1 Key development issues and rationale for Bank involvement

Land is a key resource in Senegal. Seventy percent of the rural population directly depends on land resources for their livelihoods. Despite the fact that contribution of the agricultural sector to the GDP has declined in the last decades, this sector still engages about 60 percent of the population. According to the Government’s Poverty Reduction Strategy Paper (PRSP-II), still represents one of the major engines for shared growth. However land degradation is increasingly affecting land resources in Senegal. According to the Senegal Country Environmental Analysis (SN-CEA, FY08) almost two-third of the arable lands in the country are degraded (2.5 million hectares). Land degradation has negative effects on: (i) the country’s potential for growth; (ii) the poverty and vulnerability of the rural population, and (iii) social costs. The annual economic cost of land degradation in Senegal represents 1% of GDP (ref. SN-CEA).

According to the SN-CEA, Sustainable Land Management (SLM) could offer a means to address land degradation and enhance rural land productivity on a long-term basis. However, despite some isolated technical successes, the adoption and replication of SLM on a wide-scale has remained relatively limited in the country. Some of the key reasons that have prevented the development of SLM include (i) a weak enabling environment, and (ii) a single-sector/project-specific approach to the problem.

The proposed operation contributes to the objectives of the key Senegalese policies and strategies, specifically: (i) the National Action Plan for the Environment in 1993; (ii) the Agro-Sylvo-Pastoral Orientation Law (LOASP, 2004) ; (iii) the Accelerated Growth Strategy (AGS, 2006); (iv) the Plan d’Action National pour l’Adaptation aux Changements Climatiques (PANAC, 2006), and more recently, the PRSP-II, 2007. The proposed operation would in addition support the Government’s effort to adopt a more programmatic approach to SLM by strengthening cross-sectoral coordination mechanisms and institutional capacity for SLM at various levels.
Rationale for Bank’s involvement is based on the following comparative advantages: (i) Long-term involvement in the sectoral dialogue: the Bank has led the policy dialogue on the agricultural sector since the sectoral adjustment programs in the 1990s. Recently, the first and second phase of the Agricultural Services and Producer Organization Project (PSAOP and PSAOP2) have been instrumental in defining sector strategies and implementing sector reforms in the agricultural sector (LOASP, the Policy Letter of Development of the Groundnut Sector). The recently completed SN-CEA provides an important instrument to strengthen the policy dialogue in the natural resource management sector; (ii) Opportunity to complement Bank’s rural portfolio, especially, the Agricultural Markets and Agro-business Development Project (PDMAS), the Participatory Local Development Program (PLDP), and the West Africa Agricultural Productivity Program (WAAPP) in addition to the PSAOP2; (iii) Contribution the Bank’s Country Assistance Strategy (CAS, 2007) objectives: By promoting the adoption of SLM in priority areas, the proposed operation would directly contribute to the quantifiable targets to scale-up SLM of the CAS; (iv) Capacity to leverage partners and mobilize technical and financial resources towards SLM; (v) Contribution to CAADP objectives; (vi) Implementation of the TerrAfrica Global Partnership Program: The proposed operation would contribute to the implementation of the Business Plan of TerrAfrica, as it would contribute to creating the enabling conditions for SLM scale-up.

2 Objectives: Project development objective/Global Environmental Objective

The proposed operation aims to promote the adoption of SLM practices in selected priority areas in the Groundnut Basin. The Global Environmental Objective GEO is to improve ecosystem functions and services in selected priority areas in the Groundnut Basin.

3. Description

The proposed operation will be integrated to PSAOP2 and implemented through the institutional arrangements of PSAOP2. It would contribute to the above described objectives by (i) Strengthening some key elements of the enabling environment for SLM scale-up at national and local level, and; (ii) Supporting the adoption of SLM technologies and practices in selected priority areas.

The decision to focus on the seed producing areas of the Groundnut Basin is based on the following considerations: (i) Severity of degradation; (ii) Population density and potential for agricultural production, and; (iii) Synergies with PSAOP2, PDMAS and WAAPP.

The activities proposed in this operation are organized along the four components of PSAOP2. Each component would integrate/complement the respective PSAOP2 component.

Component A - Support to the Agricultural Research System. The GEF supported-project would be used to strengthen the capacity of the Senegal Agricultural Research Institute to specifically generate and disseminate SLM-targeted research and knowledge through three subcomponents: A.1 Support the implementation of demand-driven SLM research and development (R&D) activities; A.2 Finance baseline studies. Information collected will be used for M&E and to SLM Knowledge Base (ref. Component D1); A.3 Strengthen the capacity of ISRA to generate and disseminate and monitor SLM-targeted research and knowledge.
Component B - Strengthening Agricultural Advisory Services. The GEF supported-project would complement these interventions by: B.1 Strengthening the capacity of the agricultural extension system in SLM; and B.2 Delivering SLM packages. The sub-component B.2 aims at developing and delivering demand-driven, customer-tailored SLM advisory programs through the agricultural extension system.

Component C - Support to Producer Organizations (POs). The GEF supported-project would provide additional resources to: C.1 Strengthen the capacity of POs to integrate SLM in their production systems; C.2 Strengthen the capacity of POs’ leaders to integrate SLM in the formulation of sectoral policies; C.3 Support the adoption of SLM practices. The sub-component C.3 will provide financial resources to implement SLM sub-projects.

Component D - Support to Sectoral Coordination. This component comprises two sub-components: The sub-component D.1 Strengthening cross-sectoral coordination. Main activities within this sub-component include: (i) the institutionalization of the SLM Committee as a national multi-sectoral forum in charge of promoting, coordinating and overseeing the development and implementation of SLM activities in the country SLM; (ii) the formulation and adoption of a National SLM Investment Framework; and (iii) the development of a Knowledge Base on SLM. The sub-component D.2 Technical and fiduciary coordination and monitoring and evaluation will be the same as PSAOP2’s.

4. Sustainability and Replicability

Expected long-term sustainability of the project is based on the following elements: (i) Institutional sustainability: the LOASP, 2004 includes promotion of better land exploitation and improvement of soil fertility among its key strategic objectives. The institutionalization of the Groupe Fonctionnel GDT and the formulation of an SLM Investment Framework will help to better integrated SLM in the Senegalese policy framework; (ii) Project sustainability: the project will promote a demand-driven approach, where supported SLM interventions are generated in response to the needs expressed by beneficiaries; (iii) Financial sustainability: the Internal Rate of Return of 27% over the opportunity cost of capital is estimated at 20 % and farmer Net Present Value at FCFA 49 million (US$ 98,000). Strengthening the capacity of the agricultural research and advisory services, and the capacity of producer organizations to integrate SLM in their production system, the development of a national Knowledge Base on SLM, and the institutionalization of a national multi-sectoral forum in charge of promoting, coordinating and overseeing the development of SLM activities in the country are expected to facilitate the replicability of the results of the project on a wide scale.

5. Safeguard Policies (including public consultation)

The Safeguards Screenings Category is S2 and the Environmental Screening is Category B. The OP/BP 4.01, 4.09 and 4.12 are triggered as this is an operation focusing on the agriculture sector in general and having an objective dealing with pest management. The OP/BP4.04 and OP/BP4.36 are not triggered, because the project will only intervene in degraded agricultural lands. No sub-project will be approved if forests or natural habitats are affected. An important aspect of the Environmental and Social Management Framework (ESMF) updated in May 2008
is the screening of sub-projects under SLM. This process includes norms and standards set forth under PSAOP 2. It is expected that with the emphasis on biological methods of fighting pests in pilot activities and improving the physical land capital, and the eventual use of drip irrigation, the implementation of the SLM project will positively impact on OP 4.09 and continue to implement the Government's pest management plan prepared under PSAOP2 (annex of the ESMF). There are no large scale and long term foreseen irreversible impacts due implementation of the identified project activities.

### Safeguard Policies Triggered by the Project

<table>
<thead>
<tr>
<th>Policy</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP 4.01)</td>
<td>[x]</td>
<td></td>
</tr>
<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
<td></td>
<td>[x]</td>
</tr>
<tr>
<td>Pest Management (OP 4.09)</td>
<td>[x]</td>
<td></td>
</tr>
<tr>
<td>Physical Cultural Resources (OP/BP 4.11)</td>
<td></td>
<td>[x]</td>
</tr>
<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
<td>[x]</td>
<td></td>
</tr>
<tr>
<td>Indigenous Peoples (OP/BP 4.10)</td>
<td></td>
<td>[x]</td>
</tr>
<tr>
<td>Forests (OP/BP 4.36)</td>
<td></td>
<td>[x]</td>
</tr>
<tr>
<td>Safety of Dams (OP/BP 4.37)</td>
<td></td>
<td>[x]</td>
</tr>
<tr>
<td>Projects in Disputed Areas (OP/BP 7.60)*</td>
<td></td>
<td>[x]</td>
</tr>
<tr>
<td>Projects on International Waterways (OP/BP 7.50)</td>
<td>[x]</td>
<td></td>
</tr>
</tbody>
</table>

Although the Project is expected to have positive environmental impacts because it will finance interventions to reduce land degradation, some localized negative environmental (construction of small scale agricultural infrastructure e.g. small dams, storage tanks, etc.) and social (land conflicts, conflicts between farmers and herders) impacts may be possible and will be addressed through the environmental screening process of sub-projects. The ESMF and the Resettlement Policy Framework (RPF) have provided the needed mitigations measures.

**Contact point**
Contact: Manièvel Sène
Title: Rural Development Specialist
Tel: 221 33 859 4100/221 33 859 4115
Fax: 221 33 859 4283
Email: msene@worldbank.org

**For more information contact**
The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Email: pic@worldbank.org
Web: http://www.worldbank.org/infoshop

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas