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**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE

**DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE**

FOR THE

**PARTICIPATORY SMALLHOLDER AGRICULTURE AND ARTISANAL FISHERIES  
DEVELOPMENT PROGRAMME**



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### CURRENCY EQUIVALENTS

Currency Unit	=	Dobra (STD)
USD 1.00	=	STD 8 200
STD 1.00	=	USD 0.000122

### 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

AFD	<i>Agence française de développement</i> (French Development Agency)
AfDB	African Development Bank
CIAT	<i>Centre national de recherche agronomique et technologique</i> (National Agronomical and Technological Research Centre)
FENAPA	<i>Fédération nationale des petits agriculteurs</i> (National Federation of Smallholders)
FLM	Flexible Lending Mechanism
GIEPPA	<i>Groupement d'intérêt économique des "palayés" et pêcheurs artisanaux</i> (Artisanal Fishermen's Economic Interest Group)
LPP	Land Privatization Programme
M&E	Monitoring and Evaluation
MAE	<i>Ministère des Affaires étrangères</i> (Ministry of Foreign Affairs – France)
NGO	Non-Governmental Organization
PNAPAF	National Smallholders Support Programme
UNOPS	United Nations Office for Project Services

### GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE

#### Fiscal Year

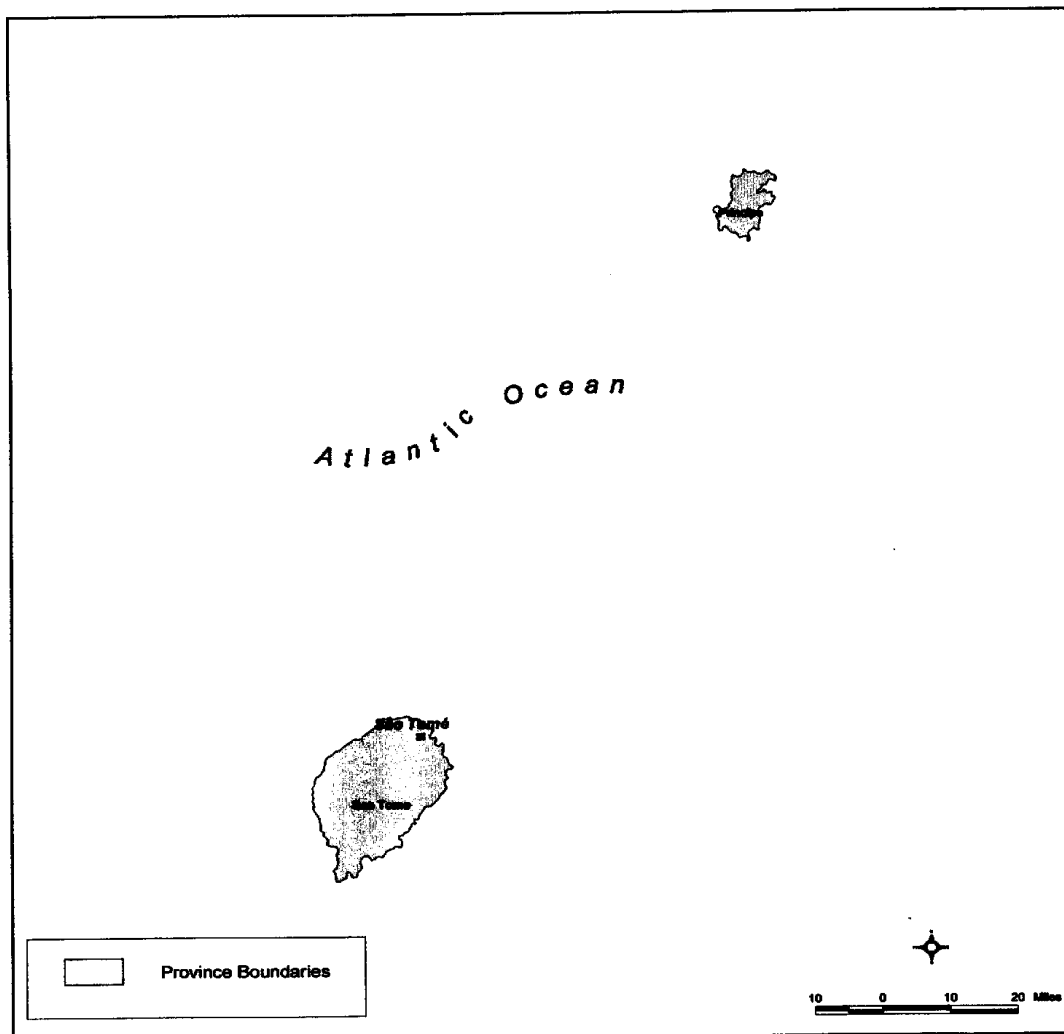
1 January-31 December



## MAP OF THE PROGRAMME AREA



### SAO TOME and PRINCIPE



IFAD Supported Project  
(Countrywide)

Source: IFAD

*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.*



**DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE**  
**PARTICIPATORY SMALLHOLDER AGRICULTURE AND ARTISANAL FISHERIES**  
**DEVELOPMENT PROGRAMME**

**LOAN SUMMARY**

<b>INITIATING INSTITUTION:</b>	IFAD
<b>BORROWER:</b>	Democratic Republic of Sao Tome and Principe
<b>EXECUTING AGENCY:</b>	Ministry of Economy
<b>TOTAL PROGRAMME COST:</b>	USD 13.45 million
<b>AMOUNT OF IFAD LOAN:</b>	SDR 7.95 million (equivalent to approximately USD 9.97 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>	French Ministry of Foreign Affairs (MAE), French Development Agency (AFD) (discussions ongoing)
<b>AMOUNT OF COFINANCING:</b>	USD 1.45 million
<b>TERMS OF COFINANCING:</b>	To be determined
<b>CONTRIBUTION OF BORROWER:</b>	USD 1.18 million
<b>CONTRIBUTION OF BENEFICIARIES:</b>	USD 0.84 million
<b>APPRAISING INSTITUTION:</b>	IFAD
<b>COOPERATING INSTITUTION:</b>	United Nations Office for Project Services (UNOPS)



## PROGRAMME BRIEF

**Who are the beneficiaries?** The beneficiaries comprise 8 000 families that received smallholder status in 1993 under the Land Privatization Programme, of which 30% are headed by women. A preliminary analysis of smallholder cash flows indicates an annual per capita income of USD 200. The programme will also target 3 000 artisanal fishery families consisting of about 2 200 fishermen and 3 000 women fish traders (*palayés*), with an estimated annual per capita income of USD 162. The total expected programme target group will consist of 58 000 people or 41% of the Sao Tomean population. The weighted average income of both sectors presently stands at USD 188 or 55% of the country's estimated USD 340 GDP per capita.

**Why are they poor?** The land distribution process has given farmers a new sense of identity as independent smallholder-producers, contrasting with their previous status of hired workers in a colonial, then collectivist, monoculture economy. However, farmers are increasingly suffering from growing insecurity as they face new hardships, particularly the drastic decline in the price of cocoa, their most important crop (a 50% price reduction in 1999), the concomitant reduction in cocoa purchases, insufficient equipment and unaffordable inputs. Improved access to markets and diversification of production in order to reduce vulnerability is the major request of smallholders. Regarding the artisanal fisheries sector, donor assistance over the past 15 years has been crucial in terms of increased production levels. However, due to the initial decapitalized state of artisanal fishermen and the stagnating economy of the 1990s, artisanal fishermen and women continue to be the poorest members of Sao Tomean society.

**What will the proposed programme do for them?** The programme will address the vulnerability and major constraints identified by the men and women of both sectors by improving their access to internal and external markets. It will strengthen the provision of rural-sector services (decentralized financial services, agricultural extension and coastal fisheries management) while empowering the beneficiaries to increase their access to these services and tailoring them to their specific needs. The programme will also provide support to the rural-sector restructuring process initiated by land distribution and privatization. The objective is to pave the way for the development of rural local councils with the power, methods and tools to undertake local development activities.

**How will the beneficiaries participate in the programme?** The programme management component has been designed to accompany the rural-sector restructuring process. The underlying idea is to empower the target group to increasingly take charge of its own development. In practice, this will be translated into the creation of a national association within which a partnership will be set up among farmer and fishermen organizations, federations of smallholders and fishermen/women, and service-providing non-governmental organizations (NGOs); within this association, the majority vote will be entrusted to representatives of farmer and fishermen groups. The association will constitute the programme's overall management authority.



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DEVELOPMENT PROGRAMME**

I submit the following Report and Recommendation on a proposed loan to the Democratic Republic of Sao Tome and Principe for SDR 7.95 million (equivalent to approximately USD 9.97 million) on highly concessional terms to help finance the Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme. 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 United Nations Office for Project Services (UNOPS) as IFAD's cooperating institution.

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

**A. The Economy and Agricultural Sector**

1. **General background.** The archipelago of Sao Tome and Principe, situated in the Gulf of Guinea, comprises two main inhabited islands and some small uninhabited areas, totalling 1 001 km<sup>2</sup> in land mass. The 140 000 Sao Tomeans of Angolan, Cape Verdean and Portuguese descent reside almost exclusively on the island of Sao Tome, with about 7 000 persons living in Principe. Urban pressure is high, with more than 44% of the population considered urban and 60% of the population living within a 10-km radius of the capital, Sao Tome.
2. Sao Tome and Principe has experienced four different economic management systems: (a) after the settlement of populations of African origin by the Portuguese in the 15<sup>th</sup> century, a colonial system was introduced, characterized by the predominance of plantation export crops and restrictions on food crops; (b) with independence in 1975, a socialist management system was introduced, characterized by the nationalization of land and the transformation of colonial plantations into state-managed farms; (c) starting in 1985, a liberal model was gradually introduced; management of state plantation enterprises was contracted to foreign management firms and the national private sector, with little outcome; and (d) in 1991, a major land-reform programme was initiated, which gave rise to a new class of smallholder farmers, largely consisting of the former plantation workers.
3. **Economic settings.** Sao Tome and Principe belongs to a group of countries suffering from 'small-country syndrome' characterized by, among other factors, small internal markets that render the economy dependent on one or two exports only, high imports of those goods that cannot be economically produced internally due to their small size, and vulnerability to external factors. Furthermore, in order to supplement scarce internal revenues, small countries are often dependent on international aid. Sao Tome and Principe clearly suffers from all these symptoms. The backbone of its economy is cocoa, accounting for 95% of total exports. As a result of continuously fluctuating

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





world-market cocoa prices, internal revenues have fallen. Coupled with high but declining population growth, this has resulted in great variations in gross national product (GNP) per capita over the last three decades. At current prices, GNP rose from USD 450 in 1975 to USD 540 in 1980, fell to USD 330 in 1985, but recovered to USD 560 three years later; since then, the figure has gradually fallen, reaching USD 290 in 1997. In parallel, the country's foreign debt has been increasing steadily, from 35% of gross domestic product (GDP) in 1978 to 636% of GDP in 1999, 14 times the value of exports.

4. **Public debt management.** On 20 December 2000, the International Monetary Fund (IMF) and the International Development Association (IDA) agreed to support a comprehensive debt-reduction package for Sao Tome and Principe under the Debt Initiative for Heavily Indebted Poor Countries (HIPC).

5. **Human development.** Despite low income figures, Sao Tome and Principe scores relatively well in terms of the United Nations Development Programme's (UNDP) Human Development Index when compared to the rest of western and central Africa, mostly due to strong investments in health and education undertaken during the socialist regime of 1975-85, which subsequently continued through international aid. However, a preoccupying downturn is occurring in education and health indices, a consequence of the reduction in public spending (in the health sector, from 18% of the budget in 1990 to 4% in 1997).

6. **The agricultural sector.** The country-wide land-distribution programme initiated in 1991 was financed between 1993 and December 2000 with the support of the World Bank's Land Privatization Programme (LPP) in conjunction with the National Smallholders Support Programme (PNAPAF), jointly financed by IFAD, the French Development Agency (AFD) and the French Ministry of Foreign Affairs (MAE) (IFAD financing ends in December 2001). To date, about 8 000 smallholders, each possessing an average farm size of 2.5 hectares (ha), have been assisted. The overall agricultural territory of 49 000 ha is characterized by a large number of smallholders holding almost 40% of all land distributed, a few large estates managed by large enterprises holding 32% of the land and 170 medium enterprises holding 21% of all land distributed. Further redistribution of large estates is envisaged.

7. **The fisheries sector.** The contribution of the fisheries sector to GDP fell from 4% in the early 1990s to 2% in 1995. However, artisanal fisheries provides about 90% of the annual 3 000 t production, 70% of animal protein consumption and employs 5 000 persons. Furthermore, fishing licences for industrial fishing in the exclusive economic zone represent the second most important source of foreign exchange. Currently, the artisanal fisheries and industrial fisheries sectors do not interfere with each other, since the former fishes mostly in-shore pelagic and deep-sea fish while the latter fishes tuna outside a 200 mile radius of the Sao Tomean islands.

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

8. To date, IFAD has financed four project loans and one IFAD/NGO Extended Cooperation Programme (ECP) grant. Phases I and II of the Artisanal Fisheries Development Project aimed to strengthen the physical and institutional capacity of fishermen in order to improve their output and incomes. The objectives of the Pilot Food Crop Development Project were to broaden the scope of the ongoing applied research programme in food crops at the Mesquita Centre and to create a decentralized extension system. The IFAD/AFD/MAE-funded National Smallholders Support Programme (PNAPAF), appraised in 1993 in conjunction with the LPP, has been reaching those with newly created smallholder status. Today it embodies the national agricultural strategy for Sao Tome and Principe. The six-component PNAPAF is comprehensive, comprising supply of inputs, action research and extension, rural microfinance, individual and social infrastructure and support to associations.



9. In general, the lessons from past and ongoing IFAD projects can be summarized as follows:

- **Institutional development.** IFAD's focus on institutional development in Sao Tome and Principe has borne fruit and should be pursued. As a result of IFAD interventions, a federation of smallholders (FENAPA) exists today that is able to bargain directly with the Government. Regarding the fisheries sector, the artisanal fishermen's economic interest group (GIEPPA) is slowly gaining ground, having been recognized by the Government as the official representative of artisanal fishermen. Finally, a local NGO (Zatona-ADIL), financed by IFAD for the implementation of PNAPAF's support to the organizational component, has recently won an international competitive bid to provide similar services for an internationally funded development project in Mozambique.
- **Donor coordination.** In order to avoid repetition and potential damage to the operations of the many development agents operating in the small country, donor coordination is of crucial importance in Sao Tome and Principe. IFAD has invested much time, resources and effort in coordination activities. The partnership established with the French bilateral agencies in the implementation of PNAPAF convinced the Government to halt the transfer of an external credit line through PNAPAF's *caisses locales*<sup>2</sup>, since this would have had a damaging effect on the young *caisses*.
- **Land distribution.** Land distribution and the ongoing PNAPAF are demonstrating their impact on the well-being of the rural poor. Information from household surveys indicates that the incomes obtained by smallholders are permitting the purchase of durable goods, and this during a year, 1999, when the prices of cocoa, the most important smallholder crop, dropped by 50%.
- **Gender.** In agriculture, 30% of land distribution beneficiaries have been women, who carry out the same tasks as men and cultivate their own food-crop plots. In the artisanal fisheries sector, the creditworthiness of women has been confirmed, with the solidarity credit scheme set up exclusively for women fish traders (*palayés*) characterized by near-100% repayment rates. Overall, women in both sectors tend to have higher workloads, lower literacy rates and are less in the forefront of community leadership than men.
- **Environment.** According to a PNAPAF monitoring and evaluation (M&E) survey, the land-distribution programme has not resulted in the cutting down of trees on distributed land and, overall, tree cover has been maintained. Regarding the fisheries sector, although there has been much discussion of the potential of fisheries as a major economic activity, very few concrete management or resource conservation plans have been developed.
- **National expertise and technical assistance.** After 15 years of international support to Sao Tomean development efforts, qualified and experienced staff do exist in the country, with various overseas university and training experiences. Therefore, although a case may exist for timely short-term technical assistance for initial project set-up and start of activities, the use of long-term technical assistance should be kept to the essential minimum.
- **Government budgetary constraints.** An infrastructure collapse has occurred in Sao Tome and Principe as a result of restrictive budget policies that have curtailed government funding of proper maintenance. At the same time, government contributions to investment

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<sup>2</sup> *Caisses locales d'épargne et de crédit autogérée*, self-managed local savings and credit units, initially set up by the *Centre international de développement et recherche (CIDR)* through funding from the AFD.



programmes should be kept to a minimum to avoid delays caused by the unavailability of counterpart funds.

### C. IFAD's Strategy for Collaboration with Sao Tome and Principe

10. **National strategy for rural poverty eradication.** In May 1999, the newly elected Government drew up a Medium-Term Strategy and Action Plan for 2000-2002. The strategy focuses on the following four main themes: (a) financial stability and the re-establishment of macroeconomic equilibrium; (b) private-sector promotion and diversification of production; (c) more-effective social policies; and (d) reform of public institutions and strengthening of their capacities.

11. Poverty alleviation is seen as an essential objective of the overall development strategy. In the short term, the primary sector, including agriculture, livestock and fisheries, will constitute the main source of growth, employment creation and poverty alleviation. Farming systems will be redirected towards diversification of the present single cocoa-crop system. Emphasis will be placed on farmer training, extension services, group formation, improved processing (especially of cocoa) and export promotion. In support of this, infrastructure development will be encouraged through the improvement of rural roads and farm housing. Livestock development will focus on small stock, pigs and chicken. The support to artisanal fisheries will continue in order to increase domestic market supply; in particular, the existing potential around the island of Principe will be exploited.

12. **Poverty-alleviation activities of other donors.** Major donors currently operating in the fight against poverty are the European Union (EU), Portugal, France (AFD and MAE), Taiwan and the African Development Bank (AfDB). Besides PNAPAF, AFD has also been cofinancing an artisanal fisheries project, which is expected to close at the end of 2001; a second phase, which is expected to initiate in 2002, will be incorporated within the framework of the new IFAD programme. AFD is planning to finance, jointly with the EU, a rural roads rehabilitation programme, and it is expected to continue funding rural infrastructures after its financing of PNAPAF's infrastructure component terminates in 2002. MAE is planning to support a decentralization process in the year 2002, which will be coherent with the community development actions envisaged in the proposed IFAD programme. The Portuguese Ministry of Foreign Affairs will provide technical assistance to the Government in its consideration of decentralization, together with continuation of its support to medium-scale rural enterprises. The AfDB is financing the first phase of a livestock-development programme and a fight-against-poverty programme. Finally, Taiwan has provided a grant for rural-sector investments and has also initiated pilot testing, with the Sao Tomean-based National Agronomical and Technological Research Centre (CIAT), of rainfed rice and vegetable production.

13. **IFAD's strategy.** The Fund's strategy is based on partnership-building with and among the rural poor, the Government and other donors. The objectives are to: (a) achieve a common development strategy; (b) promote multiple partnerships on themes of common interest; (c) enlarge the circle of partners contributing to policy dialogue; (d) strengthen the role of stakeholder groups, particularly women, in policy dialogue; and (e) adopt a common vision on decentralization and local development.

14. In order to capitalize on the successful partnership established with French partners in the implementation of PNAPAF, this programme has been designed in close collaboration with AFD and MAE. Recently, strong efforts have been made to sensitize other donors, including Portugal and the AfDB.

15. **Programme rationale.** In the past, IFAD has provided support to both the agricultural and artisanal fisheries sectors of Sao Tome and Principe. In the agricultural sector, despite the positive signals obtained to date, smallholders remain extremely vulnerable because they continue to rely on cocoa for their major source of revenue. Thus support for diversification – including other crops,



cocoa niche markets, other niche markets for Sao Tomean products, small-livestock development, etc. – must continue so that the positive signals obtained so far remain positive.

16. The restructuring of the rural sector is solidly under way. Besides FENAPA, more than 90 associations have gradually been created. However, the associations remain fragile; for example, only 20% of the oldest associations (established at least six years ago) are currently viewed as consolidated. In order for the social restructuring of rural society to take a firm hold, further support will be needed in this domain. Since 30% of the Sao Tomean population consists of smallholder families, the sector holds strong future political and economic potential.

17. Donor assistance provided to the artisanal fisheries sector over the past 15 years has been crucial to the increased levels of production. However, due to the decapitalized state of artisanal fishermen at the outset of donor assistance, the non-coordination of some donors operating in the sector and the stagnating economy of the 1990s, artisanal fishermen and women continue to remain the poorest sectors of society.

## PART II - THE PROGRAMME

### A. Programme Area and Target Group

18. **Area and overall target group.** The programme is national in scope and will cover all rural areas of the country. The total envisaged programme target group will comprise 40 000 rural dwellers and 18 000 artisanal fishermen and women. The total programme target group will therefore consist of 58 000 people or 41% of the Sao Tomean population of 140 000. The weighted average income of both sectors currently stands at USD 188 or 55% of the Economic Intelligence Unit estimate of USD 340 GDP per capita.

19. **Women.** Women-headed households represent 30% of smallholders. A programme targeting all smallholders (approximately 8 000) will directly reach about 2 400 women-headed households and, indirectly, women members of men-headed households. Regarding the artisanal fisheries sector, all 3 000 women fish traders (*palayés*) will be targeted directly.

### B. Objectives and Scope

20. Overall, the main objective of the programme is to continue providing support to improvement in the living conditions and incomes of women and men in rural smallholder agriculture and artisanal fisheries. More specifically, the programme will:

- (a) continue providing support towards the restructuring of the rural sector, in terms of strengthening grass-roots organizations and of preparing the ground for future decentralized local development;
- (b) contribute to support for a pool of professional service providers capable of responding to the needs and demands of the target group; and
- (c) empower the target group to undertake economic activities and take advantage of the income-earning opportunities offered by the development of new products, the capture of niche markets and diversification of activities.

21. The programme has been designed to provide a long-term commitment to Sao Tome and Principe, particularly in light of the drastic rural restructuring process under way since the launching of the land reform process in 1991. This long-term commitment will permit the achievement of certain objectives in terms of professionalization of rural-sector service providers and the creation of



a viable rural microfinance institution. In this context, the proposed programme will involve a commitment of 12 years under IFAD's flexible lending mechanism (FLM). The FLM is also particularly attractive to Sao Tome and Principe in terms of the costs involved in designing projects/programmes in small countries.

22. The programme will provide the 'backbone' of Sao Tomean rural development strategy in terms of the implementation of priority activities directed towards the poorest sectors of society. It will be subdivided into four three-year cycles, each of which will constitute a building block in the implementation of programme strategy. Each cycle will have its own specific objectives, thus permitting the identification of individual criteria (triggers) to be reviewed and evaluated at the end of each cycle.

23. The open and flexible character of the FLM will provide the following major benefits, particularly in terms of the long-term programme approach and of the specific context of Sao Tome and Principe:

- (a) the programme will easily adapt itself to target-group changes in demand and priority needs, while allowing grass-roots organizations the time and experience required to build up their capacity towards strategic management of the programme;
- (b) it will benefit the Government in terms of the essential coordination of donor activities in Sao Tome and Principe; the flexible nature of the programme will in fact permit other donors to join or accompany the programme, despite eventual differences in terms of donors' individual 'calendar' constraints.

### C. Components

24. The programme comprises four components: (a) restructuring of the rural sector; (b) strengthening of services provided to the rural sector; (c) support to economic activities and innovation; and (d) programme management.

25. **Restructuring of the rural sector.** This component will: (a) strengthen grassroots associations; (b) develop a functional literacy programme for grassroots associations; (c) strengthen professional organizations; and (d) contribute towards the development of rural local councils.

26. The major activities will be to:

- continue and consolidate those activities already undertaken under PNAPAF in terms of *group formation*, and in particular that of empowering women to assume leading roles. Activities will include improving the management capacity of organizations and teaching the principles of law and contractual relationships. A functional literacy programme will also be set up during the first cycle, principally to respond to the expressed needs of women;
- promote *professional associations* (FENAPA, GIEPPA and regional unions such as the Union of Cooperatives of Principe (UNACOOOP)) with the objective of empowering the target group to gain a firmer stronghold in society. Similar services to those provided to grass-roots organizations in terms of group formation will be provided to professional organizations, and the programme will continue to support professional associations in the implementation of the activities defined by their mandates;
- accompany the *local development* process planned by the Government in partnership with French and Portuguese bilateral cooperation. The objective of this sub-component is the



gradual transformation of community organizations into rural local councils with the power, methods and tools to undertake local development actions. In order to reach this objective, the programme will provide support to economic and social activities at the intercommunity level.

27. **Strengthening of services provided to the rural sector.** This component aims to set up viable and sustainable rural-sector services, complementing the services provided through the funding of other donors, and including: (a) the development of decentralized financial services; (b) the provision of extension services (agriculture, small livestock and forestry); and (c) the development of a participatory coastal fishery-resource management system.

28. The objective of the *development of decentralized financial services* sub-component is to empower the particularly disadvantaged sectors of the population through provision of rural financial services. One of the expected outcomes is long-term sustainability of the system and, by the end of the programme, total financial autonomy. During the first cycle, the proper functioning of the decentralized *caisses locales* system must be restored. Once this is achieved, the programme will proceed to the expansion of the system. Strategy and procedures for the creation of the future *caisses* will be based on: (a) establishment of a direct relationship – visible and clear to *caisse* members – between a *caisse*'s performance and the remuneration of deposits; (b) a policy for the promotion of savings in order to provide the *caisses* with long-term resources; and (c) establishment of mechanisms that permit the adaptation of *caisse* financial products to the evolution of demand. The programme will offer technical assistance to the local NGO assisting the *caisses*, support policy dialogue on microfinance and support the Central Bank in developing a microfinance focal point.

29. Through the *provision of extension services*, the programme will provide support to a national NGO specialized in the provision of small livestock/agricultural/forestry extension services. This sub-component responds to the Government's desire to have a single NGO charged with the provision of all major rural-sector extension activities. The NGO's statutes must include: (a) a mechanism that guarantees the reorientation of decision-making in terms of the extension needs of the ultimate beneficiaries of the services, and (b) the establishment of a technical and scientific committee that guarantees the technical and scientific validity of the extension messages diffused. During the first cycle of the programme, the NGO will provide widespread support to smallholder diversification activities.

30. A *participatory coastal fishery-resource management system* will be set up in order to fill the current void in terms of fishery-resources management. The objectives of the system will be to: (a) avoid possible risk of overexploitation by supporting government efforts to define and justify a regulatory fishery-resources management system; and (b) support artisanal fishermen in acquiring better knowledge of the fishery-resources dynamic, in preserving the fisheries resource base and in better understanding the Government's regulatory framework through participation in its conception and application.

31. The following actions are envisaged: (a) immatriculation of all fishing boats, in collaboration with fishermen; (b) collection of statistical data at boat landings and for fish-concentrating devices; and (c) monitoring of cash flows of a sample group of artisanal fishermen and *palayés*. The management system will be set up in partnership with the Institute for the Development of Small-Scale Fisheries in Mozambique, which has developed a similar co-management scheme as a result of IFAD, French and Norwegian support.

32. **Support to economic activities and innovation.** The component aims to relieve the bottlenecks encountered by the rural poor as a result of saturated internal markets. This will include provision of access to export markets, which, given the size of Sao Tome and Principe, will necessarily focus on accessing niche markets, while a strategy of diversification will be followed for



internal market expansion. Two sub-components are envisaged: (a) capturing new markets at the local and international level; and (b) empowering the target group to access new markets and to retain increasing income gains resulting from this accessing and capturing of new markets.

33. The support for *capturing new markets* will promote the creation of partnerships specific to each production chain and involving beneficiaries, NGOs, research centres, large/medium-scale farmers and private entrepreneurs. The sub-component will establish cycle-length contracts (by output) with partners. During the first cycle, the programme will support: (a) production and marketing of biological cocoa; (b) production and marketing of quality cocoa; (c) production and marketing of matabala/macabo; (d) introduction of pack animals; and (e) use of shredded ice and ice-boxes as fish-conservation techniques.

34. *Empowering the target group to access new markets*, and to retain the resulting increased income gains, will be obtained through:

- (a) empowering the target group to invest in economic activities through the provision of support funds (matching grants); examples of potential activities that could be financed through these funds include: (i) post-harvest processing technologies (e.g. cocoa dryers); (ii) means of transport (mechanical or animal); and (iii) *prao* (pontoon-balanced) fishing boats;
- (b) strengthening the learning and action capacity of the target group and its representative organizations to undertake economic activities by providing training in the design and management of microprojects.

35. **Programme management.** This component has been designed to accompany the ongoing process of rural-sector restructuring. The underlying idea is to empower the target group to increasingly take charge of its own development. In practice, this will be translated into the creation of an association within which a partnership will be set up between farmer and fishermen organizations, federations, service-providing NGOs and government representatives. Within this association, as of cycle 2, the majority vote will be entrusted to the representatives of farmer and fishermen groups. The day-to-day management of the programme will be entrusted to an executive body.

#### **D. Costs and Financing**

36. The programme will be implemented under a flexible lending mechanism over a period of 12 years in four cycles of three years each. In accordance with FLM principles, the performance of cycle 1 and actual experience gained during this cycle will guide and determine the estimation of costs for cycles 2, 3 and 4. In this proposal, an approximation has therefore been used for estimating the costs of these three cycles. Total programme costs over the four cycles are estimated at USD 13.45 million, of which USD 3.68 million for cycle 1 and USD 9.77 million for cycles 2, 3 and 4. Programme costs by component are presented in Table 1.

37. The Government's contribution to the programme will be limited to taxes and is estimated at USD 1.18 million (about 9% of total costs). Cofinancing by other partners is estimated at USD 1.45 million (about 11% of total costs) and will consist of technical assistance, training and studies. The contribution of beneficiaries, estimated at USD 843 297 (about 6% of total costs), is limited to the progressive payment of the recurrent costs of the *caisses*, together with the contribution of the beneficiaries to support funds. IFAD's total contribution is USD 9.97 million (about 74% of total costs).

**TABLE 1: SUMMARY OF PROGRAMME 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>
Restructuring of the rural sector	1 461	1 140	2 601	44	22
Services provision	1 416	2 000	3 418	59	29
Economic activities	2 696	989	3 685	27	32
Programme management	816	1 165	1 980	59	17
<b>Total base costs</b>	<b>6 390</b>	<b>5 294</b>	<b>11 684</b>	<b>45</b>	<b>100</b>
Physical contingencies	186	227	413	55	4
Price contingencies	706	644	1 351	48	12
<b>Total programme costs</b>	<b>7 282</b>	<b>6 165</b>	<b>13 447</b>	<b>46</b>	<b>115</b>

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

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

<b>Components</b>	<b>IFAD</b>		<b>Cofinanciers</b>		<b>Government</b>		<b>Beneficiaries</b>		<b>Total</b>		<b>Foreign Exchange</b>	<b>Local (excluding taxes)</b>	<b>Duties and Taxes</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			
Restructuring of the rural sector	2 396	79.3	335	11.1	292	9.7	-		3 023	22.5	1 332	1 399	253
Services provision	2 697	68.0	843	21.2	342	8.6	86	2.2	3 969	29.5	2 341	1 286	342
Economic activities	2 935	71.2	35	0.9	396	9.6	757	18.4	4 123	30.7	1 121	2 606	396
Programme management	1 946	83.4	238	10.2	148	6.4	-		2 332	17.3	1 371	812	148
<b>Total disbursement</b>	<b>9 974</b>	<b>74.2</b>	<b>1 451</b>	<b>10.8</b>	<b>1 179</b>	<b>8.8</b>	<b>843</b>	<b>6.3</b>	<b>13 447</b>	<b>100</b>	<b>6 165</b>	<b>6 103</b>	<b>1 179</b>

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





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

38. **Procurement.** Procurement will be in accordance with IFAD guidelines for activities that it finances. Procurement of equipment and vehicles will be bulked as far as possible. Vehicles will be procured under international competitive bidding procedures. Equipment and material costing more than the equivalent of USD 10 000 and training and studies will be procured under international shopping procedures. Equipment and materials costing less than USD 10 000 will be procured under local shopping procedures with at least three quotations. Small purchases relating to operating costs will be made off the shelf. Contracts for technical assistance will be made in accordance with cooperating-institution procedures that are acceptable to IFAD.

39. **Disbursement.** The IFAD loan will be disbursed over a period of 12 years. The withdrawal of funds from the loan account for vehicles and equipment, international technical assistance, service contracts, and audit and evaluation exercises will be fully documented. Expenditure for operating costs, local training, studies, support funds, salaries and fees will be made against certified Statements of Expenditure (SOEs). Supporting documents will be maintained by the executive body and operators for periodic review by supervision missions and audits. A special account will be opened and maintained by the executive body in a commercial bank acceptable to the Fund to finance IFAD's share of eligible expenditures. The authorized allocation will be USD 800 000, of which USD 400 000 will be disbursed during the first cycle.

40. **Accounts and audit.** The executive body will maintain the accounts in accordance with internationally accepted standards. Each semester, it will prepare a comprehensive technical and financial review of activities to be submitted to the Government, IFAD and other financiers. The executive body will also compile quarterly financial reports received from every operator and compile them in a comprehensive quarterly report to be submitted to the Government, UNOPS and other financiers. All programme-related accounts will be audited annually according to terms of reference acceptable to IFAD. The audit report will be made available to IFAD not later than six months after the close of the fiscal year; it will provide a separate opinion on SOEs and the special account.

### **F. Organization and Management**

41. **Framework Convention.** The Ministry of the Economy is ultimately responsible for the programme. Through a framework convention, it will assign management of the programme to an association, which will be constituted under private law. This convention will remain effective for the entire duration of the programme. It will define the rules and regulations regarding programme management and will be compatible with the loan agreement between the Government of Sao Tome and Principe and IFAD. The convention will not involve any budgetary elements; these will be treated separately in the annual programme of work and budget.

42. **Association.** The association will include: (a) a general assembly; (b) a board of directors; (c) an executive body; and (d) an economic commission.

43. **Cycle-length contracts.** Cycle-length contracts for the implementation of components/sub-components will be established with implementation agencies during intercycle reviews (except for the first cycle, for which they have already been defined by the appraisal mission). Each contract will define clearly established target achievements that will form the basis for deciding on continuation of support for the programme. Each contract will be approved by the association's general assembly, the Government and IFAD.



44. **Implementation agencies.** Implementation agencies consist of experienced NGOs, CIAT and private and public operators. Given the small size of Sao Tome and Principe, it is practically impossible for contracting to be effected through competitive bidding processes. Thus, contracts will be established in function of outputs and negotiation of contracts will be highly transparent. Contracts will be subject to approval by IFAD and the Government, and delivery of services will be closely monitored.

45. **Monitoring and evaluation (M&E).** The M&E unit, established within the executive body of the association, will play a critical role in providing decision-makers and stakeholders with adequate information, particularly between cycles. The M&E unit will carry out four types of activity: (a) monitor transition criteria on the basis of the logical framework and predefined triggers; (b) monitor activities and outputs; (c) monitor and evaluate the programme's impact on beneficiaries; and (d) monitor and evaluate programme procedures.

46. At the end of each cycle the executing agency of the programme, together with IFAD, the cooperating institution, and the association will jointly assess the achievements of the programme and submit recommendations for proceeding to the next cycle or for closing the programme. If deemed necessary, the conclusions of the joint reviews may lead to the adoption of new modalities for the execution of the following cycles and/or establish further criteria for proceeding to subsequent ones.

47. The triggers for beginning the second cycle, and which measure progress in institutional development, include *inter alia*:

- *Restructuring of the rural sector:* (a) at least 10% of grass-roots organizations existing in the year 2000 are autonomous and less than one third continue needing intensive support; and (b) some intercommunity or restructuring actions have been initiated.
- *Strengthening of services provided to the rural sector:* (a) the three services envisaged are functional; and (b) the distortions existing at the level of decentralized financial markets have been eliminated.
- *Support to economic activities and innovation:* at least 10% of rural communities existing in the year 2000 have undertaken innovative economic activities.
- *Programme management:* (a) operation manuals, programme instruments and the monitoring and evaluation system are effective; (b) disbursements are coherent with programme strategy; and (c) contracts are adequately administered.

## G. Economic Justification

48. The programme will focus mainly on institutional development, capacity-building and professionalization of rural-sector services. Expected benefits for the rural population include: (a) increased participation and representation of stakeholders in Sao Tomean society; (b) increased revenues resulting from diversification activities; (c) increased opportunities for savings and income-generating activities stemming from the establishment of decentralized financial services; and (d) the long-term securitization of artisanal fishermen and women's incomes as a result of the coastal fisheries management system. Furthermore, by accessing new markets, stakeholders will obtain substantial economic opportunities. The institutional set-up will also contribute to the social integration of stakeholders by reinforcing their recognition by other partners (the State and private operators) and their technical, economic, legal, administrative and social knowledge.

49. **Impact on women.** The programme will undertake activities that directly address women and are based on priority needs identified by women themselves. These activities include: (a) empowering



women to be at the forefront when decisions are made at the community level so as to articulate their priorities in terms of social and communal infrastructure; and (b) the provision of literacy training. However, it should be stressed that women and men in both agriculture and artisanal fisheries sectors have identified the same priority need, which is that of gaining market access.

### **H. Risks**

50. The programme envisages the disengagement of the Government from programme implementation. Although positive experiences with such an approach in other countries of the region have been registered, it is an innovation in Sao Tome and Principe and consequently a potential risk exists that there might be a confusion of responsibilities among the different actors. Close supervision is foreseen for the initial implementation period to minimize this risk. A second risk is posed by the potential lack of coherence among the policies of the various development agents operating in the country. In order to mitigate this risk, the institutional set-up of the programme has been designed to offer substantial opportunities for policy dialogue among the many development partners involved in the programme.

### **I. Environmental Impact**

51. In the artisanal fisheries sector, the potential risk of over-fishing has been taken into consideration, and thus the programme is setting-up a participatory fishery-resources management system. In the agricultural sector, no environmental risks have been identified. In fact, the farming systems that the programme is supporting are respectful of the environment: (a) the soil is never left untended; (b) smallholders are not cutting down trees on their land; and (c) they are not utilizing heavy phyto-sanitary inputs.

### **J. Innovative Features**

52. The programme has been designed in a strongly participatory manner through which programme stakeholders have equitable partnership relations (a) with the Government, IFAD, other donors and operators through the institutional set-up of the programme; and (b) with national and international private entrepreneurs through the cycle-length contracts by output for the development of production chains. Regarding the latter, it is probably the first time that a programme has established linkages with the international private sector for the provision of direct supervision, technical assistance and pre-established market outlets for Sao Tomean niche products.

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

53. A loan agreement between the Democratic Republic of Sao Tome and Principe 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.

54. The Democratic Republic of Sao Tome and Principe is empowered under its laws to borrow from IFAD.

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



#### **PART IV - RECOMMENDATION**

56. 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 Democratic Republic of Sao Tome and Principe in various currencies in an amount equivalent to seven million nine hundred and fifty thousand Special Drawing Rights (SDR 7 950 000) to mature on and prior to 15 November 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.

Lennart Båge  
President

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

(Loan negotiations concluded on 19 April 2000)

1. The management of the programme will be entrusted to an association (the Association) constituted under private law in accordance with the laws of the Government of the Democratic Republic of Sao Tome and Principe (the Government).
2. The programme will be divided into four distinct three-year cycles, consistent with the objectives of the Flexible Lending Mechanism. Progression from one cycle to the next will be subject to satisfaction of a number of triggers. At the end of each cycle, representatives of the Government, the Association, beneficiaries, IFAD and the cooperating institution will jointly assess the achievements of the programme and submit recommendations for proceeding to the next cycle or for closing the programme. A plan of operations for future activities will be prepared at the end of each such assessment. The final decision on whether or not to proceed from one cycle to the next will rest with IFAD.
3. The Government will open, with a bank acceptable to IFAD, an account in dobras for programme operations (the programme account). The Association will administer the programme account. For the purpose of implementing the programme, the Government will make the proceeds of the loan available as stipulated in a framework convention acceptable to IFAD both in form and in content, as called for in the annual work programmes and budgets (AWP/Bs) and in accordance with customary national procedures for development assistance.
4. The Government shall exempt the programme from all taxes and duties on goods and services purchased with the loan proceeds. Moreover, the Government shall, during the course of programme implementation, deposit counterpart funds into the programme account in an aggregate amount in dobras equivalent to USD 3 000, in accordance with customary national procedures for development assistance. The programme shall be registered in the State budget as a Public Investment Programme. The Government shall make the proceeds of the loan and grant available to the Association as called for in the AWP/Bs.
5. As part of maintaining sound environmental practices as required by Section 7.15 of the General Conditions, the Government shall maintain appropriate pesticide management practices under the programme. To that end, the Government shall ensure that pesticides procured under the programme 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.
6. The Association shall insure all programme personnel against health and accident risks, in accordance with current national laws pertaining to working conditions.
7. All things being equal, the Association undertakes to give priority to women candidates for appointments to vacant positions under the programme and to ensure that women and women's organizations are effectively represented in decision-making bodies under the programme.



ANNEX

8. The following are specified as additional conditions precedent to the effectiveness of the loan:
- (a) the programme will have been registered in the State budget;
  - (b) the Association will have been constituted in accordance with current national law and on the basis of constitutional decrees acceptable, both in form and in content, to IFAD;
  - (c) key staff of the executive body, i.e. the coordinator, the administration and finance officer and the monitoring and evaluation officer, will have been recruited;
  - (d) the operations manual will have been approved by IFAD;
  - (e) the Government will have undertaken to ensure that all goods procured under the on-going National Smallholder Support Programme and financed out of IFAD loan proceeds are transferred to the programme; and
  - (f) a favourable legal opinion issued by the Supreme Court or by a competent legal authority and acceptable both in form and in content shall have been delivered by the Government to IFAD.
9. The following is specified as a condition precedent to disbursement of the proceeds of the loan:

No withdrawals may be effected from the programme account in respect of expenses incurred under the decentralized financial services sub-component until such time as a seminar on the potential role of credit in financing the development of family agriculture and artisanal fisheries shall have been conducted.

## APPENDIX I

## COUNTRY DATA

## SAO TOME AND PRINCIPE

<b>Land area (km<sup>2</sup> thousand) 1997 1/</b>	<b>0.96</b>	<b>GNP per capita (USD) 1998 2/</b>	<b>270</b>
<b>Total population (million) 1998 3/</b>	<b>0.14</b>	<b>Average annual real rate of growth of GNP per capita, 1990-98 2/</b>	<b>-1</b>
<b>Population density (people per km<sup>2</sup>) 1998 3/</b>	<b>148</b>	<b>Average annual rate of inflation, 1990-98 2/</b>	<b>57.5</b>
<b>Local currency</b>	<b>Dobra (STD)</b>	<b>Exchange rate: USD 1 =</b>	<b>STD 8200</b>
<b>Social Indicators</b>		<b>Economic Indicators</b>	
Population (average annual rate of growth) 1990-98 2/	3	GDP (USD million) 1998 1/	41
Crude birth rate (per thousand people) 1998 1/	32	Average annual rate of growth of GDP 1/ 1978-88	n.a.
Crude death rate (per thousand people) 1998 1/	9	1988-98	1.6
Infant mortality rate (per thousand live births) 1998 1/	49	Sectoral distribution of GDP, 1998 1/	
Life expectancy at birth (years) 1998 3/	64	% agriculture	21.3
Number of rural poor (million) 3/	n.a.	% industry	16.7
Poor as % of total rural population 3/	n.a.	% manufacturing	4.6
Total labour force (million) 1998 1/	n.a.	% services	62
Female labour force as % of total, 1998 1/	n.a.	Consumption, 1998 1/	
<b>Education</b>		General government consumption (as % of GDP)	25.6
Primary school gross enrolment (% of relevant age group) 1997 1/	n.a.	Private consumption (as % of GDP)	90.2
Adult literacy rate (% of total population) 1997 4/	75	Gross domestic savings (as % of GDP)	-15.9
<b>Nutrition</b>		<b>Balance of Payments (USD million)</b>	
Daily calorie supply per capita, 1996 4/	2 156	Merchandise exports, 1998 1/	n.a.
Malnutrition prevalence, height for age (% of children under 5) 1997 1/	26	Merchandise imports, 1998 1/	n.a.
Malnutrition prevalence, weight for age (% of children under 5) 1997 1/	16	Balance of merchandise trade	n.a.
<b>Health</b>		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 1998 1/	n.a.	before official transfers, 1998 1/	n.a.
Physicians (per thousand people) 1997 1/	n.a.	after official transfers, 1998 1/	n.a.
Percentage population without access to safe water 1990-97 4/	18	Foreign direct investment, 1998 1/	n.a.
Percentage population without access to health services 1981-92 4/	12	<b>Government Finance</b>	
Percentage population without access to sanitation 1990-97 4/	65	Overall budget surplus/deficit (including grants) (as % of GDP) 1998 1/	n.a.
<b>Agriculture and Food</b>		Total expenditure (% of GDP) 1998 1/	n.a.
Food imports as percentage of total merchandise imports 1998 1/	n.a.	Total external debt (USD million) 1998 1/	246
Fertilizer consumption (hundreds of grams per ha of arable land) 1997 1/	n.a.	Present value of debt (as % of GNP) 1998 1/	401.3
Food production index (1989-91=100) 1998 1/	187.6	Total debt service (% of exports of goods and services) 1998 1/	31.9
<b>Land Use</b>		Nominal lending rate of banks, 1998 1/	55.6
Arable land as % of land area, 1997 1/	2.1	Nominal deposit rate of banks, 1998 1/	38.3
Forest and woodland area (km <sup>2</sup> thousand) 1995 1/	n.a.		
Forest and woodland area as % of total land area, 1995 1/	n.a.		
Irrigated land as % of cropland, 1997 1/	24.4		

n.a. not available.

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

1/ World Bank, *The World Development Indicators CD-ROM*, 20002/ World Bank, *Atlas*, 20003/ World Bank, *World Development Report*, 20004/ UNDP, *Human Development Report*, 1999

## PREVIOUS IFAD LOANS TO SAO TOME AND PRINCIPE

Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loan/Grant Acronym	Denominated Currency	Approved Loan/Grant Amount	Disbursement (as % of Approved Amount)
Artisanal Fisheries Project	IFAD	UNOPS	HC	11 Sep 84	17 Jul 85	31 Dec 89	L - I - 151 - ST	SDR	2 100 000	96%
Pilot Food Crop Development Project	IFAD	World Bank: IDA	HC	27 Apr 88	24 Jan 89	31 Dec 93	L - I - 221 - ST	SDR	1 350 000	90%
Second Artisanal Fisheries Development Project	IFAD	UNOPS	HC	12 Dec 90	30 Apr 92	31 Dec 97	G - I - 117 - Zatona-ADIL	USD	30 000	100%
Second Artisanal Fisheries Development Project	IFAD	UNOPS	HC	12 Dec 90	30 Apr 92	31 Dec 97	L - I - 274 - ST	SDR	1 200 000	92%
National Smallholders Support Programme	IFAD	UNOPS	HC	02 Dec 93	20 Mar 95	30 Jun 02	L - I - 340 - ST	SDR	1 500 000	70%

HC = highly concessional





## CADRE LOGIQUE

	Description	Indicateurs	Moyens de Vérification	Risques et mesures de limitation
Objectif général	Revenus et conditions de vie des populations rurales pauvres (agriculteurs et pêcheurs), notamment des femmes sont améliorés	Estimations des revenus, des niveaux d'accumulation, d'investissement et de consommation Indicateurs sociaux Opinion des bénéficiaires	Suivi annuel d'un échantillon de ménages Suivi de flux de caisse sur un réseau de ménages de référence Recueil régulier de l'opinion des bénéficiaires	Environnement défavorable (politique, économique...)  <i>Participation dans la société et pouvoir de négociation des groupes cibles renforcés</i>
Objectif spécifique I	<b>1. La structuration du monde rural est renforcée</b>			
Produits	1.1 Les organisations rurales de base sont renforcées	Nombre et qualité des Organisations : degré d'autonomie (1-2, 2-3, 3-4), rôle des femmes...  <b>Trigger : Au moins 10% des organisations de base déjà en place en 2000 sont complètement autonomes et moins d'un tiers continue à voir besoin d'un appui intensif</b>	Rapports d'activité, évaluations qualitatives périodiques, évaluations inter-cycles	Perte de crédibilité des organisations du fait de leur incapacité à résoudre des problèmes qui dépassent leur vocation et/ou leurs moyens <i>Le programme contribue à compléter le tissu institutionnel local et appuie nombre d'activités menées par ces organisations</i> Les femmes y restent marginales et les actions du programme leur échappent <i>Une préoccupation particulière sera apportée à promouvoir la participation des femmes notamment au moyen de l'alphabetisation fonctionnelle</i>
	1. 2. Les représentations de type professionnel sont renforcées.	Nombre et qualité des organisations (activité, représentativité, efficacité, rôle des femmes...)	Rapports d'activité et évaluations qualitatives périodiques, évaluations inter-cycles	Perte de légitimité par manque de résultats ou perte de contact avec la base, ou dispersion <i>Elles participeront directement à la définition des actions du programme</i> <i>Leurs possibilités d'intervention dans le dialogue de politique seront renforcées</i> <i>Leur fonction de communication bénéficiera d'un appui du programme</i> <i>Les fonctions développées dans le cadre du programme leur permettront de se concentrer sur l'essence de leur mandat</i>
	1.3 Les groupes cibles créent des collectivités locales	Étapes franchies de la conception et de la création des collectivités locales Pertinence de ces collectivités par rapport aux besoins des groupes cibles Participation des groupes cibles au sein de ces collectivités <b>Trigger : Des actions inter-communautaires/ structurantes ont été mises en œuvre</b>	Liste des étapes menées à bien Textes préparés ou adoptés Analyses institutionnelles Part des élus issus des groupes cibles (et de leurs organisations)	Des modèles satisfaisants n'émergent pas La volonté politique manque pour animer et faire déboucher le processus Les groupes cibles sont marginalisés dans le processus <i>Réunir une masse critique de partenaires nationaux et extérieurs qui appuient le processus et sont conscients de l'importance du rôle que les groupes cibles doivent y jouer</i>



Objectif spécifique II	<b>2. L'offre de services d'appui technique aux groupes cibles est consolidée et renforcée</b>			
Produits	2.1. Une offre pérenne et autonome de services financiers accessibles aux groupes cibles est créée	Produits financiers, nombre d'utilisateurs par genre, volumes d'utilisation, performances, impact  <b>Trigger : Le dispositif est fonctionnel et le contexte de la micro-finance a été assaini</b>	Système d'information du réseau, audits, évaluations externes, enquêtes auprès des bénéficiaires.	Des interventions contraires aux bonnes pratiques internationalement reconnues se poursuivent <i>Le dialogue de politique et la sensibilisation se poursuivent et s'élargissent</i> La croissance du marché des SFR est trop faible pour permettre de viabiliser le dispositif <i>Les autres composantes du programme contribuent à accroître la croissance de ce marché</i>
	2.2 Le système de vulgarisation agriculture/élevage est fonctionnel et adapté	Existence du système, actions menées à bien, ciblage par genre, opinion des groupes cibles  <b>Trigger : Le dispositif est fonctionnel</b>	Programmes de travail, rapports d'activité, suivi des ménages, enquêtes de satisfaction	Blocages dans la construction institutionnelle <i>Position claire du Gouvernement, qui devrait être traduite dès que possible par des mesures concrètes donnant des signaux clairs à l'ensemble des intéressés</i> Arbitrages difficiles entre réponse rapide aux besoins exprimés et pertinence/fiabilité technique et scientifique des messages <i>Un conseil scientifique et technique valide les messages</i>
	2.3 Le système de co-gestion des ressources halieutiques côtières est fonctionnel	Existence, qualité et utilisation des données  <b>Trigger : Le dispositif est fonctionnel</b>	Données diffusées Évaluation de leur utilisation	La Direction des Pêches n'a pas les moyens de jouer son rôle au-delà du premier cycle <i>Prévoir l'affectation des moyens nécessaires dans le cadre du futur accord de pêche UE/STP</i> <i>Les mesures de préservation de la ressource ne sont pas prises ou pas appliquées</i> Les pêcheurs (coscients puisque participant activement au système) appuyés par les autres partenaires du programme usent de leur pouvoir de négociation renforcé par le programme pour les rendre effectives

Objectif spécifique III	<b>3. De nouveaux marchés sont accessibles aux groupes cibles</b>			
Produits		<p>Nombre et diversité des nouvelles activités Nombre des bénéficiaires participant (par genre) Parts et importance de la valeur ajoutée additionnelle récupérée par les bénéficiaires</p> <p><b>Trigger : Au moins 10 % des communautés rurales déjà en place en 2000 ont entrepris des activités économiques innovantes</b></p>	<p>Suivi des activités et réalisations, suivi des ménages et des flux de caisse Enquêtes par filière, Statistiques de production et d'exportation</p>	<p>Des marchés disparaissent Les petits producteurs n'arrivent pas à négocier une part équitable de la valeur ajoutée <i>Le programme appuiera la mise en place d'alternatives</i> <i>Sur les marchés de niche visés les relations commerciales sont plus « personnalisées » et leur pérennité moins fragile</i> <i>Le programme appuiera la mise en place de logiques interprofessionnelles</i></p>
	<b>3.1 Cacao de Qualité.</b> La qualité du cacao s'améliore et une prime est obtenue	<p>Part du cacao classifié Qualité Prix des exportations</p>	<p>Enquêtes socio-économiques, enquêtes cacao, statistiques de production et d'exportation, cours mondiaux</p>	<p>L'interprofession ne fonctionne pas ou n'obtient pas l'application effective des mesures réglementaires adéquates <i>Montage institutionnel du programme (poids des bénéficiaires et partenariats noués avec les autres acteurs de la filière)</i></p>
	<b>3.2 Cacao Biologique.</b> Du cacao biologique est exporté et bien valorisé	<p>Volumes et prix du cacao bio exporté Nombre de bénéficiaires producteurs</p>	<p>Enquêtes socio-économiques, enquêtes cacao, statistiques de production et d'exportation</p>	<p>Les groupes cibles n'arrivent pas à respecter le cahier des charges ou se découragent au cours de la période probatoire Appuis techniques et financiers apportés par le programme Poursuite de la recherche appliquée Les acheteurs externes se découragent ou deviennent trop exigeants Promotion de l'appellation d'origine STP, dépendance des acheteurs, cohésion au sein de la profession</p>
	<b>3.3 Matabala.</b> Les exportations sont régulières	<p>Volumes exportés Fréquence des exportations Nombre de paysans qui en bénéficient</p>	<p>Enquêtes socio-économiques, enquêtes cacao, statistiques de production et d'exportation</p>	<p>Les contraintes externes formelles ou informelles rendent le marché de Libreville toujours difficile à pénétrer <i>Les échanges commerciaux avec le Gabon seront amenés à se renforcer au fur et à mesure de la croissance de l'économie Santoméenne</i></p>
	<b>3.4 Animaux de bât.</b> Des animaux ont été diffusés et sont régulièrement utilisés	<p>Nombre d'animaux diffusés Nombre de communautés qui en bénéficient</p>	<p>Enquêtes socio-économiques</p>	<p>Les animaux de bât diffusables restent hors de portée des groupes cibles <i>Offre de services (financiers et d'appui) soutenue par le programme</i></p>
	<b>3.5 Glace paillettes.</b> Du poisson frais de qualité est disponible à un prix équitable sur l'ensemble du territoire	<p>Couverture commerciale et prix</p>	<p>Etude filière et suivi des prix</p>	<p>Concurrence de produits ou de sous-produits congelés provenant de la pêche industrielle <i>Dialogue de politique plus efficace permis par le montage institutionnel du programme</i></p>



Objectif spécifique IV	<b>4. La gestion du programme est participative, efficace et contribue à la stratégie</b>			
Produits		Administration saine et efficace, réalisations du programme, efficacité des procédures Cohérence des décisions prises localement avec la stratégie  <b>Trigger : Les manuels de procédures sont opérationnels</b> <b>Les instruments du programme sont fonctionnels</b> <b>Les décaissements sont cohérents avec la stratégie</b> <b>Les rapports contractuels sont efficacement administrés</b> <b>Le dispositif de suivi-évaluation est opérationnel</b>	PTAB, SAR et audits (paramètres financiers et procédures) Actes des réunions des organes de l' Association	Blocages suite à des divergences entre le programme et le Gouvernement <i>Ancrage du programme dans la stratégie gouvernementale et contributions du programme et de ses partenaires à l'élaboration de celle-ci</i>
	4.1 Les groupes cibles ont un poids déterminant dans la gestion du programme	Initiatives des groupes cibles traduites dans les actions du programme (nombre, nature, origine) Rôle joué dans les arbitrages	PTAB, SAR Actes des réunions des organes de l' Association Opinions des bénéficiaires	Difficulté des groupes cibles (notamment pêcheurs) à « marcher au même rythme » que les autres partenaires <i>Composante appui aux organisations rurales</i>
	4.2 La gestion du programme incite à, et améliore la réflexion stratégique	Processus de suivi et de mise à jour de la stratégie et qualité du résultat	Stratégie mise à jour	Dialogue insuffisant entre le programme et le Gouvernement <i>Réunions régulières entre le Programme et le Gouvernement et dialogue propre de chaque partenaire du programme avec le Gouvernement</i> <i>Intérêt commun à maintenir le dialogue</i>
	4.3 La gestion du programme est efficace, transparente, et rigoureuse	Qualité et respect des procédures, diffusion des informations, absence de blocages ou de retards dans l'exécution	PTAB, SAR Actes des réunions des organes de l' Association Audits Opinions des bénéficiaires	Qualité insuffisante des ressources humaines du programme <i>Tâches de gestion et d'administration similaires à celles assumées aujourd'hui dans le cadre du PNAPAF</i>

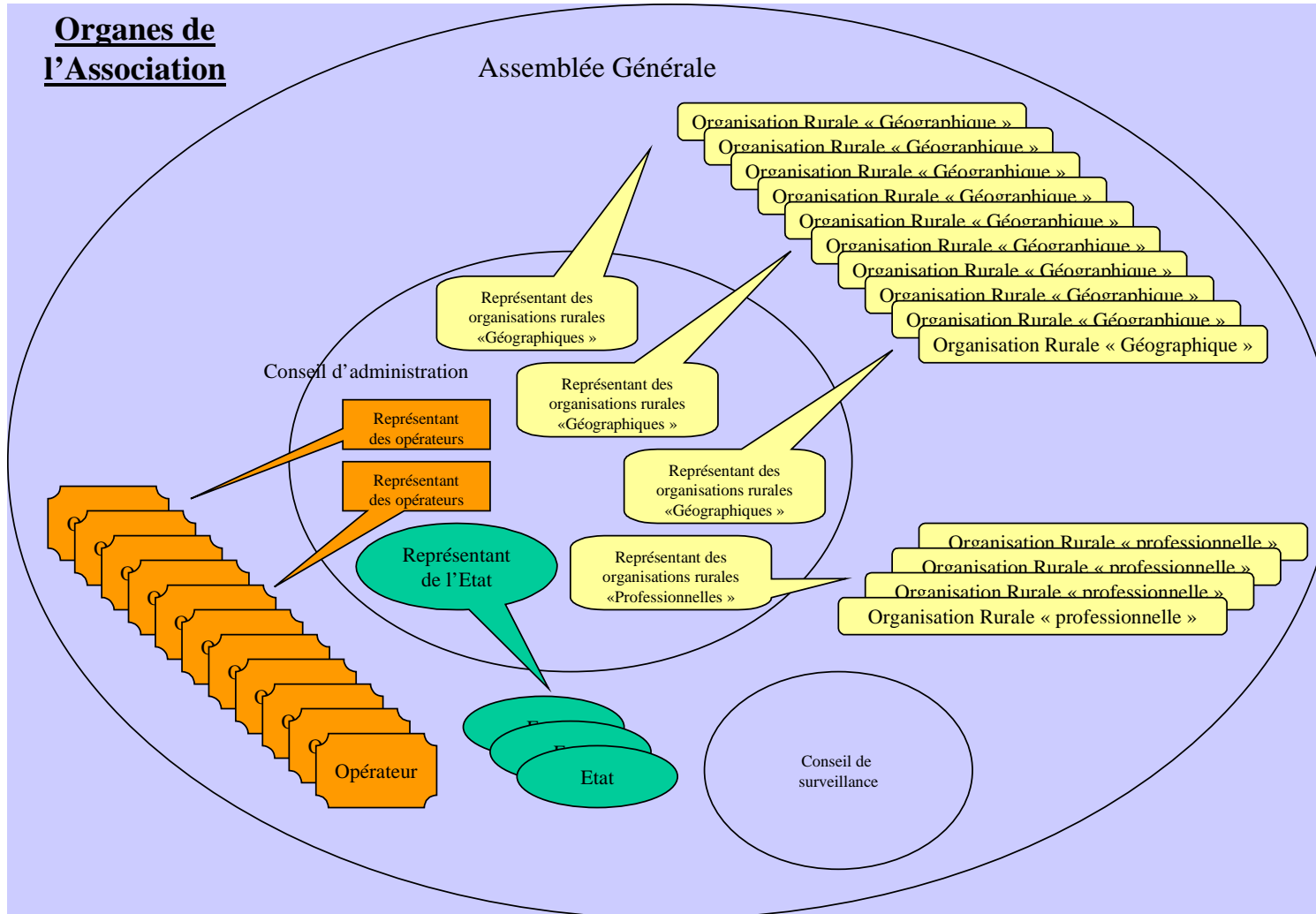


**CRITÈRES DE TRANSITION ENTRE LES TROISIÈME ET QUATRIÈME CYCLES**

	<b>Cycle 2 à 3</b>	<b>Cycle 3 à 4</b>
Structuration du monde rural	La moitié des organisations de base sont autonomes et seulement 10% ont besoin d'un appui intensif. Nombre de communautés de base engagées dans un processus de création d'une commune rurale <sup>3</sup>	Les trois quart des organisations de base sont autonomes Les principales organisations professionnelles sont financièrement viables Nombre de communes rurales formées
Renforcement de l'offre de services	Des services adaptés de micro-finance et de conseil technico-économique sont accessibles sur l'ensemble du territoire Pas de surexploitation des ressources halieutiques côtières	Le système de micro-finance est articulé avec le secteur financier formel Les bénéficiaires contribuent au financement du dispositif de conseil technico-économique Pas de surexploitation des ressources halieutiques côtières
Appui aux Activités Économiques Innovantes	Au moins 50 % des communautés rurales ont entrepris des actions économiques innovantes	Au moins 80 % des communautés rurales ont entrepris des actions économiques innovantes
Gestion du programme	Les manuels de procédures sont opérationnels Les instruments du programme sont fonctionnels Les flux financiers du programme sont cohérents avec sa stratégie Les rapports contractuels sont efficacement administrés Le dispositif de suivi-évaluation est opérationnel	Les manuels de procédures sont opérationnels Les instruments du programme sont fonctionnels Les flux financiers du programme sont cohérents avec sa stratégie Les rapports contractuels sont efficacement administrés Le dispositif de suivi-évaluation est opérationnel

<sup>3</sup> Ce critère pourrait être précisé lors de la préparation du projet d'appui à l'émergence du pouvoir local financé par la coopération française qui définira la stratégie institutionnelle dans ce domaine.

## ORGANIGRAMME



Le Gouvernement s'est engagé à se retirer de l'Association (AG et CA) à compter du deuxième cycle du Programme.



### Structuration du monde rural

Appui aux organisations de base  
Alphabétisation  
Émergence du pouvoir local

Appui aux organisations professionnelles

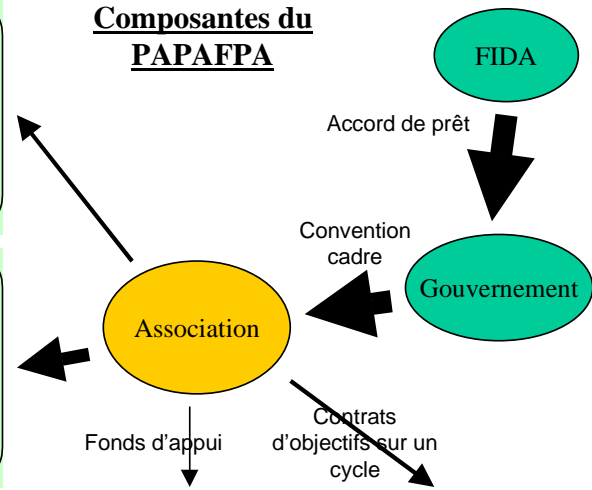
FENAPA UNACOOP

### Renforcement des Services d'appui

Vulgarisation: ONG de vulgarisation

Micro-finance: MICONDO, CLECAs

Gestion des ressources halieutiques côtières: MARAPA, Dir. Pêches, Org. rurales



### Appui aux activités économiques et à l'innovation

Fonds d'appui: Commission Économique de l'Association

Contrats d'objectifs: Organisations rurales

Cacao biologique	KAOKA	CIAT	ZATONA	Vulgarisation	SODEAP	Organisations Rurales
	Chambre de commerce	CIAT	APEC	FENAPA	Vulgarisation	Organisations Rurales
Exportation de Macabo (Matabala)	Chambre de commerce	Exportateurs informels	FENAPA	Vulgarisation	ZATONA	Organisations Rurales
	Services de l'élevage	Novo Rumo	Vulgarisation	ZATONA	Organisations Rurales	
Glace paillette et bacs isothermes	MARAPA	Chantier Naval	Organisations Rurales			