\$44 million and US\$15million from the GoS)	59.00	0.00	59.00
Rehabilitation/reconstruction (asphalting) of 69 km of interurban roads connected to <i>Grandes Niayes</i> (US\$42 million) including: (a) consultant services for works control and supervision; and (b) environmental and social impact mitigations measures for interurban roads paving and technical audits of works.	42.00	0.00	42.00
Paving of about 30 km of urban roads inter alia through HILM (US\$17 million), including (a) consultant services for works control and supervision and (b) environmental and social impact mitigation measures for urban roads construction.	17.00	0.00	17.00
Component 2: Capacity Building for the Development of Public Transport Services in the GDA. (estimated cost US\$4 million, funded by IDA)	4.00	0.00	4.00
Technical assistance to CETUD to manage the BRT project	0.50	0.00	0.50
Support to BRT pilot project public awareness campaign	0.50	0.00	0.50

Complementary studies for preparation of the BRT system including the public-private partnership structuring	2.50	0.00	2.50
Institutional framework study to define BRT stakeholders role	0.50	0.00	0.50
Component 3: Support in implementation, coordination monitoring, and evaluation (estimated cost US\$1million, funded by IDA)	1.00	0.00	1.00
Project management costs	0.90	0.00	0.90
Audits	0.05	0.00	0.05
Monitoring and evaluation	0.05	0.00	0.05
Total Baseline Cost	65.00	0.00	65.00
Total Project Costs¹	65.00	0.00	65.00
Total IDA Financing	50.00	0.00	50.00
Total borrower financing	15.00	0.00	15.00

Note: Figures have been rounded off and may not add up exactly.

Annex 5: Economic and Financial Analysis

Economic and Financial Analyses

1. The economic analysis for the project was done as part of the preparation of the detailed designs for all planned investments. The following paragraphs contain the details of the economic analysis.
2. The GDA and the *Grandes Niayes* region have been selected for the initial project investment. The GDA has considerable economic importance and with its daily commuter movement of a million passengers, the need for transport services is very high. As a result of the high rate of population growth and an aging public transport fleet, the development of a mass transport system for the GDA is a necessity. On the other hand, the *Grandes Niayes* region was selected because of its high potential for economic growth.
3. The region is a high-production area for fruits and vegetables and the proposed road construction/rehabilitation works would connect the area with Dakar and the rest of the country, as well as the neighboring countries. Also, by rehabilitating or reconstructing the 69 km road linking Lompoul to Gandiole, the proposed AF will provide access to basic social services to more than 653,742 people and unlock access to markets for about 549,757 tons of fruits and vegetable.
4. For the Lompoul to Gandiole road, the NPV is calculated with a discount rate of 12 percent.. The economic benefits estimation has considered travel time, VOC, impact on agricultural markets, and road safety. The economic analysis used HDM-4, which models the interaction between traffic, road condition, and VOC over time to assess a set of mutually exclusive treatment options. The elements considered for the analysis are (a) the structural performance of road pavements; (b) lifecycle predictions of road deterioration, roadwork effects, and costs; (c) road user costs and benefits; (d) economic comparisons of project alternatives; (e) preservation of the road network's asset values; (f) sensitivity of a road project measured by technical and economic indicators to a change in one parameter; and (g) viability of a road project with reference to a broad range of input scenarios.
5. The foreseen investment also includes paving of about 30 km of urban roads, interalia, using the HILM. For this component, a socioeconomic impact analysis and jobs creation in the targeted areas was considered. The study was refined for the urban roads paving component to measure benefits through a socioeconomic impact analysis, based on: (a) accessibility improvement of project-affected zones; (b) opportunity for improved access to basic services through the paved roads in project-affected zones; (c) reduced adverse impacts in project-affected zones; and (d) number of local jobs created and revenues generated for local communities.

Economic Analysis for the Rehabilitation of Lompoul-Léona-Potou-Gandiole (69 km)

6. The technical design details are outlined here. The design proposal is a road section width of 7.0 m and shoulders of 1.5 m width. The design for pavement layers of rehabilitation consists of the following: (a) 20 cm sub-base of banco-shell; (b) 15 cm of cement stabilized laterite; and

(c) 5 cm asphaltic concrete wearing course. The design also includes culverts; specific inlet, outlet, and drainage improvements; and, possibly, small bridges.

7. The benefit expected from paving of the road is the increased fluidity in the National Road 2, “*Route Nationale numero 2*” RN2) between Dakar and Saint-Louis. A portion of the traffic will be channeled to the new road. This will lead to time savings, reduction of VOC, easy access to agriculture zones alongside the road for trade exchanges, people mobility, and better access to basic services (health, education, markets, and so on).

8. The economic analysis of the road rehabilitation is conducted with HDM-4, using the ‘with/without’ project approach. With three hypothesis (high, medium, and low), the pessimistic hypothesis gave an IRR of 19.8 percent and an NPV at 12% discount rate of US\$20,440,000. See table 5.1.

Table 5.1. IRR of the Project

Optimistic hypothesis of traffic growth		Realistic hypothesis of traffic growth		Pessimistic hypothesis of traffic growth	
Net Present Value (US\$, thousands)	IRR (%)	Net Present Value (US\$, thousands)	IRR (%)	Net Present Value (US\$, thousands)	IRR (%)
24,750	20.9	22,150	20.3	20,440	19.8

9. Under a worst-case scenario combining an increase in project costs of 20 percent and a 20 percent decrease in traffic, the IRR still remains as high as 16.4 percent, which is above the reference rate of 12 percent, and the NPV at 12% discount rate is still positive (US\$13,330,000). See table 5.2.

Table 5.2. EIRR with Sensitivity Test (20% Increase in Costs and 20% Decrease in Traffic)

Realistic hypothesis of traffic growth		Investments costs +20%		Traffic volume -20%		Investments costs +20% and Traffic volume -20%	
Net Present Value (US\$, thousands)	IRR (%)	Net Present Value (US\$, thousands)	IRR (%)	Net Present Value (US\$, thousands)	IRR (%)	Net Present Value (US\$, thousands)	IRR (%)
22,150	20.3	16,944	17.5	18,532	19	13,330	16.4

Socioeconomic impact analysis for urban roads paving.

10. This component’s benefits are measured through a socioeconomic impact analysis, based on the following sets of socioeconomic indicators:

- (a) **Accessibility improvement (measured by the number of people accessing public transport using paved roads).** The urban roads paving program covers 13 municipalities, totaling about 1.18 million inhabitants. It is estimated that around 10–15 percent of people are affected by the activity (120,000 people).
- (b) **Opportunity (number of basic social services accessible via the paved roads).** The municipalities of the project area host 49 health centers, 178 schools, 29 markets, and 61 public facilities. At appraisal, it was projected that the urban paving will span 20 health centers, 63 schools, 13 markets, and 8 public facilities.
- (c) **Reduced adverse impacts (measured by the number of households affected by the paved roads).** Around 10,000 households are expected to have direct access to a paved road and, eventually, be protected from flooding due to the road drainage system.
- (d) **Number of local jobs created and revenues generated.** The activity will generate temporary jobs for about 500 unskilled people for 2 to 3 months, generating total revenue of US\$200,000. These indicators are closely linked to the overall project design and will be monitored during project implementation. They will use results from the various subprojects and will be measured against a baseline. During implementation, data gathering and monitoring of criteria indicators will be done through the integrated Results Monitoring Framework of the project. The project's preliminary results on targeted populations will be evaluated with a midterm review. A socioeconomic impact assessment will be prepared at the end of the project implementation to evaluate changes from the baseline.

Annex 6: Implementation Arrangements

Senegal: Transport and Urban Mobility Project Additional Financing

1. Project implementation will be carried out by the existing administrations and entities as in the parent project. The rationale is to rely as much as possible on existing institutional structures and staff to contribute to strengthening national capacity. The project will be implemented under the operational responsibility of AGEROUTE for Component 1 and of the CETUD for Component 2. AGEROUTE and the CETUD are already involved in the initial project and have a good track record in implementation of projects funded by IDA. The lead executing agency (AGEROUTE) is tasked and has allocated staff to handle the coordination role as well as financial and procurement activities for the project.

Role of Government

2. The Ministry of Infrastructure is responsible, on behalf of the government, for carrying out the policies triggered by the project. It also ensures that all necessary measures are in place to guarantee the satisfactory functioning of AGEROUTE and the CETUD and facilitate efficient implementation of the project.

3. The existing SC composition will be updated for the needs of the AF activities. The SC, led by the Ministry of Infrastructure, will include representatives of the Ministry of Economy and Finance, the Ministry in charge of Transport, the Ministry of Decentralization, and the Municipalities of Dakar (CADAK). The role of the SC will comprise providing overall strategic guidance, overseeing the implementation of the project, reinforcing inter-sectors coordination, approving work programs, and reviewing project implementation issues and audit reports' recommendations. The SC will be informed by AGEROUTE and the CETUD on a monthly basis on project implementation and will meet every quarter and on an ad hoc basis if needed. Consolidated implementation reports will be prepared by AGEROUTE with input from the CETUD and shared with IDA.

4. The Ministry in charge of Infrastructure, DGI, will host the secretariat of the SC. The Ministry of Infrastructure will designate a dedicated staff member to exercise the secretariat of SC task. This staff member will (a) coordinate the project activities with input from AGEROUTE and the CETUD as needed; (b) consolidate the annual work plans from AGEROUTE and the CETUD; (c) ensure that technical and financial external audits and other monitoring activities are duly carried out; and (d) ensure regular reporting to the SC and IDA. All procurement and disbursement linked to the SC or to coordination activities will be carried out by the coordination unit (CU) placed under AGEROUTE.

Role of AGEROUTE

5. By law, AGEROUTE is responsible for road management and maintenance, including rehabilitation and construction of the national roads and highways network (*Réseau classé*). As a result, AGEROUTE will be in charge of the implementation of the Annual Road Maintenance Program (*Programme d'Entretien Routier Annuel*) once it is approved by the Board of Directors (*Conseil de Surveillance*).

6. AGEROUTE will be responsible for implementing the activities of Component 1 of the AF through the following tasks:

- (a) Prepare the annual program (Component 1) in consultation with the stakeholders and prepare quarterly implementation reports.
- (b) Ensure overall implementation of and coordination within Component 1, including monitoring, reporting, and evaluation. AGEROUTE will report to the coordinator and to IDA at least every quarter.
- (c) Liaise with IDA on issues linked to component activities.
- (d) Bear fiduciary responsibility of the component and manage the project Designated Account.

7. The current organization chart defined during project preparation is acceptable to IDA. For project management and implementation, AGEROUTE has designated a full-time team comprising three staff: a road engineer for overall technical coordination, an accountant or financial officer (entirely dedicated to project financial reporting), and a procurement specialist. AGEROUTE will be responsible for consolidation of the project accounts by including operations managed by the CETUD. The Manual of Procedures that is already in place was updated to reflect this organization.

Role of CETUD

8. The CETUD is a public entity whose main responsibility is to organize, monitor, and develop urban mobility in the GDA. It is a state-owned enterprise. Its organizational structure includes the president's office (chair of the Board of Directors) and the permanent secretariat led by the director general who supervises the team of experts and reports to the president.

9. The CETUD was in charge of implementing the activities under Component 2 of the original project. For this reason, the CETUD will continue to be responsible for the implementation of Component 2 of the AF project. Its role will consist of the following activities:

- (a) Preparing the annual program (Component 2) and the quarterly implementation reports in coordination with other project stakeholders.
- (b) Ensuring overall implementation and coordination of Component 2, including monitoring, reporting, and evaluation. It will report to the CU and to IDA at least every quarter.
- (c) Liaising with IDA on issues related to Component 2 activities.
- (d) Bearing fiduciary responsibility of the component. However, disbursements will be made through the Designated Account managed by AGEROUTE.

10. The CETUD key staffs are already in place and are acceptable to IDA. The current organization chart, revised during the Senegal Transport and Urban Mobility Project (PATMUR)

in 2014, is acceptable to IDA. The Manual of Procedures is already updated to accommodate the AF.

Annex 7: Procurement Arrangements

1. The proposed AF will have the following management setup: (a) the project institutional arrangements structure will remain the same as the initial project. The existing project SC will be updated to take into account the additional stakeholders (municipalities); (b) the operational responsibility of AGEROUTE (formerly AATR at the initial project design) for Component 1 and CETUD for Component 2 will be maintained; and (c) the coordination role will be performed by AGEROUTE and their fiduciary function strengthened with a designated Procurement Specialist.
2. AGEROUTE, in addition to its implementing role of component 1, will remain the principal coordinating agency with fiduciary (procurement and financial) and safeguards responsibilities. The CETUD will remain the implementing agency for Component 2.
3. The CETUD is a national semiautonomous government agency that will oversee implementation of Component 2. The CETUD will provide support and capacity building for the development of public transport services in the GDA together with complementary studies and technical assistance required to design and implement the first BRT system for the GDA (about US\$4 million). The CETUD's Procurement Section is currently sufficiently staffed to handle the procurement activities brought by the AF. The project management team is familiar with IDA procedures and has performed similar activities well with other donors during the past five years at least. The experience and the expertise that have been developed in the CETUD are expected to be of great benefit in the implementation of the AF. While there is a lack of filing space and equipment, this would be addressed in the coming months, through the purchase of filing equipment. A Procurement Plan for the AF was prepared and approved by IDA on September 1, 2015.
4. The following guidelines apply to the AF: (a) '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); (b) 'Guidelines Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', published by the Bank in January 2011 (revised in July 2014); and (c) 'Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', published by the Bank in January 2011 (revised in July 2014).
5. The procurement risk is rated high and is expected to turn to Substantial at the next implementation support mission planned for December 2015. The following mitigation measures are being implemented: a procurement specialist already designated; Project Implementation Manual updated to take into account Bank procedures; and acquiring more space and stationery for the project filing system.

Annex 8: Financial Management and Auditing Arrangements

A. Executive Summary

1. The project is designed as an AF to the ongoing PATMUR. It will be built on institutional arrangements of the existing project for FM responsibility. The project institutional arrangements structure will remain the same. The operational responsibility of AGEROUTE for Component 1 and the CETUD for Component 2 will be maintained. However, AGEROUTE will play the overall coordination role of the project. The accountant officer of the PATMUR will handle additional FM activities. The FM arrangements for the AF will be based on the existing arrangements under the ongoing project. The overall performance of the project in FM was Satisfactory at the last FM supervision undertaken in November 2014. The accounting system operates satisfactorily and staffing has remained adequate to handle additional activities. Auditors have issued an unqualified opinion on the 2013 financial statements of the project. However, there is a point for improvement related to the recruitment of an internal auditor on a regular basis to strengthen internal controls. An internal auditor has been recruited by AGEROUTE and her TORs were revised to include the internal audit of parent project and the Additional Financing. The overall FM risk for the AF is rated as Moderate. It is considered that the FM arrangements satisfy the Bank's minimum requirements under OP/BP 10.00 and are adequate to provide, with reasonable assurance, accurate and timely FM information on the status of the project required by the Bank.

B. External Audit

2. The Financial Agreement will require the submission of audited financial statements for the project to IDA within six months after year-end. The terms of reference of the external auditor of the project will be extended to include additional activities. An opinion on the audited financial statements in compliance with the International Federation of Accountants and a specific opinion on additional activities will be required.

3. The external auditors will prepare a Management Letter providing observations, comments, and recommendations for improvements in accounting records, systems, controls, and compliance with the financial covenants in the Financial Agreement.

C. Disbursement Arrangements and Flow of Funds

4. Disbursement for the project will follow the existing disbursement arrangements for the original project. Disbursements under the ongoing project are transaction based. Direct Payment and Statement of Expenditures methods will apply as appropriate. A Designated Account (DA) will be opened at a commercial bank to facilitate payment for eligible expenditures. The DA will be managed by the Directorate of Investment (DI) of the Ministry of Economy and Finance, which is the entity in charge of managing the DAs in Senegal, in coordination with the PATMUR CU. The allocation of the DA will cover approximately four months of expenditures. The minimum value of applications for direct payment and special commitment is 20 percent of outstanding advance made to the DA.

D. Reporting and Monitoring

5. The unaudited Interim Financial Report format will be updated to include the AF. It will comprise sources and uses of funds according to project expenditures classification and a comparison of budgeted and actual project expenditures (commitments and disbursements) to date and for the quarter. The PATMUR CU will submit the financial reports to the Bank within 45 days following the end of each calendar quarter.

6. The PATMUR CU will produce the project's annual financial statements, which will include the AF and will comply with the requirements of the International Federation of Accountants and the Bank. These financial statements² will include (a) a balance sheet and a statement of sources and uses of funds; (b) a statement of commitments; (c) accounting policies adopted and explanatory notes; and (d) a Management Assertion that project funds have been expended for the intended purposes as specified in the relevant financing agreements.

7. An internal audit report should be produced every quarter. In addition, the PATMUR CU will prepare and agree with the Bank on the format of the budget monitoring report.

E. Financial Covenants

8. The borrower shall establish and maintain an FM system, including records, accounts, and related financial statements prepared in accordance with accounting standards acceptable to the Bank. The borrower will be compliant with all the rules and procedures required for withdrawals from the DA of the project.

F. Implementation Support Plan

9. Based on the outcome of the FM risk assessment, the following implementation support plan is proposed. The objective of the implementation support plan is to ensure the project maintains a satisfactory FM system throughout the project's life.

² The project financial statements should be all-inclusive and cover all sources and uses of funds and not only those provided through IDA funding. In this manner, it will reflect all project activities, financing, and expenditures, including funds from other development partners.

FM Activity	Frequency
Desk reviews	
Interim financial reports review	Quarterly
Audit report review of the program	Annually
Review of other relevant information such as interim internal control systems reports	Continuous as they become available
On-site visits	
Review of overall operation of the FM system	Annual for PATMUR (Implementation Support Mission)
Monitoring of actions taken on issues highlighted in audit reports, auditors' management letters, internal audit, and other reports	As needed
Transaction reviews (if needed)	As needed
Capacity-building support	
FM training sessions	During implementation and when needed

Annex 9: Map of Road Proposed for Asphalting: Lompoul-Léona-Potou-Gandiole (69 km)



