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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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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

VILLAGE ORGANIZATION AND MANAGEMENT PROJECT - PHASE II



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CURRENCY EQUIVALENTS

Currency Unit	=	CFA Franc (XOF)
USD 1.00	=	XOF 600
XOF 1.00	=	USD 0.0167

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 ²)	=	10.76 square feet (ft ²)
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

ABBREVIATIONS AND ACRONYMS

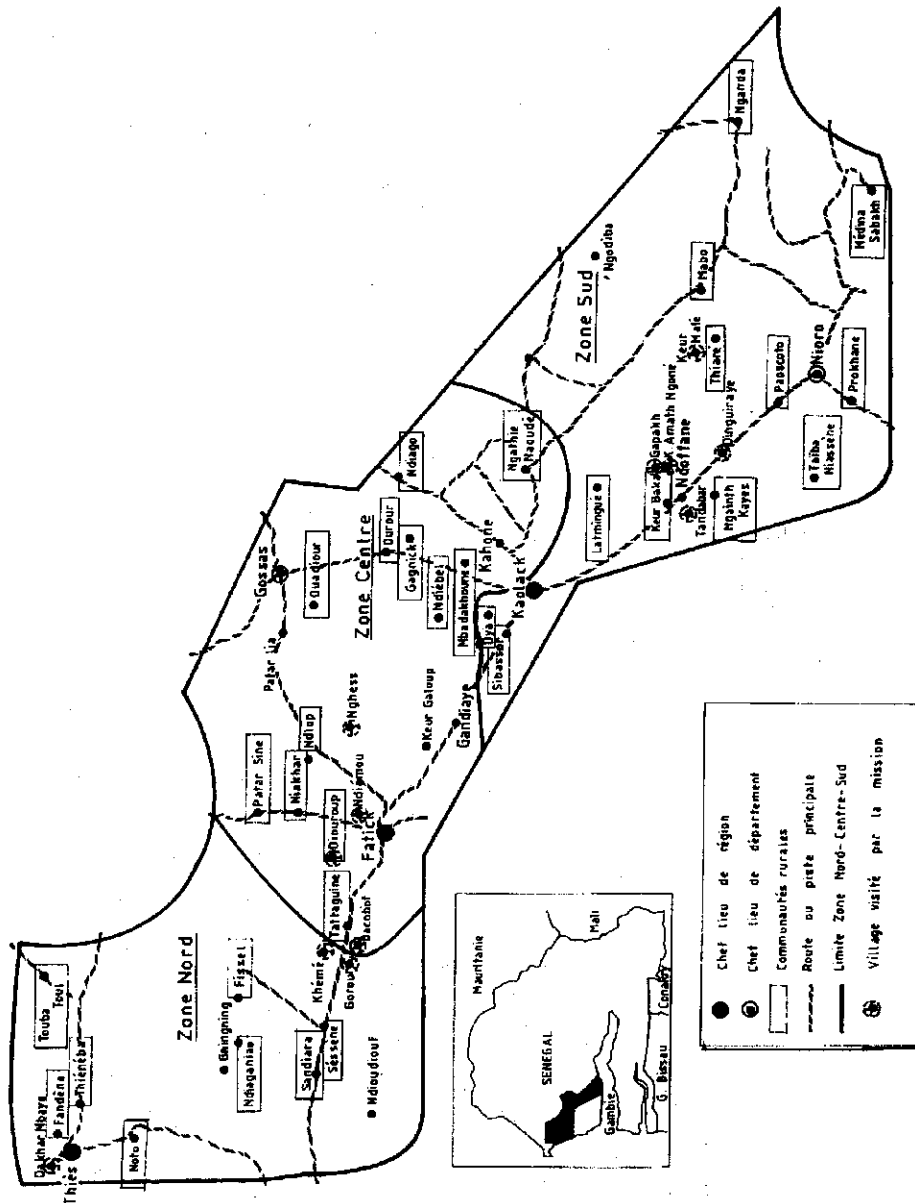
AGV	Village General Assembly
BOAD	West African Development Bank
COSOP	Country Strategic Opportunities Paper
CP	Project Steering Committee
ECOG	Evaluation des Capacités Villageoises d'Organisation et de Gestion (Assessment of Village Organizational and Managerial Capabilities)
EU	European Union
GTZ	German Agency for Technical Cooperation
HIPC DI	Heavily-Indebted Poor Countries Debt Initiative
M&E	Monitoring and Evaluation
PIV	Village Infrastructure Programme
PNIR	National Rural Infrastructure Project
POGV	Village Organization and Management Project
PROMER	Rural Microenterprises Project
SARV	Situation Annuelle de Référence Villageoise (Annual Village Socio-Economic Referential)
SOE	Statement of Expenditure
UCG	Project Management and Coordination Unit
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

GOVERNMENT OF THE REPUBLIC OF SENEGAL

Fiscal Year

1 January - 31 December

MAP OF THE PROJECT AREA



Source: Village Organization and Management Project, Phase I (Ministry of Agriculture)
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

VILLAGE ORGANIZATION AND MANAGEMENT PROJECT - PHASE II

LOAN SUMMARY

INITIATING INSTITUTION:	IFAD
BORROWER:	Republic of Senegal
EXECUTING AGENCY:	Ministry of Agriculture
TOTAL PROJECT COST:	USD 21.5 million
AMOUNT OF IFAD LOAN:	SDR 10.7 million (equivalent to approximately USD 13.7 million)
TERMS OF IFAD LOAN:	40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum
COFINANCIERS:	West-African Development Bank (BOAD)
AMOUNT OF COFINANCING:	USD 2.0 million
CONTRIBUTION OF BORROWER AND BENEFICIARIES:	USD 5.8 million
APPRAISING INSTITUTION:	IFAD
COOPERATING INSTITUTION:	BOAD



PROJECT BRIEF

Who are the beneficiaries? The second phase of the village organization and management project will support about 500 village communities in the Senegal Groundnut Basin. Official estimates for the incidence of rural poverty in the project area range from 40 to 50%. However, another 30 to 40% of the rural population in the area could fall permanently or temporarily into poverty due to their dependence on dry-farming activities conducted on small farms in adverse climatic and market conditions. The project will hence target about 30 000 small farm households, or a total population of about 200 000 persons. Specific support activities will target women and youth, the most vulnerable groups within the rural communities.

Why are they poor? The high incidence of poverty and the high vulnerability of the rural populations in the project area are largely due to: (a) serious degradation of a narrow and vulnerable resource base; (b) poor community capacity to address local development priorities, (c) limited access to markets and financial services; and (d) strong reliance on dry-farming activities, dominated by a single cash crop, groundnuts, which has witnessed a steady deterioration in both external and internal market conditions.

What will the programme do for them? To address these problems, the Village Organization and Management Project - Phase II (POGV-II) will: (i) strengthen the organizational and managerial capabilities of village organizations; (ii) promote and help fund community investments, particularly those aimed at protecting and rehabilitating the natural resource base; (iii) support small farmers in developing sustainable agricultural production systems; (iv) facilitate access to markets and to financial services; and (v) promote diversification of rural incomes, particularly for the most vulnerable groups.

How will the beneficiaries participate in the programme? Building on the participatory approaches to community-based development tested during the first phase, POGV-II will be implemented primarily by village-level organizations set up by local people. The project will provide support for capacity-building, technical assistance, cofinancing of village infrastructures, and play a facilitating role vis-à-vis other service providers, market operators and financial institutions. All key decisions pertaining to community-targeted project activities will be the responsibility of the village general assembly (AGV), which encompasses the whole adult population. A village development committee, designated by the AGV, will play a facilitating role and be responsible for overall coordination and monitoring of implementation at the village level. A management committee will be established by the AGV to oversee the establishment, operation, maintenance and management of project-funded infrastructures. Individual farmers and economic interest groups will be the decision-makers and implementers for income-oriented activities. This direct involvement will ensure that support will be demand-driven, that project support and funding respond to their priorities, and that beneficiary activities are conducted in an efficient, transparent and accountable manner.

**REPORT AND RECOMMENDATION OF THE PRESIDENT OF IFAD
TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE
REPUBLIC OF SENEGAL
FOR THE
VILLAGE ORGANIZATION AND MANAGEMENT PROJECT - PHASE II**

I submit the following Report and Recommendation on a proposed loan to the Republic of Senegal for SDR 10.7 million (equivalent to approximately USD 13.7 million) on highly concessional terms to help finance the Village Organization and Management Project (POGV) – Phase II. 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 STRATEGY¹

A. The Economy and Agricultural Sector

1. Senegal covers an area of 196 722 km² and has a population of about 9 million, which is growing at an average annual rate of 2.8%. The urban population, estimated at about 45% of the total, is increasing at an annual rate of 4%. Much of the population, including parts of the urban sector, still depends on agriculture and agriculture-related activities for its livelihood. The United Nations Development Programme (UNDP) Human Development Indicator for Senegal is low, placing it 158th out of 175 countries covered. In 1997, life expectancy at birth was about 52 years, and infantile, juvenile, and maternal mortality stood respectively at 81/1 000, 154/1 000, and 510/100 000. Primary school enrolment was 60% overall, and 53% in rural areas. The overall adult literacy rate is very low for the region at 33%, and even lower for women (23%).

2. The 1994 Poverty Assessment Study highlighted the severity of poverty in Senegal, with more than a third of the total population living under the poverty line. It also showed that poverty has remained an essentially rural phenomenon with an incidence of 40% in rural areas, as compared to 16% in urban centres. As a result, nearly 78% of Senegal's poor live in rural areas. The geographic distribution of rural poverty reflects high variability across administrative regions, with the highest incidence in Kolda (57%), Ziguinchor (54%) and Kaolack (48%) as compared to 12% and 15% in the Dakar and Saint-Louis regions.

3. The poverty situation in rural areas is aggravated by very low human development indicators and poor access to essential services for rural people. In 1992, the infant mortality rate was 102 in rural areas, versus 70 in urban centres, while the primary school enrolment rate was 38% and 98%, respectively, for rural and urban areas. Access to basic health care was possible for only 27% of the rural population, and most rural women had no access to prenatal care (53%), compared to about 5% for urban women. In 1997, only about 38% of rural households had access to safe water, as compared to 79% for urban ones, and only 5% of rural areas had electricity.

4. Over the past six years, and following the 1994 CFA Francs devaluation, Government has successfully implemented far-reaching macro-economic and sector policy reforms. The key reforms focused on liberalizing the economy and disengaging the State from production and marketing. The

¹ See Appendix I for additional information.



Government of Senegal also made efforts to control overall budget expenditures while maintaining those pertaining to the social sectors. In 1996, the Government also adopted a series of far-reaching institutional reforms aimed at reinforcing the decentralization process, which have transferred key local development responsibilities to elected local governments, and urban and rural communes.

5. Economic growth resumed after the 1994 devaluation and the accompanying economic reforms, moving from 2% per year in 1994 to around 5% per year for the 1995-98 period. Inflation, after a devaluation-driven high of 32% in 1994, was brought down to about 3% in 1996 and 1997. Coupled with a drop in imports, the improvement in exports has led to a 19% reduction in the trade deficit. The Government budget deficit has been reduced for the same period from 6% to 2% of gross domestic product (GDP), while the external deficit fell from 10% to 6% of GDP. Senegal has reached the decision point under the enhanced Highly-Indebted Poor Countries Debt Initiative (HIPC DI). The December Session of the Executive Board will be considering IFAD's participation in the proposed debt-relief package under HIPC DI.

6. The agricultural sector (in the broad sense, i.e., comprising crop production, livestock, forestry and fishing) contributes only one fifth of GDP, but employs two thirds of the economically active population and constitutes the main source of export earnings. Most agricultural producers are small-holders, farming land under customary tenure arrangements, applying traditional rotation systems and combining some cash farming with food production for home consumption. Rainfed farming and livestock nomadic practices predominate, with an extremely limited use of modern inputs. The natural resource base is precarious and threatened by declining rainfall and soil degradation due to ever-increasing demographic pressure.

7. Sector reforms since 1994 have concerned mainly: the disengagement of the State from rice and groundnut marketing, the privatization and restructuring of public enterprises involved in agriculture, and the transfer to professional organizations of some functions previously assumed by the public sector, such as the provision of extension services. Despite these reforms, overall sector performance has been rather poor (with the exception of export crops) with annual average growth of below 1.5% for the 1990-98 period. Low sector response and stagnant productivity in rural areas are the result of the persistence of major structural constraints. The most important include: (i) serious degradation of the natural resource base; (ii) limited coverage and poor quality of farmer support services; (iii) limited access to product and factor markets, due in part to a highly deficient road system and the poor state of village access roads; (iv) low labour productivity owing to limited access to basic social services (health, education, potable water, etc.); and (v) the low level of rural people's participation in decision processes for rural development.

B. Lessons Learned from Previous IFAD Experience

IFAD Portfolio in Senegal

8. To date, IFAD has financed a total of nine projects in Senegal for a total loan amount of SDR 62 million (equivalent to USD 87 million). Four of these projects have closed: the Integrated Rural Development Project of M'bour Louga, the Agro-Forestry Development Project, the Second Small Rural Operations Project and the Village Organization and Management Project (POGV). The Agricultural Development Project in Matam is due to close at the end of 2000. There are four ongoing projects: the Rural Microenterprises Project (PROMER), the Village Management and Development Project, the Agroforestry Project to Combat Desertification and the National Rural Infrastructure Project (PNIR).



Lessons Learned

9. The implementation of these projects has given IFAD considerable experience in community-based rural development. One of the key lessons learned in Senegal and in the region is that beneficiaries and their grass-roots organizations need to be at the centre of the development process, making the key opportunity choices, in charge of implementation, and responsible for the operation of activities initiated with external support. The second lesson is that grass-roots capacity-building is critical for effective implementation, and necessary to ensure sustainability. The third lesson is that subcontracting out project implementation to qualified public and private-sector operators is a more effective way of improving responsiveness and implementation efficacy.

10. **Key lessons from the first phase.** The first key lesson from the implementation of the first phase is that capacity development at the grass-roots level is more effective when based on hands-on learning-by-doing processes and guided by a progressive maturation process and an explicit exit strategy. The second lesson is that rural youth problems have to be addressed in different ways than those used for other vulnerable groups, because of their higher aspirations, more pronounced individualism and greater mobility between city and village. The third lesson is that pre-set agreements with financial institutions providing for targeted lines of credit are not necessary for facilitating the access of the rural poor to financial services and can become constraints to project implementation. The fourth lesson is that the poorer village communities in rural Senegal need external funding and technical support to address some of their basic community infrastructure needs. These lessons have guided the design of this second-phase project.

C. IFAD's Strategy for Collaboration with Senegal

Senegal's Policy for Poverty Eradication

11. A countrywide consultative process undertaken in 1996 revealed the priority needs of rural people to be: improved access roads, drinking water, access to health and education services, and improved economic opportunities in rural areas. The population has also expressed a strong desire to participate in the key decisions affecting local development and a commitment to assume an increased share in the funding of local development plans. Government strategy for addressing rural poverty has been three-pronged, namely to: (a) promote decentralization and empowerment of communities in rural areas; (b) reform public institutions responsible for rural development policies and programmes; and (c) promote greater participation of civil society in designing and implementing rural development programmes. The newly elected Government has so far maintained these strategic orientations.

The Poverty Eradication Activities of other Major Donors

12. A large number of donors have been funding poverty-alleviation programmes in rural Senegal. Most of these programmes are based on decentralized and participatory approaches with demand-driven community investments. One of the most important programmes is the World Bank-IFAD cofinanced National Rural Infrastructure Project, which is due to become effective before the end of this year. Many bilateral donors, such as France and Germany, the European Union (EU), UNDP, and others are funding, or plan to fund, similar decentralized rural development programmes. During the first phase POGV collaborated extensively with two community-based natural resource management projects active in its area, funded respectively by the United States Agency for International Development (USAID) and the German Agency for Technical Cooperation (GTZ). BOAD has been a major partner for IFAD in Senegal, both as a cooperating institution and cofinancier.



IFAD's Strategy in Senegal

13. IFAD strategy is spelled out in the country strategic opportunities paper (COSOP) adopted in March 1998. The COSOP supports the government goal of reducing rural poverty, with a special focus on vulnerable and marginalized groups. The strategic thrusts of the COSOP are: (a) empowerment and capacity-building at the grass-roots level; (b) protection and rehabilitation of the natural resource base; and (c) better use of existing infrastructures. The COSOP is to be implemented through: (i) consolidation of successful IFAD-initiated investments; (ii) selected cofinancing of those interventions by other donors with national scope and/or policy implications; and (iii) funding for the development of innovative interventions in the future and improvements in the implementation performance of ongoing projects. Finally, with respect to infrastructure, IFAD will focus its self-initiated programmes on rehabilitation, while for heavy investments in new infrastructures it would seek cofinancing arrangements with other donors. This project will contribute significantly to the COSOP goal, and its design reflects its strategic thrusts.

Project Rationale

14. This project will target the poorer areas of the "groundnut basin", where the rural economy has slowed down considerably following declines in rainfall, groundnut production and prices due to unfavourable international markets. Combined with the continuing degradation of the natural resource base, these factors have limited the effect of past development efforts in the area. The incidence of poverty among the target population is still evaluated at more than 45%. De facto, more than two thirds of the population in targeted villages can be considered poor in view of the high intra-annual and inter-annual variability of rural incomes.

15. The first POGV was one of the most important projects to be implemented in the groundnut basin area, both in terms of coverage and resources committed. While it has responded to some of the basic needs of targeted communities, it has helped create high expectations among local people. The second phase is considered essential both by these people and by the Government in order to empower village communities, reduce poverty and improve living conditions.

16. The project will provide capacity-building support to village organizations, funding support for the establishment of community infrastructures, and promotion of sustainable agricultural production systems and diversified income-generating activities. These interventions will help improve living conditions and increase and diversify rural incomes. In turn, this will help reduce the incidence of poverty in targeted village communities and reduce vulnerability to the climatic and market-induced income variability of the most vulnerable groups, women, youth, and small farmers. It will also provide effective empowerment of rural populations in dealing with their local development problems, thus contributing indirectly to improved governance at the local level.

17. POGV was also one of the first rural development projects in Senegal to be based on a participatory approach to community development. The design of the second phase, which incorporates an explicit exit strategy based on progressive maturation processes of village-based organizations, will have a great potential for replication in Senegal and elsewhere in the region.

18. POGV-II will make significant contributions towards reducing rural poverty, a major goal of both the Government and the rural population, and is consequently an effective instrument for implementing IFAD's mandate and its intervention strategy in Senegal.



PART II - THE PROJECT

A. Project Area and Target Group

19. **Project area.** The project will cover the three regions of Fatick, Kaolack and Thiès, the same intervention area of the first phase. The total population of these regions is estimated at about 2.2 million, or 25% of the country's total. Nearly half of this population depends for its livelihood on dry farming activities, mainly an association of cereals and groundnuts, with income complements coming from extensive animal husbandry and a variety of informal artisanal and marketing activities. The project area is subjected to a semi-arid climate, characterized by a short and highly variable rainy season. The rural economy of these regions has been hit hard by declining rainfall, degradation of the natural resource base and lower producer prices for groundnuts, the main cash crop.

20. **Target group.** About 500 village communities will be targeted, 400 of which were supported under the first phase. The additional 100 new villages will be selected among the poorest in the area. The population of these communities is estimated at 200 000 individuals (30 000 households). About 2 000 village-level organizations will be provided with capacity-building support and training. About 10 000 small farmers will receive support. It is expected that at least half the village organizations to be supported will involve women and youth. This will ensure their proper representation in community decisions on local development priorities and allow them to play a key role in implementation. These vulnerable groups will also be provided targeted support to their key economic activities, including technical and managerial know-how and facilitation of access to markets and to financial services.

B. Objectives and Scope

21. The overall development objective² of the proposed second seven-year phase is to help rural target populations improve their incomes and living conditions sustainably. The outcomes sought by this project can be summarized as follows:

- targeted village communities have developed the capacity to define, implement and manage their own local development programmes;
- living conditions in targeted village communities are improved due to properly functioning village infrastructures accessible to everyone in the village;
- incomes of the majority of the targeted population, especially those of women and youth, have been significantly improved.

22. The key outputs of the project will be the following:

- capacity-building programmes implemented in all targeted villages;
- functional community infrastructures established in all targeted villages;
- sustainable agricultural production systems established on at least 20 plots in each of the targeted villages; and
- at least two new income-generating activities launched successfully by women and youth groups in each village.

C. Components

23. To achieve this goal, the project will provide capacity-building support to village organizations and funding support for the establishment of community infrastructures. It will promote sustainable agricultural production systems and diversified income-generating activities through technical and managerial support and through facilitation of access to markets and to financial services. The project will have four components: (i) support to village organization and management capabilities;

² See Appendix III, Logical Framework.



(ii) village infrastructure programme; (iii) support to sustainable production systems and to income diversification; and (iv) coordination, monitoring and evaluation.

24. **Support to village organization and management capabilities.** This component will provide for participatory diagnostics of the village situation and capabilities, support for a participatory planning process of village-level development priorities, and capacity-building support to village organizations. The first will include the establishment of a socio-economic database for each village (called annual village socio-economic referential (SARV)) and an initial assessment of the village organizational and managerial capabilities (ECOG). ECOG will serve to determine the degree of preparedness of village organizations to undertake, operate and manage local development projects and activities and to define the capacity-building they require. SARV and ECOG will be updated annually through participatory approaches in order to monitor implementation and impact, and to serve as the basis for planning project support activities to the village for the coming year. Support to the participatory planning process aims to help the village population finalize a prioritized and operational village development plan (PDV) that reflects the concerns of all social groups, particularly those of women and youth. Typically a PDV would include a village capacity development programme and a village infrastructure programme (PIV). This component will provide support to implementing the village capacity programme. This will involve provision of training and technical assistance for capacity-building of all village-based organizations, with emphasis on the skills most needed to implement project-supported activities.

25. **Village infrastructure programme (PIV).** This component will provide the funding mechanism for the establishment of village infrastructures, and will include two sub-components. The first is the priority village infrastructure programme (PPIV), which will fund investments to be located within the targeted villages. Eligible investments for funding under this sub-component will include, *inter alia*, community infrastructures (multiple-use water facilities and buildings), long-term productive infrastructures (small irrigation, ponds), village wood planting, limited land desalinization and erosion control works. The second sub-component, the intra-village infrastructure programme (PIIV), will fund investments in which the collaboration of a small number of neighbouring villages is required. Emphasis will be on rehabilitation of natural resources, such as anti-erosion works, and productive investments with a long-term maturity such as lowland or valley development. BOAD, the cooperating institution during the first phase, has expressed interest in cofinancing the PIIV. The list of infrastructures ineligible for funding under both sub-components includes infrastructures destined for religious or political use, as well as for all leisure-oriented activities.

26. **Support to sustainable production systems and to income diversification.** This component will promote sustainable production systems at the farm level. Such systems will be based on well-tested and widely adopted techniques from the first phase, mainly a combination of live hedges and application of organic fertilizer. Small farmers will also be supported in the improvement of production techniques, in facilitating the marketing of farm products and through the provision of key farm inputs, especially improved seed. The component will also provide targeted support to women and youth to promote their farm and non-farm income-generating activities. Women usually engage, individually or in groups, in rice and vegetable production, processing of agricultural products, small marketing operations and animal husbandry of small ruminants, poultry, etc. Youth are usually more interested in individual endeavours, preferring to establish microenterprises to provide services or manufacture small tools and implements. Appropriate linkages will be established with PROMER to avoid duplication in the provision of support to such enterprises. To make it easier for vulnerable groups such as women and youth to have early access to financial services, the component will provide for a risk fund, which will be made available on an incremental basis to partner financial institutions.

27. **Project coordination, monitoring and evaluation (M&E).** This fourth component will fund the recruitment, on a contractual basis, and operation of a small project management and coordination

unit (UCG), which will be responsible for project coordination and financial management. The component will also provide for the establishment and operation of an effective M&E system to be used as a management tool, and for specialized technical and training support to all project implementation partners.

D. Costs and Financing

28. Total costs for the proposed seven-year implementation period are estimated at USD 21.5 million. Foreign currency requirements are evaluated at USD 1.2 million, or 6% of total cost. Taxes and duties represent 12.5% of total cost, or the equivalent of USD 2.6 million.

29. IFAD financing will be the equivalent of USD 13.7 million, or 64% of total cost. The Government contribution will be about USD 2.7 million, or 12.5% of total cost, and beneficiaries will contribute the equivalent of USD 3.1 million (14.5%). BOAD has expressed an interest in cofinancing the village infrastructure component for about USD 2.0 million (10%).

TABLE 1: SUMMARY OF PROJECT COSTS^a
(USD '000)

Components	Local	Foreign	Total	% of Foreign Exchange	% of Base Costs
A. Support to village organization and management capabilities	1 974	40	2 014	2	10
B. Village infrastructure programme	13 340	-	13 340	-	64
C. Support to production systems and to income diversification	2 098	165	2 263	7	11
D. Coordination, monitoring and evaluation	2 301	885	3 186	28	15
Total base costs	19 713	1 090	20 803	5	100
Physical contingencies	173	36	210	17	1
Price contingencies	391	79	471	17	2
Total project costs	20 278	1 205	21 484	6	103

^a Discrepancies in totals are due to rounding up of figures.

TABLE 2: FINANCING PLAN^a
(USD '000)

Components	IFAD		BOAD		Beneficiaries		Government		Total		For. Exch.	Local (Excl. Taxes)	Duties and Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
A. Support to village organization and management capabilities	1 731	83.2	-	0.0	0.0	-	349	16.8	2 080	9.7	44	1 687	349
B. Village infrastructure programme	7 019	51.0	2 040	14.8	22.4	22	1 630	11.8	13 776	64.1	-	12 146	1 630
C. Support to production systems and to income diversification	1 996	85.4	-	0.0	0.0	-	341	14.6	2 337	10.9	180	1 816	341
D. Coordination, monitoring and evaluation	2 925	88.9	-	0.0	0.0	-	365	11.1	3 290	15.3	981	2 032	277
Total disbursement	13 671	63.6	2 040	9.5	3 087	14.4	2 686	12.5	21 484	100.0	1 205	17 672	2 598

^a Discrepancies in totals are due to rounding up of figures.

E. Procurement, Disbursement, Accounts and Audit

30. **Procurement.** Procurement of operating partners and consultant service firms will be carried out according to IFAD and BOAD procedures. To the greatest extent possible, procurement of goods will be bulked to obtain the best price quotations. Vehicles valued at more than USD 100 000 will be procured through international competitive bidding (ICB) procedures. Goods and services valued at more than USD 50 000 will also be procured through ICB procedures. For vehicles valued at less than USD 100 000 and for goods and services valued at less than USD 50 000, procurement will be through local competitive bidding procedures. Purchases of goods for more than USD 5 000 and less than USD 10 000 will follow local shopping procedures. Purchases for less than USD 5 000 will be made off the shelf. Considering that the civil works are small in scale and scattered and will be implemented over several years, local shopping procedures will apply.

31. **Disbursement.** Before the beginning of each implementation year, an annual work programme and budget (AWP/B) will be submitted to the cooperating institution and IFAD for comments and approval after review and approval by the project steering committee (CP). Withdrawal applications will be co-signed by the UCG coordinator and the administrative and financial officer of the project. Disbursements will be fully documented except for expenditures covering the following: operating costs, salaries, travel 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 (XOF) will be opened by the borrower in the name of the project, with an acceptable bank in Dakar. The authorized allocation is XOF 600 million. An initial amount of XOF 300 million will be deposited into the account for the first year of operation. The amount will be increased in the second year of implementation to XOF 600 million. Funds will be transferred from the special account in Dakar to a secondary special account to be opened in an acceptable bank in Kaolack. The Government will take all appropriate measures, including annual budget provisions, treasury cheques, and exoneration from import duties to cover taxes and duties pertaining to project expenditures.

33. **Accounts and audit.** The UCG will keep double-entry books that meet 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 the UCG. After verification, the UCG will replenish the accounts as appropriate. The accounts of both the UCG 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 goods and services financed by the project. It will also issue a separate opinion on SOEs and the special account. The fees of the auditing firm will be paid from the loan account.

F. Organization and Management

34. **Overall arrangements for implementation.** Project implementation will be based on existing village-level organizations. These organizations will be provided capacity-building support through contractual arrangements with private and public-sector service providers. An explicit graduation-exit strategy vis-à-vis each village will be implemented to prepare for project termination by the end of the sixth year. A light coordination unit will be responsible for overall coordination of the implementation, M&E processes, and for contract and financial management. Adequate technical support and training will be provided to all implementing partners.



35. **Beneficiary participation.** Beneficiaries and their grass-roots organizations will be at the centre of the proposed participatory prioritization, implementation and evaluation processes. Key decisions will be made by the AGV, which traditionally encompasses the whole adult population of the village. A village development committee, designated by the AGV, will play a critical facilitating role and be responsible for overall coordination and monitoring of village-level implementation. A management committee (CG) will be established by the AGV to oversee the establishment, operation, maintenance and management of PIV-funded infrastructures. Individual farmers and economic interest groups will be the decision-makers and implementers for income-oriented activities.

36. The PIV component will be implemented according to the following principles:

- (a) infrastructures are selected through a participatory planning process;
- (b) beneficiaries contribute to investment costs;
- (c) a recovery system will be established for each infrastructure to ensure proper coverage of operating and maintenance costs; and
- (d) an infrastructure management committee will be established by the AGV to oversee the establishment, operation, maintenance and management of each PIV-funded infrastructure.

37. A memorandum of understanding will formalize the funding arrangements for the PIV between the project and each eligible village. To be eligible, a village needs to reach a satisfactory organizational and managerial capability and satisfy specific eligibility criteria that reflect the above principles and relate to the feasibility and justification of individual infrastructures.

38. **Provision of support services.** Three principal operating partners will be selected on a competitive basis to provide, on a contractual basis, implementation support and capacity-building to targeted village communities in each of the three provinces. Specialized training and technical support will generally be provided through short-term service contracts. Generic technical support services, such as support to the establishment and management of infrastructures and to major income-generating activities, can be provided through annual contractual arrangements with qualified specialized operating partners selected from public or private agencies.

39. **Coordination and management.** The Ministry of Agriculture, as the Government's implementing agency, will establish a small UCG (see paragraph 27), which will have administrative and financial autonomy. Located in Kaolack, the UCG will be responsible for coordinating all project interventions, administering contracts and framework agreements and ensuring the proper financial management of project funds. Key UCG staff will include a project coordinator, a financial and administrative officer, specialists in capacity-building, rural infrastructure, rural income-generating activities and participatory evaluation and monitoring, and three regional monitoring officers, one for each region.

40. Project oversight and orientation will be the responsibility of the CP, which will also play a facilitating role in inter-institutional coordination. It will be presided over by the minister responsible for agricultural affairs, and will be composed of a limited number of members, including project beneficiaries.

41. **Partnerships and cooperation with other projects.** PROMER and PNIR, two other IFAD-funded national projects, will be operating in the same geographical area, thus providing opportunities for complementarity and synergy. Cooperation among the three projects will be based on respect of the individual mandates, which are highly complementary to one another. PNIR is supporting basic infrastructures, such as primary school and health facilities, rural road rehabilitation, and others within the prerogatives of the decentralized institutions; PROMER focuses on promoting and supporting



non-farm rural microenterprises. Cooperative agreements will be signed to this effect, specifying the modalities of field-level cooperation, and providing for regular exchanges of lessons of experience.

42. Similar agreements will be established with the World Bank-funded Agricultural Services and Producer Organizations Project (PSAOP), the GTZ- funded Natural Resources Management Support Project (PAGERNA) and the USAID-funded Natural Resource Community Management Project (PGCRN). In the tradition of the first phase, POGV-II will also work cooperatively with other small projects and non-governmental organizations (NGOs) active in its area of operation and establish formal agreements to this effect as the need arises.

43. **Monitoring and evaluation (M&E).** M&E will be designed as an integrated system of tools to be established and used by each of the key actors with the purpose of improving implementation and impact on a regular basis. Hence, each implementing agency will establish an internal monitoring system focused on collecting and analysing the information needed to assess implementation performance. The selected principal and specialized operating partners will provide support to all village-level organizations and to the Village Development Committee in the establishment and operation of their individual monitoring systems.

44. Participatory village-level process and impact evaluations will be conducted annually and will constitute the backbone of the overall evaluation system. These evaluations will be interactive, associating the village population and all implementing partners in the village community. These evaluations will provide the basis for the annual updates of the village's reference situation and capacity assessment (SARV and ECOG), and for the preparation of its activity programme for the coming year. These evaluations will also serve as primary inputs into an intervillage emulation system to be established to identify and promote the broad adoption of each year's best practices in the areas of village-level programme development and implementation. At the project level, a mid-term and an end-of-project evaluation will be conducted in a participatory manner, with a focus on beneficiary impact and on the efficacy of implementation processes. Provisions are also made for thematically oriented evaluations, as well as for technical and training support in the establishment, operation and use of participatory M&E systems, to be provided by highly qualified specialists.

G. Economic Justification

45. **Beneficiaries.** The targeted population will benefit from capacity-building support and the services to be derived from village infrastructures. The population of targeted villages, about 200 000 individuals, will benefit from the capacity-building support to be provided to about 2 000 village-level organizations. This population will also benefit from improved access to village infrastructures and services. About 25 000 men, women and youth will have received literacy training, and 40-50% of them will have become functionally literate. About 20 000 small farmers will see their farm incomes improve through support to sustainable agricultural production systems.

46. **IFAD target group and gender impact.** Provisions have been made to ensure that the traditionally vulnerable groups, particularly women and youth, participate effectively in village-level decision processes and partake of project benefits. Women will benefit from greater and more-diversified incomes through income-generating activities. Furthermore, many of the planned village infrastructures will help reduce the time and effort they traditionally allocate to gender-specific chores such as water fetching, wood gathering and food processing. The project will also enhance the targeting of youth, taking into account their mobility and specific interests and skills, extending the coverage and improving the quality of support services for them.

47. **Economic analysis.** The project is designed for on-demand delivery of support services and funding. So even though broad categories of support services and funding needs are identified, it is the beneficiaries, individually or through their grass-roots institutions, who will determine the



composition and magnitude of priority services and investments to be funded. Under these conditions, it was not possible to apply to this project the kind of cost benefit analysis that would produce an internal rate of return. However, a thorough analysis has been conducted. It shows that the key investments and activities eligible for project support will bring about very positive economic and/or environmental benefits for target communities and individuals.

48. First, project activities will have a positive impact on rural incomes through support to agricultural production and easier access to markets and financial services. The result will be higher, more diversified, and less variable incomes for target beneficiaries, especially small farmers, women and youth. The project will also enhance the sustainability of the agricultural productive base by promoting community and individual investments aimed at protecting and rehabilitating the natural resource base. However, the major impact of the project will be the development of the technical and managerial capabilities of the village community and private institutions at the grass-roots level.

49. **Financial analysis.** A financial analysis of the major types of eligible village infrastructures has been carried out. Production-oriented infrastructures show high internal rates of return, ranging from 10% for a small pond used for vegetable production and 24% for desalinization works to 46% for anti-erosion works. Income increases from improved agricultural production systems will range from 65% in the central zone (Kaoloack region) to 126% in the southern zone (Fatick) and 130% in the northern zone (Thiès). The analysis also shows the costs of operation and maintenance for non-productive infrastructures to be affordable by beneficiaries and within the norms practised in the area.

50. **Sustainability.** One of the key features is a systematic concern to ensure the sustainability of the social and physical capital, the resource base for agricultural production and the economic activities supported. Such sustainability will be sought mainly through the explicit graduation-exit strategy underlying all project interventions. It will be facilitated by the use of technologies and people skills based on the local traditions of social organization and within the reach of the technical and managerial know-how and skills of rural communities in Senegal. Sustainability will also be enhanced as beneficiaries apply voluntary systems for recovering the operating and maintenance costs of infrastructures.

H. Risks

51. The main risks for project implementation are the following: (a) government failure to live up to its commitment to support participatory local development; (b) local political interference in implementation; and (c) project partners being unable to honour their commitments. The probability of the first risk appears to be very low. To alleviate risks (b) and (c), provisions will be developed to reduce interference in project implementation and to ensure that transparent contractual and cooperative agreements are established with implementing partners. Close supervision by the cooperating institution and by IFAD will ensure that these provisions are implemented effectively.

I. Environmental Impact

52. Most of the village infrastructures eligible for project support will aim to rehabilitate the natural resource base or limit its degradation from wind and water erosion. The project will also promote environmentally sustainable agricultural production systems. Most other interventions can be considered environmentally neutral. Hence, the project is expected to have a beneficial environmental impact.

J. Innovative Features

53. POGV-II will introduce two key innovative features with strong replication potential for the future: (i) the introduction of an explicit graduation-exit strategy as an integral part of the project intervention approach, to be based on regular participatory assessments of organizational,



implementation and managerial capabilities at the village level and on targeted capacity-building support based on a learning-by-doing process; and (ii) the establishment of an intra-village emulation process to promote the broad adoption of best practices developed during implementation.

PART III - LEGAL INSTRUMENTS AND AUTHORITY

54. 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.

55. The Republic of Senegal is empowered under its laws to borrow from IFAD.

56. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

PART IV - RECOMMENDATION

57. 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 ten million and seven hundred thousand Special Drawing Rights (SDR 10 700 000) to mature on and prior to 15 August 2040 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 15 November 2000)

1. The Government of the Republic of Senegal (the Government) shall be responsible for the payment of taxes and duties through treasury cheques and exemption from all duties normally levied on imports.
2. The Government shall ensure that moneys from the BOAD loan are made available to the UCG in accordance with the dispositions contained in the Annual Work Programmes and Budgets.
3. As part of maintaining sound environmental practices as required by the General Conditions, the Government shall maintain, or cause to be maintained, appropriate pest management practices under the project. To this end, the Government shall ensure that pesticides procured under the project do not include any pesticide either proscribed by the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organization of the United Nations, as amended from time to time, or listed in Tables 1 (Extremely Hazardous) and 2 (Highly Hazardous) of the World Health Organization's Recommended Classification of Pesticides by Hazard and Classification 1996-97, as amended from time to time.
4. The Government shall insure all project staff against health and accident risks, in accordance with current national laws pertaining to working conditions.
5. The lead project agency shall be responsible for selecting the coordinator of the UCG and the financial and administrative officer, following an invitation for applications open to qualified senior staff in the public and private sectors. The coordinator shall be responsible for the selection of technical, management and administrative staff and shall make such selection on the basis of competitive bidding. All UCG staff shall receive renewable two-year contracts. The recruitment and replacement of the coordinator of the UCG, the financial and administrative officer and all key staff shall take place after the cooperating institution and IFAD have notified their non-objection.
6. There shall be no discrimination on the grounds of sex, ethnic origin or religion in the recruitment of project staff, in accordance with the laws of the Republic of Senegal.
7. The following are specified as additional conditions precedent to the effectiveness of the loan:
 - (a) the UCG shall have been set up;
 - (b) the Project Steering Committee shall have been set up;
 - (c) a project coordinator and a financial and administrative officer acceptable to IFAD shall have been appointed by the lead project agency; and
 - (d) a favourable legal opinion, issued by the competent legal authority within the Republic of Senegal and acceptable in both form and substance, shall have been delivered by the Government to IFAD.



8. The following are specified as conditions precedent to disbursement of the proceeds of the loan:
 - (a) three generalist partners/operators shall have been recruited; and
 - (b) an implementation manual shall have been drafted.

COUNTRY DATA

SENEGAL

Land area (km² thousand) 1997 1/	193	GNP per capita (USD) 1998 2/	520
Total population (million) 1998 1/	9	Average annual real rate of growth of GNP per capita, 1990-98 2/	0.5
Population density (people per km²) 1998 1/	47	Average annual rate of inflation, 1990-98 2/	5.6
Local currency	CFA Franc BCEAO (XOF)	Exchange rate: USD 1 = XOF 600	
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1980-98 1/	2.7	GDP (USD million) 1998 1/	4 682
Crude birth rate (per thousand people) 1998 1/	39	Average annual rate of growth of GDP 1/	
Crude death rate (per thousand people) 1998 1/	13	1980-90	3.1
Infant mortality rate (per thousand live births) 1998 1/	69	1990-98	2.9
Life expectancy at birth (years) 1998 1/	52	Sectoral distribution of GDP, 1998 1/	
Number of rural poor (million) (approximate) 1/	n.a.	% agriculture	17.4
Poor as% of total rural population 1/	n.a.	% industry	24.1
Total labour force (million) 1998 1/	4.1	% manufacturing	15.8
Female labour force as% of total, 1998 1/	42.6	% services	58.5
Education		Consumption, 1998 1/	
Primary school gross enrolment (% of relevant age group) 1997 1/	71.3	General government consumption (as% of GDP)	10.3
Adult literacy rate (% of total population) 1997 3/	34.6	Private consumption (as% of GDP)	74.8
Nutrition		Gross domestic savings (as% of GDP)	
Daily calorie supply per capita, 1996 3/	2 394		14.9
Prevalence of child malnutrition (height for age% of children under 5) 1992-98 1/	22.9	Balance of Payments (USD million)	
Prevalence of child malnutrition (weight for age% of children under 5) 1992-98 1/	22.3	Merchandise exports, 1998 1/	n.a.
		Merchandise imports, 1998 1/	n.a.
		Balance of merchandise trade	n.a.
Health		Current account balances (USD million)	
Health expenditure, total (as% of GDP) 1990-98 1/	4.7	before official transfers, 1998 1/	- 345
Physicians (per thousand people) 1990-98 1/	0.1	after official transfers, 1998 1/	- 81
Percentage population without access to safe water 1990-97 3/	37	Foreign direct investment, 1998 1/	40
Percentage population without access to health services 1981-92 3/	60		
Percentage population without access to sanitation 1990-97 3/	61	Government Finance	
Agriculture and Food		Overall budget surplus/deficit (including grants) (as% of GDP) 1997 1/	
Food imports as percentage of total merchandise imports 1998 1/	n.a.	Total expenditure (% of GDP) 1997 1/	n.a.
Fertilizer consumption (hundreds of grams per ha of arable land) 1995-97 1/	91	Total external debt (USD million) 1998 1/	3 861
Food production index (1989-91=100) 1996-98 1/	100.4	Present value of debt (as% of GNP) 1998 1/	58.3
		Total debt service (% of exports of goods and services) 1998 1/	23.2
Land Use		Nominal lending rate of banks, 1998 1/	
Arable land as% of land area, 1997 1/	11.6	Nominal deposit rate of banks, 1998 1/	n.a.
Forest area (km ² thousand) 1995 1/	73.8		3.5
Forest area as% of total land area, 1995 1/	38.3		
Irrigated land as% of cropland, 1995-97 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*, 2000

2/ World Bank, *Atlas*, 2000

3/ UNDP, *Human Development Report*, 1999

PREVIOUS IFAD LOANS TO SENEGAL

Project Loan	Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Approved Loan Amount (SDR)	Disbursement (as % of approved amount)
I-26-SE	Integrated Rural Development Project of M'Bour Louga	IFAD	AfDB	HC	18 Dec 79	13 Jul 81	30 Jun 90	10400000	56
I-315-SE	Village Organization and Management Project	IFAD	BOAD	HC	02 Dec 92	13 Aug 93	31 Dec 99	5800000	73
S-15-SE	Agro-Forestry Development Project	IFAD	BOAD	HC	30 Nov 88	07 Nov 89	30 Jun 98	8300000	90
S-18-SE	Second Small Rural Operations Project	WB/IDA	WB/IDA	HC	13 Sep 89	05 Mar 90	30 Jun 99	5100000	51
S-30-SE	Agricultural Development Project in Matam	IFAD	BOAD	HC	11 Dec 91	27 Apr 93	31 Dec 00	11700000	83
I-402-SN/ S-47-SN	Rural Microenterprise Project	IFAD	BOAD	HC	06 Dec 95	03 Jan 97	31 Mar 03	5000000	28
I-462-SN	Village Management and Development Project	IFAD	BOAD	HC	04 Dec 97	09 Aug 99	30 Jun 07	6900000	4
I-489-SN	Agroforestry Project to Combat Desertification	IFAD	WB/IDA	HC	02 Dec 98	01 Sep 99	31 Dec 05	5850000	6
I-524-SN	National Rural Infrastructure Project	WB/IDA	WB/IDA	HC	09 Dec 99	Not eff.		5400000	



DYNAMIC LOGICAL FRAMEWORK

Hierarchy of Objectives	Key Performance Indicators	Monitoring and Evaluation	Critical Assumptions
I. Contributions to the strategic objectives Reduction of rural poverty Replicability of Rural Development Approaches Improvement of the governance	(i) Incidence of poverty in the project area reduced (ii) POGV-II approach adopted by other projects (iii) Access to public services in the project area improved	<ul style="list-style-type: none"> • Poverty surveys • Participatory evaluations • SIRV and ECOG Participatory project completion evaluation	<ul style="list-style-type: none"> • Stable socio-politic context
II. Project development objective Improve incomes and living conditions of the target rural populations in a sustainable manner	Key outcomes Targeted village communities have developed the capacity to prioritize, implement and manage their local development programmes Living conditions in targeted village communities are significantly improved Incomes of targeted village populations, especially those of women, youth, and small farm families are significantly increased	<ul style="list-style-type: none"> • Participatory end of project evaluation • Participatory thematic evaluations • Specific surveys 	<ul style="list-style-type: none"> • Coherent maintenance of rural development national strategies
III. Operational objectives Develop village organization and management capabilities Improve living conditions of the targeted village populations Increase incomes of the rural populations and reduce vulnerability of IFAD target group	Key outputs (i) Capacity-building programmes implemented in all targeted villages (ii) Functional community infrastructures established in all targeted villages (iii) Sustainable agricultural production systems are established in at least 20 small farms in all targeted villages (iv) New income-generating activities have been launched successfully by women and youth groups in each targeted village	<ul style="list-style-type: none"> • Participatory end of project evaluation • Annual evaluations and reports • Participatory thematic evaluations 	<ul style="list-style-type: none"> • Favourable economic environment; • No constraints in institutional environment



Hierarchy of Objectives		Key Performance Indicators	Monitoring and Evaluation	Critical Assumptions
IV. Output from each component				
1:	Support to village organization and management capabilities	(i) Organizational and managerial capacity-building support has been provided to about 1 500 village organizations (ii) Literacy and specialized training provided to members of about 1 500 village organizations	<ul style="list-style-type: none"> • Participatory mid-term and project completion evaluations • SARV and ECOG 	<ul style="list-style-type: none"> • Effective cooperation with other parties
2:	Village infrastructure programme	(i) Planning, technical and managerial support has been provided to all targeted village communities for the implementation of their village infrastructure programmes (PIV) (ii) Technical and managerial support has been provided to all infrastructures management committees for the operation, management and maintenance of established infrastructures	<ul style="list-style-type: none"> • Participatory mid-term and project completion evaluations • Annual reports • Participatory thematic evaluations • SARV and ECOG 	<ul style="list-style-type: none"> • No interference in project implementation
3:	Support to sustainable production systems and to income diversification	Organizational, technical, managerial and logistic support has been provided to: (i) all targeted villages to implement live hedges and organic fertilization (ii) small farmers in all targeted villages in the areas of agricultural production techniques, marketing, and access to financial services (iii) women and youth groups in all targeted villages programmes for the promotion of their income-generating activities	<ul style="list-style-type: none"> • Participatory mid-term and project completion evaluations • Annual reports • Participatory thematic evaluations • SARV and ECOG 	<ul style="list-style-type: none"> • Effective cooperation with other parties
4:	Project coordination, monitoring and evaluation	(i) Mechanism of project intervention implemented at the latest at the end of the first year (ii) Technical and financial supports mobilized in due time (iii) Effective monitoring and evaluation system (iv) Annual audits carried out in time and audits recommendations implemented	<ul style="list-style-type: none"> • Participatory mid-term and project completion evaluations • Annual reports • Participatory thematic evaluations 	<ul style="list-style-type: none"> • Effective cooperation with other parties • No interference in project implementation

4



Hierarchy of Objectives	Key Performance Indicators	Monitoring and Evaluation	Critical Assumptions
<p>V. Components and sub-components</p> <p>Component 1: Support to village organization and management capabilities</p> <p>a) Assessment of village organization and management capabilities, b) Participatory planning process; c) Support to organization and management</p> <p>Component 2: Village infrastructure programme</p> <p>a) Priority village infrastructure programme b) Priority inter-village infrastructure programme</p> <p>Component 3: Support to sustainable production systems and to income diversification</p> <p>a) Sustainable production systems b) Income diversification c) Access to financial services</p> <p>Component 4: Project coordination, monitoring and evaluation</p> <p>a) Project coordination, oversight, and financial management b) Monitoring and evaluation</p>	<p>Components cost</p> <p>USD 1.8 million</p> <p>USD 12.6 million</p> <p>USD 2.5 million</p> <p>USD 2.6 million</p>	<ul style="list-style-type: none"> • Participatory mid-term and project completion evaluations • Annual reports • Participatory thematic evaluations 	





COÛTS ET FINANCEMENT

Coûts du projet selon les catégories de dépenses

Composantes	(milliers USD)			% en devises	% des coûts de base
	Monnaie locale	Devises	Total		
I. Coûts d'investissement					
A. Équipements et moyens de transport					
Équipements	525	205	729	28	4
Moyens de transport	64	127	190	67	1
Total partiel Équipements et moyens de transport	588	331	920	36	4
B. Formation, études et assistance technique					
Formation	2 185	46	2 229	2	11
Études et contrats	548	298	843	35	4
Conventions	871	-	871	-	4
Assistance technique	4	104	107	97	1
Total partiel Formation, études et assistance technique	3 605	447	4 052	11	19
C. Fonds d'appuis					
Micro-projets villageois	10 769	-	10 769	-	52
Micro-projets inter-villageois	3 007	-	3 007	-	14
Fonds de risque	81	-	81	-	-
Total partiel Fonds d'appuis	13 857	-	13 857	-	67
Total coûts d'investissement	18 050	779	18 050	4	91
I. Dépenses récurrentes					
A. Salaires et indemnités	1 224		1 224		6
B. Entretien et fonctionnement	441	311	751	41	4
Total des Dépenses récurrentes	1 665		1 975	16	9
Total des coûts de base	19 715	1 090	20 804	6	100
Provisions pour aléas d'exécution	173	36	210	17	1
Provisions pour aléas financiers	391	79	471	17	2
Total des coûts du projet	20 279	1 205	20 484	6	103

PLAN DE FINANCEMENT PAR COMPOSANTE
(USD '000)

Composants	IFAD		BOAD		Beneficiaries		Government		Total		For. Exch.	Local (Excl. Taxes)	Duties and Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
A. Développement des capacités villageoises	1 731	83.2	-	0.0	-	0.0	349	16.8	2 080	9.7	44	1 687	349
B. Programme d'infrastructures villageoises	7 019	51.0	2 040	14.8	3 087	22.4	1 630	11.8	13 776	64.1	-	12 146	1 630
Programme prioritaire d'infrastructures villageoises	7 019	65.0			2487	23.0	1263	12	10 769	50.1		9 506	1263
Programme d'infrastructures inter-villageoises			2 040	68.0	600	20.0	367	12	3 007	14.0		2640	367
C. Amélioration et diversification des revenus ruraux	1 996	85.4	-	0.0	-	0.0	341	14.6	2 337	10.9	180	1 816	341
D. Coordination, suivi et évaluation de la mise en oeuvre	2 925	88.9	-	0.0	-	0.0	365	11.1	3 290	15.3	981	2 032	277
Total Disbursement	13 671	63.6	2 040	9.5	3 087	14.4	2 686	12.5	21 484	100	1 205	17 672	2 598



ORGANISATION ET GESTION

A. Organisation du projet

1. La mise en œuvre sera basée sur les principes de base suivants: **les populations déterminent les priorités et sont au centre de l'action, les femmes jouant un rôle clé**: Les investissements à réaliser et les activités d'appui fournies par le projet répondront aux priorités déterminées par les populations ciblées sur la base de critères d'éligibilité prédéfinis; **le faire – faire sera préféré à l'intervention directe**, les appuis du projet étant fournis par le biais de contrats de prestations de services avec des opérateurs des secteurs privés, associatifs et publics; et c) **la complémentarité et les synergies avec d'autres intervenants seront développées**, le projet jouant un rôle de facilitation de l'accès des populations à des services et appuis fournis par d'autres projets et structures d'appui.

2. Le **Ministère chargé de l'Agriculture** sera l'administration responsable de la tutelle du projet. La tutelle aura pour objet de veiller à ce que les interventions du projet s'inscrivent dans le cadre des objectifs lui assignés et des orientations retenues pour sa mise en œuvre. La coordination de la mise en œuvre sera confiée une unité de coordination et de gestion du projet (**UCG**) contractualisée et dotée de l'autonomie administrative et financière. L'UCG assurera: la programmation globale des interventions du projet, la coordination de la mise en œuvre, le suivi et le contrôle des performances des opérateurs contractualisés, la coordination des évaluations participatifs, et la gestion financière.

3. La mise en œuvre proprement dite des activités au niveau des villages sera du ressort des populations par le biais de leurs structures villageoises. Les populations des villages ciblés seront appuyées dans l'identification des programmes d'appuis et dans la mise en œuvre des activités du projet par des opérateurs partenaires polyvalents (**OPP**), à raison d'un OPP par région. Le programme d'appuis de chaque village sera préparé avec les populations concernées, et devient exécutoire une fois retenu dans le cadre des PTBA. Les appuis à forte teneur technique seront contractualisés à des prestataires techniques spécialisés.

4. **Complémentarité et synergie avec d'autres projets et programmes.** Durant la première phase, le POGV avait progressivement développé des relations de coopération avec les différents projets intervenant dans la zone, notamment le projet d'auto-promotion et de gestion des ressources naturelles (PAGERNA), financé par la GTZ, et le projet de gestion communautaire des ressources naturelles (PCGRN), financé par l'USAID. En outre trois projets à envergure nationale, le PNIR, le PROMER, et le PSAOP, prévoient des débuts prochainement leurs activités dans la zone. L'ensemble de ces projets ont désireux d'établir des relations de coopération avec le POGV-II. A cet effet, et dès la date de sa mise en vigueur, le POGV-II signera, avec chacun de ces projets, des accords qui définissent les principes de coopération, clarifient les responsabilités respectives eu égard à leurs interventions au niveau des populations, et préciseront les modalités pratiques de collaboration.

B. Coordination et Gestion du Projet

Pilotage du projet

5. La tutelle de l'administration sera exercée par le biais d'un **Comité de pilotage (CP)**. Le comité de pilotage sera mis en place par le Ministère chargé de l'Agriculture, et aura pour missions l'orientation des activités du projet, le suivi a posteriori des réalisations, et la facilitation des relations du projet avec d'autres institutions publiques et privées. Le CP sera présidé par le Ministre chargé de l'agriculture, et sera composé d'un nombre limité de membres représentant d'une part les bénéficiaires, et d'autre part les principales institutions publiques et privées concernés par la mise en œuvre du projet. Le CP se réunira deux fois par an en séance ordinaire. L'une de ces deux réunions devra se tenir au plus tard le 30 novembre de chaque année, et sera consacrée à l'examen et à la validation des programmes de travail et budgets annuels (PTBA) avant leur soumission à l'institution



coopérante et aux bailleurs de fonds, et à l'étude des rapports d'activités de l'année en cours. Le coordinateur de l'UCG assurera le secrétariat du CP.

6. Le suivi et l'évaluation seront assurés par un système intégré d'outils servant à l'amélioration constante de l'efficacité des activités des différents acteurs impliqués dans la mise en oeuvre du projet.

7. Chacune des agences d'exécution devra procéder à la mise en place d'un dispositif de **suivi interne**, conçu comme un guide à l'action ciblé, et précisant les modalités de collecte, d'enregistrement et d'analyse des informations pertinentes à la mise en oeuvre des activités dont elle est responsable. Chaque village encadré, en tant qu'agence d'exécution, devra assurer la tenue régulière de registres d'activités sur chacun des programmes réalisés avec l'appui du projet. Chaque OPP sera tenue d'appuyer les villages de sa zone dans la mise en place et la tenue de leurs registres d'activités. Les OSP devront aider les structures villageoises qu'elles ont la responsabilité d'appuyer dans la mise en place et l'utilisation d'outils similaires.

8. Le système d'évaluation sera basée sur des **auto-évaluations annuelles** au niveau de chaque village encadré. Ces auto-évaluations seront conduites d'une manière interactive entre les structures villageoises et les différents partenaires ayant contribué à la mise en oeuvre (OPP, OSP, prestataires de service et de travaux, etc.) avec une facilitation assurée par le responsable régional du suivi de l'UCG. Ces évaluations seront organisées sur la base de la SIRV et l'ECOG, qu'elles serviront à actualiser, et devront déboucher sur l'élaboration des programmes d'activité du village de l'année suivante. Au niveau de l'ensemble du projet, il est prévu une évaluation à mi-parcours et une autre finale, qui seront basées aussi sur des méthodes participatives similaires, facilitées par des prestataires de service externes au dispositif de mise en oeuvre du projet. Ces évaluations porteront à la fois sur les modalités d'intervention du projet et sur leur impact sur les bénéficiaires, notamment les groupes vulnérables, femmes et jeunes. D'autres évaluations participatives seront aussi réalisées pour trouver des réponses à des thèmes importants liés à la mise en oeuvre du projet.

9. **Système d'émulation et de promotion.** Ces évaluations serviront de support à un système d'émulation et de promotion des meilleures expériences villageoises en termes de mise en oeuvre de leur PDV. Le système comportera des prix par région pour les meilleures réalisations villageoises (qualité, coût, célérité, méthode), et des ateliers et visites servant à les diffuser auprès des autres communautés villageoises.

Coordination de la mise en oeuvre et gestion du projet

10. L'unité de coordination et de gestion du projet (UCG) devra disposer de l'autonomie administrative et financière, et aura pour mission la coordination des interventions du projet, l'administration des contrats et conventions, la gestion financière, et le suivi et l'évaluation. Ses principales attributions seraient comme suit:

- la gestion administrative et financière des moyens du projet;
- la planification générale des activités du projet;
- l'élaboration des modalités et procédures pour la mise en oeuvre;
- la préparation, la gestion et le suivi des contrats de prestations de services avec les les OPP, les OSP et d'autres prestataires de services techniquesmarchés pour la mobilisation de prestataires du secteur privé et associatif, et des conventions avec des partenaires institutionnels;
- la coordination entre les divers intervenants dans la mise en oeuvre et la supervision générale des prestations et services fournis;
- le suivi interne et la documentation des activités;



APPENDIX V

- l'élaboration des PTBA et des rapports d'activité stipulés par l'Accord de prêt et leur transmission aux instances concernées (administration, institution coopérante et bailleurs de fonds);
- la représentation du projet dans ses relations avec les institutions publiques et privées;
- l'animation des instances de concertation et de coordination au niveau provincial et local.

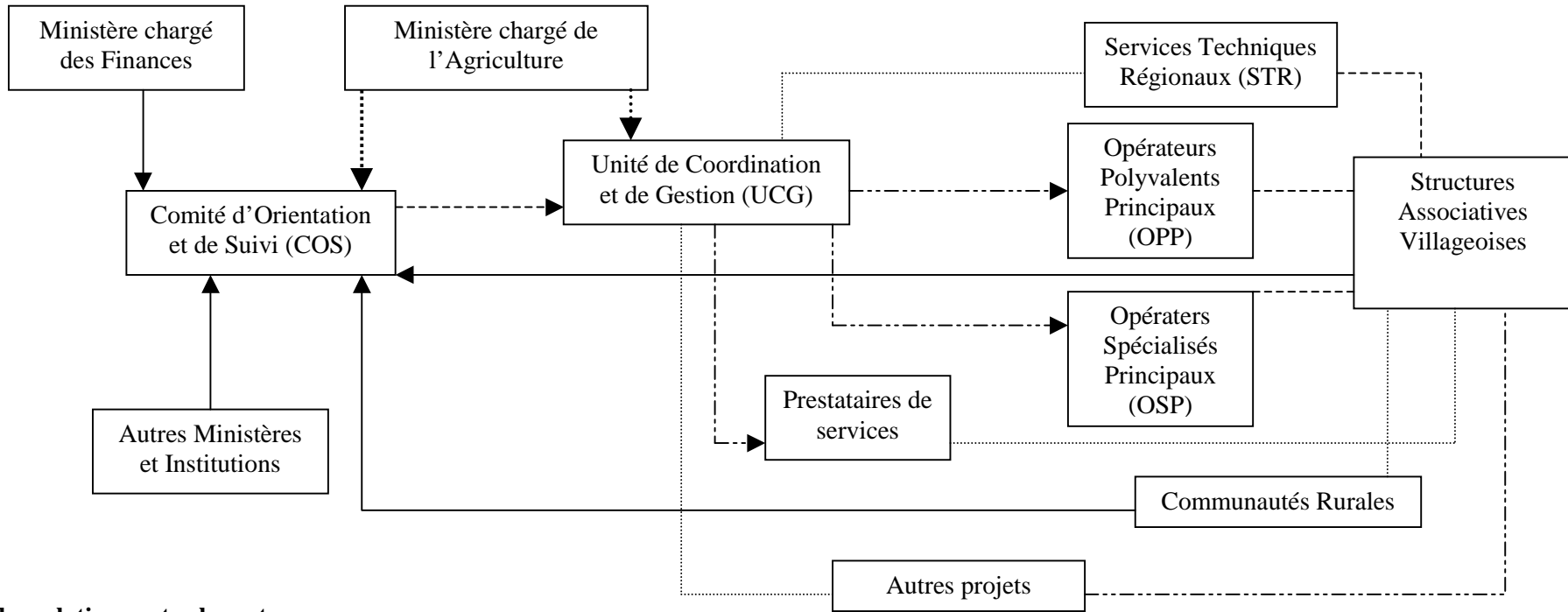
11. L'UCG aura à sa tête un coordinateur et comportera le personnel clé ci-après:

- Un responsable administratif et financier, appuyé par un aide-comptable;
- Un responsable des appuis au développement des capacités;
- Un responsable des infrastructures villageoises;
- Un responsable des appuis aux systèmes productifs durables et à la diversification des revenus;
- Un responsable du suivi et de l'évaluation, appuyé par trois responsables régionaux du suivi à raison d'un par région.

12. La sélection du coordinateur de l'UCG et du responsable administratif et financier se fera sous l'autorité du Ministère de l'agriculture sur la base d'un appel à candidatures ouvert aux cadres qualifiés des secteurs public, associatif, et privé. La sélection du personnel technique, de gestion et d'administration sera du ressort du coordinateur, et sera effectuée sur la base d'appels à la concurrence similaire. Le personnel de l'UCG sera recruté sur la base de contrats de deux ans renouvelables. Le recrutement du coordinateur de l'UCG, du responsable administratif et financier, et de tout le personnel clé sus – cité au paragraphe 8 ci-dessus se fera après avis de non - objection de l'institution coopérante et du FIDA.

SCHEMA D'ORGANISATION DE LA MISE EN OEUVRE

10



Nature des relations entre les acteurs

-➤ Ministère chargé de l'agriculture assure la présidence du COS et la sélection du coordinateur UCG.
- Membres du COS
- - - -➤ Orientation et suivi à posteriori par le COS
- - - -➤ Relations contractuelles UCG – OPP et OSP
- - - - Relations de coopération, facilitation
- - - - Appuis POGV-II aux populations
- - - - Appuis aux populations autres que ceux du POGV-II

