



**IFAD**  
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**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO

**THE REPUBLIC OF SENEGAL**

FOR

**THE AGROFORESTRY PROJECT TO COMBAT DESERTIFICATION**





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### CURRENCY EQUIVALENTS

Currency Unit	=	CFA Franc (XOF)
USD 1.00	=	XOF 560
XOF 1.00	=	USD 0.00178

### WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m <sup>2</sup> )	=	10.76 square feet (ft <sup>2</sup> )
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

### ABBREVIATIONS AND ACRONYMS

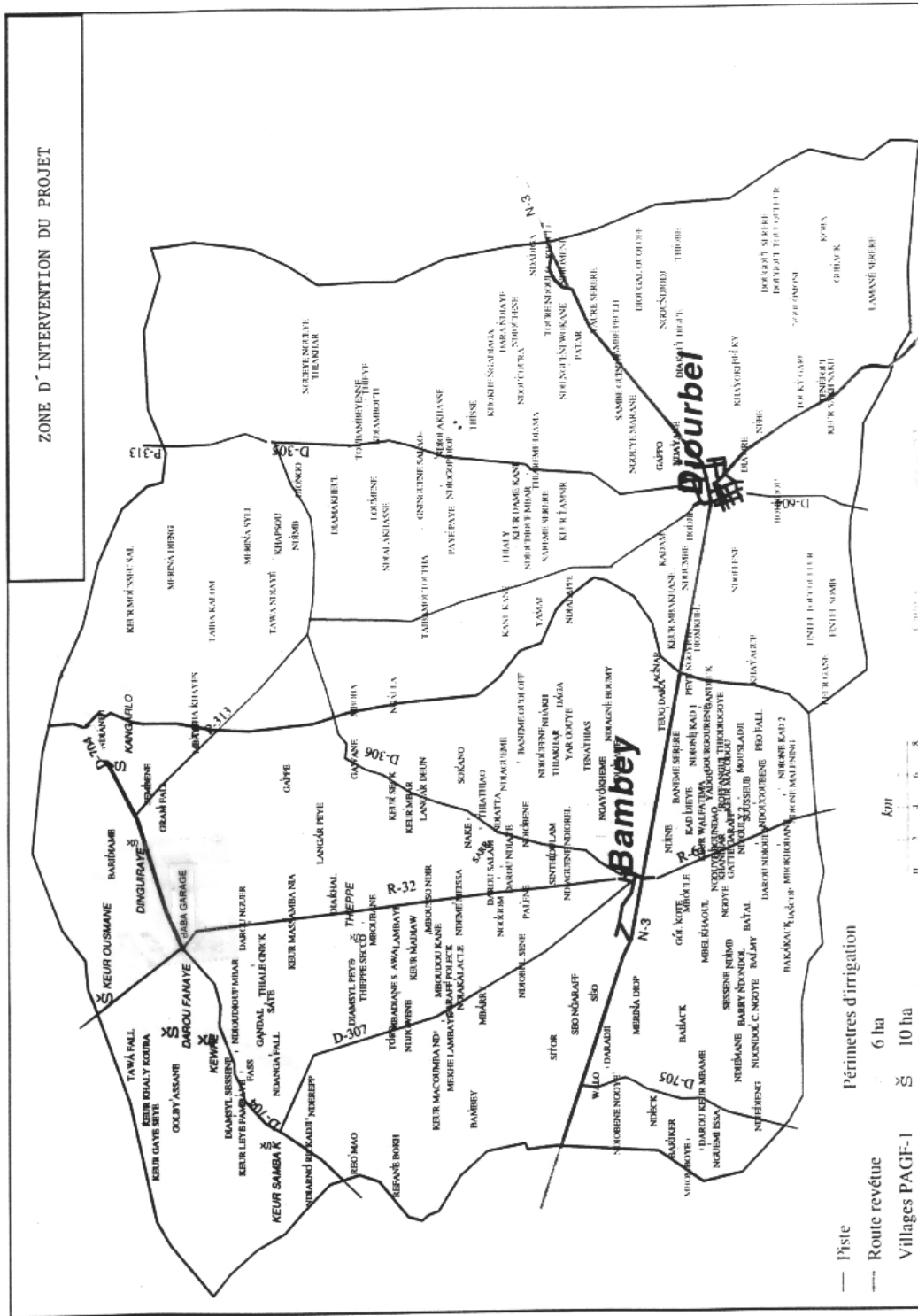
AWPB	Annual work programme and budget
BOAD	West African Development Bank
CIB	Consolidated Investment Budget
IE	Interim Evaluation
NGOs	Non-governmental organizations
PAGF I	Agroforestry Development Project
RAF	Responsable administratif et financier (Administration and finance officer)
RTs	Relais technique (Technical Contact Persons)
RVs	Relais villageois (Village Contact Persons)
SOEs	Statements of expenditures
UDS	Unité de direction et de suivi (Project Piloting and Monitoring Unit)
VDCs	Village Development Committees

### GOVERNMENT OF THE REPUBLIC OF SENEGAL

#### Fiscal Year

1 January - 31 December

## MAP OF THE PROJECT AREA



Source: Formulation Mission

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.



**REPUBLIC OF SENEGAL**  
**AGROFORESTRY PROJECT TO COMBAT DESERTIFICATION**  
**LOAN SUMMARY**

<b>INITIATING INSTITUTION:</b>	IFAD
<b>BORROWER:</b>	Republic of Senegal
<b>EXECUTING AGENCY:</b>	Ministry of Environment and Nature Protection
<b>TOTAL PROJECT COST:</b>	USD 13.90 million
<b>AMOUNT OF IFAD LOAN:</b>	SDR 5.85 million (equivalent to approximately USD 8.20 million)
<b>TERMS OF IFAD LOAN:</b>	40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum
<b>COFINANCIERS:</b>	West African Development Bank (BOAD)
<b>AMOUNT OF COFINANCING:</b>	USD 1.96 million
<b>TERMS OF COFINANCING:</b>	17 years, including a grace period of five years, with an interest rate of 3.8 per cent per annum
<b>CONTRIBUTION OF BORROWER:</b>	USD 2.79 million
<b>CONTRIBUTION OF BENEFICIARIES:</b>	USD 0.95 million
<b>APPRAISING INSTITUTION:</b>	IFAD
<b>COOPERATING INSTITUTION:</b>	BOAD



## **PROJECT BRIEF**

### **Who are the beneficiaries?**

The project is expected to benefit directly two thirds of the poor rural population in 126 villages of the project area by assisting around 70 000 people living on small farms of up to 3 ha. The beneficiaries belong to two main ethnic groups, the Wolof and the Peul; their per capita income is USD 183 (as compared to a national average of USD 570). Their farming systems are becoming increasingly integrated, with Wolof crop farmers adding livestock raising to their activities and Peul herders settling down to take up crop farming as a complementary activity. The food security situation of the beneficiaries is characterized by annual cereals deficits of up to 120 kg per person. Water supply is unsatisfactory due to the poor condition of the existing network and the insufficient number of wells.

### **Why are they poor?**

They are poor mainly because they live under conditions that do not permit them to exploit their full potential in terms of human and natural resources. They lack access to markets due to the absence of an adequate network of roads and tracks. Difficulties in obtaining financial services limit their ability to invest in new technologies and enterprises. The human potential needs upgrading through literacy, technical and management training and the vagaries of climate keep them from achieving constant and satisfactory production results. Finally, the scarcity of water for consumption and production purposes forces many of them to leave their villages. Apart from the IFAD-supported Agroforestry Development Project (PAGF I), no significant investment project has attempted to respond to these needs in a concerted manner. Temporary or permanent outmigration has therefore been increasing and poverty within the area persists.

### **What will the project do for them?**

The project will go a step further than PAGF I and launch a durable process of participatory, self-sustaining development through capacity-building, strengthening of institutions, the provision of financial resources and the improvement of rural infrastructures. It will disseminate proven, simple agroforestry technologies to better soil fertility and productivity. It will emphasize technological innovations that take into account the views of the beneficiaries and their traditional knowledge (e.g. to increase meat and milk production, to promote environmentally sound cropping practices, etc.), and open up opportunities for downstream activities to increase value added in the rural areas.

### **How will the beneficiaries participate in the project?**

The project has been designed as a long-term process in order to permit the effective participation of the beneficiaries at all stages. Beginning with their sensitization through meetings at the village level, they will be involved in the diagnosis of their situation, the identification of their problems and the search for adequate solutions. They will execute the proposed actions at the farm level and will actively contribute to the realization of infrastructural improvements through financial, labour and material inputs. The project will provide them with adequate training to raise their capacities to the level required for their effective involvement. Last but not least, they will be integrated in the monitoring and evaluation of project activities through a planned process of self-evaluation.





**REPORT AND RECOMMENDATION OF THE PRESIDENT OF IFAD  
TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO  
THE REPUBLIC OF SENEGAL  
FOR  
THE AGROFORESTRY PROJECT TO COMBAT DESERTIFICATION**

I submit the following Report and Recommendation on a proposed loan to the Republic of Senegal for SDR 5.85 million (equivalent to approximately USD 8.20 million) on highly concessional terms to help finance the Agroforestry Project to Combat Desertification. The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum. It will be administered by the West African Development Bank (BOAD) as IFAD's cooperating institution.

**PART I - THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY<sup>1</sup>**

**A. The Economy and Agricultural Sector**

1. Senegal is located in West Africa on the Atlantic Ocean and has an area of 197 000 km<sup>2</sup>. It has common borders with Mauritania, Mali, Guinea and Guinea-Bissau, and surrounds The Gambia. The generally flat country is divided into six natural regions: River, Ferlo, Groundnut Basin, East Senegal, Casamance and the Niayes. The climate in the west and south is influenced by the presence of the Atlantic Ocean, while in the rest of the country it is basically Sahelian, i.e., dry, with little and irregular rainfall and high average temperatures. Senegal has a population of 8.8. million (1997 UN estimate), and is growing at an annual average of 2.8% (1980-1994). The urbanization rate is high (41% in 1993), reflecting the continuous rural exodus and above all, the attraction of the Dakar region which houses 21.6% of the country's inhabitants. Nearly 58% of the population is younger than 20 years, while the active population (15 to 64 years) comprises 53% of the total. On a national level, women dominate in numbers (51.4%). This predominance is even stronger in the St. Louis, Diourbel and Louga regions where male outmigration is especially frequent.

2. At the time of independence the Senegalese economy was somewhat more diversified than that of its neighbouring countries, though it still depended largely on a single crop, groundnuts, for its export earnings. Subsequently, phosphates and fishery products gained in importance. The gross domestic product (GDP) is characterized by a high (64.7% in 1996) percentage allocated to the tertiary sector, and more particularly, to government activity. Since the late eighties, however, efforts have been made to restructure the public sector, privatize economic activities and revise the relevant legislation. Economic reform activities have benefited from a series of World Bank and International Monetary Fund adjustment loans and facilities. The 1994 devaluation of the local currency helped to redress a situation of artificial overvaluation that had penalized the country's export performance: the trade deficit in USD terms decreased by 19% in the three years following the devaluation. During the same period, GDP growth resumed after a long period of stagnation so that GDP was estimated in 1996 at USD 570.

3. Understood in the larger sense of the term, i.e., comprising crop production, livestock, forestry and fishing, the agricultural sector contributes only one-fifth of GDP, but employs three-quarters of

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<sup>1</sup> See Appendix I for additional information.



the economically active population. It is the main source of income, export earnings and employment and is also the main contributor to the renewed economic growth experienced in recent years. The natural resource base, however, is precarious: crop and livestock production is heavily influenced by the vagaries of climate and threatened by declining rainfall and soil degradation. The area under cultivation equals about 12% (2.4 million ha) of total land area, while another 16% is classified as permanent pasture. The large majority of agricultural producers are smallholders who farm land under customary tenure arrangements and apply traditional rotation systems. Rainfed cropping predominates and the use of modern inputs has, if anything, declined after the 1994 devaluation. Most farmers combine cash cropping with food crop production for their own consumption. The main crops grown are millet and sorghum (46%), groundnuts (41%), maize (5%), rice (3%), cowpea (2%), cotton (2%) and cassava (1%). There still remains great potential for increasing irrigated agriculture, particularly in the river Senegal area in which rice production predominates. In other parts of the country, small-scale irrigation is being used mainly for the production of vegetables (market gardening). Livestock accounts for an estimated 7% of GDP and shows a tendency for further growth, thanks also to efforts that brought the main animal diseases under control. The fisheries' subsector contributes almost 30% of GDP and is a significant provider of employment. Forestry resources, covering 20% of the land area, are the main supplier of fuel, with woodfuel contributing about half of the country's energy consumption.

4. The chief government institutions that concern themselves with the rural sector include the Ministries of Agriculture, Livestock, and Environment and Nature Protection. In addition, the Ministry of the Interior is represented in rural areas through its Multi-purpose Rural Expansion Centres. A profound restructuring of the institutional framework is ongoing, reflecting the Government's policies of disengagement, privatization/liberalization and decentralization/devolution. The most important research institutions are the Institute of Agricultural Research that was set up to undertake and develop agricultural research in every field (crops, livestock, forestry, fisheries), and the Food Technology Institute. As for financial services, the the National Agricultural Bank of Senegal was for many years the only formal source of rural credit. In recent years, decentralized financial systems, working at all levels from the small village upward and with a variety of target groups, have been rapidly gaining importance. An adequate regulatory framework is in place with a unit within the Ministry of Finance and Planning responsible for the promotion and supervision of the growing network of smaller and larger decentralized financial systems based on the system of mutual credit and savings groups. In some cases, these are registered non-governmental organizations (NGOs).

### **B. Lessons Learned from Previous IFAD Experience**

5. Senegal was one of the first countries to benefit from IFAD assistance. It has accumulated a sizeable portfolio of seven projects, five of which are ongoing. A number of important lessons have been learned during the nearly twenty years of collaboration which have been reflected progressively in the design of later IFAD projects. Above all, it quickly became evident that the development of rural areas needs to be approached with a long-term perspective; sufficient time and efforts need to be allocated to consult the project participants and involve them more closely in the process of project design and implementation. On the technical side, lessons have been drawn regarding the use of natural resources and related potential and constraints. There is a need to optimize the utilization of available hydro-resources both by choosing cost-effective irrigation techniques adapted to specific local conditions and by ensuring the active participation of the users in the construction, rehabilitation, maintenance and management of the infrastructures. Regarding agricultural land resources, the necessity to conserve, protect and regenerate soils has, if anything, increased over the years. IFAD has been able to strengthen its knowledge base through its investment and research activities. These have provided interesting technological results, confirming the importance of the active involvement and commitment of the target population and identifying a good basis for participatory development. The strong tendency of rural producers, and women in particular, to form



interest groups and other organizations, has proven to be an effective countervailing power and a useful channel for agricultural services and development efforts in general. Over the years, IFAD has adapted project management arrangements to the political and institutional environment with a view to increasing efficiency and strengthening project performance. This has been accomplished through greater autonomy for management units, the privatization of management functions and the sub-contracting of specific activities.

6. The design of the present, second phase project has benefitted from the conclusions and recommendations of the Interim Evaluation (IE) of the Agroforestry Development Project (PAGF I). The IE highlighted that the well-protected agroforestry plots allowed important production increases and could thus renew confidence in an area severely damaged by drought and mono-cropping. It recommended placing agroforestry development within a larger framework of village-land use planning and providing incentives by allocating resources to farmer development needs outside of agroforestry. The IE also noted that irrigation activities should have a sound economic basis and be accompanied by adequate training, extension and management support. Farmers should be taught to apply less costly agroforestry techniques than those used during the first phase and obtain assistance in increasing their rainfed production on the protected plots. These recommendations are reflected in activities that will be promoted by the present project.

### **C. IFAD's Strategy for Collaboration with Senegal**

7. **Senegal's policy for poverty eradication.** The Government has launched a medium-term national programme to combat poverty by ensuring: (a) the increased incomes of the population through an active policy of promoting microenterprises and income-generating activities; (b) improved coverage of the basic needs of the people; and (c) better monitoring of household living conditions and strengthening of capacities at the grass-roots level. In addition, the Government has renewed its commitment to the rural sector and introduced an incentive strategy to encourage further agricultural growth during 1997 (11% in 1996) which had been proclaimed the "Year of Agriculture". The strategy includes increased producer prices, which should have a positive impact on rural incomes.

8. **The poverty eradication activities of other major donors.** The efforts of the Government to reduce rural poverty are being supported by the major donors. The World Bank, in particular, has included measures in its Country Assistance Strategy that aim to: (a) promote economic growth through liberalization and privatization, improved competitiveness, adequate infrastructure and strengthened institutional capacity; (b) develop human resources and increasing access to social services through the extension of health facilities in rural areas and better educational infrastructure; and (c) assist vulnerable groups by increasing female literacy expanding access to rural credit, etc. The United Nations Development Programme has proposed assisting poverty alleviation, particularly in the Tambacounda and Diourbel regions through job creation, income generation, improvement of the social net and strengthening of national capacities. A number of bilateral donors contribute to the country's poverty-alleviation efforts through microcredit, group formation, capacity-building and natural resources management activities. These include France, the German Agency for Technical Cooperation (GTZ), Italy, the United States Agency for International Development (USAID) and others.

9. **IFAD's strategy in Senegal.** IFAD's strategy aims at assisting the rural poor in their efforts to increase food production and rural incomes. It supports the Government's policy of decentralization to rural areas and builds on two main pillars: the strength of human resources and the opportunities offered by growing, diversified markets. It therefore emphasizes: (a) capacity-building; (b) group organization; (c) the better use of limited natural resources; and (d) improved use of existing infrastructures. Capacity-building supports the effective participation of beneficiaries and the sustainability of development efforts. IFAD provides its main support directly to the target group,



while selected other groups (trainers, management personnel) can benefit from the type of training that improves the supply of services and resources to the target group. Institutional support, e.g. to research, training and financial institutions, is given exclusively for this same purpose. IFAD promotes group organization to empower grass-roots organizations, strengthen the position of the target group in the economy and facilitate its participation in development efforts. A twofold approach has been adopted that involves: (a) continued support to village-based groupings; and (b) targeted support to selected categories of rural poor (e.g. youth, microentrepreneurs). Emphasis is also being placed on strengthening the capacities of rural women. They have proven to be particularly effective development partners. Functional literacy, group organization and selected technical training will help them to promote their own economic advancement. IFAD continues to work with specialized NGOs, particularly in the areas of capacity-building and group organization. A better use of natural resources is being promoted in order to safeguard the production base of the rural poor by applying a *gestion des terroirs* approach that benefits from the target group's traditional knowledge and the donor community's experiences. In addition to interventions in the fields of soil fertility conservation/rehabilitation and agroforestry, IFAD supports complementary measures that reduce the pressure on limited resources (e.g. off-farm activities, microenterprises). The emphasis on a better use of existing infrastructures will facilitate the poor's access to infrastructure and services (roads, markets, water points, health stations) while limiting investment costs per beneficiary and government budgetary expenditure.

10. **Project rationale.** The defence of Senegal's natural resource base and the rationalization of its use by a growing population have been identified as key issues in the fight against rural poverty. As such they have been allocated a significant place in IFAD's medium-term assistance strategy. The PAGF I which preceded the present intervention (paragraph 6) has already laboured in this direction and produced interesting results in relation to the technological aspects of soil conservation and agroforestry, thus making a small but significant impact on the landscape. Over the past decade, however, spells of drought and low or badly distributed rainfall have led to further deterioration of the vegetal cover in large parts of the project area, accelerated wind erosion and diminished soil fertility. Continued action to slow down if not halt this trend towards permanent desertification has therefore become imperative and with it the need to apply adequate conservation techniques throughout the threatened agricultural zones. This can only be achieved in an efficient and sustainable manner if the affected rural population is made fully aware of the situation and is ready to adopt adequate technological and management measures to combat it. Sufficient financial and human resources have to be provided to undertake necessary awareness raising, training and information activities. Technical advice and incentives must also be provided to the rural poor who otherwise risk remaining caught in a vicious circle of resource degradation and pauperization.

## **PART II - THE PROJECT**

### **A. Project Area and Target Group**

11. Just as PAGF I did, the project will cover the departments of Bambey and Diourbel with a total area of 2 662 km<sup>2</sup> and a population of 491 900 living in 21 rural communities and 757 villages; the main towns are Bambey and Diourbel. The area is located in the heart of the Groundnut Basin, about 150 km east of the capital of Dakar. The climate is sudano-sahelian, hot and dry, with temperatures ranging between 22° and 38°. Rainfall is characterized by extreme variations from year to year. Within the specific season it reaches 400 mm in the average per annum during a total of 30 days, though the trend seems to be decreasing. The area is flat, without any significant elevations. Soils have low fertility and suffer from erosion caused by rain and sand storms. The vegetation is sparse and weakly diversified; in many places desertification has reached a critical stage. Water availability is a major constraint for the population as there are no permanent surface water resources. As for groundwater, there are four aquifers of varying depth and water quality that can be exploited under



certain conditions. The road network in many parts of the area is inadequate and access tracks to production areas are lacking.

12. Agriculture employs about 65% of the area's population and remains the basis of the rural economy. The main crops grown are groundnuts (55% of cropped area), millet (41%) and cowpeas (4%). Market gardening is important, but the potential is by no means fully exploited due to the lack of water. This lack and the poor quality of the pastures also limits livestock development. Presently there are herds of 65 000 cattle and 260 000 sheep and goats with a significant number of horses and donkeys in the area. The forestry sub-sector is characterized by the decline in areas covered by trees, the small number of species and the crucial role that wood plays in the fuel supply of the population.

13. The main ethnic groups are the Wolofs (66.5%), the Serers (24.7%) and the Fulani (6.9%). About 365 000 of them are rural and live in households with an average ten persons. The size of most of the farms (75% in Bambey and 95% in Diourbel) is below 5 ha, but families with farms smaller than 3 ha cannot survive exclusively on their agricultural income. On the one hand, Serers practice mixed farming, combining food (millet) and cash crop (groundnuts) production and animal husbandry; they maintain a tradition of fallow periods and agroforestry practices. On the other hand, Wolof farms are frequently characterized by monoculture (groundnuts), fewer livestock activities and higher labour productivity, often thanks to animal traction. In both cases, production activities evolve around the extended family unit. Paid farm labour is insignificant. The average number of family members working on the farm is four, although it can double during the height of the cropping season when temporary migrants return to the village. Traditional division of labour persists, with the men contributing mainly to the heavier tasks. Due to the temporary or permanent outmigration typical for the Groundnut Basin, however, women increasingly fulfil head of household functions. Notwithstanding this development, the male head of the family still makes the important decisions.

14. The target group of the project comprises about 7 000 smallholders and their families that live in small villages and working on farms of less than 3 ha of land. Women and youth represent priority groups within this group of about 70 000 people. Their income is extremely low (USD 183 per capita) and is generally derived in part from cash contributions by migrants belonging to the family. Even so, monetary per capita income rarely exceeds USD 29 per annum and 57 per annum, respectively for 1.5 ha and 3.0 ha farms (compared to an average of about USD 103 for the project area).

## **B. Project Objectives and Scope**

15. Based on the lessons and achievements of PAGF I (paragraph 6), the overall goal of the project is to generate a sustainable development dynamic at the village level, by strengthening local capacity to optimize the management of locally available natural and human resources. In pursuit of this goal, actions will be initiated on several fronts: protection and enhancement of renewable natural resources; improvement of household food security (through increased production and incomes); and improvement of living conditions (water supply, reduced female work load). The specific objectives are therefore the following:

- stabilization and improvement of the environment;
- crop diversification and multiplication of village wood lots; and
- increase of revenues and enhanced well-being of the target group.

16. The project will work with the target population in 126 villages of the project area and base its interventions on a strictly participatory approach. Once villagers have successfully taken up agroforestry measures, they are free to decide on any further actions they would like to undertake with the support of the project. They will include these in the village development plans. It is



expected that the main activities will relate to the following: village water supply; access tracks; village stores; market gardening; petty trade; and small transport and repair activities. The project's support to the realization of these plans, to be agreed upon within a contractual framework, will depend merely on: (a) the inclusion of measures that favour the environment; and (b) the effective participation of the target group.

### C. Project Components

17. The project will consist of the following four components: (i) local capacity-strengthening; (ii) support to agro-sylvo-pastoral production; (iii) rural track rehabilitation; and (iv) project piloting and monitoring unit.

18. **Local capacity-strengthening.** The success of the entire project depends upon this key component. It will enable the target populations to identify and implement development activities to improve the management of village resources and impact positively on the environment. Aside from identifying the partner villages of the project, the component comprises awareness raising, and training and information activities. It chiefly targets the poor smallholders, women and youth in the selected villages. In order to obtain the support of the population and assist the villages in preparing and effectively implementing their own development plan, information and awareness raising will also be directed at the following: local, traditional or elected leaders; the larger farmers; representatives from other development operators present in the area (including NGOs); and relevant technical services.

19. The selection of participating villages will be based on the results of a survey covering the 200 smaller villages of the project area. This will be undertaken during the first year of the project (PY 1). Criteria on the inclusion of villages will comprise the following: the status of environmental degradation; natural and human resource potential, in particular the availability of groundwater resources; the share of IFAD's target group in the village population; and the willingness of village authorities to guarantee the target group an important place in accessing project benefits.

20. Following the sensitization and selection process, project activities in specific villages will concentrate on the strengthening or creation of village development committees (VDCs). These committees will be composed of representatives of target group associations, village elders and customary chiefs, and opinion leaders. Emphasis must be placed on ensuring that the priority targets of the project — poor smallholders, women and youths — are sufficiently represented. The creation of new VDCs will only be solicited if no such basic structure exists in a given village. Subsequently, the project will assist in the identification and training of contact points in each village (village contact persons (RVs)) and of local resource persons (technical contact persons (RTs)). Preferably they will be selected among the literate village youth and will comprise a sufficient number of women. The RVs will be trained to dispense functional literacy training and assist in the formulation of the village development plans, based on a diagnosis of the village's environmental situation and its potential and constraints. The RTs will be made up of villagers who are willing and capable of becoming resource persons on the following matters: agroforestry techniques; management of nurseries and village stores; irrigated market gardening; animal fattening; and machine repairs.

21. The component will provide for and finance contracts with specialized agencies (private, public and NGOs) for the implementation of all capacity-building activities. It will cover related costs such as salaries and allowances, training, logistics and equipment. It will also contribute to the installation of offices and provide incentives to take up agroforestry activities.

22. **Support to agro-sylvo-pastoral production.** Based on the training and information activities financed under the first component, this component will supply the necessary resources for eligible investments included in the village development plans. Most of the agroforestry practices require



only incremental labour and few other inputs, but farmers are often reluctant to dedicate time and effort to something that will generate benefits only in the long term. In order to make this effort attractive, the project will offer cofinancing for other types of actions that can contribute significantly to the development of the village and the target group's well-being. Access to this support will depend upon the extent to which the villagers respect the minimal standards for implementation and maintenance of agroforestry installations (e.g. living hedges). The project will furnish resources and support for two types of activities: (a) public investments of common interest, and (b) individual economic initiatives.

23. Public investments of common interest will include but not be limited to the following priority actions: the construction of access tracks and village stores; the installation of wells and boreholes (for drinking and, pending availability of ground water resources, irrigation water); and the planting of village woodlots and small irrigation schemes. In all cases, the project will ascertain the impact of the investment on IFAD's target group and its environmental implications. Villagers will contribute in the form of labour and local materials, and will be fully responsible for the investments, their management and maintenance, as specified in the contractual arrangements with the project. The project will also give start-up assistance for the subsequent economic exploitation of community or group investments. Thus, starter kits of tools and inputs for market gardening will be made available, provided the village gives women priority access to irrigated plots. Investments such as village stores (cereal banks) will be financed with project assistance, but managed on a purely commercial basis with the help of a credit line.

24. Interested individuals or groups will finance economic investments of non-communal interest with their own resources. The project will create a risk fund to facilitate the target group's access to credit (mainly for inputs and working capital) and ensure the necessary technical and management training. There will be no need for the project to finance a credit line as the financial institutions in the project area enjoy a comfortable liquidity situation.

25. **Rural track rehabilitation.** Inadequate access to production areas has been identified as a major bottleneck to economic development (paragraph 11). Related rehabilitation works, however, exceed the scope and capacity of any individual village or even group of villages. They will therefore be directly financed by the project. This will entail repairing a 19 km stretch from Baba Garage to Kangarlo and other minor stretches to access the IFAD-supported Phase I irrigation schemes and so facilitate the marketing of produce from a major part of the project area. The project will finance related technical studies, the rehabilitation of the 7 m wide road to include crossings and drainage installation and works supervision.

26. **Project piloting and monitoring unit (UDS).** The unit will be in charge of coordinating the various project activities and monitoring their implementation, though it will not execute activities directly (paragraph 34). Therefore, it will consist only of a small group of management personnel that will include: a director with experience in the management of similar projects; two assistants to the director (to cover aspects related to components one and two); two professionals in charge, respectively, of finance/administration (administration and finance officer (RAF)) and project monitoring (internal monitoring officer); and support staff. Offices are available from PAGF I and require only minor refurbishing (the construction of a storeroom for instance). Vehicles and equipment also need renewal. Finally, the project will make available staff training (*inter alia* participation in the Agricultural Management Training Programme for Africa), external evaluation and survey activities, and technical support missions.

**D. Costs and Financing**

27. **Costs.** Total project cost is estimated at USD 13.90 million (see Table 1 below). The cost includes price contingencies calculated, in compliance with World Bank projects, using a basis of 2.3% per annum for foreign exchange costs and 3% per annum for costs in local currency. Physical contingencies are calculated on the basis of 10% for civil works, 12% for track rehabilitation and 5% for local training.

**TABLE 1: SUMMARY OF PROJECT COSTS<sup>a</sup>**  
(USD '000)

<b>Components</b>	<b>Local</b>	<b>Foreign</b>	<b>Total</b>	<b>% of Foreign Exchange</b>	<b>% of Base Costs</b>
Local capacity-strengthening	1 742	89	1 831	5	15
Support to agro-sylvo-pastoral production	5 164	2 663	7 827	34	64
Rural track rehabilitation	546	188	734	26	6
Project piloting and monitoring	1 427	350	1 777	20	15
<b>Total base costs</b>	<b>8 879</b>	<b>3 290</b>	<b>12 169</b>	<b>27</b>	<b>100</b>
Physical contingencies	616	303	919	33	8
Price contingencies	631	154	785	20	15
<b>Total project costs</b>	<b>10 126</b>	<b>3 747</b>	<b>13 873</b>	<b>27</b>	<b>114</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

28. **Financing.** The financing plan foresees that IFAD will finance USD 8.20 million (59% of total project cost) with a loan at highly concessional terms to the Government (see Table 2). This contribution will cover the expenditure, free of taxes and duties, for the following: equipment and materials; inputs; operating costs; investments under component two (at the village level); and a decreasing share of the recurrent costs of the hydraulics service. The IFAD loan will also finance the training of beneficiaries and project-related personnel, salaries and allowances, and external support missions. The BOAD will finance the track rehabilitation component and contribute to the rural water supply investments for a total of USD 1.96 million. The Government will finance all the taxes and duties and will, moreover, provide office space and contribute progressively to the maintenance cost of the rural tracks to be rehabilitated. Its total contribution will be USD 2.79 million. The beneficiaries will contribute USD 0.95 million, to consist primarily of labour and local materials.





**TABLE 2: FINANCING PLAN <sup>a</sup>**  
(USD '000)

Components	IFAD		BOAD		Government		Beneficiaries		Total		Foreign Exchange	Local (Excl. Taxes)	Duties and Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
Local capacity-strengthening	1 809	87.6	-	-	255	12.4	-	-	2 064	14.9	96	1 713	255
Support to agro-sylvo-pastoral production	4 696	52.0	1 519	16.8	1 866	20.7	947	10.5	9 027	65.1	3 056	4 113	1 858
Rural track rehabilitation	-	-	444	50.7	433	49.3	-	-	877	6.3	221	481	175
Project piloting and monitoring	1 670	87.7	-	-	234	12.3	-	-	1 904	13.7	375	1 295	234
<b>Total disbursement</b>	<b>8 175</b>	<b>58.9</b>	<b>1 963</b>	<b>14.2</b>	<b>2 788</b>	<b>20.1</b>	<b>947</b>	<b>6.8</b>	<b>13 873</b>	<b>100.0</b>	<b>3 747</b>	<b>7 603</b>	<b>2 523</b>

<sup>a</sup> Discrepancies in totals are due to rounding.



### E. Procurement, Disbursement, Accounts and Audit

29. The **procurement procedures** will differ as follows, depending on the items required and the amounts concerned:

- contracts in excess of USD 40 000 will be subject to international bidding procedures;
- contracts worth USD 40 000 or less but more than USD 10 000 will be subject to local competitive bidding;
- local shopping procedures will be used for contracts of USD 4 000 or more, but less than USD 10 000; and
- purchases of less than USD 4 000 will be made directly.

30. As far as possible, vehicle purchases will be pooled in order to obtain better prices, and will follow international competitive bidding procedures in accordance with IFAD guidelines. Consultants and partner organizations will be contracted using the procedures of the cooperating institution. As for civil works, the execution of wells and boreholes will, as far as possible, be done in homogenous groups in order to obtain the best prices. Considering the small size of the investments and their implementation over several years, these contracts will be concluded on the basis of local invitations to tender. The rehabilitation of rural tracks will be subject to BOAD procedures. The closing date of the loan is 31 December 2005.

31. **Disbursements.** Prior to the beginning of every implementation year, an annual work programme and budget (AWPB), approved by the surveillance committee (paragraph 34), will be submitted to the cooperating institution and IFAD for comments and approval. Withdrawal applications will be co-signed by the UDS director and RAF. Disbursements will be fully documented except for expenditures covering the following: operating costs; salaries; travelling allowances; surveys and contracts; local training; and the risk fund. These will be paid against certified statements of expenditures (SOEs).

32. In order to facilitate disbursements and project implementation, a **special account** in CFA Francs (CFAF) will be opened by the borrower in the name of the project, with a commercial bank in Dakar acceptable to IFAD. A relay account will be opened with an acceptable bank in the project area. Upon effectiveness of the IFAD loan, CFAF 330 000 000 (about six months of estimated expenditure) will be credited to this account, which will be managed according to modalities and procedures acceptable to IFAD. A **project account** held at the Treasury and managed in accordance with current regulations in Senegal, will receive the counterpart funds. As a condition of loan effectiveness, an allocation for the necessary amount covering taxes and duties for PY 1 will be introduced in the Consolidated Investment Budget and made available to the project in the form of Treasury cheques.

33. **Accounts and audit.** The UDS will keep double-entry books that satisfy international standards. The partner organizations in charge of executing specific project activities will keep separate accounts to document their use of project funds. They will receive advances against future expenditures, beginning with a payment equivalent to the forecasted operating costs for the first three months. They will submit monthly SOEs with the original documentation to UDS. After verification, the UDS will replenish the accounts as appropriate. The accounts of both UDS and the partner organizations will be examined on a regular basis and/or at the request of supervision missions. A financial and management audit will be conducted each year by an internationally recognized



auditing firm acceptable to IFAD. The auditing firm will express its opinion on the tendering procedures, the legitimacy of the expenditure items charged against the special account, and the use of the goods and services financed by the project. It will also issue a separate opinion on SOEs. The fees of the auditing firm will be paid from the loan account.

## F. Organization and Management

34. The arrangements proposed for project organization and management<sup>2</sup> reflect the following: (a) government policies favouring the disengagement of the state from productive activities, the support to private-sector development and the decentralization/devolution of development activities to the regions; and (b) IFAD's concern to ensure effective beneficiary participation and sustainability of project activities. Implementation will thus be guided by the principles of financial and administrative autonomy of project management, sub-contracting of technical activities and maximum flexibility to respond to the needs of the beneficiaries. The project will be executed under the overall umbrella of the Ministry of Environment and Nature Protection. At the level of the project area, a small UDS (paragraph 26) will plan and coordinate project activities. The unit will have full management and financial autonomy within the framework of approved AWPBs. It will conclude contracts with partner organizations (private or public agencies, NGOs, etc.), which will be responsible for the execution of specific project activities. A coordination committee will monitor implementation in the project area while at national level, a surveillance committee will be installed whose main task will be to review and approve AWPBs.

35. **Monitoring and evaluation.** The functions of monitoring and evaluation will be separated, the former assured by the project itself through the internal monitoring officer, while evaluation activities will be sub-contracted to outside specialists and agencies. Monitoring (*suivi interne*) will be considered an essential management tool and comprise the following main activities: (a) regular monitoring of the implementation of project activities and assessment of the performance in qualitative and quantitative terms in order to detect principle constraints in a timely manner; and (b) preparation and supervision of studies and surveys to assess the effects of the project on the target groups (in terms of effective group collaboration, improved capacities, increased productivity and incomes, etc.). Evaluation activities will be executed by local consultants who will undertake missions to this end in PY 3 and PY 6. They will concentrate above all on evaluating the impact of project investments on the standard of living of the target populations. In view of its participatory approach, the project will emphasize involving beneficiaries in the evaluation process (*auto-évaluation*).

## G. Economic Justification

36. The direct **beneficiaries** of the project will be the members of the village-level organizations to be created or strengthened (VDCs, economic interest groups, women's development groups, etc.) and their immediate families. It is expected that in the 126 villages in which the project will be working, about two thirds of target group farmers (about 3 780 families) will respond to the challenge of helping their community gain access to project assistance, (training, technical advice, access to credit), by adopting the recommended agroforestry practices. An additional 6 360 persons will join them in exploiting the small irrigation schemes. Altogether, about 23 000 men, women and youth will benefit from literacy training and about 252 of them (half women) from specialist skills training. Furthermore, the population in the project area will benefit from a wider range of farm produce and other goods in local markets and access to new trades and services promoted with project assistance. Living conditions, particularly for women, will improve thanks to the enhanced availability of water and better communication links. Women will also be given priority in taking up income-generating activities, both on irrigated fields and off-farm. Thus, they will increase their revenues from vegetable production, livestock fattening and other economic ventures. Their role in establishing an

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<sup>2</sup> See Appendix V for details.



autonomous process of village development will be strengthened by the fact that each village will have a female RV.

37. **Financial analysis.** The comparison of two types of smallholder farms (1.5 ha and 3 ha) in the with and without project situation reveals that in both cases the beneficiaries' situation will significantly improve. Better soil fertility due to the application of agroforestry measures (for instance, living hedges around plots or *embocagement*) will permit productivity increases in rainfed production, while requiring only six additional days of labour input per annum. These days, moreover, will occur during the dry season, when farm labour is underemployed. Additional revenues will further result from market gardening on irrigated plots and the off-farm activities to be supported by the project (animal fattening, village shops and stores, etc.). Per annum incomes will increase altogether by USD 48 and 8, respectively, for 1.5 ha and 3 ha farms.

38. **Economic analysis.** The project's economic rate of return has been calculated at 11.8% over 25 years, taking into account the incremental production on rainfed fields, irrigated crop production, wood production and non-agricultural income-generating activities. The result is based on conservative assumptions with regard to the rate of adoption of the agroforestry measures and is likely to be higher given the successful sensitization measures. The sensitivity analysis reveals that the economic rate of return is not strongly affected by unexpectedly low rainfall. A one-year delay in implementation will reduce it to 10.3% and an increase in costs (by 20%) to 9.3%.

## H. Risks

39. In an area like the Groundnut Basin, the vagaries of climate, in particular the possibility of prolonged droughts, must always be considered a serious risk to project implementation. In the present case, this risk is counterbalanced by improvements in village water supply, the introduction of irrigated crop production and the promotion of off-farm activities with little dependence on climatic conditions. Another unknown is the extent to which the target population will respond to the opportunities offered by the project. This will certainly depend to a large extent on the effectiveness of awareness raising and training activities. Special emphasis will therefore be placed on the selection and supervision of partner organizations in charge of these activities. Only organizations with a satisfactory track record will be contracted and their continued collaboration with the project will be made contingent on the positive impact of their activities at the target group/village level. The risks related to the marketing of incremental production can be considered to be minor as: (a) the project will facilitate produce marketing through improved road connections; and (b) the project area is located comparatively close to major urban consumption centres.

## I. Environmental Impact

40. The project can be expected to have a positive impact on the environment since it makes the adoption of recommended environmentally friendly practices a condition of access to assistance. These practices will lead to the stabilization/reversal of environmental degradation on 5.67 ha of farm land by protecting the latter against wind and water erosion. In addition to spill-over effects on adjoining lands, it is reasonable to assume that other farmers will adopt the practices spontaneously (as was observed in the nearby project area of the IFAD-financed Village Organization and Management Project). The positive environmental impact will be enhanced by the creation of about 63 ha of village wood lots and the development of 134 ha of dry season market gardening plots. Off-farm activities will be screened as to their environmental impact and those representing environmental hazards will not be eligible for project support. The water points to be installed by the project are not expected to lead in any way to health or environmental risks.

## J. Innovative Features

41. By basing its activities on lessons learned from other interventions in Senegal and by further developing participatory practices tested by IFAD within the framework of other projects, the present



project will introduce a completely new, demand-oriented approach in the former PAGF I area. Through their village organizations and groups, the participants will plan the various activities to be supported; they will develop the capacity to design microprojects and negotiate the technical and financial aspects of implementation. At the end of its four-year collaboration with the project, a village will have learned to be fully responsible for the conceptual and practical sides of its development. The large degree of responsibility allocated to the participants is the most innovative feature of the project. It can be considered a particular challenge in an area like the centre of the Groundnut Basin, where traditional hierarchies and project structures have so far prevailed. Simple low-cost agroforestry technologies will be replicated in a large number of villages, offering interesting examples for widespread dissemination in other parts of Senegal and the sub-region.

### **PART III - LEGAL INSTRUMENTS AND AUTHORITY**

42. A loan agreement between the Republic of Senegal and IFAD constitutes the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated loan agreement is attached as an annex.
43. The Republic of Senegal is empowered under its laws to borrow from IFAD.
44. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

### **PART IV - RECOMMENDATION**

45. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Senegal in various currencies in an amount equivalent to five million eight hundred and fifty thousand Special Drawing Rights (SDR 5 850 000) to mature on and prior to 1 October 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Fawzi H. Al-Sultan  
President





## SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES INCLUDED IN THE NEGOTIATED LOAN AGREEMENT

(Loan negotiations concluded on 28 November 1998)

1. The Government of the Republic of Senegal (the Government) agrees to bear responsibility for all taxes and duties on the goods and services acquired in connection with the Project, and for the entire duration of the Project, and to settle such amounts directly with the suppliers involved through the issuance of Treasury cheques, in accordance with the procedures of the Ministry of the Economy, Finance and Planning (MEFP). For the first year of the Project, the funds to be allocated for such taxes and duties will amount to one hundred eleven million and ninety thousand CFA francs (FCFA 111 090 000). With regard to counterpart funds for the purpose of Project disbursements, the Government will open and maintain a Project Account with the Treasury, to be managed on the principle of the double signature of the Project Manager and the Chief Accountant. As of the third year of the Project, the Government undertakes to annually replenish the Project Account with the funds necessary for the execution of activities described in the AWPB, consistent with the terms of paragraph 16, Schedule 4, of the Loan Agreement.
2. Paragraph 16, Schedule 4, provides that: “The AWPBs will specify the amount of the annual counterpart funds to be provided by the Government, including, as of the third year of the Project, direct Government contributions mainly intended for the maintenance of rehabilitated rural tracks. It should be noted that track maintenance will be funded from the resources of the National Road Maintenance Fund.”
3. The following are specified as additional conditions precedent to the effectiveness of the Loan Agreement, in accordance with Section 10.01(g) of the General Conditions:
  - (a) key Project staff will have been selected on the basis of national recruitment;
  - (b) the Project Manager and Chief Accountant will have resumed their duties; and
  - (c) the counterpart funds necessary for the execution of activities during the first year of the Project will have been made available, in accordance with Section 4.02 of the Loan Agreement.
4. No withdrawals from the Project Account will be made in respect of payments for activities shown in the table in paragraph 1, Schedule 1, of the Loan Agreement until such time as:
  - (a) two key partner organizations (one for each *Département*) will have been selected; and
  - (b) collaboration agreements between the Project and the two key partner organizations will have been approved by IFAD and signed by the parties concerned.
5. A Risk Fund will be set up both to encourage credit institutions to provide, from their own resources, loan funds in support of project implementation and to facilitate the target group's access to credit resources. This will assure that the risks faced by credit institutions are reduced, and that unpaid loans are covered. The Risk Fund will be set up to cover 30% of the risks incurred, estimated at 15% of the medium-term credit or 4.5% of all disbursed credits.



ANNEX

6. The Project will be executed under the overall umbrella of the Ministry of Environment and Nature Protection (MENP). Project organization will reflect the Government's policies favouring the disengagement of the State from productive activities, its desire to support private-sector development and to make the rural populations responsible for their own development through their established groups and institutions.

7. MENP will act as executing agency of the Project and, to that end, will delegate responsibility for the following activities, principally to the UDS: (i) coordination of project activities; (ii) preparation of the APWB for the approval of the Surveillance Committee; and (iii) preparation of progress reports on the project. The institutions and key partner organizations, in accordance with the terms of collaboration agreements or subsidiary contracts, will report directly to the Project Manager.

8. The Government also undertakes to ensure that:

- the costs relating to the provision of accommodation (at Project headquarters and in the field) are seen as constituting part of the counterpart funds provided by the Government; and that
- all technical activities will be entrusted on the basis of subsidiary contracts with partner institutions appointed on the basis of national or international recruitment. It is understood that all agreements concluded between UDS and the partner organizations will be for specific periods of time and renewed only on the basis of satisfactory performance by the said partner organizations.





## COUNTRY DATA SENEGAL

<b>Land area (km<sup>2</sup> thousand) 1995 1/</b>	<b>193</b>	<b>GNP per capita (USD) 1996 2/</b>	<b>570</b>
<b>Total population (million) 1996 1/</b>	<b>9</b>	<b>Average annual real rate of growth of GNP per capita, 1990-96 2/</b>	<b>-0.6</b>
<b>Population density (people per km<sup>2</sup>) 1996 1/</b>	<b>40</b>	<b>Average annual rate of inflation, 1990-96 2/</b>	<b>8.4</b>
<b>Local currency</b>	<b>CFA Franc (XOF)</b>	<b>Exchange rate: USD 1 =</b>	<b>XOF 560</b>
<b>Social Indicators</b>		<b>Economic Indicators</b>	
Population (average annual population growth rate) 1980-96 1/	2.7	GDP (USD million) 1996 1/	5 155
Crude birth rate (per thousand people) 1996 1/	40	Average annual rate of growth of GDP 1/ 1980-90	3.1
Crude death rate (per thousand people) 1996 1/	14	1990-96	1.8
Infant mortality rate (per thousand live births) 1996 1/	60	Sectoral distribution of GDP, 1996 1/	
Life expectancy at birth (years) 1996 1/	50	% agriculture	18.5
Number of rural poor (million) 1/	n.a.	% industry	16.9
Poor as % of total rural population 1/	n.a.	% manufacturing	11.5
Total labour force (million) 1996 1/	4	% services	64.7
Female labour force as % of total, 1996 1/	42.5	Consumption, 1996 1/	
<b>Education</b>		General government consumption (as % of GDP)	10.4
Primary school gross enrolment (% of relevant age group) 1995 1/	65.0	Private consumption (as % of GDP)	78.2
Adult literacy rate (% of total population) 1994 3/	32.1	Gross domestic savings (as % of GDP)	11.4
<b>Nutrition</b>		<b>Balance of Payments (USD million)</b>	
Daily calorie supply per capita, 1992 3/	2 265	Merchandise exports, 1996 1/	655
Index of daily calorie supply per capita (industrial countries=100) 1992 3/	73	Merchandise imports, 1996 1/	1 672
Prevalence of child malnutrition (% of children under 5) 1990-96 1/	22.0	Balance of merchandise trade	-1 017
<b>Health</b>		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 1990-95 1/	n.a.	before official transfers, 1996 1/	- 440
Physicians (per thousand people) 1994 1/	0.0	after official transfers, 1996 1/	- 58
Access to safe water (% of population) 1990-96 3/	52	Foreign direct investment, 1996 1/	45
Access to health service (% of population) 1990-95 3/	90	<b>Government Finance</b>	
Access to sanitation (% of population) 1990-96 3/	58	Overall budget surplus/deficit (including grants) (as % of GDP) 1995 1/	n.a.
<b>Agriculture and Food</b>		Total expenditure (% of GDP) 1995 1/	n.a.
Food imports as percentage of total merchandise imports 1996 1/	32.5	Total external debt (USD million) 1996 1/	3 663
Fertilizer consumption (hundreds of grams per ha of arable land) 1994-96 1/	78	Total external debt (as % of GNP) 1996 1/	53
Food production index (1989-91=100) 1994-96 1/	106	Total debt service (% of exports of goods and services) 1996 1/	15.9
<b>Land Use</b>		Nominal lending rate of banks, 1996 1/	n.a.
Agricultural land as % of total land area, 1994 4/	41.9	Nominal deposit rate of banks, 1996 1/	n.a.
Forest area (km <sup>2</sup> thousand) 1995 1/	74		
Forest area as % of total land area, 1995 1/	38.3		
Irrigated land as % of cropland, 1994-96 1/	3.1		

n.a. not available.

Figures in italics indicate data that are for years or periods other than those specified.

1/ World Bank, *World Development Report*, 1998

2/ World Bank, *Atlas*, 1998

3/ UNDP, *Human Development Report*, 1997

4/ World Bank, *The World Development Indicators CD-ROM*, 1998



### PREVIOUS IFAD LOANS TO SENEGAL

Loan No.	Project Title	Initiating Institution	Cooperating Institution	Terms of Loan	Approval Date	Effectiveness Date	Actual Closing Date	Loan Amount <sup>1/</sup> SDR	Disbursements as at 14.10.98	
									SDR	%
ONGOING PROJECTS										
015-SE	Agroforestry development project	IFAD	BOAD	hc	30.11.88	07.11.89	30.06.98	7 450 000	7 421 042	99
018-SE	Second small-scale rural operations	IFAD	IDA	hc	13.09.89	05.03.90	30.06.98	5 100 000	2 208 210	43
030-SE	Agricultural development project in matam	IFAD	BOAD	hc	11.12.91	27.04.93	31.12.99	11 700 000	8 344 360	71
315-SE	Village organization and development project	IFAD	BOAD	hc	02.12.92	13.08.93	31.12.98	5 800 000	3 098 476	53
402/47	Rural micromerprises project	IFAD	BOAD	hc	06.12.95	03.01.97	31.03.03	5 000 000	606 544	12
462-SE	Village management & development Pproject	IFAD	BOAD	hc	04.12.97	not yet effect.	30.06.07	6 900 000		-
Subtotal								41 950 000	21 678 632	
CLOSED LOANS <sup>2/</sup>										
026-SE	Integrated rural development project - M'Bour and Louga	IFAD	AfDB	hc	18.12.79	13.07.81	30.06.90	10 400 000	5 851 372	56
Subtotal								10 400 000	5 851 372	
TOTAL								49 850 000	27 530 004	

<sup>1/</sup> Original IFAD loan in SDR equivalent at exchange rate on approval dated. Percentage of disbursement is calculated on the basis of the original IFAD loan.

<sup>2/</sup> Closed loans, net of cancellations (SDR).

Note: HC = highly concessional

## CADRE LOGIQUE

LOGIQUE D'INTERVENTION	INDICATEURS OBJECTIVEMENT VERIFIABLES	SOURCE D'INFORMATION	HYPOTHESES/FACTEURS EXTERNES
<b>Objectifs globaux:</b> Créer une dynamique durable de développement au niveau des villages par le renforcement des capacités des populations à la mise en valeur durable des ressources des terroirs.	<ul style="list-style-type: none"> <li>- Evolution du taux de couverture végétal</li> <li>- Evolution revenu moyen</li> <li>- Degré d'implication des jeunes dans les Bilans diagnostics et PAP</li> <li>- Surface protégée hors projet</li> </ul>	Rapports Suivi-évaluation Enquête mi-parcours et fin de projet Bilans diagnostic des villages	Années climatiques normales
<b>Objectifs spécifiques</b> 1 .Stabilisation/enrichissement de l'environnement  2. Diversification des cultures et des boisements  3. Augmentation des revenus et du bien-être de la population cible	Accroissement surface parcelles protégées Accroissement surface boisée Suppléments par rapport aux prévisions de projet en % Nombre de plantes produites avec taux de réussite après 1,2,3,4 ans Nombre d'espèces introduites avec taux de réussite après 1,2,3,4 ans Evolution productions hors irrigation autres que mil et arachide Evolution production de cultures irriguées Evolution du tonnage de maraîchage commercialisé Pourcentage d'accroissement de revenu familial par rapport avant projet, (objectif projet= 600% pour ferme de 1,5 ha et 500% pour la ferme de 3 ha) Disponibilité en eau potable (points d'eau par village)	Rapport Suivi-évaluation Evaluation externe 3 <sup>ème</sup> et 6 <sup>ème</sup> année  Rapports des opérateurs	Années climatiques normales Intérêt des populations au projet  L'augmentation de la production améliorera automatiquement le régime alimentaire des familles (changements des habitudes alimentaires)  Pas de modifications fondamentales dans les filières de commercialisation  Les revenus additionnelles générés par les activités du projet seront utilisés pour garantir la sécurité alimentaire des ménages et par conséquent, améliorer leur bien-être;
<b>Résultats</b> 1.Capacités locales dans les villages renforcées  2.Activités du plan d'action prioritaire des villages réalisées et correctement mises en valeur  3.Le désenclavement de la zone amélioré  <b>Activités</b> <b>A.Renforcement des capacités locales</b> Sélection des villages Formation de relais villageois et alphabétisation	Nombre de bilans-diagnostics et PAP réalisés Nombre de relais villageois formés et nombre fonctionnel Nombre de personnes alphabétisées dont nombre dans groupe cible Nombre de relais techniques formés, nombre d'auditeurs moyen formés par technique Nombre de contrats de partenariat Nombre d'hectares protégés mis en valeur Nombre d'hectares emblavés en cultures Nombre de plans produites et fournies Volume de crédit attribué et taux de remboursement Trafic production agricole transportées sur nouvelle route Trafic personnes sur nouvelle route  Pertinence du choix, nombre de contrats de partenariat Nombre de relais formés, nombre de villageois alphabétisés	Rapports des opérateurs Résultats du suivi-évaluation  Résultats suivi-évaluation	Les activités d'accompagnement ont été menées dans de bons délais et conditions Les opérateurs de terrain et de formation donnent satisfaction  Les villages sont intéressés par les propositions du projet  Toutes les conventions entrées en vigueur dans les délais





APPENDIX III

LOGIQUE D'INTERVENTION	INDICATEURS OBJECTIVEMENT VERIFIABLES	SOURCE D'INFORMATION	HYPOTHESES/FACTEURS EXTERNES
<p>Réalisation et actualisation des bilans diagnostic et des PDT</p> <p>Formations techniques</p> <p><b>B.1. Appui à la réalisation des PDT</b></p> <p>Elaboration et mise à jour des contrats de partenariat</p> <p>Enquête/étude sur les ressources en eau</p>	<p>Nombre de PDT élaborés et actualisés</p> <p>Nombre de relais techniques formés</p>	<p>Personnel opérateurs satisfaisant</p>	
<p>Réalisation d'actions agro-forestières</p>	<p>Nombre de contrats réalisés</p> <p>Nombre de contrats mis à jour</p> <p>Nombre de villages enquêtés</p> <p>Nombre de points d'eau étudiés</p> <p>Nombre de villages concernés</p> <p>Nombre d'exploitations concernées</p> <p>Surface de parcelles protection et enrichies</p> <p>Surface de parcelles entretenues</p> <p>Réalisation de pépinières</p> <p>Surface de bois villageois réalisés et nombre de plants</p> <p>Nombre d'arbres dans bois de 4 ans</p> <p>Longueur de brise-vents et nombre de plans</p> <p>Nombre d'arbres dans brise vents de 4 ans</p> <p>Nombre de puits réalisés</p> <p>Nombre de forages réalisés</p>	<p>Résultats suivi-évaluation</p> <p>Etude complémentaires</p> <p>Résultats suivi-évaluation et visites contrôle</p>	<p>Intérêt des populations pour actions proposées</p> <p>Collaboration partenariale bonne</p> <p>La sensibilisation a suffisamment pu marquer l'intérêt de l'entretien de la protection</p>
<p>Augmentation de la surface irrigable</p>	<p>Nombre de villages desservis</p> <p>Nombre d'hectares irrigables</p> <p>Nombre d'hectares nouveaux irrigués</p> <p>Surface emblavée dans périmètres PAGF-I</p> <p>Nombre d'artisans formés</p> <p>Nombre d'artisans actifs</p> <p>Km de chemins aménagés</p>	<p>Résultats suivi-évaluation et visites contrôle</p>	<p>Disponibilité suffisante de puisatiers</p> <p>Les villages ont trouvé terrain d'entente avec les autres villages</p>
<p>Formation d'artisans réparateurs de système d'exhaure</p> <p>Aménagement de chemins inter-villageois</p>	<p>Population desservie</p> <p>Nombre de constructions réalisées</p> <p>Tonnage transité/an</p> <p>Nombre de prix remis</p> <p>Surface en parcelles protégées et bois de villages chez le village lauréat</p>	<p>Résultats suivi-évaluation et visites contrôle</p> <p>Résultats suivi-évaluation et visites contrôle</p>	<p>Les villages ont trouvé terrain d'entente avec les autres villages</p> <p>Système d'exhaure adopté</p>
<p>Construction de BCV et magasins de stockage</p> <p>Atribution de prix du meilleur village agroforestier</p>	<p>Nombre de constructions réalisées</p> <p>Tonnage transité/an</p> <p>Nombre de prix remis</p> <p>Surface en parcelles protégées et bois de villages chez le village lauréat</p> <p>Progression de la surface de la surface du lauréat (an 1 à 6)</p>	<p>Résultats suivi-évaluation et visites contrôle</p> <p>Visite</p>	
<p><b>B.2. L'appui à la mobilisation du financement</b></p>	<p>Dépenses en fonds de garantie</p> <p>Volume de crédit alloué et taux de remboursement par objet de crédit court terme, résultats nets moyens</p> <p>Volume de crédit alloué et taux de remboursement par objet de crédit moyen terme, nombre de métiers créés</p>	<p>Banques, suivi-évaluation</p>	<p>Accord des banques dans poursuite activités</p> <p>Disponibilité des banques pour le petit client de type du groupe cible</p>
<p><b>Désencadrement des PPM/PAGF I</b></p>	<p>Nombre de km réalisés</p> <p>Nombre de km entretenus</p>	<p>Résultats du suivi et visite</p>	

## COÛTS ET FINANCEMENT

Expenditure Accounts by Components - Base Costs  
(USD '000)

	Renforcement capacités villageoises	Appui aux productions agro-sylvo-pastorales	Piste départemental	Unité direction et de suivi du projet	Total	Provisions pour aléas matérielles	
						%	Montant
<b>I. Coûts d'investissement</b>							
<b>A. Génie civil</b>							
Hydraulique	-	5 973	-	-	5 973	10.0	597
Pistes	-	-	435	-	435	12.0	52
Embocagement	-	192	-	-	192	-	-
Activité non identifiée	-	214	-	-	214	10.0	21
Construction	18	563	-	14	595	10.7	63
<b>Total partiel</b>	18	6 942	435	14	7 409	9.9	734
<b>B. Véhicules et Equipements</b>							
Véhicules	-	32	-	264	296	-	-
Equipements	63	-	-	119	181	4.3	8
<b>Total partiel</b>	63	32	-	383	478	1.6	8
<b>C. Appui/Formations/Etudes/Conventions</b>							
<b>1. Missions d'appui</b>							
Consultants locaux	-	18	-	11	29	3.1	1
Consultants extérieurs	29	-	-	57	86	-	-
<b>Total partiel</b>	29	18	-	68	114	0.8	1
<b>2. Formation</b>							
Bénéficiaires et Partenaires	583	-	-	121	704	5.0	35
Personnel	11	-	-	-	11	5.0	1
<b>Total partiel</b>	594	-	-	121	715	5.0	36
<b>3. Etudes et Conventions</b>	994	124	43	109	1 269	4.7	59
<b>Total partiel</b>	1 616	141	43	298	2 099	4.6	96
D. Fonds de risque	-	116	-	-	116	-	-
E. Matériel et intrant	-	237	-	-	237	2.0	5
<b>Total Coûts d'investissement</b>	1 697	7 469	478	695	10 339	8.1	843
<b>II. Dépenses renouvelables</b>							
A. Salaires et indemnités	94	16	-	827	937	0.2	2
<b>B. Fonctionnement</b>							
1. Véhicules et équipements	40	13	-	212	265	12.0	32
2. Fonctionnement courant	-	329	256	43	628	6.8	43
<b>Total partiel</b>	40	342	256	255	893	8.3	74
<b>Total Dépenses renouvelables</b>	134	358	256	1 082	1 830	4.2	76
Provisions pour aléas matérielles	1 831	7 827	734	1 777	12 169	7.6	919
Provisions pour aléas financiers	86	701	85	46	919	-	-
	147	499	58	81	785	6.8	54
	2 064	9 027	877	1 904	13 873	7.0	972
Taxes	255	1 858	175	234	2 523	8.2	206
Devises	96	3 056	221	375	3 747	8.4	316



**Disbursement Accounts by Financiers  
(USD '000)**

	FIDA		BOAD		Gouvernement		Bénéficiaires		Total		Devises	Monnaie Locale (hors taxes)	Droits et taxes
	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%			
<b>A. Génie civil</b>													
Hydraulique	3 766	54.4	1 519	22.0	1 609	23.3	25	0.4	6 919	49.9	2 827	2 482	1 609
Pistes	-	-	407	80.0	102	20.0	-	-	509	3.7	151	256	102
Embocagement	-	-	-	-	-	-	212	100.0	212	1.5	-	212	-
Activité non identifiée	197	80.0	-	-	49	20.0	-	-	246	1.8	73	124	49
Construction	402	57.6	-	-	137	19.6	159	22.8	699	5.0	128	434	137
<b>Total partiel</b>	<b>4 365</b>	<b>50.9</b>	<b>1 926</b>	<b>22.4</b>	<b>1 897</b>	<b>22.1</b>	<b>396</b>	<b>4.6</b>	<b>8 584</b>	<b>61.9</b>	<b>3 179</b>	<b>3 508</b>	<b>1 897</b>
<b>B. Véhicules et équipements</b>	<b>346</b>	<b>68.1</b>	<b>-</b>	<b>-</b>	<b>163</b>	<b>31.9</b>	<b>-</b>	<b>-</b>	<b>509</b>	<b>3.7</b>	<b>241</b>	<b>105</b>	<b>163</b>
Petit matériel et intrants	78	69.4	-	-	16	14.7	18	15.9	112	0.8	11	84	16
<b>C. Appui/Formations/Etudes/Conventions</b>													
<b>1. Missions d'appui</b>													
Consultants locaux	106	96.3	-	-	4	3.7	-	-	110	0.8	90	16	4
Consultants internationaux	11	100.0	-	-	-	-	-	-	11	0.1	11	-	-
<b>Total partiel</b>	<b>117</b>	<b>96.7</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>3.3</b>	<b>-</b>	<b>-</b>	<b>121</b>	<b>0.9</b>	<b>101</b>	<b>16</b>	<b>4</b>
<b>2. Formation</b>													
Bénéficiaires/Partenaires projet	781	98.3	-	-	13	1.7	-	-	794	5.7	-	781	13
<b>3. Etudes et conventions</b>	<b>1 120</b>	<b>77.4</b>	<b>37</b>	<b>2.6</b>	<b>289</b>	<b>20.0</b>	<b>-</b>	<b>-</b>	<b>1 447</b>	<b>10.4</b>	<b>7</b>	<b>1 151</b>	<b>289</b>
<b>Total partiel</b>	<b>2 019</b>	<b>85.4</b>	<b>37</b>	<b>1.6</b>	<b>307</b>	<b>13.0</b>	<b>-</b>	<b>-</b>	<b>2 363</b>	<b>17.0</b>	<b>108</b>	<b>1 948</b>	<b>307</b>
Fonds de garantie	-	-	-	-	-	-	-	-	-	-	-	-	-
Fonds de risque	116	100.0	-	-	-	-	-	-	116	0.8	-	116	-
Fonds de développement villageois	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaires et indemnités	969	99.3	-	-	7	0.7	-	-	976	7.0	-	972	4
Fonctionnement	283	23.3	-	-	398	32.8	533	43.9	1,213	8.7	208	869	136
	<b>8 175</b>	<b>58.9</b>	<b>1,963</b>	<b>14.2</b>	<b>2 788</b>	<b>20.1</b>	<b>947</b>	<b>6.8</b>	<b>13 873</b>	<b>100.0</b>	<b>3 747</b>	<b>7 603</b>	<b>2 523</b>



## ORGANIZATION AND MANAGEMENT

1. **Organization and management mechanisms.** Two committees will be responsible for monitoring project implementation. At the level of the project area, a coordination committee (CC) will be established with the task of ensuring that the agreed upon project strategy is applied at the field level. The CC will be chaired by the President of the Conseil Régional and comprise the directors of the regional technical services concerned and the representatives of VDCs and women's groups. The director of the regional forestry service will be the secretary of the CC. At the national level, a surveillance committee (SC) will be installed with the task of reviewing and approving AWPBs for submission to IFAD and the cooperating institution (CI). The SC will be chaired by the Minister of Environment and Nature Protection (MEPN) and comprise the governor of Diourbel Region and representatives of all ministries concerned with the project, and the beneficiaries (including rural women).

2. Project activities will be planned and coordinated by UDS which will be established by ministerial decree and given full management and financial autonomy within the framework of approved AWPBs. More specifically, it will be responsible for (a) the coordination of project activities; (b) the preparation of the AWPBs; and (c) the writing of semestrial and annual reports for presentation to IFAD and CI. The UDS director will assume full personal responsibility for the quality of the unit's performance, management of resources and reporting. The RAF will be in charge of the following: (a) finalizing the financial aspects of AWPBs; (b) monitoring contracts, purchases, disbursements and other financial matters; (c) management of personnel and stocks; and (d) proper keeping of the accounts. The UDS director and key staff positions will be advertised nationally and their nominations submitted to IFAD and CI for approval.

3. **Project implementation arrangements.** The UDS will conclude contracts with a number of partner organizations (private and public specialized agencies and services, NGOs, etc.) that will be responsible for the implementation of specific project activities. Thus, the implementation of component one (local capacity-strengthening) will be entrusted to two organizations (one for each department), preferably national or international NGOs with pertinent field experience. Each departmental team will consist of several (male and female) field agents (*animateurs*), working under the supervision of a departmental head (*responsable départemental*). There will be five field agents in Bambey and three in Diourbel, each working with a maximum of 20 villages and with the respective RVs, RTs and VDCs. The contracts with these key partner organizations will be drawn up for two years and renewed only if performances are fully satisfactory. Resource persons, specialized agencies and NGOs will also be contracted for training activities foreseen under the project. RVs will be trained to prepare them for work as functional literacy teachers at village level. Likewise, RTs will be trained to become technical specialists at village level. Those target group members who require specific technical training (e.g. livestock fattening, produce processing etc.) will be trained directly.

4. The project will assist villagers in gaining access to credit by introducing a risk fund at the level of three financial institutions working in the project area (CNCAS, CMS and ACEP). They must also fulfil these essential conditions: (a) have experience in the delivery of small loans to rural producers and (b) have sufficient resources to shoulder part of the risk of lending. The resources allocated to the risk fund, calculated on the basis of a maximum of 15% of unpaid loans of which the IFAD loan could cover 30%, will equal 4.5% of disbursed credits. The amounts needed will be estimated at the beginning of each year on the basis of VDPs and AWPBs approved. During the first year, equal allocations will be given to the three financial institutions. During subsequent years, the



APPENDIX V

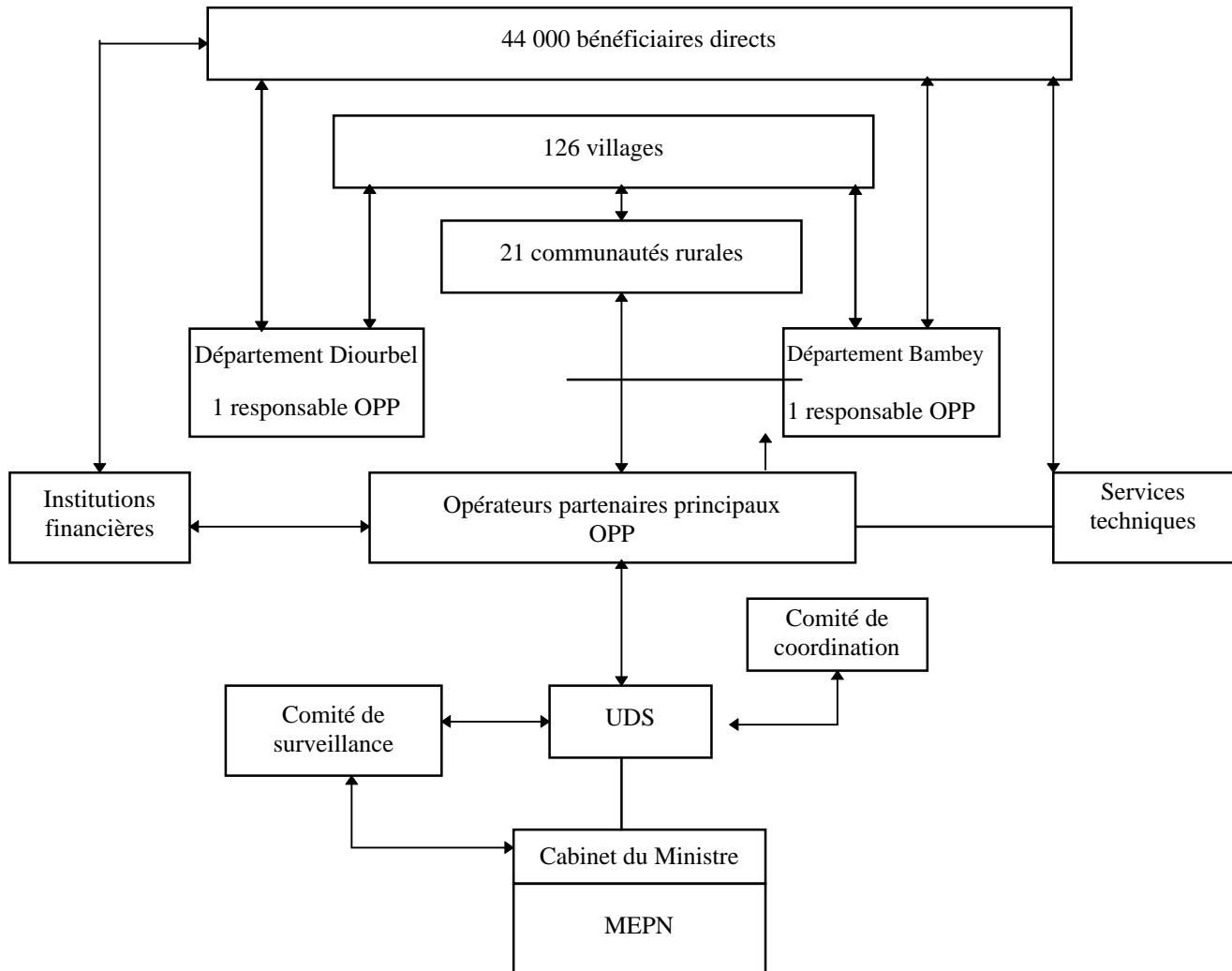
respective amounts will take actual lending operations during the previous year and accumulated interests into account.

5. Project support to the implementation of VDPs will be based on annual partnership agreements between a given village and UDS. In order to be eligible for project assistance, the VDP, in addition to the other priority actions proposed by the villagers, will have to include a basic package of agroforestry measures. Project cofinancing contributions will be made within pre-established ceilings. For each activity to be submitted for project assistance, a request, backed by a copy of VDP and relevant technical documentation (designs, bills of quantities, cost estimates, etc.) will be developed by VDC or the concerned group of villagers (economic interest groups and participatory women's groups). To facilitate the preparation of the requests, the project will provide standard plans/modules and assistance in learning how to contact and engage local expertise when needed. The partnership agreement will be negotiated between VDC and the project and it will include the actions to be supported, the arrangements for their implementation, and the rights and duties of both partners. The project will monitor the implementation of agreed upon activities and pay the suppliers of goods and services directly, after verifying and accepting the work carried out. Only in the case of well and borehole construction will general implementation procedures be adapted in order to provide for direct collaboration with the Directorate for Water Supply and Sanitation. A village's satisfactory performance in fulfilling its duties laid down in the partnership agreement will be a condition for project support in subsequent years. The project will be working with a given village for a maximum of four years after which it can be expected that the structures and capacities will have been developed sufficiently to continue resource management and development activities without outside assistance.





**ORGANIGRAMME DU PROJET**  
(Flux des informations)





APPENDIX V

FLUX FINANCIER

