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IDA/R2016-0211/1

August 15, 2016

**Closing Date: Wednesday, August 24, 2016
at 6 p.m.**

FROM: Acting Vice President and Corporate Secretary

Senegal - Social Safety Net Project

Proposal to Restructure

Project Paper

Attached is the Project Paper regarding a proposed restructuring to Senegal for a Social Safety Net Project (IDA/R2016-0211), which is being processed on an absence-of-objection basis.

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Report No: PAD1588

PROJECT PAPER

ON A

PROPOSED PROJECT RESTRUCTURING
OF THE SOCIAL SAFETY NET PROJECT

TO THE

REPUBLIC OF SENEGAL

August 11, 2016

Social Protection and Labor Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective as of April 30, 2016)

Currency Unit = CFA Francs BCEAO (CFAF)
CFA F 575.5271 = US\$1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
ASP MDTF	Adaptive Social Protection Multi-donor Trust Fund
CIP/SNPS	<i>Comité interministériel de Pilotage de la Stratégie Nationale de Protection Sociale</i> (Interministerial Committee for Piloting the National Social Protection Strategy)
DA	Designated Account
DGPSN	<i>Délégation Générale à la Protection Sociale et à la Solidarité Nationale</i> (Social Protection Delegation)
FM	Financial Management
GRS	Grievance Redress Service
MIS	Management Information System
NCB	National Competitive Bidding
NGO	Nongovernmental Organization
PDO	Project Development Objective
PNBSF	<i>Programme National de Bourses de Sécurité Familiale</i> (National Conditional Cash Transfer Program)
RNU	<i>Registre National Unique</i> (National Unique Registry)
SSNSC	Social Safety Nets Steering Committee
TOR	Terms of Reference

Regional Vice President:	Makhtar Diop
Country Director:	Louise Cord
Acting Senior Global Practice Director:	Omar Arias
Practice Manager/Manager:	Stefano Paternostro
Task Team Leader:	Aline Coudouel

**SENEGAL
SOCIAL SAFETY NET PROJECT**

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ADDITIONAL FINANCING DATA SHEET

Senegal

Social Safety Net Project (P156160)

AFRICA

Social Protection and Labor

Basic Information – Parent							
Parent Project ID:	P133597	Original EA Category:	C - Not Required				
Current Closing Date:	30-Jun-2019						
Basic Information – Additional Financing (AF)							
Project ID:	P156160	Additional Financing Type (from AUS):	Scale Up				
Regional Vice President:	Makhtar Diop	Proposed EA Category:	C - Not Required				
Country Director:	Louise J. Cord	Expected Effectiveness Date:	01-Oct-2016				
Senior Global Practice Director:	Omar S. Arias Diaz	Expected Closing Date:	30-Jun-2019				
Practice Manager/Manager:	Stefano Paternostro	Report No:	PAD1588				
Team Leader(s):	Aline Coudouel						
Borrower							
Organization Name	Contact	Title	Telephone	Email			
Government of Senegal	Dieng	Directeur de la Cooperation Economique et Financiere	2218210378	abdoulayemadior@gmail.com			
Project Financing Data - Parent (Senegal Safety Net operation-P133597) (in USD Million)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P133597	IDA-54330	Effective	29-Apr-2014	30-May-2014	07-Aug-2014	30-Jun-2019	30-Jun-2019

Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P133597	IDA-54330	Effective	XDR	26.20	26.20	0.00	2.79	23.41	10.66
Project Financing Data - Additional Financing Social Safety Net (P156160) (in USD Million)									
<input type="checkbox"/> Loan <input checked="" type="checkbox"/> Grant <input type="checkbox"/> IDA Grant <input type="checkbox"/> Credit <input type="checkbox"/> Guarantee <input type="checkbox"/> Other									
Total Project Cost: 11.05				Total Bank Financing:			0.00		
Financing Gap: 0.00									
Financing Source – Additional Financing (AF)							Amount		
BORROWER/RECIPIENT							0.00		
International Development Association (IDA)							0.00		
Adaptive Social Protection Multi-Donor Trust Fund (MDTF)							11.05		
Total							11.05		
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	Role		Title			Unit			
Aline Coudouel	Team Leader (ADM Responsible)		Lead Economist			GSP07			
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Saba Nabeel M Gheshan	Counsel	Counsel	LEGAM
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Solene Marie Paule Rougeaux	Team Member	E T Consultant	GSP07
Yacouba Konate	Safeguards Specialist	Social Development Specialist	GSU01

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Senegal		Republic of Senegal			

Institutional Data

Parent (Senegal Safety Net operation-P133597)

Practice Area (Lead)

Social Protection & Labor

Contributing Practice Areas

Cross Cutting Topics

- Climate Change
- Fragile, Conflict & Violence
- Gender
- Jobs
- Public Private Partnership

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	88		
Public Administration, Law, and Justice	Public administration- Other social services	12		
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Social Safety Nets/Social Assistance & Social Care Services	79		
Social protection and risk management	Social Protection and Labor Policy & Systems	12		
Human development	Nutrition and food security	3		
Human development	Child health	3		
Human development	Education for all	3		
Total		100		
Additional Financing Social Safety Net (P156160)				
Practice Area (Lead)				
Social Protection & Labor				
Contributing Practice Areas				
Cross Cutting Topics				
[X] Climate Change				
[] Fragile, Conflict & Violence				
[] Gender				
[] Jobs				
[] Public Private Partnership				

Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	100	100	
Total		100		
<input type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Social Safety Nets/Social Assistance & Social Care Services	80		
Social protection and risk management	Natural disaster management	20		
Total		100		

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors of a Level 1 restructuring to modify the Project Development Objective for the Senegal Social Safety Nets Project (P133597, IDA-54330). An additional grant has been approved to finance the costs associated with the support of the expansion of the ongoing Senegal Social Safety Net Project of US\$40.5 million. This additional financing (AF) will be financed by the Sahel Adaptive Social Protection Multi-donor Trust Fund (ASP MDTF) Program, whose objective is to increase access to effective adaptive social protection systems for poor and vulnerable populations in the Sahel region. The proposed AF will implement some of the reforms supported by the Bank-executed non-lending technical assistance also financed by the ASP MDTF.

2. The proposed AF aims to scale up the existing project and strengthen the foundations it has established for the social protection system (through a national registry and a nationwide conditional cash transfer program that reaches all localities). It will also introduce adaptive elements in the social protection system to make poor households more resilient to shocks, including the design of procedures to scale up support in times of regular shocks and to promote greater resilience and productive capacity among the poorest, as well as the temporary expansion of transfer programs for households affected by shocks (temporary transfers), the preferential inclusion of poor households in existing resilience programs, the provision of activities to promote behavioral changes necessary to improve resilience, and the provision of one-off monetary transfers to promote the adoption of good productive practices among target households.

3. Institutional and implementation arrangements and the structure of the original project will be maintained. However, the proposed AF will include a restructuring to (a) revise the project development objective (PDO) and associated Results Framework (revise targets and add new intermediary indicators); (b) scale up existing activities; (c) add new activities under existing components; and (d) transfer the project monitoring responsibilities of the Social Safety Nets Steering Committee (SSNSC) to the Technical Committee supporting the Interministerial Committee for piloting the National Social Protection Strategy (*Comité interministériel de Pilotage de la Stratégie Nationale de Protection Sociale*, CIP/SNPS).

4. Several agencies from the United Nations (United Nations Children's Fund, the United Nations Food and Agriculture Organization, and the World Food Programme) are engaged with the Government of Senegal to support the implementation of the National Conditional Cash Transfer Program (*Programme National de Bourses de Sécurité Familiale*, PNBSF). To date, their support is mainly technical and no other development partners are co-financing the programs supported by this project. Overall, there is good coordination between all stakeholders to complement one another and avoid conflicting discourse, under the premise of the development partners' coordination group on social protection.

II. Background and Rationale for Additional Financing

Consistency with the Country Partnership Strategy

5. The proposed Project is fully aligned with Senegal Country Partnership Strategy (CPS) and with the Government development plan (“Plan Senegal Emergent”) and its National Strategy for Social Protection (SNPS). It has been developed as the result of a long-term partnership between the Government and the World Bank. The proposed activities would support the CPS Foundation of “Strengthening the governance framework and building resilience”, its Pillar 1 on “Accelerating inclusive growth and creating employment”, and its Pillar 2 on “Improving service delivery.” Indeed, the AF focuses on strengthening the national systems used to identify, select and enroll beneficiaries for social assistance programs, and putting in place monitoring and evaluation mechanisms that foster accountability. The AF will also improve the efficiency of public spending in social assistance, improving the targeting of programs, removing duplications, rationalizing programs, and exploiting synergies. Finally, the program will promote investments in the human capital of the poor and vulnerable households, and promote their productivity and employability.

Poverty and Social Protection in Senegal¹

6. Although Senegal made steady gains in reducing monetary poverty during the early 2000s, this progress stalled in the second half of the decade. In marked contrast to the period between 2001 and 2005/06 when poverty declined from 55.2 percent to 48.3 percent on the back of strong economic growth, poverty is estimated to have declined only marginally over the subsequent five years to 46.7 percent in 2011. In rural areas, where poverty rates are now more than twice as high as in urban Dakar, poverty incidence fell from 65.1 percent in 2001 to 57.1 percent in 2011, with most of this change occurring in the first half of the 2000s.

7. As the size of the population has expanded, the number of poor actually increased from 5.7 million in 2001 to more than 6.3 million in 2011. Poverty is still concentrated in rural areas, with nearly 70 percent of the poor in 2011 living in rural areas and largely dependent on agriculture. The number of urban poor is almost two million and they are concentrated in Dakar and the neighboring regions.

8. If the level and patterns of growth observed between 2006 and 2011 were maintained, poverty would only decrease to 43 percent by 2030. In addition to sluggish performance in per capita consumption growth, Senegal has experienced even lower consumption growth among the bottom 40 percent, that is, the less well-off in society. Simulations indicate that even with a higher percent annual growth rate in per capita consumption of around 2.6 percent, equivalent to the median value globally for the 2006 to 2011 period, consumption growth for the bottom 40 percent would have to be faster than average by two percentage points to bring the national poverty rate to three percent by 2030. Poverty reduction targets will be hard to achieve without boosting the incomes of this segment of the population.

9. Despite the progress achieved toward increasing the income of poor households, the overall context remains that of high vulnerability to shocks. Natural disasters have slowed growth and increased the vulnerability of the whole economy. Over the last decade, Senegal has been hit by a

¹ This section draws from the 2015 Senegal Poverty Assessment.

series of major shocks, including recurring droughts and floods, the global food and fuel price crisis, the global financial crisis, and the contagion effects from the Ebola epidemic in neighboring countries. The security situation in neighboring countries is also a potential risk. Covariate shocks, such as rising prices of imported goods or the effects of global economic recession, strike Senegal particularly hard because of its small, open economy. Weather shocks, particularly droughts, are a recurring phenomenon in Senegal and are one of the main sources of risk for rural households. At least five million Senegalese are exposed to drought risk, and flooding has also affected several regions, with effects on production and infrastructure, as well as loss of household assets.

10. At the heart of its development strategy laid out in the *Plan Sénégal Emergent* in 2014, the Government of Senegal has decided to develop a system of social safety net programs that address chronic poverty and support households that are vulnerable to shocks. In this context, the Government has put in place a Social Protection Delegation (*Délégation Générale à la Protection Sociale et à la Solidarité Nationale*, DGPSN) to lead the formulation of social protection public policies, the establishment of interventions, and the coordination of the sector, under the guidance of the CIP/SNPS. The Bank supported the design of two of the core pillars of this effort: the National Unique Registry (*Registre National Unique*, RNU) that aims at providing a central mechanism for the targeting and coordination of safety nets and the PNBSF. Both were launched in 2013, with technical assistance from the Bank and other partners and are now supported by the original project (the Senegal Safety Net Project) for which AF is sought. The agenda is ambitious—creating the tools for a coherent system that can integrate interventions—but it has the potential to transform the sector significantly and increase its impact on the vulnerable.

Parent Project Implementation

11. The parent project, the Senegal Social Safety Net Operation, is financed by an IDA Grant of US\$40.5 million (SDR 26.20 million). The project was approved by the Executive Directors on April 29, 2014 and became effective on August 7, 2014. It has a closing date of June 30, 2019. The project's PDO is to support the establishment of building blocks for the social safety net system and to provide targeted cash transfers to poor and vulnerable households. The project has two components: (a) support to the development of the social safety net system and (b) support to the National Targeted Cash Transfer Program for poor and vulnerable households.

12. Project implementation has been under way for 18 months and, after an initial period of complex recruitment and procurement processes, has been progressing satisfactorily. As indicated in the last Implementation Status and Results Report dated June 22, 2016, the project is currently rated Satisfactory for achievement of the PDO and Moderately Satisfactory for implementation progress. During the initial phase, disbursements were somewhat limited (disbursement ratio of 10 percent), as systems were developed and complex procurement processes carried out (including the recruitment of payment agencies, regional representatives, and local nongovernmental organizations (NGOs) for the implementation of the programs in the communities throughout the entire territory). Now that these have been finalized, disbursement is expected to increase significantly as both cash transfers and promotion activities financed under Component 2 (representing a total of US\$30 million) can be implemented in the first semester of 2016. More generally, progress has been significant in recent months, as described below.

13. **Component 1: Support to the development of the Social Safety Net System.** The objective of this component is to support the Government in the development of the social safety net system, as part of a National Social Protection Framework. This component supports (a) the development of core instruments and procedures that will form the backbone of a social safety net system; and (b) the strengthening of the institutional capacity of the DGPSN and sectoral actors of the social safety net system. In recent months, the following activities have been conducted:

- The project has supported the creation of the National Unique Registry (RNU), a national database for the poorest households which will serve as an entry point for multiple interventions for poor Senegalese. The project supported the development of the methodology for identifying the poorest households and registering them in the national registry. It also enabled the creation of a separate department dedicated to the development and construction of the RNU within the DGPSN. In 2015, this department successfully organized a community targeting of 150,000 vulnerable households nationwide, which came in addition to the 130,000 that already entered the registry during 2013–2014. At the end of 2015, the registry consolidated information on 280,000 households nationwide. Over the past few months, the project supported improvements in the methodology leading to improved quality of the community-level targeting, which has been considered for the 2016 wave of inclusion of an additional 180,000 households, with significant targeting gains expected. At the end of 2017, 450,000 households are expected to be included in the RNU, amounting to over 25 percent of the country’s population. The project also financed the implementation of the surveys applied to households selected by the communities by the National Statistical and Demography Agency (*Agence Nationale de la Statistique et de la Demographie*, ANSD). Beyond the PNBSF, the RNU is already being used by the national health insurance program, the national nutrition program, United Nations Children’s Fund, and NGOs focusing on resilience to identify their beneficiaries. There is ongoing analysis and dialogue to promote the use of the registry for shocks or crises response programs by humanitarian actors.
- The project has started working with the intersectoral committee for social protection, building its capacity through a series of training sessions on vulnerability and safety nets to increase the understanding of its members. It also supports the revision and updating of the National Social Protection Strategy through selected analytical inputs, including a planned inventory of all programs, their coverage, and their budgets and a planned comparative analysis of the profile of the households in the RNU with that of the poverty analysis led by the national statistical agency.

14. **Component 2: Support to Targeted Cash Transfer Programs for Poor and Vulnerable Households.** The second component supports the expansion and strengthening of the PNBSF, the national cash transfer program officially launched in October 2013 targeting the poorest households. The PNBSF’s objectives are to reduce poverty and to promote the growth of the human capital of poor households. The PNBSF provides regular cash transfers to stimulate investments in the human capital of poor and vulnerable households as relevant (education, health, and nutrition) and provides accompanying measures to these families to promote behavioral changes. The program is national and aims at reaching the poorest households, irrespective of their place of residence, on the basis of the RNU. Component 2 finances monetary transfers to PNBSF

beneficiary households, accompanying measures, and selected program management and evaluation costs.

- As of May 2016, the PNBSF is benefiting approximately 180,000 households nationwide (among the 280,000 included in the national registry). It is expected to include another 120,000 households at the end of 2016 to support a total of 300,000 households. The national cash transfer provides payments of about US\$50 to households every quarter, and payments have become more regular and orderly in 2015. Households enter the program for an initial period of five years, after which their condition is to be reassessed. A commercial payment operator has been recruited through competitive bidding, with norms that guarantee high-quality fiduciary management. An alternative innovative method of payment (mobile money operator) is being used since April 2016 in five departments (about 45,000 households are expected to be paid through this innovative method, financed by the project, thereby guaranteeing a steady increase in disbursement).
- Accompanying measures seeking to increase awareness and change behaviors related to nutrition, hygiene, education, and civil registration started to be delivered by NGOs to beneficiaries in February 2016 in all regions. These NGOs will also verify the conditionality regarding participation in the social promotion and sensitization sessions. The testing of the system to verify the education conditionality has begun in one department during the whole school year of 2015–2016. This supports a broader effort by the Ministry of Education to strengthen its information system, by promoting the inclusion of nominative data in the system. By establishing direct links with the PNBSF management information system (MIS), the design avoids duplication of efforts and promotes higher-level system improvements in the social sectors.
- Finally, these improvements, together with the construction of the MIS for the PNBSF, are expected to complete and consolidate the different elements of the full program (transfers, accompaniment, and conditionality). This MIS is separate from that of the RNU, because both need to be able to work with full autonomy, but they are developed with built-in links to ensure that information flows freely and efficiently between the two MISs (updates in either of the MISs are reflected in the other one). This interconnectivity and the direct links of the RNU with other social programs will allow the DGPSN to connect its beneficiaries to adaptive programs and develop interventions to address shocks.

Financial Management, Procurement and Safeguards

15. The institutional arrangements for the AF will be based on the existing arrangements under the ongoing project.

16. The overall performance of the project in fiduciary management was Moderately Satisfactory at the last supervision mission undertaken in the first quarter of 2016. It was noted that (a) the staffing has remained adequate to handle additional activities on the financial management (FM) side; (b) the interim unaudited financial reports for the ongoing project have also been submitted on time and the quality of the reports was satisfactory; (c) the implementation manual was revised to describe the procurement procedures acceptable to the Bank; and (d) a procurement specialist was recruited in the National Statistical and Demography Agency (*Agence*

Nationale de la Statistique et de la Demographie, ANSD) to carry out its activities. However, improvements need to be made related to budget monitoring, accounting system, and internal control strengthening. The DGPSN should ensure that (a) the budget is monitored; (b) the internal audits activities of the project are undertaken; (c) the manual of accounting and administrative procedures is shared with all the staff of the DGPSN; (d) the accounting software information is shared with staff having FM responsibilities; and (e) an adequate financial information backup system is in place.

17. On the procurement side, the main risks are identified to be (a) delays in the project implementation; (b) poor quality procurement and outcomes; and (c) poor filing system that increases cost/time of supervision and decreases effectiveness of supervision. The following mitigating measure are proposed: (a) finalize as soon as possible the recruitment of the new procurement specialist for the project; (b) provide training on the Bank's procedures for the five staff of the Procurement Department; (c) prepare and finalize the Procurement Plan earlier in the year and be proactive to carry out activities on time; and (d) improve the filing system.

18. The overall risk for the AF is rated as Substantial. The risk is reduced to a residual rating of Moderate upon consideration of successful implementation of the above measures.

Justification to Process the Additional Financing

19. During the first year of implementation of the project, the RNU and PNBSF were progressively rolled out to about 280,000 and 180,000 households, respectively, on the entire national territory. In the process, the Government and its development partners have identified the need to ensure social safety nets play a greater role in addressing the poor's vulnerability to shocks. There are also broader efforts to reduce the role played by humanitarian actors in the case of regular and anticipated crises (critical lean season for instance) and to ensure the national social safety net system addresses these shocks by promoting greater resilience among the poorest households through regular payments (leaving the humanitarian programs to address acute and unexpected crises). In the ongoing revision of the National Social Protection Strategy, efforts are planned to bring disaster risk management and social protection more in line with each other.

20. The US\$11.05 million from the ASP MDTF provides a unique opportunity to build on the existing operation and introduce adaptive elements to make poor households more resilient to shocks. Indeed, the AF can build on the existing interest of the Government and donors to focus on resilience. It can also build on the broader, regional, effort to better link social protection with disaster management, thereby benefiting from a regional learning agenda on this question and from the lessons learned from neighboring countries. Finally, the amount available from the ASP MDTF is significant enough to both scale up the existing interventions and influence the design of these interventions to give them an additional focus on resilience. Scaling-up and an improved design are therefore expected to increase the development effectiveness of the project.

III. Proposed Changes

Summary of Proposed Changes	
<p>The proposed AF aims to scale up the existing project and strengthen the foundations it has established for the social protection system (through a national registry and a national conditional cash transfer program that reaches all localities). It would also introduce adaptive elements in the social protection system to make poor households more resilient to shocks.</p> <p>Accordingly, the team proposes to (a) revise the PDO and associated Results Framework (revise targets and add new intermediary indicators); (b) scale up existing activities; (c) add new activities under existing components; (d) transfer the project monitoring responsibilities of the Social Safety Nets Steering Committee to the Technical Committee supporting the Inter-ministerial Committee for piloting the National Social Protection Strategy. Other institutional and implementation arrangements will be maintained, as well as the structure of the original project. The team also proposes to reallocate some of the funds between disbursement categories of the initial project, to reflect changes made to the cash transfer program design. These changes will be reflected in an amendment to the legal agreement of the parent project.</p>	
Change in Implementing Agency	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Project's Development Objectives	Yes [<input checked="" type="checkbox"/>] No [<input 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 type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Cancellations Proposed	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Reallocation between Disbursement Categories	Yes [<input checked="" type="checkbox"/>] No [<input 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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Change(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]

Development Objective/Results
Project's Development Objectives
<p>Original PDO</p> <p>The development objectives of the original Project are to support the establishment of building blocks for the social safety net system and to provide targeted cash transfers to poor and vulnerable households.</p>
Change in Project's Development Objectives
<p>Explanation:</p> <p>The word “adaptive” was included in the revised PDO to reflect the expected impact of the AF on resilience. For the purpose of this project, adaptive programs are programs that protect households from shocks before they occur or help them cope with the impact of shocks. The expression “to provide” was changed for “to increase the access” to refer to an outcome instead of an input.</p>
Proposed New PDO - Additional Financing (AF)
<p>The objectives of the Project are to: (a) support the establishment of building blocks for the social safety net system; and (b) increase the access of poor and vulnerable households to targeted and adaptive cash transfers programs.</p>
Change in Results Framework
<p>Explanation:</p> <p>The Results Framework will be modified to reflect progress to date on the parent project and new activities, and capture the strengthened focus of the project on resilience. More specifically, the following changes will apply to the outcome indicators:</p> <ul style="list-style-type: none"> • The target for the number of households registered in the RNU and households who benefit from the PNBSF will be revised from 210,000 to 450,000 and from 248,000 to 300,000 respectively. • Specific indicators regarding the RNU MIS and grievance mechanism will be added. • Indicators relating to the adaptive social protection interventions will be added, including the adoption of an adaptation framework for social safety nets, the number of households who benefit from temporary and productive transfers, and the number of households who benefit from productive accompanying measures. • Indicators relating to verification of conditionalities will be modified to reflect the changes that occurred in the project implementation.

Compliance						
Covenants - Additional Financing (Social Safety Net - P156160)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
MDTF	Schedule 2, Section I.A.2	The Recipient shall, no later than one (1) month of effectiveness, update and thereafter maintain throughout the Project implementation period, with composition, mandate and resources satisfactory to the World Bank, a technical committee, to be co-chaired by the Secretary General of DGPSN and a representative of the Minister in charge of finance and comprised of representatives from the ministries	01-nov-2016	<input type="checkbox"/>		New
MDTF	Schedule 2, Section I.A.3 (c)	Not later than one (1) month of effectiveness, recruit and thereafter maintain, throughout Project implementation at all times a Procurement Specialist under terms of reference satisfactory to the World Bank;	01-Nov-2016	<input type="checkbox"/>		New
MDTF	Schedule 2, Section II.C.4	The Recipient shall, not later than one (1) months after the Effective Date, update and thereafter maintain the accounting software in a manner acceptable to the World Bank, for the Project.	01-Nov-2016	<input type="checkbox"/>		New

Conditions						
Source Of Fund	Name			Type		
MDTF	Disbursement Condition			Disbursement		
Description of Condition						
Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made under category (2), unless and until all the Original Financing for Parts B.3 and B.4 of the Project has been fully disbursed and under Category (3) and (4), unless and until the PIM has been updated in accordance with Section I.B of Schedule 2.						
Risk						
Risk Category				Rating (H, S, M, L)		
1. Political and Governance				Moderate		
2. Macroeconomic				Moderate		
3. Sector Strategies and Policies				Moderate		
4. Technical Design of Project or Program				Substantial		
5. Institutional Capacity for Implementation and Sustainability				Substantial		
6. Fiduciary				Substantial		
7. Environment and Social				Low		
8. Stakeholders				Moderate		
9. Other						
OVERALL				Substantial		
Finance						
Loan Closing Date - Additional Financing (Social Safety Net - P156160)						
Source of Funds			Proposed Additional Financing Loan Closing Date			
Adaptive Social Protection Multi-Donor Trust Fund			30-Jun-2019			
Change in Disbursement Estimates (including all sources of Financing)						
Explanation: The expected disbursements will be updated to reflect the additional financing as well as past actual disbursement.						
Expected Disbursements (in USD Million) (including all Sources of Financing)						
Fiscal Year	2014	2015	2016	2017	2018	2019
Annual	0.00	4.00	7.55	14.00	16.00	10.00
Cumulative	0.00	4.00	11.55	25.55	41.55	51.55

Allocations - Additional Financing (Social Safety Net - P156160)				
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)
			Proposed	Proposed
MDTF	USD	Goods, non-consulting services, Training, Operating Costs (including audits), and consultants' services under component 1 (except sub-components 1.1 (a) and 1.2), component 2.1. (c), 2.2. (b) and 2.2.(c).	5,400,000	48.86%
MDTF	USD	Goods, non-consulting services, Training, Operating Costs (including audits), and consultants' services under Components 2.3 and 2.4.	1,650,000	14.93%
MDTF	USD	Temporary Transfers under Component 2.1 (b)	2,000,000	18.09%
MDTF	USD	Productive Transfers under Component 2.2 (a)	2,000,000	18.10%
		Total:	11,050,000	100%
Reallocation between Disbursement Categories				
<p>Explanation:</p> <p>In the parent project, the categories of expenditure reflected the initial design of the PNBSF, which foresaw different categories of cash transfers to beneficiaries: to households with children under the age of 5 years, to households with children between the ages of 6 and 12 years, and to households with members over the age of 60 years. Over time, in light of the large overlap between the different types of households and of the need for simplicity in the program design to ensure clear understanding by beneficiaries, the Government decided to only put in place one type of transfer to extremely poor households (a conditionality was put in place for all beneficiary households, which is to participate in the sensitization sessions organized by the PNBSF). As a result, it is proposed to merge the two initial categories of expenditure for cash transfers into a single cash transfer category for the PNBSF in the parent project. The resulting allocations is:</p>				

Ln/Cr/TF	Currency	Current Category of Expenditure	Allocation		Disbursement % (Type Total)	
			Current	Proposed	Current	Proposed
IDA-54330	XDR	Goods, non-consulting services, training, operating costs, audits and consultants' services under Components 1.1(a), 1.2, 2.1(c), 2.1(d), d.3 and 2.4	10,550,000	10,550,000	100.00	100.00
IDA-54330		Cash Transfers under Component 2.1 (a)(i)&(iii)	7,250,000	0.00	100.00	0.00
IDA-54330		Cash Transfers under Component 2.1(a)	8,400,000	15,650,000	100.00	100.00
		Total:	26,200,000	26,200,000		

Components

Change to Components and Cost

Explanation:

The proposed AF will improve the efficiency of the safety net system that was established with support from the parent project to ensure that this system can be rapidly scaled up to respond to crises and can foster the resilience of the poorest households. It will be organized following the two components of the parent project.

Component 1: Support to the Development of the Social Safety Net System.

Under this component, in addition to the activities supported by the original Project, the proposed AF will support the expansion of the targeting system (RNU) to include households that are potentially vulnerable to shocks, as well as the assessment of options to strengthen the RNU and ensure its sustainability. It will also support the design of adaptive social protection instruments, including through the definition of an adaptation framework for safety nets that establishes the procedures to scale up support in times of regular shocks, as well as the definition of modalities to promote greater resilience and productive capacity among the poorest. Finally, the proposed AF will support the systems developed under the original Project, including through the development of additional modules for the system's MIS for adaptive interventions; further strengthening of the grievance mechanisms and the revision of relevant operation manuals and communication tools

Component 2: Support to National Targeted Cash Transfer Programs for Poor and Vulnerable Households.

Under this component, in addition to the activities supported by the original Project, the proposed AF will expand activities supported by the parent project by supporting the implementation of adaptive programs, including (a) temporary expansion of the PNBSF or other temporary transfer

programs for households affected by shocks (temporary transfers); (b) preferential inclusion of poor households in existing resilience programs; (c) activities to promote behavioral changes necessary to improve resilience; and (d) one-off monetary transfers (productive transfers) to promote the adoption of good productive practices among target households. It will support the provision of these programs, as well associated management costs at central and local levels, goods and services and trainings required for this purpose. It will also enhance the monitoring and evaluation capacity and mechanisms for the programs through the design and implementation of community scorecards; regular process evaluations activities; and impact evaluations, in coordination with the broader analytical program supported by the Adaptive Social Protection MDTF in six countries in the Sahel.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Support to the Development of the Social Safety Net System	Support to the Development of the Social Safety Net System	7.00	9.40	Revised
Support to the National Targeted Cash Transfer Program for Poor and Vulnerable Households	Support to Targeted Cash Transfer Programs for Poor and Vulnerable Households	33.50	42.15	Revised
	Total:	40.50	51.55	

Other Change(s)

Implementing Agency Name	Type	Action
Délégation Générale à la Protection Sociale et la Solidarité Nationale	Implementing Agency	No Change

Change in Institutional Arrangement

Explanation:

Under the parent project, the Social Safety Net Steering Committee (SSNSC) was created by an administrative order to technically oversee the project's implementation. In practice, several multisectoral committees exist and work on social protection. Their composition is similar. To simplify the institutional framework of the social protection sector's coordination and make it more efficient, it was decided to transfer the SSNSC's responsibilities to the existing Technical Committee that supports the inter-sectorial committee piloting the Social Protection Strategy (CIP/SNPS). This Technical Committee will validate and monitor the project's plans and budgets

and technically oversee the project's implementation. Project implementation and fiduciary responsibilities remain with the implementing agency, the DGPSN.

IV. Appraisal Summary

Economic and Financial Analysis

Explanation:

The economic and financial analysis regarding the PNBSF is the same as the one undertaken at the time of the preparation of the parent project. International experience shows that conditional cash transfers can play an important role in reducing poverty and improving social indicators, such as nutrition, education, and health outcomes. Evidence is also growing on positive effects on local economies and investments toward productive activities.

There is a high opportunity cost for Senegal of not setting up an adaptive social safety net system as presented in the proposed AF. With climate change, the frequency and severity of natural disasters and weather-related shocks will grow, as well as the financial costs of dealing with these disasters and with the negative impacts they have on the poor and transitory poor households. In addition, environmentally vulnerable countries are often acknowledged to be some of the poorest. This is true for the Sahel countries, including Senegal.

The literature shows that reactive humanitarian response is seen as inappropriate to address predictable seasonal shocks such as droughts. International experience also illustrates that early action to respond to warning signs is less costly in terms of financial costs and the impact on national longer-term development of growth of the country than reactive emergency programming. Finally, providing regular payment to the poorest households can help strengthen their resilience to shocks, thereby limiting the need for temporary assistance.

Also, providing assistance during crises through the national safety nets system allows national governments to take responsibility for meeting the needs of their citizens.

In addition, recent literature based on the impact evaluations conducted on multifaceted programs in six countries shows that this type of program contributes to lasting progress for the very poor. The impact evaluations established that the multifaceted approach to increasing income and well-being for the very poor is sustainable and cost-effective.

In conclusion, it is anticipated that the adaptive safety net system will enable the Government to reduce the negative impact of these shocks on the country's economy and contribute to the reduction of poverty.

Public sector intervention is justified on two main grounds. First, the poverty and inequality situation remains a concern in Senegal, and justifies public intervention for equity purposes and in order to ensure minimum living conditions for all households. Second, the fragmentation of programs justifies an intervention that will help increase the efficiency of public spending by improving coordination, targeting, and rationalization.

The World Bank is uniquely placed to support the development adaptive safety nets system in Senegal because of its ongoing technical collaboration with the Government, the concomitant and coordinated support provided in five other countries of the Sahel on similar elements through the Adaptive Social Protection Sahel Trust Fund, and its international expertise in the area of adaptive social safety nets.

Technical Analysis

Explanation:

Lessons learned during the supervision of the parent operation to improve the technical delivery of the project have been incorporated in the proposed AF to strengthen its design and improve implementation efficiency:

- Promoting greater targeting efficiency and reaching the poorest. Under the proposed AF, geographical quotas for the RNU and resilience activities will be allocated to the regions based on poverty maps at town level and vulnerability maps using historical data on shocks. This will ensure that the project reaches the most vulnerable. The proposed AF will also support work on strengthening the proxy means test to determine the level of poverty of households.
- Improving the quality of data in the RNU over time. The proposed AF will support the RNU in updating the data collected since 2013. In this process, the RNU will try to reduce the number of inclusion and exclusion errors as well as strengthen the reliability of its data to ensure a strong relevance of the RNU as a targeting tool over time.
- Reducing risks of errors, fraud, and corruption in the targeting mechanisms and payments. The grievance redress mechanisms will be strengthened to promote transparency and further build trust with beneficiary communities.
- Strengthening the behavioral change aspect of the project. This will be achieved through (a) increasing the number of sensitization sessions; (b) increasing the level of coordination between different social services to support the beneficiaries; and (c) introducing productive and behavioral accompanying measures that can help beneficiaries increase their incomes and improve human development outcomes beyond the life of the project.
- Strengthening the establishment of a social safety nets system. This activity is of paramount importance to strengthen the building blocks of a social protection system and help the Government respond rapidly to vulnerability and crisis in the long term. In this regard, the proposed AF will support the development of the RNU, the development of the MIS, the development of the shock response plan and triggering mechanism, and the coordination efforts among multisectoral actors.

Social Analysis

Explanation:

The proposed AF does not trigger any social safeguards. On the contrary, the proposed AF will continue to focus on activities that are expected to have positive impacts on all direct and indirect beneficiaries and to contribute to reducing poverty, reducing vulnerability, and increasing the human capital of the poorest households. As for the parent project, all activities are targeted to the poorest households, as identified through the RNU (supported by this operation). The use of the RNU by other programs, beyond those directly supported by this operation, is further expected to benefit the poorest.

Environmental Analysis

Explanation:

The original project falls under environmental classification C, primarily because cash transfer programs do not have any direct environmental impacts. In addition to transfers, the proposed AF will support interventions that promote income-generating activities. However, it will exclude any activity that would potentially have environmental impacts.

Risk

Explanation:

The Operational Risk Assessment Framework of the parent project was updated using the new Systematic Operations Risk-Rating Tool (SORT). The overall risk for the operation (both original and AF) is rated Substantial. The main categories where risks are substantial related to technical design, capacity for implementation, and fiduciary risks. These reflect the fact that the proposed AF supports the payment of transfers to households and the fact that many of the interventions supported by the project require the collaboration of multiple sectors and multiple levels of Government and the fact that the institutional setup, the lead agency for the development and implementation of the social safety net system, and the tools and administrative systems are relatively new. In the first year of implementation of the original project, some of these risks have started to be addressed, but they remain Substantial.

The World Bank and the Government have identified a series of mitigation measures, including (i) extensive technical assistance, especially in the initial design phase, (ii) a progressive expansion of activities, (iii) support to coordination mechanisms to promote collaboration within government, (iv) a series of capacity building and institutional strengthening activities, (v) a series of evaluation mechanisms (including audits, spot-checks and process and impact evaluations), and (vi) the establishment of a transparent and objective system for the selection of beneficiaries.

V. World Bank Grievance Redress Service

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

Annex 1: Revised Results Framework

Senegal: Social Safety Net Project

Project Development Objectives

Original Project Development Objective - Parent:

The development objectives of the original Project are to support the establishment of building blocks for the social safety net system and to provide targeted cash transfers to poor and vulnerable households.

Proposed Project Development Objective - Additional Financing (AF):

The objectives of the Project are to: (a) support the establishment of building blocks for the social safety net system; and (b) increase the access of poor and vulnerable households to targeted and adaptive cash transfers programs.

Results

Core sector indicators are considered: Yes

Results reporting level: Program Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Number of households enrolled in the RNU	<input type="checkbox"/>	Number	Value	60000.00	280000.00	450000.00
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			Target in the original Project was 210000
No Change	Percentage of PNBSF beneficiary households who live below the poverty line	<input type="checkbox"/>	Percentage	Value			80.00
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			

No Change	Percentage of females among beneficiaries of the PNBSF	<input type="checkbox"/>	Percentage	Value	50.00	50.00	50.00
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			
Intermediate Results Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Number of Memoranda of Understanding signed between the DGPSN and sectoral actors to define sectoral involvement in the PNBSF (education, health, justice, and interior)	<input type="checkbox"/>	Number	Value	0.00	0.00	4.00
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			
No Change	Percentage of households in the RNU with complete and reliable information	<input type="checkbox"/>	Percentage	Value	65.00	0.00	80.00
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			
Revised	Number of modules of the MIS PNBSF that are operational: beneficiary management, conditionality monitoring, payment, promotion and communication, grievance management, and adaptive intervention	<input type="checkbox"/>	Number	Value	0.00	1.00	6.00
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			Indicator was revised to reflect separation of the PNBSF MIS and the RNU MIS
New	Number of modules of the MIS of the RNU that are operational: geographic segmentation, geographic	<input type="checkbox"/>	Number	Value	0.00	0.00	7.00
				Date	15-Mar-2016	31-Mar-2016	30-Jun-2019
				Comment			Indicator was

	targeting, community targeting, categorical targeting, promotion and communication, grievance management, and statistics						added to reflect separation of the PNBSF MIS and the RNU MIS
New	Utilization of a module of the RNU MIS for sectoral department to request data	<input type="checkbox"/>	Text	Value	0	0	YES
				Date	15-Mar-2016	31-Mar-2016	30-Jun-2019
				Comment			
Revised	Percentage of complaints and grievances of the PNBSF resolved without delay	<input type="checkbox"/>	Text	Value	0	Definition underway	60% cases resolved without delay
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			Indicator was revised to reflect separation of complaint and grievance system of the PNBSF and RNU
New	Percentage of complaints and grievances of the RNU resolved without delay	<input type="checkbox"/>	Percentage	Value	0.00	0.00	60.00
				Date	15-Mar-2016	31-Mar-2016	30-Jun-2019
				Comment			Indicator was added to reflect separation of complaint and

							grievance system of the PNBSF and RNU
New	Adoption of an adaptation framework for social safety nets, describing social protection responses to shocks by the CIP/SNPS	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	15-Mar-2016	31-Mar-2016	30-Jun-2019
				Comment			New indicator to reflect added focus on adaptive activities.
New	Share of local committees who understand the objectives of the RNU	<input type="checkbox"/>	Percentage	Value	0.00	0.00	80.00
				Date	15-Mar-2016	31-Mar-2016	30-Jun-2019
				Comment			New indicators to measure quality of RNU processes.
Revised	Number of PNBSF beneficiary households (who have been registered)	<input type="checkbox"/>	Number	Value	48000.00	99924.00	300000.00
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			Target in original Project was 248,000
Revised	Percentage of PNBSF beneficiaries who know the program's parameters as mentioned in the	<input type="checkbox"/>	Percentage	Value		0.00	80.00
				Date	01-May-2014		30-Jun-2019
				Comment			Indicator

	community scorecard (on their rights and responsibilities with regard to conditionalities, program rules, and						revised to reflect introduction of community scorecards
New	Share of PNBSF beneficiary households for which the education conditionality was monitored during the last quarter (in the area where this conditionality is implemented)	<input type="checkbox"/>	Percentage	Value		0.00	80.00
				Date	17-Mar-2016	31-Mar-2016	30-Jun-2019
				Comment			New indicator on pilot education conditionality monitoring system
Revised	Share of PNBSF beneficiary households for which the conditionality on attendance to the sensitization sessions was monitored during the last four sessions	<input type="checkbox"/>	Percentage	Value	0.00	0.00	80.00
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			Indicator revised to reflect revised conditionality for PNBSF
Revised	Share of 6-12 years old in PNBSF beneficiaries households who respect the education conditionality (in the area where this conditionality is implemented)	<input type="checkbox"/>	Percentage	Value	0.00	0.00	75.00
				Date	01-May-2014	17-Mar-2016	30-Jun-2019
				Comment			Revised indicator to reflect pilot education conditionality monitoring

							system
Revised	Share of PNBSF beneficiary households who attended the last four sensitization sessions	<input type="checkbox"/>	Percentage	Value	0.00	0.00	70.00
				Date	01-May-2014	17-Mar-2016	30-Jun-2019
				Comment			Indicator revised to reflect revised conditionality for PNBSF
Revised	Percentage of PNBSF beneficiaries receiving payments according to the program manual	<input type="checkbox"/>	Text	Value			Base +20 p.p
				Date	01-May-2014		30-Jun-2019
				Comment			
Revised	Number of annual evaluations of the PNBSF on the basis of community score cards	<input type="checkbox"/>	Number	Value	0.00		4.00
				Date	01-May-2014	31-Mar-2016	30-Jun-2019
				Comment			Indicator revised to reflect introduction of community scorecards
New	Number of households benefiting from temporary transfers in response to shocks	<input type="checkbox"/>	Number	Value	0.00	0.00	11500.00
				Date	15-Mar-2016	15-Mar-2016	30-Jun-2019
				Comment			New indicator to reflect added focus on adaptive activities.
New	Number of households in		Number	Value	0.00	0.00	20000.00

	the RNU benefiting from productive transfers	<input type="checkbox"/>		Date	17-Mar-2016	17-Mar-2016	30-Jun-2019
				Comment			New indicator to reflect added focus on adaptive activities.
New	Number of households in the RNU benefiting from productive accompanying measures. The measures include (a) the preferential inclusion of poor households in existing resilience programs and (b) accompanying measures that focus on behavioral measures that are critical for increased resilience.	<input type="checkbox"/>	Number	Value	0.00	0.00	50000.00
				Date	17-Mar-2016	17-Mar-2016	30-Jun-2019
				Comment			New indicator to reflect added focus on adaptive activities.

Annex 2: Description of Proposed Change

Senegal: Social Safety Net Project

1. The proposed AF will improve the efficiency of the safety net system that was established with support from the parent project to ensure that this system can be rapidly scaled up to respond to crises and can foster the resilience of the poorest households. It will be organized following the two components of the parent project.

Component 1: Support to the Development of the Social Safety Net System (Original Project US\$7 million; Additional Financing US\$2.4 million; total US\$9.4 million)

Subcomponent 1.1: Core instruments and operational tools for the social safety net system (original project US\$3.6 million; AF US\$2.4 million; total US\$6 million),

National Unique Registry

2. The proposed AF will support the expansion of the RNU, which is supported by the parent project. The registry is the key foundation that allows the Government of Senegal to target multiple social protection interventions. In addition to ongoing efforts supported by the parent project, the proposed AF will help expand the registry to include households that are potentially vulnerable to shocks, in addition to the poorest households currently included. This entails including in the registry households that might not be among the poorest (who will be beneficiaries of permanent long-term social safety net programs) but are likely to lack the means to mitigate the impact of shocks on their consumption and investments.

3. With this additional group of households, the registry could play a central role in the scaling-up of interventions in case of shocks or in the implementation of additional, temporary interventions to respond to crises. With this broader set of households pre-identified in the registry, response time to shocks could be reduced, as would be the cost of identifying households in need of support in the midst of a crisis. The analytical work conducted in the framework of the non-lending technical assistance will directly come as an input to this subcomponent. Analyses are also currently being undertaken with humanitarian actors and several government agencies to understand the measure of vulnerability and the most appropriate targeting mechanism.

4. Drawing on experience from other countries in Africa and beyond, the proposed AF will also support analyses to guide the institutionalization of the RNU, to promote its sustainability.

5. The proposed AF will finance the costs of targeting and collecting data for this additional layer of potential households (organization of community targeting, implementation of surveys); managing the datasets (cleaning, updating and so on); serving the registry's users (preparing data sets, and interacting); and undertaking studies to keep improving the registry's methodology and its institutional setup.

Design of Adaptive Social Protection Instruments

6. The objective of the activities supported by the AF is to develop a set of procedures that will strengthen the adaptive nature of the Senegalese social protection system. This will include two types of procedures: procedures to scale up support in times of regular shocks to protect households from temporary impacts and prevent negative coping strategies (sales of assets, removal of children from school, and so on) and those to promote greater resilience and productive capacity among the poorest. A few of these options will then be implemented and tested under Component 2, as described later; others would be implemented by other institutions or partners of the social protection sector.

7. The first objective of these activities is to design an adaptation framework for social safety nets and operational rules that will regulate the modalities for the social safety net's response to regular shocks that affect different areas of Senegal with different intensity on an annual basis (and can be anticipated, as opposed to unexpected or extreme shocks that are less frequent and predictable). Such a framework would allow the Government to provide assistance more rapidly, supporting vulnerable households' consumption during a crisis, thereby protecting livelihoods and assets. This adaptation framework will include (a) a definition of the indicators that will be used to anticipate and detect shocks, the mechanisms to monitor them, and the triggers that will be used to decide when a specific response is warranted; (b) the definition of potential responses that will be triggered for different shocks; and (c) the definition of a financing strategy to ensure timely and appropriate financing of the response.

8. In the context of the definition of potential responses (modality b), the adaptation framework will specify the parameters of responses, which will likely include the temporary scale-up of the PNBSF (either transfers to new households affected by shocks or additional transfers to existing beneficiaries that are most affected) and the deployment of other temporary transfer programs. This adaptation framework will be developed in close coordination with stakeholders active in emergency response in Senegal, especially from the food security sector. Within the Bank, experts on disaster risk management and financing and agriculture will provide support to the design and development of the framework.

9. A second objective of these activities is the design of interventions that help the poorest households increase their resilience. Three modalities will likely be designed: (a) the preferential inclusion of poor households in existing resilience programs; (b) accompanying measures that focus on behavioral measures that are critical for increased resilience; and (c) one-off productive transfers that would promote the adoption of productive practices among targeted households. Modalities (a) and (c) would be designed for poor households (households that are registered in the RNU, including, but not only, households that benefit from the PNBSF), while modality (b) would be designed with PNBSF beneficiary households in mind, as a potential complement to the program's standard activities.

10. The design for the inclusion of households in resilience programs (modality a) will be based on strategic partnerships with existing resilience programs. These partnerships will set out the adaptation of existing resilience programs to the particular segment of households of the RNU through, among others, improvements in the targeting of programs, the introduction of an additional training component (for instance, for labor intensive public works programs), the

adaptation of productive interventions so as to reach the poorest, the adaptation of training programs to improve their adequacy with the academic levels of the poorest population segments, and the adaptation of the technical accompaniment.

11. The design of the modality for the promotion of resilient behaviors (modality b) for the PNBSF beneficiary households will focus on designing additional sensitization sessions, coaching, and training that would be implemented by the social operators that already implement the social sensitization activities in the PNBSF. These activities will be designed to focus on various topics, including family planning, nutrition, household economics, savings, business management, and so on. Finally, the modality of one-off productive transfer (modality c) will be designed to reach selected households of the RNU, following their accompaniment by the social operators and partner resilience programs. These one-off productive transfers would serve as incentives for households to engage in productive activities. They would not consist of a start-up capital for a specific productive activity. Rather, households would receive them as a one-off transfer as part of the accompaniment, with a view to increase their resilience. They would be additional to the regular transfers provided by the PNBSF to its beneficiaries, to increase the purchasing and investment power of households. The amount of the one-off transfer would be limited to CFAF 50,000.

12. Specifically, for these activities, the AF will finance analytical studies of vulnerability, review of existing programs, feasibility studies, elaboration of program manuals, and data collection related to these activities. The actual implementation of selected procedures to respond to shocks or to promote greater resilience and productive capacity among the poorest will be supported under Component 2, as well as by other institutions or partners of the social protection sector.

Management Information System Modules for Adaptive Interventions

13. The focus of the proposed AF will be to support the development of additional modules for the MIS of the RNU and the MIS of the PNBSF to cater to the operational needs of the adaptive interventions. This will build upon the MIS modules supported under the parent project. In particular, for the RNU, additional modules will ensure the compatibility of the RNU with the information systems of the adaptive interventions and the response of various actors to crises (including the application of specific filters or criteria that various humanitarian programs might use). It will also support the identification of measures to link the registry with initiatives of other actors in the area, to ensure that the registry proves useful even beyond regular social protection programs. For the PNBSF, additional modules will be developed to manage the scalable components or the productive measures supported under Component 2 of this proposed AF. Specifically, the proposed AF will finance expert services to build the system and identify solutions, as well as software and hardware as required.

Information and Complaint Mechanisms

14. The proposed AF will strengthen the support for the development of grievance mechanisms for the PNBSF and for the RNU supported by the parent project. This area remains weak, and the AF will support the expansion of the grievance mechanisms to the additional interventions supported by the AF. In particular, as the scope of safety nets expands, it is critical to ensure that

the grievance mechanisms are accessible to the poorest and most vulnerable population. Specifically, the proposed AF will finance technical expertise in the design of some mechanisms and some of the costs of the implementation of the grievance mechanism (including potentially the contracting of a hotline or the outsourcing of some information/grievance services.

Operation Manuals and Communication Tools

15. The proposed AF will support the revision of existing operation manuals and communication tools and their adaptation to the modifications and additions brought by the adaptive interventions. Among others, the PNBSF manual, the RNU manual, the social operators manuals, and the MIS manuals, as well as the communication leaflets explaining the PNBSF and the RNU to the beneficiaries, the communities, and the committees will be revised. The proposed AF will finance experts and workshops to ensure that the operational manual and communication tools describe precisely how the adaptive interventions are rolled out and that all stakeholders are familiar with these changes. It will also finance the production of these communication materials for dissemination.

Subcomponent 1.2: Strengthening the institutional capacity of the DGPSN and sectoral actors of the social safety net system (original project US\$3.4 million; AF US\$0.0 million; total US\$3.4 million)

16. The activities planned under the parent project to strengthen the development of the sector and the capacity of its various actors will continue as planned and cover the adaptive social protection concepts supported by the AF, including alternative design of adaptive responses and options for adaptations to existing programs in times of shocks.

Component 2: Support to Targeted Cash Transfer Programs for Poor and Vulnerable Households (original project US\$33.5 million; additional financing US\$8.65 million; total US\$42.15 million)

17. In addition to the activities supported by the parent project (implementation of the PNBSF), the proposed AF will finance the implementation of adaptive social assistance programs through two venues. First, it will support the temporary expansion of the PNBSF or other temporary transfer programs for households affected by shocks. Second, it will support the implementation of measures for its beneficiaries that promote their resilience to shocks. To support these activities and the evaluation of their impacts, the component is organized as follows.

Subcomponent 2.1: Transfers to beneficiaries (original project US\$30.60 million; additional financing US\$2.00 million; total US\$32.60 million)

18. In the parent project, this component supports the implementation of the PNBSF, by providing cash transfers and accompanying measures. The PNBSF's existing package of sensitization sessions, as defined under the parent project, focuses currently on education, health, nutrition, and birth registration. In this AF, this subcomponent will support transfer programs that support vulnerable households affected by regular shocks, in addition to the regular transfers supported by the parent project. The exact nature of the temporary interventions will be defined under Subcomponent 1.1 and will likely include the temporary scale-up of the PNBSF or the

deployment of other temporary transfer programs. The details will be included in the operational manual of the PNBSF or any other program.

19. To pay the temporary transfers, the proposed AF will build on the innovative payment mechanism piloted for the PNBSF with support from the parent project (through mobile technology). Indeed, this technology could be instrumental in the deployment of safety net responses to shocks, if vulnerable households who are potentially affected by shocks are pre-identified, if some areas are difficult to access after the shock or if vulnerable households are temporarily displaced as a result of the shocks.

20. Specifically, this subcomponent for the proposed AF will finance temporary cash transfers to households and the costs associated with payment services.

Subcomponent 2.2: Productive measures (original project US\$0.0 million; AF US\$5 million; total US\$5 million)

21. The proposed AF will strengthen the productive capacity of poor and vulnerable households with a view to increase the impact of interventions on the resilience of households to shocks. Some of these interventions will target the poor and vulnerable households registered in the RNU, while others will be solely targeted to the PNBSF beneficiary households. The interventions will focus particularly on youth and women.

22. As defined under Subcomponent 1.1, for some of the households of the registry (including those in the PNBSF), the proposed AF will support the implementation of partnerships with existing resilience programs for the preferential inclusion of poor households, as well as the payment of one-time productive transfers. For some of the PNBSF beneficiary households, the proposed AF will also support promotion activities focusing on behavioral measures that are critical for increased resilience (social promotion, technical training, life-skills strengthening, business training, financial inclusion, and coaching). Any activity that might have significant negative impacts on the environment is excluded. These various interventions will be included in the operational manuals of the PNBSF and other programs.

23. These interventions, as defined under Subcomponent 1.1, will be implemented in selected areas, where households are the most vulnerable to shocks, as defined by a mapping exercise which combines maps on poverty and livelihoods with data on shocks. Within these areas, criteria will be developed to identify the beneficiaries, including a focus on youth and women. One of the main objectives of this subcomponent is to test new approaches, with a view to identify the options that could be scaled up at the national level, by the Government or its partners. As a result, these interventions will be kept simple, affordable, and evolving. Also, the impact evaluation supported by Subcomponent 2.4 of the parent project and this AF will pay particular attention to these interventions.

24. Under this subcomponent, the proposed AF will cover the cost of implementing the additional accompanying measures: organization of activities by NGOs recruited by the DGPSN, costs of training programs, costs of coaching services, costs associated with the participation of the PNBSF beneficiaries in various existing resilience programs, costs of productive grants, and costs associated with payment services.

Subcomponent 2.3: Management of the cash transfer programs (original project US\$2.0 million; AF US\$0.55 million; total US\$2.55 million)

25. The proposed AF will add to the support provided by the parent project to help the DGPSN manage the PNBSF and the other interventions. In particular, the proposed AF will finance, among others, management costs at the local and central levels; equipment and daily management costs (equipment, furniture, office supplies, transport, insurance costs, supervision costs, and so on); and the training of local committees on the adaptive interventions.

Subcomponent 2.4: Evaluation agenda of the interventions (original project US\$0.9 million; AF US\$1.1 million; total US\$2 million)

26. This subcomponent will expand the parent project monitoring and evaluation activities to cover adaptive interventions elements. In addition to regular monitoring of the interventions, this subcomponent will support the following:

- **Process evaluations.** The proposed AF will contribute to process evaluations conducted during the implementation, especially regarding the additional activities described in this document. The process evaluation will review the procedures and systems of the various interventions, verify if the dispositions in their respective manuals are respected, identify potential issues, and propose recommendations.
- **Scorecards.** Building on activities supported by the parent project, the proposed AF will support the implementation of community scorecards to monitor beneficiaries' knowledge and satisfaction with the interventions supported by the project, especially the productive interventions and temporary responses to shocks. It will also finance any beneficiary surveys that are deemed necessary to collect information on the perceptions of beneficiaries and communities on the interventions and to evaluate the quality of implementation.
- **Impact evaluation.** The parent project supports the impact evaluation of the PNBSF. This impact evaluation will analyze the impact of the PNBSF on the well-being and behavior of beneficiaries (on poverty, spending patterns, human capital investments, households' production, and so on). In addition, a regional effort is under way to implement systematic impact evaluations to measure the impact of productive measures on household resilience across the Sahel region. The proposed AF will support these efforts and cover additional costs necessary to add this dimension to the impact evaluation.

27. The overall structure of the project would be as follows:

Project Components	Parent Project (US\$)	Additional Financing (US\$)	Total (US\$)
Component 1: Support to the Development of the Social Safety Net System			
1.1: Core Instruments and Operational Tools for the Social Safety Net System	3.60	2.40	6.00
1.2: Strengthening the Institutional Capacity of the DGPSN and Sectoral Actors of the Social Safety Net System	3.40	–	3.40
Total	7.00	2.40	9.40
Component 2: Support to Targeted Cash Transfer Programs for Poor and Vulnerable Households			
2.1: Transfers to beneficiaries			
• PNBSF cash transfers	25.70	–	25.70
• PNBSF accompanying measures	4.90	–	4.90
• Temporary transfers	–	2.00	2.00
2.2: Productive measures	–	–	–
• Productive transfers	–	2.00	2.00
• Social operators and partnerships	–	3.00	3.00
2.3: Management of the cash transfer programs	2.00	0.55	2.55
2.4: Evaluation agenda of the interventions	0.90	1.10	2.00
Total	33.50	8.65	42.15
Total Cost	40.50	11.05	51.55

Annex 3: Institutional Arrangements, Financial Management and Procurement

Senegal: Social Safety Net Project

Institutional Arrangements

1. The CIP/SNPS was set up in 2013 to ensure better coordination of social protection interventions and propose a national safety nets systems built on efficient instruments. It will continue to oversee the project's implementation.
2. The Technical Committee in support to the CIP/SPNS is intersectoral and multistakeholder in nature. It was established by a decree in 2013, together with the establishment of the CIP/SNPS, to define and implement the CIP/SNPS' plan, as well as to provide recommendations to the CIP/SNPS on the implementation of this plan. It is presided over by the DGPSN and the Ministry of Finance and regroups several ministries (including the Ministry of Family, Women and Children, Ministry of Labor, Ministry of Agriculture, First Ministry, and the Ministry of Education) as well as several development partners and representatives from the civil society. Over the years, it gained experience and legitimacy to coordinate the social protection sector.
3. To reduce the number of multisectoral committees and increase the efficiency of the sector coordination, the Social Safety Net Steering Committee (initially established in 2014 to provide technical oversight of the parent project) will stop existing. Instead, the Technical Committee, in support to the CIP/SNPS mentioned in the previous paragraph, will be responsible for the regular technical oversight of the project, including the validation of the project's plans and budgets as well as their implementation.
4. The DGPSN will continue to have the overall responsibility for the project's implementation as well as all disbursements and procurement related to the project in accordance with the Bank's procedures.
5. Partnerships can be developed between the DGPSN and other governmental actors to implement part of the activities described under this project, such as the data collection, the monitoring of the education conditionality or the implementation of the productive measures. In this framework, the DGPSN will still be responsible for all disbursements and procurement related to the project in accordance with the Bank's procedures.
6. The rest of the institutional arrangements described in the parent project stay the same.

Fiduciary Arrangements

Financial Management

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

be required. The external auditors will prepare a management letter giving observations and comments and providing recommendations for improvements in accounting records, systems, controls, and compliance with financial covenants in the Financial Agreement.

8. **Budgeting arrangements.** The budgeting process and monitoring are clearly defined in the existing Administrative and Accounting Manual of Procedures. Periodic reports of budget monitoring and variance analysis should be prepared by the FM team on a quarterly basis.

9. **Reporting and monitoring.** The unaudited interim financial report (IFR) format of the ongoing project 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 DGPSN will submit the financial reports to the Bank within 45 days following the end of each calendar quarter. In addition, the DGPSN will prepare and agree with the Bank on the format of the budget monitoring report. The DGPSN will produce the project's annual financial statements, which will include the AF and will comply with the International Federation of Accountants and Bank requirements. These financial statements² will include (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.

10. **Accounting arrangements.** The current accounting standards used for the ongoing project will be applicable. The accounting software used will be updated within one month of effectiveness to consider this project. This accounting software information should be shared with staff having FM responsibilities.

11. **Internal control arrangements.** The existing manual of administrative financial and accounting procedures is adequate to be used for this AF. It clearly defines FM procedures and operations documentation. However, despite the recruitment of an internal auditor, there are no internal control activities. The internal audit activities of the project should be undertaken.

12. **Disbursement arrangements and flow of funds.** Disbursement for the project will follow the existing disbursement arrangements under the original project. The project will continue to use Statement of Expenditures (SOE) to report on the use of advances or to request reimbursement for expenditures prefinanced by the Recipient. The project may also submit requests for direct payments to suppliers as needed. A new Designated Account (DA) will be opened at a commercial bank acceptable to IDA to facilitate payment for eligible expenditures. The ceiling of the DA has been set to CFAF 1 billion. The DA will be managed by the Direction of Investment of the Ministry of Economy and Finance, which is the entity in charge of managing the DAs in Senegal, in coordination with the DGPSN.

13. **Disbursement categories.** Table 3.1 specifies the categories of eligible expenditure that may be financed out of the proceeds of the AF ('Category'), the allocations of the amounts of the

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. It thus reflects all project activities, financing, and expenditures, including funds from other development partners.

AF to each category, and the percentage of expenditures to be financed for eligible expenditures in each category:

Table 3.1. Eligible Expenditure per Category

Category	Amount of the Additional Financing Allocated (US\$)	Percentage of Expenditure to be Financed (inclusive of taxes)
(1) Goods, non-consulting services, training, operating costs (including audits) and consultants' services under Components 1 and 2 (except temporary transfers and productive transfers under Subcomponents 2.1 and 2.2 and expenditure under Subcomponents 2.3 and 2.4)	5,400,000	100%
(2) Goods, non-consulting services, training, operating costs (including audits) and consultants' services under Components 2.3 and 2.4	1,650,000	100%
(3) Temporary transfers under Subcomponent 2.1	2,000,000	100% of amounts disbursed
(4) Productive transfers under Subcomponent 2.2	2,000,000	100% of amounts disbursed
Total amount	11,050,000	

14. **Financial covenants.** The Borrower shall establish and maintain an FM system, including records, accounts, and preparation of related financial statements in accordance with accounting standards acceptable to the Bank. The Borrower will comply with all the rules and procedures required for withdrawals from the DAs of the project. In addition, the Borrower will take the necessary steps within the first four months of the effective date to update the accounting software to share financial information with staff having FM responsibilities.

15. **Financial risk rating.** The overall risk for the additional financing is rated as Moderate. It is considered that the financial management arrangements satisfy the Bank's minimum requirements under OP/BP 10.00, and therefore are adequate to provide, with reasonable assurance, accurate and timely financial management information on the status of the project required by the World Bank.

16. **Implementation support plan.** 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 that the project maintains a satisfactory FM system throughout the project's life.

Table 3.2. Proposed Implementation Support Plan

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 DGPSN (implementation support mission)
Monitoring of actions taken on issues highlighted in audit reports, auditors' management letters, and internal audit and other reports	As needed
Transaction reviews (if needed)	As needed
Capacity building support	
FM training sessions	During implementation and when needed

Procurement Arrangements

17. **General.** Procurement under the proposed project will be carried out in accordance with the Bank's 'Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and revised July 2014; 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and revised July 2014; the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006 and revised in January 2011; and other provisions stipulated in the Financing Agreement.

18. The procuring entity as well as bidders and service providers (that is, suppliers, contractors, and consultants) shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.16 of the Procurement Guidelines and paragraphs 1.23 of the Consultant Guidelines.

19. A General Procurement Notice will be prepared and published in the United Nations Development Business online, on the Bank's external website, and in at least one national newspaper after the project is approved by the Bank Board and before project effectiveness. Specific Procurement Notices for all goods and works to be procured under International Competitive Bidding (ICB) and Requests for Expressions of Interest (REOIs) for all consulting services to cost the equivalent of US\$300,000 and above will also be published in the United Nations Development Business (UNDB) online, the Bank's external website, and the national press. For works and goods using National Competitive Bidding (NCB) procedures, the Specific Procurement Notice (SPN) will only be published nationally.

20. **Assessment of the agency's capacity to implement procurement.** The institutional arrangement for this AF will be based on the existing arrangements used for the implementation

of the current project. The DGPSN will have the overall responsibility in carrying out the following activities: (a) managing the overall procurement activities and ensuring compliance with the procurement process described in the relevant manuals; (b) preparing and updating the Procurement Plan annually; (c) preparing bidding documents and draft request for proposals (RFPs) evaluation reports and contracts in compliance with Bank procedures; and (d) seeking and obtaining approval of national entities and of IDA on procurement documents as required.

21. Since 2013, a Procurement Department called '*Cellule de passation de marchés*' has been created in the DGPSN. This department is designed to include with one procurement specialist and one assistant who are responsible for carrying out procurement for all activities. The Manual of Procedures clearly described the decision making mechanism and comprises a new section that described procurement procedures to be used for the project.

22. However, the following weaknesses have been identified: (a) the Procurement Department of the DGPSN is overloaded and its staff has very limited experience in the Bank procedures; (b) the position of the procurement specialist has been vacant for a few months, which affects project implementation; (c) the agency lacks sufficient space for the project recruited staff; this is crucial and negatively affecting the performance and the filing system; (d) the agency failed to prepare a realistic Procurement Plan and requested for a number of exceptions for the use of less competitive methods; and (e) there is no contract management system in place.

23. All these weaknesses increase the risk of having (a) delays in the project implementation; (b) poor quality procurement and outcomes; (c) poor filing system that increases the cost or time of supervision and decreases the effectiveness of supervision.

24. The following mitigation measures are proposed and have been discussed during the appraisal: (a) finalize, as soon as possible, the recruitment of the new procurement specialist for the project; (b) place the project procurement specialist together with the Procurement Department to increase the capacities of the latter; (c) provide training on the Bank's procedures for the staff of the Procurement Department and for the members of the procurement commission; (d) prepare and finalize the Procurement Plan earlier in the year and be proactive to carry out activities on time; (e) allocate more space to the procurement staff and for archives; (f) agree, and include as part of the project, funding to improve safe keeping of records; and (g) clearly describe what records should be kept in the contract file, preferably in the Project Implementation Manual, and the period.

25. **Procurement risk rating.** The project procurement risk before the mitigation measures is Substantial. The risk is reduced to a residual rating of Moderate upon consideration of successful implementation of the mitigation measures.

26. **Procurement Plan.** The Borrower and its implementing agency have prepared a detailed 18-month Procurement Plan. The Government and the Bank have completed and agreed on this plan during negotiations. The Procurement Plan will be updated in agreement with the Bank, annually or as required, to reflect the actual project implementation needs and improvements in institutional capacity.

27. The recruitment of civil servants as individual consultants or as part of the team of consulting firms will abide by the provisions of paragraphs 1.9 to 1.13 of the Bank's Consultant Guidelines, dated January 2011 and revised July 2014.

28. The following items will be procured under the project: (a) no works will be financed under this project; (b) goods and non-consultant services contracts are related to office setup, IT equipment and software, contract of designing and implementing surveys, printing and broadcasting services, and contract for the delivery of the cash transfers; and (c) consultant services include, but are not limited to, individual consultants or firms for the development of tools for communication; the design and implementation of evaluations and studies; the management of information and grievance mechanisms; and support to the organization, implementation, and supervision of interventions at the local level.

29. **Operational costs.** These costs financed by the project would be incremental expenses, including office supplies, vehicles operation and maintenance costs, maintenance of equipment, communication costs, rental expenses, insurance, utilities expenses, consumables, transport, accommodation, per diem, supervision costs, and salaries of experts and project support staff who are locally contracted. Such services will be procured using the procurement procedures specified in the Project Implementation Manual accepted and approved by the Bank.

30. **Procurement methods.** The methods indicated in Table 3.3 can be used within the thresholds indicated in the table. The thresholds for the Bank's prior review requirements are also provided in the table.

Table 3.3. Thresholds*, Procurement Methods, and Prior Review

No.	Expenditure category	Contract Value Threshold* [equivalent US\$]	Procurement Method	Contracts Subject to Prior Review [equivalent US\$]
1	Goods and non-consulting services	$C \geq 1,000,000$	ICB/LIB	All contracts $\geq 1,000,000$
		$100,000 \leq C < 1,000,000$	NCB	None
		$C < 100,000$	Shopping	None
		All values	Direct Contracting	All contracts $\geq 100,000$
2	Consulting Services	$C \geq 300,000$ (firms) **	QCBS, QBS LCS, FBS,	All contracts
		$C < 300,000$ (firms)	As above and CQS	Contracts for procurement and legal services. TOR and short lists for the remaining contracts.
		All values	IC	All contracts $\geq 200,000$. TOR and short lists for the remaining contracts. The entire process for the contracts

No.	Expenditure category	Contract Value Threshold* [equivalent US\$]	Procurement Method	Contracts Subject to Prior Review [equivalent US\$]
				for procurement and legal services regardless of the value.
		All values	SSS	All contracts \geq 100,000

Note: ICB = International Competitive Bidding; LIB = Limited International Bidding; QCBS = Quality- and Cost-Based Selection; QBS = Quality-Based Selection; LCS = Least-Cost Selection; FBS = Selection under a Fixed Budget; CQS = Selection Based on the Consultants' Qualification; IC = Individual Consultant.

*These thresholds are for the initial Procurement Plan for the first 18 months. The thresholds will be revised periodically based on reassessment of risks. All contracts not subject to prior review will be post reviewed.

** Short lists of consultants for services estimated to cost less than US\$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. However, if foreign firms have express interest, they will not be excluded from consideration.

31. **National Competitive Bidding (NCB) procedure.** For the procurement method designated as *Appel d'Offres Ouvert* to be acceptable to IDA and used for NCB, the following are the special requirements: (a) bids shall be advertised in national newspapers with wide circulation; (b) bid evaluation, bidder qualification, and award criteria shall be specified clearly in the bidding documents; (c) bidders shall be given minimum four weeks following the date of the invitation to bid or the date of availability of the bidding documents, whichever is later to prepare and submit bids; (d) bids shall be awarded to the lowest evaluated bidder; (e) eligible bidders, including foreign bidders, shall not be precluded from participating; and (f) no preference margin shall be granted to domestic contractors. In addition, the following provisions of the national procurement code will not apply: (a) section 52 containing the possibility of excluding foreign bidders' participation in direct contracting; (b) section 76 2(b) and 2(c) involving political decisions in the use of direct contracting in the context of shocks; and (c) section 108 related to quality control and possible price reduction.

32. **Bank's procurement implementation support and supervision.** In addition to the prior review of documents to be carried out from Bank offices, the capacity assessment of the implementing agency has recommended two supervision missions a year; during one of those missions, a post review of procurement will be carried out.

Annex 4: Additional Monitoring Indicators

Senegal: Social Safety Net Project

The following additional indicators, some of which go beyond the reach of the project, will be monitored regularly to assess progress on a broader set of results.

Indicator Name	Change	Baseline	Cumulative Target Values						Responsibility for Data Collection
			2014	2015	2016	2017	2018	2019	
Number of meetings of the <i>Comité Intersectoriel de Pilotage de la SNPS</i>	No change	1	2	4	6	8	9	9	DGPSN
Number of Government programs targeting their beneficiaries through the RNU	Change in name and targets	1	2	3	4	6	8	10	DGPSN
<i>Circulaire</i> from the Prime Minister's Office encouraging the use of the RNU for Government programs	New	0	0	0	0	1	1	1	DGPSN
Annual monitoring reports on elements of the PNBSF (on payment mechanisms, monitoring of conditionalities, productive measures and social operators, and so on) produced by the DGPSN	Change in name	0	0	0	1	2	3	4	DGPSN
Annual monitoring reports on elements of the RNU (on targeting activities, data collection, use of data by sectorial actors, and so on) produced by the DGPSN	Change in name	0	0	0	1	2	3	4	DGPSN
Number of studies contributing to the development of the social safety nets system produced by the sector with support from the project	Change in name	0	1	3	5	7	8	8	DGPSN

Indicator Name	Change	Baseline	Cumulative Target Values						Responsibility for Data Collection
			2014	2015	2016	2017	2018	2019	
Number of PNBSF beneficiaries who have received a transfer	Increase in target	14,000	64,000	114,000	300,000	300,000	300,000	300,000	DGPSN
% of sensitization sessions realized annually (number of sessions realized/number planned in the operational manual)	Change in name and target	0	0	0	70	75	85	90	DGPSN
Satisfaction rate of PNBSF beneficiaries with the program (%)	No change	n.a.	n.a.	60	n.a.	75	n.a.	75	DGPSN with community score cards
Satisfaction rate of PNBSF beneficiaries with the sensitization sessions (%)	Change in name	n.a.	n.a.	n.a.	60	65	70	75	DGPSN with community score cards
Satisfaction rate of households benefiting of the productive measures (%)	New	n.a.	n.a.	n.a.	60	65	70	70	DGPSN with community score cards
Number of analytical reports from the impact evaluation produced by the DGPSN	New	0	0	0	1	1	1	2	DGPSN