Details of any government or regulatory approvals, licenses or permits required for implementing and operating the project/programme, the relevant issuing authority, and the date of issuance or expected date of issuance. ***(Paragraph- government / regulatory and approvals, licenses or permits).***

For the 7 targeted countries (Burkina Faso, Chad, Mali, Mauritania, Niger, Senegal, The Gambia), procurement of goods, works and services financed by the GCF shall be carried out in accordance with the provisions of the countries 's procurement regulations including regulatory and approvals, licenses and permits, to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures, which must be implemented by the Recipient in order to ensure consistency with the IFAD Procurement Guidelines. In each of the selected countries, insurance companies need the approvals/licenses from the department in charge of insurance from the ministry of economy and finance. The insurance markets in each country and the insurance process is regulated by the Conférence Interafricaine des Marchés d'Assurances (CIMA). WFP will require and verify such licences are maintained at all times

The four participating countries (Burkina Faso, Mali, Niger, and Senegal) except the Gambia Mauritania are part of West African Economic and Monetary Union.Consequently, the risk of non-payment in a trade transaction caused by transfer issues or foreign exchange shortages have been mitigated for members of the monetary arrangement including with Chad, Mauritania and the Gambia. This is reflected in Credendo's maximum short-term political risk classification of category 5/7 for the CFA countries[1]. Moreover, the peg to the euro and the prohibition on monetising fiscal deficits have kept inflation low (around 3%), in contrast with the rest of Sub-Saharan Africa. All participating countries are net oil importers except Chad and some are rather fragile (small export bases) and politically unstable. Their high reliance on one or two export goods exposes members to terms of trade shocks. Trade flows are particularly dependent on agricultural commodities like groundnuts, cotton and livestock and fishery products as well as minerals gold (Mali, Burkina Faso), uranium (Niger) and oil (Chad). The potential for regional trade integration should be further deepened as trade within the WAEMU reaches just 10% of total trade flows, notwithstanding the single currency and the absence of tariff barriers.

The WAEMU has been one of the fastest-growing regions in Sub-Saharan Africa since 2011. Average real GDP growth projections remain upbeat at between 6% and 7% at least for another 5 years, while most members are set to grow more than 5% per year. However, with the Corona virus pendemic, GDP growth projections will be under 3% the Gambia and Mauritania included.

Deficits have been largely financed by international donor support, concessional financing and foreign direct investments, yet non-concessional external borrowing has been on the rise, especially in Senegal. Since 2017, liquidity pressure has been eased by large Eurobond issuances by Senegal on the one hand, and better enforcement of export receipt repatriation requirements on the other. As a result, foreign exchange reserves reached 4.3 months of import cover again at the end of 2018. Essential reforms in the banking sector were implemented in 2018 to meet new solvency requirements and help banks to deal with considerable concentration, credit and liquidity risks.

The Central Bank of West African States (BCEAO) has the exclusive right to issue currency throughout the member states of the West African Monetary Union while in Mauritania, the

Gambia and Chad; it is respectively their central banks. The BCEAO issues banknotes and coins that are legal tender and redeemable throughout the member states of the Union. The creation, issuance and cancellation of banknotes and coins are decided by the Council of Ministers.

Government policies generally encourage the free flow of capital and financial resources in the West African region. The Regional Stock Exchange (BRVM) in Abidjan trades equity securities and an effective regulatory system exists to facilitate portfolio investment through the West African Central Bank (BCEAO). The French Treasury continues to hold the international reserves of WAEMU member states and supports the fixed exchange rate of CFA 655.956 to 1 Euro. There are currently no restrictions on the transfer or repatriation of capital, dividends and income earned, or on investments financed with convertible foreign currency in the West African CFA region. The various governments in the West African CFA region still regularly approve remittances of dividends and/or repatriation of capital. This is also the case for requests for other sorts of transactions (e.g. imports, licenses, and royalty fees). Funds associated with investments funded with convertible currency are freely convertible into any world currency. There are also no time limitations on remittances.

Contract alteration and expropriation risks remain low to medium in most of the 7 countries . The fiscal system is highly bureaucratic and tax rates are high for the region. However, the governments are offering tax breaks to attract foreign investment, particularly in the agricultural and agro-processing sectors, in a bid to consolidate the country's stability through economic prosperity.

With regards to the insurance markets, the insurance process is facilitated by the Conférence Interafricaine des Marchés d'Assurances (CIMA). This regional insurance oversight body was created based on the notion that a large single market with common rules and a common regulatory authority will result in a more effective and efficient supervisory structure, and will promote stable and secure insurance markets in the region. CIMA covers 15 countries in Francophone Africa including all participating countries expect Mauritania and the Gambia, bringing virtually all insurance supervisory, legislative and regulatory powers under the CIMA Code. Special partnership are set with the Mauritania and the Gambia insurance markets. According to the Code, its aims include "taking all necessary measures to strengthen and consolidate close cooperation in the field of insurance," and "pursuing the policy of harmonization and unification of legal and regulatory provisions relating to technical insurance and reinsurance operations."

- *Describe applicable taxes (or exemptions thereof) and foreign exchange regulations related to the project/programme.*

Taxes. The grant financing are exempt from tax (import taxes and duties as well as value-added taxes) in the seven countries (Burkina Faso, Chad, Mali, Mauritania, Niger, Senegal, and The Gambia). The financing agreement will be exempted from taxes on signature, issuance or registration.

The level of taxes in the project unit costs estimate was assessed in order to estimate the government's financial commitment for duties and taxes exemptions.

Exchange rate. For CFA Franc Zone, the parity of the CFA Franc is fixed in relation to the Euro (1 Euro= 655.957 CFA F), as long as a devaluation is not decided at the level of the whole area (as it was the case in 1994). Also, the evolution of the CFA F/US$ exchange rate reflects exactly that between the Euro and the US dollar. Only Mauritania and the Gambia have their own currency

- *Details of any insurance policies or requirements related to the project/programme*

The recipient or the lead project agency shall insure all goods and buildings used in the project against such risks and in such amounts as shall be consistent with sound commercial practice.

The recipient or the lead project agency shall insure the goods imported for the project, which are financed by the financing against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation in accordance with sound commercial practice.

The recipient shall ensure that all facilities and civil works used in connection with the Project shall at all times be properly operated and maintained and that all necessary repairs of such facilities shall be made promptly as needed