



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 08-Mar-2023 | Report No: PIDISDSA35709



**BASIC INFORMATION**

**A. Basic Project Data**

Country Senegal	Project ID P180789	Project Name Additional Financing for Dakar Bus Rapid Transit Pilot Project	Parent Project ID (if any) P156186
Parent Project Name Dakar Bus Rapid Transit Pilot Project	Region WESTERN AND CENTRAL AFRICA	Estimated Appraisal Date 21-Mar-2023	Estimated Board Date 04-May-2023
Practice Area (Lead) Transport	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy, Finance and Plan	Implementing Agency CETUD

Proposed Development Objective(s) Parent

The Project Development Objective is to enhance urban mobility between Dakar and Guédiawaye through the development of a Bus Rapid Transit (BRT) corridor.

Components

- BRT infrastructure, fleet, and systems
- Public transport network restructuring and road works
- Capacity building and project management
- Road Safety

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	213.95
<b>Total Financing</b>	213.95
<b>of which IBRD/IDA</b>	70.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	70.00
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IDA Credit	70.00
<b>Non-World Bank Group Financing</b>	
Commercial Financing	90.00
Unguaranteed Commercial Financing	90.00
Other Sources	53.95
EC: European Investment Bank	53.95

Environmental Assessment Category

A-Full Assessment

Decision

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**I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING**

**A. Introduction:**

1. **This Project Paper seeks the approval of the Executive Directors to provide a cost-overrun Additional Financing (AF)** in the amount of **SDR XXX million** (US\$70 million equivalent) from the International Development Association (IDA) Scale-up Facility Window (SUW) to the Republic of Senegal for the Dakar Bus Rapid Transit Pilot Project.

2. **This Project Paper also seeks to concurrently restructure the current project.** The proposed restructuring is a Level 2 restructuring to (i) extend the closing date of the project by 18 months to December 31, 2024; and (ii) modify the Results Framework by adjusting selected targets to reflect the extended closing date of the project. The Project Development Objective (PDO), the Project Scope, the safeguards category, and the implementation arrangements of the project will remain the same.

**B. Brief Description of the parent project:**

3. **The Dakar Bus Rapid Transit Pilot Project** was approved on May 25, 2017, for US\$300 million equivalent IDA (Scale Up Facility and Regular) Credits and became effective on November 14, 2017. The Project Development Objective (PDO) is to enhance urban mobility between Dakar and Guédiawaye through the development of a Bus Rapid Transit (BRT) corridor.

4. The core of the Dakar BRT project is the construction of a 18.3 km fully segregated BRT line connecting the Petersen Bus Station in Dakar Plateau (town center) to Guédiawaye Prefecture (northern suburbs), including three major passenger terminals and 20 additional stations; provision of safe,

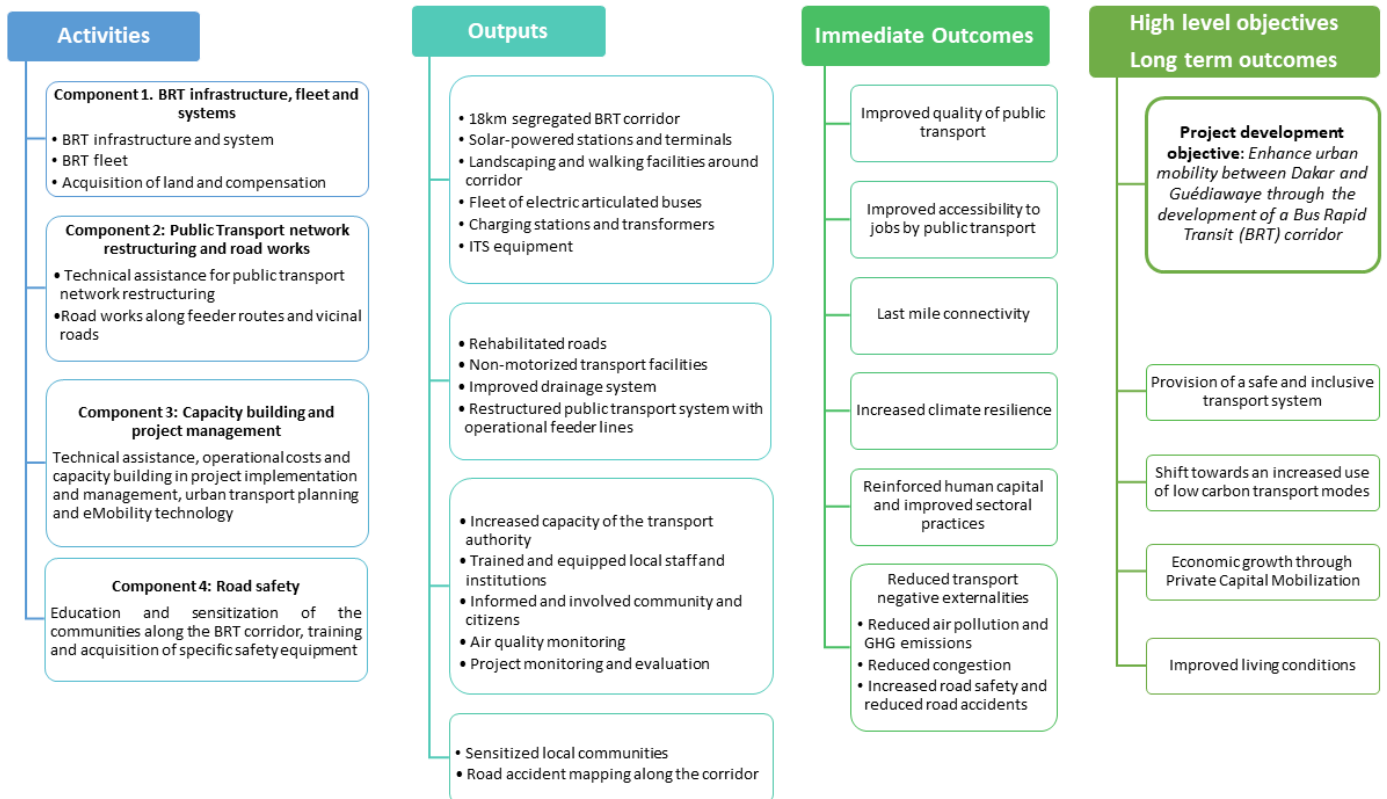


convenient, and secure access and crossings for pedestrians; and provision of a bus fleet and intelligent transportation systems (ITS) to assist in managing and operating services and to collect fares (Component 1). The project also includes restructuring the public transport network, provision of street furniture along feeder routes, road works on feeder roads and neighborhood roads along the corridor, and various technical assistance with a strong emphasis on accessibility and nonmotorized modes (Component 2). Capacity building and project outcome monitoring constitute Component 3. Component 4 is dedicated to road safety activities, including communication and training.

5. The overall theory of change is represented in Figure 1.<sup>1</sup> The combined outputs of activities will improve the quality of public transport, therefore increasing the accessibility of the population to jobs and other opportunities by public transport. Delivering this low-emission mass public transport system will also contribute to reducing transport negative externalities, especially when combined with outputs from activities such as road safety sensitization campaigns or monitoring activities, ranging from road accident mapping to air quality surveillance. Finally, capacity-building activities, especially in the domains of urban transport planning or electric mobility technologies, will contribute to reinforcing human capital and to improving sectoral practices. As a result, a shift towards increased use of low-carbon transport modes is expected to occur.

Figure 1: Theory of Change

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1 As the description of the Results chain and the Theory of Change were not included in the Project Appraisal Document of the parent project, they are presented at this stage.



**C. Current Status of the Parent Project:**

6. **Progress towards PDO and Implementation Progress (IP).** Since the project's effectiveness, progress towards achieving the PDO and IP have been rated Moderately Satisfactory (MS) or Satisfactory. Since September 2022, progress towards achieving the PDO and IP are both rated Satisfactory mainly because (i) all resettlements<sup>2</sup> along the corridor have been completed, (ii) the measures put in place to address the delays due to the COVID-19 slowdown have significantly sped up implementation of the BRT infrastructure works in the last two quarters of 2022, and (iii) the selection of the BRT private sector operator was successfully concluded with the signing of the concession contract in March 2022. However, the overall risk is “high” due to (i) the risks of delay and cost overruns, that jeopardize the prospect of achieving the PDO before the project's initial closing date on June 30, 2023; (ii) the choice of the electric technology for the BRT fleet, which required additional technical studies on the specifications of the fleet and associated infrastructure and resulted in a higher cost for both fleet and infrastructure.

7. **The progress by the 28<sup>th</sup> of February 2023 in each component is as follows:**

- *Component 1, BRT infrastructure, fleet, and systems:* This component represents 83% of the total Project cost. The contract for the construction works of the 18.3km long segregated BRT Corridor was signed in October 2019, experienced delays at the start due to COVID-19-related restrictions, and the progress of the physical work is 63%. The concession contract for the BRT Operator, which includes the provision of fleet and bus operations, was signed in March 2022 and bus commercial operations are expected to start in the second half of 2023.
- *Component 2, Public transport network restructuring and road works:* This component represents 9% of the total Project cost. The technical studies for the restructuring of the public transport network in Greater Dakar, urban infrastructure, and traffic and parking measures around the BRT are underway. The progress of this component is 65%, with 9% of the Road works implemented. Bidding documents for the works shall be ready by the end of March 2023 and procurement to recruit the construction firms will be launched accordingly, subject to the project closing date extension. This component is essential for the smooth operation of the BRT corridor and good integration of the BRT in the existing public transport network and the urban environment.
- *Component 3, Capacity building and project management:* This component supports the operations, project management, and capacity building of the implementing agency, CETUD. Implementation progress for this component to date is 60% and all activities are expected to be completed by June 2023.
- *Component 4, Road Safety:* This component supports education and sensitization of the communities along the BRT Corridors on road safety issues through training and specialized safety equipment. The progress of activities to date is 8% and all are expected to be completed by June 2023.

8. **Environmental and Social (E&S) performance.** To date, the E&S performance of the Project is deemed “Moderately Satisfactory”. During the BRT infrastructure works, the parent project has

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<sup>2</sup> The social impacts of this resettlement were carefully managed including (i) full compensation of road- side vendors considered as Project's Affected People in addition to compensation of loss of revenues during the construction; (ii) additional actions to improve the living conditions of the population living nearby the corridor; (iii) a comprehensive constant social communication campaign and fully operational GRM.



experienced several Occupational Health and Safety (OHS)-related incidents including a road safety accident, allegations of sexual harassment, or the collapse of the slab of a house close to the works injuring several people. Following the implementation of action plans to address identified shortcomings, the BRT infrastructure construction firm has significantly improved E&S management, but some actions remain to be implemented notably for (i) improved OHS management on the works' sites; (ii) improved and safer traffic management around the BRT corridor.

9. In light of a recent serious accident on March 3, 2023, which involved a construction truck, all stakeholders have also agreed during the appraisal to a stringent action plan, which may include binding contractual measures to (i) further prevent the circulation of pedestrians on the works sites; (ii) improve the safe circulation of construction trucks on the sites; (iii) strengthen the company's Environmental and Social Management Plan based on a recent WB road safety mission findings.

10. **As of February 2023, the project has disbursed US\$ 156.29 million equivalent, which is 51% of the total IDA Credit.** Most of the disbursed amount was allocated to Component 1, the BRT infrastructure. The disbursement rate has significantly increased in 2022 and forecasts show that 66% of the IDA Credits shall be disbursed by June 2023.

11. **A First level 2 Project Restructuring** was approved in March 2019 and was reflected in the Amendment to the Financing Agreement.<sup>3</sup> The main change was to include a new part, "Acquisition of land and provision of compensation (including cash compensation and other assistance paid for involuntary resettlement) related to the implementation of the RAP and/or the relevant Site-specific RAPs, as applicable". As a result, a new category of expenditure was created with a Euro 18.15 million allocation, while the allocation for category 2 expenditure was reduced from Euro 41.7 million to Euro 23.55 million.

#### D. Country Context since the parent project appraisal

12. **The COVID-19 outbreak halted years of strong economic performance.** The combination of a COVID-19-induced global recession, disruptions in supply chains, and containment measures took a heavy toll on the Senegal economy. As a result, growth dropped from 4.4 percent in 2019 to 1.5 percent in 2020. This first recession since 1990 has significantly altered the country's economic outlook, affecting services such as tourism and transport, and exports. Inflation also increased from 1 percent in 2019 to 2.5 percent in 2020 and 2.2 percent in 2021 due to higher transport and food prices stemming from confinement measures and supply chain disruptions.

13. **The recovery from the COVID-19 Pandemic remains a challenge and has been undermined by the Russian invasion of Ukraine.** Real growth is expected to slow from 6.1% in 2021 to 5% in 2022 as private consumption and investment are declining owing to higher food and energy prices and greater uncertainty. Average inflation is expected to peak at 5.5% in 2022, as a result of trade disruptions exacerbated by the war in Ukraine, with energy and food prices rising the most. Senegal has responded with several containment measures and has implemented an Economic and Social Resilience Program

<sup>3</sup> Credits No. 6058-SN and 6059-SN



(Programme de Résilience Économique et Sociale, PRES). Nevertheless, limited fiscal buffers and safety nets, a vulnerable healthcare system, and a large informal sector continue to pose challenges to growth.

#### E. Sector Context and Challenges since the parent project appraisal

14. **While mobility and accessibility in the Greater Dakar Area (GDA) are essential for the city's competitiveness and inclusion, significant negative externalities of the existing transport system undermine the "agglomeration" benefits.** A recent study<sup>4</sup> found that the yearly total cost of the negative externalities of transport in the Greater Dakar Area amounts to USD 1.3 billion, which represents 8 to 10 percent of the GDA's Gross Domestic Product (GDP) and around 4.7 percent of the Country's GDP. Air pollution has the highest cost of around USD 687 million per year and is associated with 7% of non-accident-related deaths (of age 30 years or over) in Dakar. Congestion is the second-highest externality cost (around USD 374 million a year). Third, lack of road safety generates 6,000 road accidents per year with a cost amounting to USD 150 million.

15. **As assessed in the Climate and Disaster Risk Screening, the Dakar region will be increasingly vulnerable to the impacts of climate change.**<sup>5</sup> The mean annual temperature in Dakar is projected to increase by 0.3 - 0.8°C by 2039, and the frequency and intensity of extreme temperatures in future decades are projected to increase. The region is also subject to flooding, mostly related to urban run-off and the insufficient capacity of the storm water network. These floods lead to asset destruction, increased morbidity, increased economic vulnerability of households, school disruption, and insecurity.<sup>6</sup> Therefore, the mitigation of these impacts appears to be crucial for the success of a project in the area.

16. **The GoS has started implementing a Sustainable Urban Mobility Plan (PMUS), of which the BRT is a backbone.** The plan focuses on making public transport systems more efficient, affordable, and accessible, as well as promoting non-motorized transport modes. It also aims to reduce carbon emissions and air pollution by promoting cleaner and more sustainable modes of transport. As part of this strategy and in addition to the Dakar BRT project, several projects are now under operation or preparation: (i) the passenger railway between Dakar and Diamniadio started its operation in January 2022<sup>7</sup> and carried 17 million passengers in 2022; a second phase is under construction between Diamniadio and Blaise Diagne International Airport and (ii) a new project has started for the bus-based public transport restructuring including the upgrade of the feeder buses and works along the feeder roads to prioritize public transport. On February 28, 2023, the GoS signed financing agreements with French Development Agency (AFD), the European Investment Bank (EIB), the European Union (EU), and KfW Development Bank for a total amounting to US\$341.24 million equivalent. This public transport restructuring project further promotes the objectives of the BRT, by financing the first phase (14 lines, total length of 222 km) of a "priority" bus

<sup>4</sup> SETEC-CureM, *Etude sur les externalités négatives du transport à Dakar*. December 2022.

<sup>5</sup> The Disaster Risk and Climate Change assessment has been updated for the purpose of this AF. The identified main risks are the project location's vulnerability to flooding and extreme temperatures, and their impact on roads and multi-modal and transit systems.

<sup>6</sup> For instance, the 2009 floods in Dakar impacted 360,000 people and caused over US\$100 million in economic losses, mainly affecting the poorest residents who tend to live in underequipped and low-lying peri urban areas. Major floods also occurred in 2022.

<sup>7</sup> The TER (*Train Express Régional*) is operated by the SETER (*Société d'Exploitation du Train Express Régional*), a joint venture created by SNCF, Keolis and the State of Senegal.



network, which will integrate the BRT and TER and will enhance the access to mass transit to neighborhoods.

#### F. Rationale for Additional Financing and Restructuring

17. **The rationale for the proposed AF is to meet a cost overrun to complete the original project scope.** All physical investments under the AF were identified within the parent project and remain crucial to achieving its intended development outcomes.

18. **The cost overruns of the project are mainly related** to (i) an increase in commodity prices, (ii) an unforeseen increase in the volume of civil works of the BRT infrastructure corridor; (iii) incremental cost due to the choice of electric technology including the incremental cost of electric BRT fleet, charging stations and depot and (iv) increased cost of road works along the BRT corridor to improve traffic management in key bottlenecks and ensure smooth and safe BRT operations :

- *COVID-19 and global inflation have impacted project implementation and commodity prices, which translated into an increase in costs.* Since the restructuring in March 2019, the global context has been marked by (i) the COVID-19 pandemic, which has led to various restrictions, lockdowns, and global logistics chain disruptions, therefore increasing the cost of most projects worldwide and delaying workers' mobilization and project implementation; (ii) global inflation, a worldwide phenomenon, which has led to a global increase in the price of most commodities and construction materials.
- *The unforeseen increase in the volume of civil works within the planned scope of BRT corridor activities* is mainly linked to additional works to respond to hydraulic and flood resilience challenges, to additional needs of utilities relocation, to improve non-motorized infrastructure between the BRT and buildings that were not integrated into the original design, to incorporate recommendations of the road safety audit in the corridor.
- *The selection of electric bus technology during project implementation has also resulted in a further increase in the overall cost.* While the transition towards an electric BRT system is fully aligned with the World Bank's and the country's strategy towards transport decarbonization, this decision resulted in additional upfront costs, including the additional cost of the electric bus fleet, which requires a contribution from the GoS to the concession, to ensure the BRT concession financial viability and the additional cost of adapting the public transport infrastructure for electric charging such as depots and bus terminal stations.
- *The increased cost of road works in key bottlenecks along the BRT corridor to enhance traffic management and ensure smooth and safe BRT operations.* This will mainly target critical locations such as key congested intersections, side road works, and the road connecting the BRT corridor to the depot to ensure smooth and safe circulation of both buses and general traffic along the corridor.

19. **The project also requires an extension of the closing date from June 30, 2023, to December 31, 2024.** Although project implementation is advancing at a good pace, an extension of the closing date is required to ensure (i) that the project reaches the expected results by the closing date as key result indicators (such as daily ridership, average rush hour travel time, enhancement in access to Country District Center) require a ramp-up period of several months to reach expected target values; (ii) the





completion of infrastructure works under component 1 and the end of the works defect liability period; (iii) the completion of the works under component 2 to ensure smooth traffic management for BRT buses and general traffic, which is expected in June 2024. Most of the delays arose because of COVID-19 associated restrictions which (i) slowed down the mobilization of workers and advancement of works under component 1; (ii) delayed the mobilization of consultants for the studies required for the issuance of the bidding documents under component 2.

20. **In this context, the GoS has requested a US\$70 million equivalent additional financing from the World Bank.** The official request letter was received on February 16, 2023. This Additional Financing would solely cover the cost overrun and finance planned activities necessary to achieve the PDO, which remain unchanged. The letter also requested an extension of the parent project's closing date of 18 months, to December 31, 2024.

21. **This AF is fully aligned with the current Senegal Country Partnership Framework (FY20–FY24)** which aims to support the country in its path towards achieving middle-income status by 2035, notably (i) its focus areas (b) boosting competitiveness and job creation through private sector-led growth; and (c) increasing resilience and sustainability in the context of growing risks; and (ii) the cross-cutting theme: (c) mitigating the effects of climate change as the decision to use electric technology brings even greater benefits for addressing climate change.

22. **The project is aligned with the Global Crisis Response Framework (GCRF).** In particular, the project supports three interrelated pillars that are underpinned by the Green, Resilient, and Inclusive Development (GRID): (i) Protecting People and Preserving Jobs to help mitigate the medium- to long-term impact of crises, through the improvement of the accessibility to jobs; (ii) Strengthening Resilience by identifying and supporting paths to build long-term resilience, and (iii) Strengthening Policies, Institutions, and Investments for Rebuilding Better to utilize long-term policies to improve development outcomes.

23. **This project is identified in the Nationally Determined Contribution (NDC) of Senegal as a major potential contribution of the transport sector to reduce GHG emissions.** In the NDC, updated in 2020, Senegal commits to reducing its GHG emissions by 5 percent by 2025 and 7 percent by 2030, through mitigation actions in the energy, transport, agriculture, forestry, and other land use, industry, and waste sectors. The Dakar BRT project is specifically listed in the NDC submitted by Senegal ahead of the 2015 Paris Agreement as the only transport project under unconditional option as part of the mitigation activities in the climate action plan, and the project benefits from strong political ownership.

## II. DESCRIPTION OF ADDITIONAL FINANCING

24. **An additional financing of US\$ 70 million and an extension of 18 months of the closing date are required to meet the project development objective.** All physical investments within the AF were identified in the parent project and remain crucial to achieving its original scope.

25. The revised total project cost is US\$614.19 million, and the available financing is US\$544.19 million, compared to the initial indicative cost and financing of US\$426.3 at the time of project appraisal of the original project. In consequence, there is a US\$70 million gap that this Additional Financing aims to cover. The changes in project costs and financing are described below:



- **Changes in project costs.** The cost overrun of the Dakar BRT project amounts to US\$187.85 million, compared to the initial indicative costs at appraisal. As indicated in table 1, and with further details in annex 1, the cost overrun is broken down as follows: (i) 82% for component 1 (BRT infrastructure, fleet and systems), (ii) 13% for component 2 (Public transport network restructuring and road works); (iii) 9% for Component 3 (Capacity building and project management). Broken down by component/sub-component, the main justifications for these cost overruns are as follows. Details can be found in the annex.
  - i. **Sub-Component 1.1.** The main BRT infrastructure works contract signed in October 2019 with China Road and Bridge Corporation (CRBC) for CFAF136 billion resulted in a cost significantly lower than the estimate at the parent project appraisal. Since then, significant cost overruns amounting to CFAF74 billion have however been identified on this contract,<sup>8</sup> which has offset the initial savings and are not fully compensated by the EIB's additional contribution.
  - ii. **Sub-component 1.2.** The incremental upfront CAPEX cost of e-Buses compared to diesel-powered buses has led to a significant cost-overrun for this subcomponent amounting to US\$90 million equivalent, which is mostly financed by the private sector concessionaire with a US\$22 million equivalent guarantee from MIGA .
  - iii. **Sub-component 1.4 (new).** An estimated US\$17 million equivalent viability gap is to be provided to the concessionaire to ensure the concession's financial viability while meeting the social objectives as detailed in the financial analysis.
  - iv. **Sub-component 2.2.** A comprehensive study financed under the project has detailed the road works needed around the corridor to improve the circulation for both the general traffic and the BRT buses. Out of a US\$135 million program, a US\$40 million priority first phase was identified, which is critical to ensure smooth BRT operations on the BRT corridor and meet the PDO, and represents a cost overrun of around US\$17 million compared to the parent project appraisal.
  - v. **Component 3.** Within the capacity building and project management plan there is an incremental amount of US\$16.45 million are required. The choice of electric technology requires significant additional institutional strengthening. As this is the first time a BRT project is implemented in Senegal, capacity building is critical for the success of the system and significant capacity-building activities have been and will be financed during project

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<sup>8</sup> Out of these CFAF74 billion, CFAF13.4 billion (18.1 percent) are related to works for improving climate resilience, CFAF14 billion (18.9 percent) to commodity prices' increase, CFAF 12.8 billion (17.3 percent) to an unforeseen increase of volume of works, CFAF14 billion (18.9 percent) to improvement to ensure the traffic management and accessibility to ensure the performance of the BRT corridor, CFAF 4.4 billion (6 percent) for additional road safety measures, CFAF 7.4 billion (10 percent) to adaptation to the electric technology, CFAF 8 billion (10.8 percent) to increased works' supervision cost. The cost overruns on the main works contract were thoroughly reviewed and vetted by the independent Project's engineer ("mission de contrôle"), the Project Implementing Units (AGEROUTE, CETUD), the technical teams of the EIB (co-financer) and the World Bank who provided the no objection. Details are in annex.



implementation. The choice of electric technology requires significant additional institutional strengthening as well.

- **Changes in project financing.** Private capital mobilization and co-financing from other donors are higher than expected at appraisal, however Green Climate Fund (GCF) has not materialized.
  - i. **Private sector financing.** The private sector concessionaire has committed US\$144 million equivalent to the project<sup>9</sup>, compared to the expected US\$55 million.
  - ii. **European Investment Bank (EIB).** has provided a US\$85.45 million equivalent allocation<sup>10</sup>, instead of the US\$31.50 million equivalent expected at the appraisal stage.
  - iii. **Green Climate Fund.** The expected contribution of US\$30 million of the Green Climate Fund (GCF) could not materialize, despite several attempts<sup>11</sup>.
  - iv. **Counterpart funding.** The counterpart contribution will be US\$14.74 million in total, including US\$9.74 million already mobilized and US\$5 million as a contribution to this AF.

Table 1 provides the detail of the indicative and updated costs, the current financing plan, and the consequent financing gap.

**Table 1: Overview of Costs, financing, and Financing Gap**

Project Components	Indicative costs (2017) - (A)	Indicative costs (2019) - (B)	Overall costs (2023) - (C)	Cost overrun (C-B)	Financing plan					
					IDA - Parent Project	EIB	GoS	Private Sector	AF IDA	AF GoS
1. BRT Infrastructure, fleet and system	379.5	398.88	530.89	132.01	274.90	85.45	7.64	144.00	18.90	-
1.1 BRT infrastructure and system	325.5	317.84	342.85	25.01	255.50	85.45			1.90	
1.2 BRT fleet	54	54	144.00	90.00				144.00	-	-
1.3 Land Acquisition and compensation		27.04	27.04	-	19.40		7.64		-	-
1.4 Viability gap (new sub-component)			17.00	17.00					17.00	
2. Public Transport Network restructuring and road works	25	13.16	53.90	40.74	6.40	-	-	-	43.40	4.10
2.1 Technical Assistances	2	2	8.10	6.10	3.70				4.40	-
2.2 Road works	23	11.16	45.80	34.64	2.70				39.00	4.10
3. Capacity building and project management	12.3	12.3	26.10	13.80	16.50		2.10		7.00	0.50
4. Road Safety	2	2	3.30	1.30	2.20				0.70	0.40
Contingencies	7.5	0		-					-	-
<b>Total</b>	<b>426.30</b>	<b>426.34</b>	<b>614.19</b>	<b>187.85</b>	<b>300.00</b>	<b>85.45</b>	<b>9.74</b>	<b>144.00</b>	<b>70.00</b>	<b>5.00</b>
					<b>614.19</b>					

<sup>9</sup> The concessionaire has committed to finance US\$144 million equivalent CAPEX for the bus fleet with the signing of the concession agreement on the March 21, 2022.

<sup>10</sup> The Financing Agreement was signed between the EIB and the GoS on December, 19 2017

<sup>11</sup> Efforts were made to materialize the GCF financing (equivalent to US\$ 70 million). To this date, there is however no commitment made, and the required due diligence and timetable for its approval exceeds the time when those cost overrun should be covered in the implementation.



26. **The PDO will remain the same as in the original project.** Results Framework and monitoring indicators are proposed to be revised to reflect the proposed new closing date. End target dates for most of the indicators will be revised to reflect the proposed new closing date of December 31, 2024.

27. **Implementation arrangements.** Overall institutional and implementation arrangements remain unchanged.

28. **Changes in the project components.** To align the parent project components and activities with the new project description, a new subcomponent 1.4 “Viability gap” is added to finance the provision of a subsidy constituting the Recipient’s contribution to the financial equilibrium of the concession arrangements, in accordance with its obligations under the Concession Agreement. A new disbursement category will be tied to this subcomponent with an estimated maximum allocation of US\$17 million. The financing of this subsidy will be subject to the signing of an amendment to the concession agreement under terms and conditions acceptable to the Association.

29. **The AF will be financed by SUW as the country and the project is eligible.** With its strong potential transformative impact on economic growth by improving public transport infrastructure and services in the capital city of Senegal, thereby reducing market inefficiencies, and improving economic returns, the AF benefits from funding from the SUW. Both the Parent Project and the AF aims at maximizing economic, social, monetary, and fiscal returns: (i) Economic returns will be many: The project will enhance economic productivity by reducing transport costs. Furthermore, it will generate a significant number of jobs, with particular focus on the youth, during the construction of infrastructure, operation of the BRT and the maintenance of the BRT system and fleet. Due to strong multiplier effects usually induced by a boom in the construction industry, GDP growth is expected to be accelerated. Strong spillover effects are expected in transit and infrastructure improvements, utility upgrades, and climate resilience; (ii) Social returns will be derived from the development of public transport and non-motorized infrastructure in some of the poorest areas of the Metropolitan Area of Dakar.

30. **Extension of the closing date of the project.** The closing date of the project is proposed to be extended by 18 months to December 31, 2024, to account for the execution of the work and 1 year of operation of the BRT system. An extension of the project closing date will allow to secure the necessary construction period and provide sufficient time for operations. This additional time will ensure that all aspects of the project are completed to the required standards and integration of urban transport into urban development is adequately addressed with increased accessibility and social acceptance.

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

The BRT corridor concerns 2 administrative divisions (Guédiawaye and Dakar), 14 municipalities, and 2 city councils located in the Dakar metropolitan area. There are 958,229 inhabitants in these municipalities, i.e. 32.42% of the population of the Dakar region. In the region of Guédiawaye there are various low-lying areas that can be flooded in the rainy season.



**G. Environmental and Social Safeguards Specialists on the Team**

Joelle Nkombela Mukungu, Environmental Specialist  
Mame Safietou Djamil Gueye, Social Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project is classified Category A in view of the high social risks associated with its implementation and the fact that only the nature but not the exact size or location of the infrastructures have yet been defined. OP 4.01 is triggered due to the impacts of the construction and operation of the BRT system and its associated infrastructures. On the environmental side, the envisaged right-of-way of the majority of the proposed transport lane is an existing corridor which hosts no biophysical resources but temporary or permanent socioeconomic infrastructures. An environmental and social management framework (ESMF), for the unknown locations and an environmental and social impact assessment (ESIA) for the 18.3km long section of the corridor reserved for the BRT system have been prepared, consulted upon and disclosed in-country on January 22, 2017 and at the Bank's Info-shop on January 23, 2017. The ESIA makes special reference to the use of the Environmental and Health Safety (EHS) guidelines to be applied.
Performance Standards for Private Sector Activities OP/BP 4.03	Yes	This policy was triggered because of the implication of the Private sectors in the operation of the BRT. The World Bank ensure that E&S measures are well taken in their contracts and TORs
Natural Habitats OP/BP 4.04	No	The project intervention area doesn't host any natural habitat or known critical natural habitat.
Forests OP/BP 4.36	No	The project will not finance activity in forest degradation, forestry of forest products commercialization.
Pest Management OP 4.09	No	The project will not finance acquisition, transport, storage and utilization of hazardous chemical, pesticides, fertilizers or any similar products.



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Physical Cultural Resources OP/BP 4.11	Yes	Civil works may uncover and destroy archeological artifacts if appropriate measures are not put in place during implementation. The ESMF and the ESIA provide a comprehensive “chance find procedure” to include in enterprise contracts for a proper handling of such issue if case arises.
Indigenous Peoples OP/BP 4.10	No	There are no indigenous people in the project intervention area.
Involuntary Resettlement OP/BP 4.12	Yes	The construction of (a) a 18.3 km fully segregated BRT line from Cabral Square in Dakar Plateau (town center) to the Guediawaye area; (b) construction of two major passenger terminals (Guediawaye with a bus terminal, taxis and park-and-ride facility and Grand Medine close to the Airport road with taxis and park-and-ride facility; and (c) construction of 31 BRT system stations will inevitably induce the displacement of socio-economic activities and resettlement of affected households, specially in three densely populated areas: Peterson Parking; Grand Yoff; and Grand Medine (see corridor map). The prepared Resettlement Action Plan (RAP) and the Addendum 1 & 2 were well implemented.
Safety of Dams OP/BP 4.37	No	The project will not finance dam construction or activity associated with existing dam.
Projects on International Waterways OP/BP 7.50	No	The project will not finance activity located on international waterways or that will directly affect such waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project area is not located in a disputed zone.

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

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

The major negative environmental and social impacts and risks at this stage are mainly related to air pollution, Occupational Health and Safety (OHS), community health and safety, road safety management, waste management on working site. Affected people have been compensated in accordance with the prepared Resettlement Action Plan (RAP) and the Addendum 1 and 2 which were disclose on the country site. These negative impacts are and will continue to be managed in accordance with prepared Environmental and Social Impact Assessment/Environmental and Social Management Plan (ESIA/ESMP). In addition, the policy on Performance Standards for Private Sector Activities, OP 4.03 has been triggered in view of the planned use of a private operator. This operator is expected to finance and operate bus fleet and some ITS equipment. Local operators may be involved in the shareholder structure of the future operator together with an international renowned BRT operator.



IFC will lead the selection process of the private operator, including an assessment of its environmental and social capacities for safeguards policies. The World Bank will continue to monitor the operator's compliance with the E&S system he developed, as part of its overall monitoring of compliance with the project's safeguards instruments.

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

Air quality in the Dakar area is becoming problematic. The development of the BRT system will have a positive impact on air quality by reducing air pollution along the corridor through the modal shift brought by the BRT system that will result in a reduction in the emission of pollutants in the Dakar metropolitan area and a fuel consumption and emissions of pollutants by passenger/km much lower than with other modes of transport.

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

As part of the ESIA, a comparative analysis of three alternative roads was conducted. Several criteria for comparison have been used: quality of service, multimodal and urban consistency, environmental and social friendliness, conditions for insertion, and costs. The proposed corridor is the most viable option from an environmental, social, technical and economic point of view. It has lesser environmental sensitivity and social impacts.

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

CETUD prepared an ESIA and a RAP for the known 18.3km long section of the corridor reserved for the BRT system to address impacts specific to this corridor. For the unknown locations, an ESMF and a RPF have been prepared to guarantee sustainability through mitigation measures. All activities for which the location were known during project implementation were subject to environmental and social screening to minimize the potential negative impacts. Both the Bank and project's teams make sure that all contractor bidding documents include specific environmental and social clauses to be strictly implemented. Supervising engineer (Bureau de contrôle) contracts also include provisions for overseeing the implementation by the contractors of the environmental and social clauses. Both CETUD and AGEROUTE have hired E&S experts and CETUD also hired one OHS expert. Two NGOs were recruited to assist with the implementation of the RAP.

A stakeholders engagement Plan was prepared to allow engagement of all stakeholders in addition to an operational Grievance Redress Mechanism and GBV/SEA/ SH plan.

The management of OHS and safety of community must be improved.

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

The key stakeholders identified are the affected people, the municipalities in the area of the BRT corridor, the State Owned Bus Company DDD (Dakar Demm Dikk), AFTU (an association of independent operators organized within 14 groups of economic interest), the informal public transport mode "Cars rapides" and "Ndiaga Ndiaye" operated by independent free-lance operators, and NGOs. Extensive consultations with stakeholders were held as part of each of the safeguards documents (ESIA, RAPs, ESMF, and RPF). Some of the key concerns raised by the local stakeholders during consultations remains and must be monitored closely:

- risks of air pollution and nuisance by noise at the time of construction;
- risks of accidents in the operational phase of the BRT;
- worries about lack of communication on the project;

Key social risks are related to Involuntary Resettlement, including the displacement of socio-economic activities and resettlement of affected households, livelihood restoration, lack of communication, gender-based violence, and risks



of increased prevalence of HIV/AIDS and other SCDs due to foreign workers on construction sites. All these issues are being managed and monitored by CETUD, AGEROUTE and the contractors, even if there are still needs for improvements.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
26-Dec-2016	23-Jan-2017	23-Jan-2017

**"In country" Disclosure**

Senegal  
20-Jan-2017

Comments

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank	Date of submission for disclosure
26-Dec-2016	23-Jan-2017

**"In country" Disclosure**

**If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

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Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

Is physical displacement/relocation expected?

No

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

TBD

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

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### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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**Approved By**

Safeguards Advisor:		
Practice Manager/Manager:		
Country Director:		

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