



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
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**IMPLEMENTATION OF THE FIRST CYCLE**  
**OF THE**  
**SAHELIAN AREAS DEVELOPMENT FUND PROGRAMME IN MALI**  
**FINANCED UNDER THE FLEXIBLE LENDING MECHANISM**

1. The attention of the Executive Board is invited to the following information on implementation of the first cycle of the Sahelian Areas Development Fund Programme (SADEFP) in Mali, which is funded under the Flexible Lending Mechanism (FLM).

**I. INTRODUCTION**

2. The Executive Board approved the creation of the FLM at its Sixty-Fourth Session in September 1998. The three main differences between a loan provided under the FLM and a standard IFAD loan are as follows:

- longer loan periods (10-12 years) to allow for the achievement of sustainable development objectives;
- a continuous and evolving design process through implementation of distinct, three-to-four-year cycles; and
- specification of clearly defined pre-conditions or ‘triggers’ for proceeding on to subsequent cycles.

3. Paragraph 13 of the report on the establishment of the FLM (document EB 98/64/R.9/Rev.1) stipulated that “ ... for each FLM, and prior to the end of each cycle, IFAD management will decide whether to proceed to, cancel, or delay subsequent cycles. Management will inform the Board accordingly. The document presented to the Board will set out the lessons learned from initial cycles and their incorporation into subsequent cycles, the attainment of physical targets, progress towards



meeting long-term development objectives, and achievement of the pre-conditions stipulated in the loan agreements.”

4. The purpose of the present information paper, the contents of which are based on the findings of a first-cycle assessment mission (FCAM) fielded in November 2002, is to report on SADEFP progress in achieving the first-cycle triggers. The FCAM comprised staff members of several IFAD organizational units, including Africa I Division, Technical Advisory Division, Office of Evaluation and Studies (OE), Controller’s Office, Office of the General Counsel and the Programme Management Support Team (PDST).

## II. BACKGROUND

5. SADEFP was the first IFAD intervention to be approved by the Executive Board for funding under the FLM. It is directly supervised by IFAD and involves three distinct cycles of three, four and three years, respectively.

6. The overall objective of the programme is to reduce the incidence of poverty among rural households in the Sahelian zone through raising incomes and improving living conditions. It seeks to empower beneficiaries to identify their own priority needs and to facilitate the implementation of individual or community microprojects to satisfy such needs. The programme area includes the regions of Segou, Koulikoro, Mopti and Kayes. Activities have already begun in Segou and Koulikoro; start-up of activities in Mopti and Kayes is subject to the availability of cofinancing from other donors.<sup>1</sup>

7. The main objective of the first cycle of the programme was to set up institutions, mechanisms and procedures, ensure their workability, and develop a limited number of investment activities. The second cycle will continue to strengthen the institutional framework and expand investments throughout the entire programme area. The third and final cycle will focus on consolidating achievements and implementing an appropriate exit strategy to ensure the sustainability of programme-supported operations.

8. Major programme components include:

- **Village development support.** Provision has been made for the establishment of a village infrastructure development fund, the resources of which will be used for implementing social, production and marketing microprojects at the village level. The programme also provides support for the establishment and management of associations by stakeholders to oversee the creation of microprojects. These microprojects are group-based (while individual investments may be funded under the decentralized financial services component), involve cash and in-kind contributions from beneficiaries to create a greater sense of ownership and ensure sustainability, and are accompanied by training in functional literacy, technical assistance and management.
- **Decentralized financial services.** In order to meet the demand for individual productive investments, the programme will support the creation of 100 village banks for provision of credit and savings services (50 each in Segou and Koulikoro). Implementation of this component will be sub-contracted out to at least two specialized service providers.

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<sup>1</sup> A project for the Mopti region, to be funded under the Global Environment Fund, is currently under design.



- **Programme management**, a national association and two regional associations (comprising representatives of government, civil society and beneficiary organizations) provide policy guidance. For day-to-day operations, the programme will support the operations of a national coordination and management agency (NCMA) and two regional implementation and management agencies (RIMAs) (in Segou and Koulikoro). Provision has been made under the component for financing the capital and operating costs and for the establishment of the monitoring and evaluation (M&E) system.

### III. PROGRAMME ACHIEVEMENTS DURING THE FIRST CYCLE

9. The programme was declared effective in October 1999. During the first three years (2000-2002), which correspond to the first FLM cycle, institutional arrangements have been made for carrying out programme activities both at the national level and in the Segou and Koulikoro administrative regions. The programme has been operational in Segou since 2000 and in Koulikoro since 2001. The national association, the NCMA and the two RIMAs in Segou and Koulikoro have all been established and are fully operational.

10. Key activities undertaken to date include:

- a socio-economic baseline survey in Segou and Koulikoro (1999);
- finalization of the programme implementation manual (PIM) and the M&E manual (2000 and 2001, respectively);
- training of 230 men and women serving on management committees and of about 800 members of community groups in functional literacy and village-level technology skills;
- completion (as of November 2001) of 101 of the 175 microprojects foreseen under the first cycle, as follows: 75 microprojects in Segou (46 social infrastructure projects, 27 income-generating projects, and two natural resources management projects); and 26 in Koulikoro (eight social infrastructure projects and 18 income-generating projects); and
- studies have been initiated for the establishment of village banks for savings and credit schemes, and service providers have been identified for Segou and Koulikoro.

11. Of the overall IFAD loan of SDR 15.65 million, some SDR 3.2 million was allocated for the first cycle (2000-2002). As of end-November 2002, 76% of this amount had been disbursed. Delays have been encountered in the village investment fund sub-component, for which a significant proportion (23%) of first-cycle loan proceeds was allocated. However, activities under the component have been delayed and are now scheduled to commence in early 2003 since negotiations with the designated service providers are almost complete.

### IV. LESSONS LEARNED

12. A number of important lessons have been learned during the first cycle of SADEFP, the relevance of which sometimes goes beyond the programme itself.

13. **Institutional set-up.** The relevance and effectiveness of institutional architecture for programme management and governance needs to be monitored on a regular basis. During the FCAM, programme stakeholders raised a number of issues that may call for design adjustments. These issues include:

- the extent to which the national and regional associations effectively play their intended roles as governing bodies for programme management oversight;
- the viability and roles of federations of village groups operating under the programme;



- the potential for closer links between programme bodies and institutions created under the national decentralization policy;
- the need for further decentralization of a number of programme functions;
- strengthening the role of the Ministry of Agriculture to built up its programme supervision capacity as well as overall IFAD portfolio coordination effectiveness in the country; and
- the need for explicit strategies and resources for strengthening institutional capacity at different organizational levels.

14. **Potential strengths and limitations of a community-driven development approach.** The programme has adopted a community-driven development approach to delivering services, whereby awareness-raising campaigns are mounted to inform communities of programme goals and activities as well as procedures for participating therein (including required cash and in-kind village contributions). Village groups then put forward proposals for microprojects to be funded through a village infrastructure development fund mechanism. While participatory rural appraisals (PRAs) are undertaken in some villages to help local populations better appreciate and articulate their development needs and opportunities, programme staff do not attempt to impose any particular types of microprojects on the village groups.

15. One of the major strengths of this approach is that the resulting sense of ownership among the groups is generally much greater than it would have been had the microprojects been imposed by outsiders and there had been little or nothing in the way of local contributions. Another strength is that a large number of microprojects have been completed in a fairly short period of time and that the beneficiaries clearly appreciate the short delay — compared with many other development projects — between the submission of plans and attainment of concrete results. There is also a good mix of income-generating activities (establishment of gardening perimeters, livestock assembly sites for vaccination and marketing, etc.) and social investments (functional literacy schools; wells for drinking water).

16. There is, however, a marked tendency among village groups to propose microprojects that are more likely to generate short-term benefits. For example, despite the fact that PRAs have consistently reported great beneficiary concern about the degradation of natural resources, only two of the 101 microprojects so far completed have aimed at reversing the situation; and since technology development and dissemination is another area where benefits tend to be of a longer-term nature, there is little demand for such activities under the programme. As such, it may well be that different intervention approaches are needed to address these concerns.

17. **Relevance of the FLM approach.** SADEFP is a highly innovative intervention inasmuch as it attempts to establish higher-level representative organizations that will serve as decision-making bodies and continue rural development activities once the programme comes to an end. It also seeks to achieve greater beneficiary participation in the selection and oversight of microproject service providers than is usually the case. It was understood that putting these ambitions into effect would be a long-term process calling for considerable flexibility because it was not clear at the outset what the most appropriate institutional architecture would be. It was also understood that it would be essential to carry out periodic assessments and to adjust the programme design as more and more experience was gained. The trigger relating to M&E has also increased awareness on the part of the Government, programme staff and IFAD of the need for a properly functioning M&E system. Therefore, considerable time and resources have been devoted to ensuring that the system functions effectively and that it generates relevant and timely information. In view of these considerations, the FLM approach was thought to be conducive to meeting such needs.

18. While the FLM approach appears to be an appropriate vehicle for improving programme effectiveness, it will clearly take a considerable length of time to strengthen the institutions envisaged at the design stage in order that they may fulfil their roles effectively. During the FCAM, including the two-day stakeholder workshop organized towards the end of the mission, participants



acknowledged the need for adjusting programme design, and expressed their appreciation at being actively involved in identifying such adjustments.

## V. ACHIEVEMENT OF FIRST-CYCLE TRIGGERS

19. The main objective of SADEFP during the first cycle was to set up programme institutions, mechanisms and procedures, ensure their workability, and develop a limited number of investment activities. These aims are reflected in the selection of six triggers for proceeding from the first to the second cycle, as follows:

- (i) associations have been established and programme mechanisms tested and effectively adopted, in accordance with the PIM;
- (ii) a sufficient number of microprojects have been accompanied by training programmes;
- (iii) fifty-to-seventy per cent of the groups are in place and functioning satisfactorily and independently, in accordance with modalities specified in the PIM;
- (iv) fifty per cent of the target villages have undertaken at least one microproject;
- (v) the PIM has been revised in the light of implementation experience; and
- (vi) the M&E system is functioning well, and provides information on the achievement of triggers.

20. With the exception of (v), all triggers have been achieved. While it was originally foreseen that the PIM would be revised in early 2002, the Government and IFAD jointly decided to postpone such revision until after the FCAM had been fielded. It is therefore recommended that passage to the second cycle should be authorized as soon as the PIM has been revised and approved by both the Government and IFAD.

21. Trigger (i) relates to the programme's institutional set up and training activities. The procedure manual defines 'associations' as federations of village groups, regional associations and a national association, and specifies the composition and responsibilities of the various associations. The most important 'programme mechanisms' are procedures relating to the preparation of annual work programmes and budgets, and for contracting under microprojects.

22. The associations and federations established in Segou and Koulikoro are functioning well and meet regularly. However, except in the case of one federation in Segou, there is poor adhesion among members. Relations among the associations and federations, and the communes, which are key institutions created under the national decentralization policy, continue to be somewhat ambiguous. There is a need for greater clarity with regard to the supervision of microprojects, and on ways of shifting responsibility to the regional associations and federations.

23. While trigger (i) has been achieved, during the second cycle, particular attention will need to be paid to institutional adjustments and adaptation. Building on the findings of the FCAM (its final report is to be issued by end-December 2002), a design mission for the second cycle of SADEFP will be fielded in early 2003 to review a number of institutional issues. The mission will also draw up a detailed budget for the second cycle, for incorporation into a loan amendment to allocate resources to appropriate budget categories. This is fully consistent with the guiding principle of the FLM that there should be a continuous and evolving process of design during project/programme implementation.



24. With regard to trigger (ii), at least one training programme (but often two-to-three) has accompanied each microproject. Training is provided systematically in the areas of functional literacy, technical assistance and management and is greatly appreciated by the beneficiaries. Participatory evaluations of microprojects provide useful information regarding the usefulness of training programmes. However, in response to stakeholders' comments, the length of such courses will be reviewed during the design of the next cycle.

25. With regard to trigger (iii), each village group is expected to: set up management committees of three-to-four persons; elect an oversight committee comprising at least two persons (who must not, however, be members of the management committees); assume responsibility for the implementation of microprojects; and decide on their legal status. These committees are systematically established for each and every microproject, and the village groups are closely involved in the oversight and approval of related construction work. This trigger has been achieved.

26. As far as trigger (iv) is concerned, the first-cycle target was fixed at 175 microprojects. Of these, 101 or 57% were achieved by November 2002 (75 in Segou and 26 in Koulikoro). Awareness-raising efforts on the part of the executing agencies and SADEFP associations have elicited a large demand for microprojects among village groups. Compared with many other development interventions, SADEFP appears to approve and implement microprojects more rapidly.

27. With regard to trigger (vi), the M&E system was set up within a reasonable period of time; the results of surveys are systematically analysed; and the M&E team produces regular, timely reports that make it possible to track progress in achieving the various triggers.

## **VI. CONCLUSIONS AND RECOMMENDATION**

28. The SADEFP is both the first IFAD intervention to have been approved for funding under the FLM and the first to have achieved the first-cycle triggers. In this particular case, the FLM has served its original purpose of compelling project stakeholders – including IFAD staff and management – to focus greater attention on implementation effectiveness and on ensuring that there is a continuously evolving process of design based on experience. The fielding of three IFAD supervision missions, two OE missions and the organization of an M&E workshop demonstrate this increased focus on implementation effectiveness. Moreover, the FCAM, which took place relatively early during implementation, was undertaken with strong staff participation rather than with consultants. With regard to the need for a continuously evolving design process, a mission will be fielded in early 2003 for the purpose of designing the second cycle on the basis of experience acquired under the programme to date.

29. It is recommended that IFAD management allow SADEFP to proceed to the second cycle, subject to joint agreement between the Government and IFAD on the contents of the revised PIM.

