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Executive Board – Eighty-First Session

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REPUBLIC OF SENEGAL

COUNTRY STRATEGIC OPPORTUNITIES PAPER

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CURRENCY EQUIVALENTS

| | | |
|---------------|---|-----------------|
| Currency unit | = | CFA Franc (XOF) |
| USD 1.00 | = | XOF 662 |
| XOF 1.00 | = | USD 0.00151 |

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

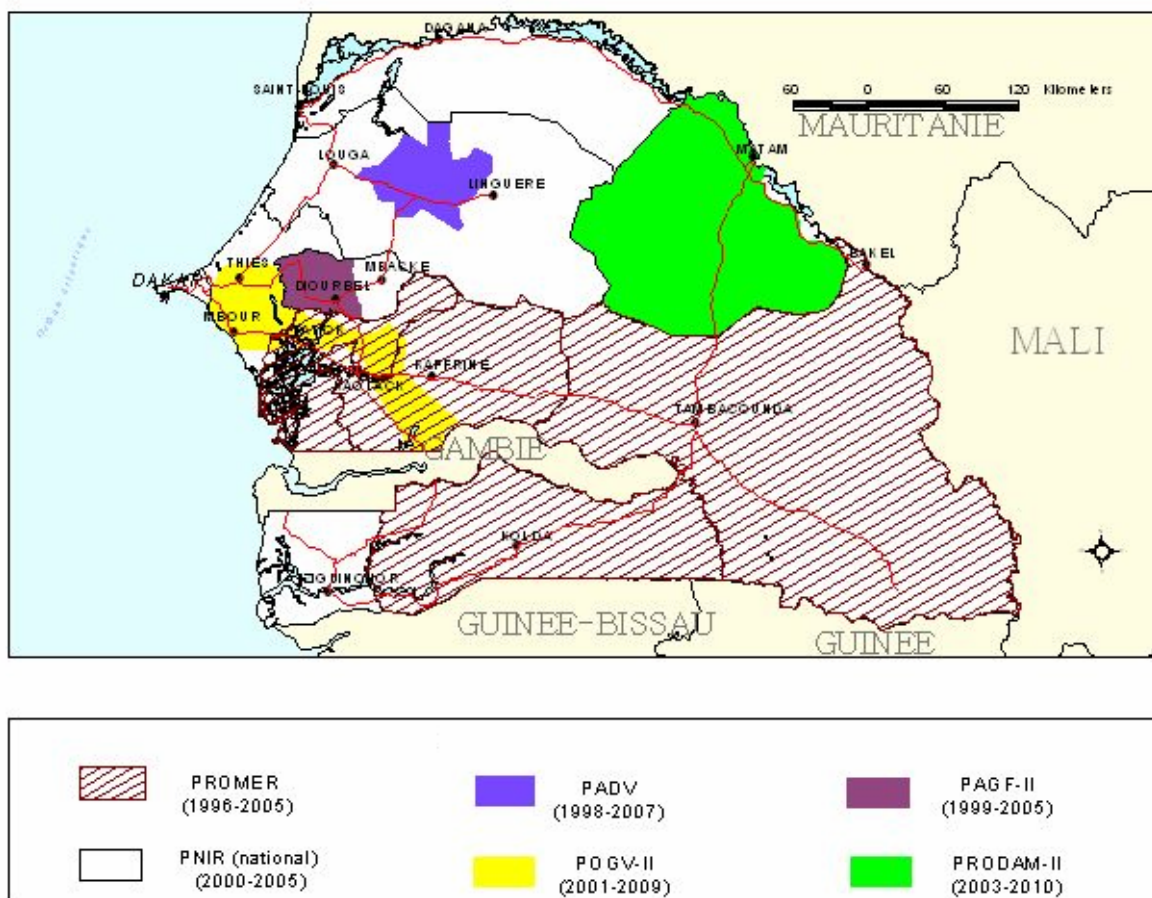
| | |
|---------|---|
| ANCAR | <i>l'Agence nationale de conseil agricole et rural</i> (National Agricultural and Rural Advisory Agency) |
| CLCOP | <i>Cadres locaux de concertation des organisations de producteurs</i> (Local Consultative Mechanism for Farmers' Organizations) |
| CPE | Country Portfolio Evaluation |
| CR | Rural Commune |
| HIPC | Heavily Indebted Poor Country |
| MDG | Millennium Development Goal |
| PADV | <i>Projet d'aménagement et de développement villageois</i> (Village Management and Development Project) |
| PAGF | <i>Projet agroforestier de lutte contre la désertification</i> (Agroforestry Project to Combat Desertification) |
| PMU | Project Management Unit |
| PNDA | National Agricultural Development Programme |
| PNDE | National Livestock Development Programme |
| PNIR | <i>Programme national d'infrastructures rurales</i> (National for Rural Infrastructure) |
| POGV-II | <i>Projet d'organisation et de gestion villageoise, phase II</i> (Village Organization and Management Project – Phase II) |
| PROCAPA | Complementary Peanut Producers Support Programme |
| PRODAM | <i>Projet de développement agricole de Matam</i> (Agricultural Development Project in Matam) |
| PROMER | <i>Projet de développement de la micro-entreprise rurale</i> (Rural Micro-Enterprises Project) |
| PRSP | Poverty-Reduction Strategy Paper |
| PSAOP | <i>Programme des services agricoles et des organisations de producteurs</i> (Agricultural Services and Producer Organizations Programme) |
| UEMOA | West African Economic and Monetary Union (also WAEMU) |

GOVERNMENT OF THE REPUBLIC OF SENEGAL

Fiscal Year

1 January - 31 December

COUNTRY MAP: LOCATION OF IFAD-FUNDED OPERATIONS



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.

IFAD PORTFOLIO OVERVIEW

| Project Name | Initiating Institution | Cooperating Institution | Lending Terms | Board Approval | Loan Effectiveness | Current Closing Date | Project Completion Date | IFAD Approved Financing (SDR '000) | Disbursement (as % of Approved Amount) |
|---|------------------------|-------------------------|---------------|----------------|--------------------|----------------------|-------------------------|------------------------------------|--|
| Integrated Rural Development Project of M'Bour Louga (PDRIML - 026-SE) | IFAD | AfDB | HC | 18 Dec 79 | 13 Jul 81 | 30 Jun 90 | 31 Dec 89 | 10 400 | 100 |
| Agroforestry Development Project (PAGF – SRS-015-SE) | IFAD | BOAD | HC | 30 Nov 88 | 07 Nov 89 | 30 Jun 98 | 31 Dec 97 | 8 300 | 100 |
| Second Small Rural Operations Project (PPOR-II – SRS-018-SE) | World Bank | World Bank/ IDA | HC | 13 Sep 89 | 05 Mar 90 | 30 Jun 99 | 31 Dec 98 | 5 100 | 100 |
| Agricultural Development Project in Matam (PRODAM – SRS-030-SE) | IFAD | BOAD | HC | 11 Dec 91 | 27 Apr 93 | 31 Dec 00 | 30 Jun 00 | 11 700 | 100 |
| Village Organization and Management Project (POGV - 315-SE) | IFAD | BOAD | HC | 02 Dec 92 | 13 Aug 93 | 31 Dec 99 | 30 Jun 99 | 5 800 | 100 |
| Rural Micro-Enterprises Project (PROMER - 402-SN & SRS-047-SN) | IFAD | BOAD | HC | 06 Dec 95 | 03 Jan 97 | 31 Mar 05 | 30 Sep 04 | 5 000 | 81 |
| Village Management and Development Project (PADV - 462-SN) | IFAD | BOAD | HC | 04 Dec 97 | 09 Aug 99 | 30 Jun 07 | 31 Dec 06 | 6 900 | 31 |
| Agroforestry Project to Combat Desertification – II (PAGF-II - 489-SN) | IFAD | BOAD | HC | 02 Dec 98 | 01 Sep 99 | 31 Dec 05 | 30 Jun 05 | 5 850 | 46 |
| National Rural Infrastructure Project (PNIR - 524-SN) | World Bank | World Bank/ IDA | HC | 09 Dec 99 | 08 Feb 01 | 30 Sep 05 | 31 Mar 05 | 5 400 | 38 |
| Village Organization and Management Project – Phase II (POGV-II - 546-SN) | IFAD | BOAD | HC | 07 Dec 00 | 16 Jul 01 | 31 Mar 09 | 30 Sep 08 | 10 700 | 20 |
| Agricultural Development Project in Matam – Phase II (PRODAM-II - 608-SN) | IFAD | BOAD | HC | 10 Apr 03 | 01 Nov 03 | 30 Jun 12 | 31 Dec 11 | 9 150 | 6 |

Note: AfDB = African Development Bank
 BOAD = West African Development Bank
 IDA = International Development Association
 HC = Highly Concessional

EXECUTIVE SUMMARY

1. **General background.** The present country strategic opportunities paper (COSOP) represents the outcome of a participatory process that sought to involve stakeholders in Senegal at every stage of preparation. It is meant to constitute a shared route map for IFAD and its Senegalese partners to implement the IFAD-Senegal Cooperation Programme for furthering rural poverty reduction over the next five years. The elaboration of this COSOP began with a country portfolio evaluation (CPE) carried out during the course of 2003.
2. Beginning in 1994, owing largely to a 50% devaluation of the CFA franc, an increase in aid flows and rigorous economic management, Senegal was able to attain a 5.5% average rate of **gross domestic product (GDP) growth** in real terms. Significant progress was also made in the area of financial management and public governance. The past decade has seen further decentralization associated with a strong development of civil-society organizations. Yet living standards have not improved overall, mainly because the economy has a limited capacity to create stable employment, and social spending remains inadequate.
3. **Agricultural sector.** Demographic growth has been high and steady, but production has not kept pace with the rising demand for agricultural products. The agricultural sector, essentially small family farms, is undergoing a serious crisis as a result of natural constraints (low and increasingly erratic rainfall, deteriorating natural resources, etc.), inadequate support services in the wake of hasty state disengagement from the sector, weak private investment and declining competitiveness of domestic agriculture. However, the emergence of dynamic and increasingly better-structured farmers' organizations and the identification of new commodities and markets, particularly in the context of the West African Economic and Monetary Union (UEMOA) zone, are opening up increasingly promising opportunities.
4. **Rural poverty.** Poverty affects from 72 to 88% of rural dwellers, most of whom earn their living by farming and raising livestock. The rural poor devote more land to food production than to cash crops, partly because they have little land and need to give priority to family needs; but also because they lack cash with which to buy seeds, fertilizer and equipment and have little access to credit and support services. This situation, together with low, erratic rainfall, depresses farmers' yields and impacts negatively on their incomes and self-consumption. Women, who play a fundamental role in mobilizing additional resources, are often at the centre of household diversification strategies. Although spending on food accounts for 70% of monthly expenditures, most rural households cannot afford three meals a day.
5. The **poverty-reduction strategy paper (PRSP)**, approved in 2002, provides the framework for sector policies. Three main objectives are envisaged: (i) a doubling of per capita income by 2015, thanks to strong, balanced and better-distributed growth; (ii) universal access to essential social services by stepping up the installation of basic infrastructure; and (iii) eradication of all forms of exclusion and promotion of gender equality.
6. **Lessons learned from IFAD's experience in Senegal.** The main lessons brought to light by the above-mentioned CPE relate to the need to: (i) integrate projects within a coherent programme that promotes synergies and complementarities and provides the basis (and leverage) for policy dialogue; (ii) enhance the approach to fighting poverty by making it more inclusive and dynamic; (iii) reinforce the 'local development' approach by involving empowered farmers' organizations and local partnerships; (iv) improve access by the rural poor to financial services; and (v) strengthen the tools for strategic piloting of the programme through the creation of an effective consultative mechanism and better monitoring and evaluation (M&E).
7. **IFAD's strategic framework.** This COSOP envisages the establishment and consolidation of an IFAD programme for Senegal that seeks to bring together, coherently, a wide range of different

activities. The programme aims to assist the Government and local partners in implementing Senegal's agricultural and rural development policies, with shared objectives and under a common strategic approach designed to promote the development of local initiatives and provide a basis for thinking, learning and policy dialogue. It should promote harmonization of approaches and develop synergies among projects, thereby enhancing their impact. The programme will consolidate activities in the regions already covered by ongoing projects and develop complementarities, both among IFAD projects and with other projects operating in the same geographical areas.

8. The **overarching goal** of the country strategy is to contribute to achieving the Millennium Development Goals (MDGs) – particularly MDG-1 on poverty reduction. The goal of the programme is to support local initiatives that will raise household incomes and improve the livelihoods of the rural poor in a gender-equity perspective. By the year 2008, it is anticipated that the programme will contribute to reducing the number of rural people that were living in poverty in 2000 by 8%.

9. The **specific objectives** of the programme are the following: (i) **strengthen the capacities of the rural poor and their organizations**, empowering them to assume new responsibilities, take a more active part in concerted action for local development, and forge new partnerships with other rural actors (financial and technical services, subsector operators and other projects) both at local and regional levels; (ii) **increase the productivity of rural economic activities** by expanding the range of products, improving access to appropriate technology, promoting sustainable natural resource management and developing infrastructure; and (iii) **improve access to markets and financial services** by improving access to knowledge and understanding of market opportunities and to appropriate financial services.

10. **Opportunities for linking with others and building effective partnerships** are ample in Senegal. The donor community is very active in supporting the Government's implementation of its development and poverty-reduction strategy, set forth in the 2002 PRSP. The presence of well-established, dynamic small farmers' apex organizations, whose influence goes beyond the borders of Senegal and with which the Fund has had a long – albeit tumultuous – relationship, constitutes a rare chance for IFAD.

11. **Areas for policy dialogue.** A series of processes will be put in place to bring IFAD closer to its partners and facilitate policy dialogue. These include: (i) establishment of a formal consultative mechanism for IFAD and its Senegalese partners, with a strong presence of farmers' organizations; (ii) IFAD's participation in the Donors Thematic Group on Rural Development and Food Security; (iii) recruitment of an IFAD field-support manager in Senegal in the framework of the IFAD Field-Presence Pilot Programme; and (iv) the regional multi-donor hub for policy dialogue on pro-poor rural development based in Dakar. In addition to supporting the Government in the implementation of the new framework law for agro-sylvo-pastoral development, IFAD will build on its experience and take advantage of its presence at the village level, as well as in the larger national decentralization programme, to enter into policy dialogue in the areas of decentralization and demand-driven services for poor farmers. IFAD will also attempt to contribute to the testing of innovative methodological approaches to M&E and to ensure involvement of the extremely poor.

12. **Measures to improve portfolio management.** Implementing the programme's orientations and enhancing its impact will call for some adjustments to portfolio management: (i) more flexible project design, (ii) systematic gender mainstreaming, (iii) clear exit strategies for project management units (PMU), (iv) participation of farmers' organizations and local elected officials in guiding implementation, (v) strengthening IFAD's presence in Senegal, and (vi) reinforcement of implementation support mechanisms, including supervision.

13. **Debt servicing.** In 2000, IFAD allocated a contribution to the debt relief in Senegal under the Debt Initiative for Heavily Indebted Poor Countries (HIPC) amounting to SDR 2.4 million, to be made available at completion date, currently foreseen to be reached in the first half of 2004.

14. **Tentative lending framework and rolling programme of work.** Given the overall performance of Senegal over the last decade compared to other countries in the region and in line with the recommendation of the CPE, it is proposed to maintain the Fund's commitments at the levels recorded over the past ten years, i.e. a **lending envelope** of USD 20-30 million for the five-year period covered by this COSOP. A series of complementary activities financed through grants will also be carried out, and the programme will benefit from a number of IFAD regional and corporate initiatives. Within the now-approved Performance-Based Allocation System (PBAS), the above allocation will be further refined. In addition, a review of the COSOP will be conducted early in the third year to take stock of achievements and constraints in the implementation of the proposed strategy. On this occasion, progress made in the formulation of the agricultural sector policy framework will be assessed, and the modalities of its implementation, together with the role and place given to farmers' organizations, will be closely examined. Based on the conclusions of this review, the strategy as well as the programme scope and size will be adjusted accordingly.

15. IFAD's current portfolio contains six loan-financed investment projects. IFAD intends to contribute to the **financing of two new projects**: (i) a second phase of the Rural Micro-Enterprises Project (PROMER); and (ii) a project to consolidate and develop local commodity-based subsector chains (*filière*). A series of **complementary activities** financed through grants will also be carried out and the programme will benefit from a number of IFAD regional initiatives.

REPUBLIC OF SENEGAL

COUNTRY STRATEGIC OPPORTUNITIES PAPER

I. INTRODUCTION

1. This Country Strategic Opportunities Paper (COSOP) is a shared route map for IFAD and its Senegalese partners for implementation of the IFAD-Senegal Cooperation Programme to further rural poverty reduction. It is the fruit of collaboration between representatives of farmers' and women's organizations, the private sector, local government bodies, the central Government, staff of ongoing projects and IFAD. The COSOP preparation process started with a country portfolio evaluation (CPE) carried out by the IFAD Office of Evaluation in 2002-2003. The CPE conclusions and recommendations, including some guiding principles for the formulation of a new strategy, were discussed by a broad range of stakeholders at a workshop held in Saly in July 2003. A steering committee was set up, composed of various central government and line ministry representatives, managers of ongoing projects, rural commune (CR) representatives and farmers' and women's organizations. It worked closely on COSOP development with the IFAD team. A wide range of stakeholders was interviewed in Dakar and rural areas, and a first draft of the COSOP was prepared, reviewed by a technical task force in the Ministry of Agriculture and submitted to the committee. After several iterations and back-and-forth exchanges between IFAD and the committee, the draft was presented at a workshop attended by all partners in Dakar on 19 December 2003, where it was discussed, amended and validated.

II. ECONOMIC, SECTORAL AND RURAL POVERTY CONTEXT

A. Country Economic Background

2. Situated on the Atlantic Coast in West Africa, Senegal covers an area of 196 722 km². Its climate is dry, with high average temperatures and low, erratic rainfall. The country is divided into six agro-ecological zones. To the north is the valley of the Senegal River, where flood-recession crops prevail, mainly rice and vegetables, as well as forests and rangelands where extensive livestock husbandry and market gardening are practiced. The centre, with 40% of the nation's cultivated land, is where groundnut, the country's main cash crop, is traditionally grown. The coastal area of Niayes specializes in market gardening, tree farming and fishing; the southeast zone in crops, forests and livestock. Finally, the Casamance region in the south has considerable agricultural potential, which is likely to undergo strong development due to new opportunities opened up by the return of peace. Senegal's population of 10.1 million is growing at an average rate of 2.7% per year, and tripled from 1960 to 2000. However, the urban population is growing much more rapidly (4% per year). A high urbanization rate (47%) reflects a strong rural exodus and the appeal of Dakar, the capital city, where 20% of the population already lives. Nearly half of the population is under 15 years of age.¹

3. **An economy where agriculture retains a central role.** At 60% of GDP, the tertiary sector is the main contributor to the nation's wealth, reflecting both Senegal's economic and commercial role in the subregion and the Government's continuing strong role in the national economy, despite liberalization reforms. Yet agriculture remains the main source of income for most of the population: although contributing only 20% of GDP, it employs over 75% of the active population. The secondary sector, which accounts for 20% of GDP, is fairly diversified, with agro-industry and mining playing important roles.² Yet, economic diversification remains insufficient. Since solvent domestic demand is still weak, the economy remains highly dependent on exports of a narrow range of products for which world demand is declining.

¹ Data source: Ministry of Economy and Finance, 2003 and United Nations estimates, 2003.

² Data source: Economist Intelligence Unit, Country Profile, 2003.

4. **Strong economic performance.** Until the mid-1990s, overall economic growth was slow. Since 1994, however, a 50% devaluation of the CFA franc, higher aid flows and rigorous management of the economy have increased the average rate of GDP growth to 5.5% in real terms. Excellent progress has been made in financial management: the primary budget surplus was equal to 1.9% of GDP in 2002, compared to a deficit of -0.8% the year before (mainly due to investment in restructuring of the groundnut and electricity sectors). The overall budget deficit, net of grants, improved significantly, from 3.9% of GDP in 2001 to 3.1% in 2002. In 2002, spending increased by 5.4% over 2001; current expenditure dropped by 8% (conversely, due to absence of spending in the groundnut and electricity sectors); and capital expenditure rose sharply due to a substantial increase in project disbursements. In 2002, tax revenues were 10.3% higher than in 2001, and the fiscal burden had risen to 17.9%, from 17.1% in 2001. Also in 2002, public debt stood at 72.6% of GDP. It is expected to decrease significantly from the first quarter of 2004 (expected completion point) owing to relief under the Debt Initiative for Heavily Indebted Poor Countries. Inflation stabilized at 2.3% in 2002, taking account of the effects at full development of the introduction of a single rate for value-added tax (18%) in September 2001.³ The Government is continuing to reduce its bank debt and calls increasingly on subregional financial markets to replace money-supply financing by the Central Bank. The Government's reform priorities are to simplify and strengthen the taxation system, continue the privatization thrust and promote the private sector. The main challenge will remain how to associate increased growth with better distribution of benefits, thereby promoting self-sustaining poverty reduction.

5. **A low human development index.** Despite the country's good economic performance, living standards have not improved, due notably to the economy's limited ability to create stable employment and to weak social spending. With a per capita GDP estimated at USD 600 in 2001, a life expectancy at birth of 54 years, and an adult literacy rate of barely 40%, Senegal's human development index in 2002 was only 0.4316, placing it 154th among 175 countries. Indeed, poverty has worsened, with an estimated 54% of households now living below the poverty line (and with less than 2 400 calories per adult equivalent per day). The gender-specific development index was 0.420, placing Senegal in 128th rank.⁴

6. **Progressive transformation of the relationship of the state and civil society.** In recent years, the strengthening democracy of the Senegalese State has seen gradual improvement of citizen participation in decision-making, particularly at the local level. In 1996, new responsibilities were devolved to local governments for natural resource management and land-use planning and management. However, implementation of decentralization is slowed by lack of resources at the local government level and by weak capacity of elected representatives to formulate and guide development policy. On the other hand, civil-society organizations have developed strongly over the past decade, reflecting the people's determination to address some of their problems themselves, and to be recognized as valid partners both by government services and donors. The dynamic of collective action that is emerging in Senegal's rural areas in response to state disengagement is one of the strongest in West Africa.

B. Agricultural Sector

7. Agriculture in Senegal is dominated by family farms, employing over 60% of the population and accounting for 95% of all agricultural activity. Most farms are multipurpose, since diversification lowers the inherent risks of production. The main crops are groundnut, cereals (sorghum, millet, rice, maize), cassava and dry-season crops. Most farms also raise livestock to reduce household vulnerability.

8. **A sector in difficulty.** Although for many years the Government has assigned high priority to agriculture, a large part of the population does not have access to adequate food, particularly in rural areas. The population has grown steadily, but production has not kept pace with the rising demand for

³ Data source: Economist Intelligence Unit, Country Profile, 2003.

⁴ Data source: United Nations Development Programme (UNDP), Human Development Report, 2001 and 2002.

agricultural products; Senegal imports 60% of its national cereal requirements to bridge the gap. Supplies of meat from livestock activities, the mainstay of some 350 000 families among the most vulnerable in rural areas, are dwindling steadily (11 kg/year/inhabitant in 1997 versus 20 kg/year/inhabitant in 1960). Performance of cash crops is also modest. On the other hand, fruit and vegetable growing is becoming an increasingly important area of diversification for small farms, albeit mostly for local markets. In any event, the rate of growth in real incomes generated by agriculture was – 1.7% between 1967 and 1998, while the population almost doubled.

9. **Constraints.** The agricultural sector is undergoing a deep-seated crisis that is impacting heavily on rural living standards. Small family farms face a broad spectrum of natural and structural constraints:

- **Low and increasingly erratic rainfall** has depressed yields. Farm families are eating a larger share of the harvest and their diminished purchasing power reduces the market for small-scale rural enterprises. Since rainfall patterns are so erratic, farmers are adopting cropping systems that involve minimum investment, but also low yields.
- **Natural resource degradation.** High population growth is leading to overexploitation of the land, abandonment of fallowing and declining soil fertility. Marginal lands are being planted to crops and rangeland areas are shrinking.
- **Weak support services.** State disengagement and hasty restructuring of the farming sector have reduced the availability of technical advice and inputs. Increasingly difficult access to inputs has resulted in a sharp drop in the use of fertilizer and improved seed and a return to traditional soil-degrading practices.
- **Weak private investments.** Low incomes, added to weak credit-delivery systems in rural areas, limit the ability of farmers to invest and hence to intensify cropping activities. Periodic write-offs of their loans are a major constraint on the development of a self-sustaining, decentralized finance system.
- **Productivity and competitiveness of domestic agriculture are declining.** Trade liberalization has exposed small-scale domestic producers to global competition, and market conditions are increasingly unfavourable for the traditional export crops (groundnut and cotton). In the framework of the West African Economic and Monetary Union (UEMOA), unrestricted movements of local products and the adoption of a common external tariff in 2000 reduced the competitiveness of local products against lower-priced imports of rice, potatoes and onions. Locally, farmers must also contend with weakly organized commodity sectors and markets, and with a general lack of access to information.

10. Generally speaking, although they assure most of the family's day-to-day spending, women have less access than men to credit, land, housing, extension services and factors of production. In addition to their productive activities (including crops and small ruminants), their work burden is increased by domestic duties involving obsolete, time-consuming technologies.

11. **The groundnut crisis.** Nearly 75% of the country's family farms grow groundnuts, the main source of cash income of rural dwellers. The subsector has been in serious crisis for some 15 years, due to a combination of erratic rainfall, low use of inputs, declining world prices and demand, and diminishing producer prices. These problems were aggravated by sudden state disengagement from part of the subsector. As the state marketing agency is to be privatized, producers must organize themselves to take up the slack. IFAD is actively supporting this process through the pilot Complementary Peanut Producers Support Programme (PROCAPA), funded by a Department for International Development (United Kingdom) (DFID) grant implemented in close collaboration with two ongoing IFAD-cofinanced projects: the Village Organization and Management Project – Phase II (POGV-II) and the Agroforestry Project to Combat Desertification (PAGF-II). While competition from lower-cost vegetable oils limits the prospects for an improvement on world markets, the outlook is better for snack-quality groundnuts, which could bring good returns to farmers.

12. **Assets.** Building on the traditional diversification of agricultural production, attempts are being made to develop products suitable to the various agro-ecological areas and for which markets have been

identified (e.g. fruits and vegetables, sesame, improved varieties of millet, sorghum and cassava). New markets are developing both locally and at the subregional level within the UEMOA free trade zone, also owing to harmonization of national agricultural policy within the union-wide agricultural policy. Farmers have also realized the need to defend their own interests and are forming organizations to secure their access to inputs and appropriate credit, facilitate marketing, etc. Although still in their infancy, these organizations are genuinely dynamic and already obligatory partners in local development. Thanks to strong apex organizations, farmers are increasingly recognized as stakeholders by government agencies and donors. Enhanced decentralization and expansion of the responsibilities devolved to local government can be expected to promote genuine participation of farmers' organizations in local development.

13. **Economic liberalization and empowerment of rural actors.** The agricultural sector structural adjustment programme (1995) called for a limited role for the state and liberalization of prices, as well as privatization of the production, financing and marketing of agricultural outputs. In 1999, the Government's decentralized rural development policy letter set forth a strategy through 2015: promotion of synergies among all rural actors, and of local development through institutional reforms related to decentralization; capacity-building of rural populations; and financing of decentralized development actions. Although there is no recent document setting forth agro-sylvo-pastoral development policy, a framework law now before the Parliament⁵ envisages the need to improve rural incomes and living standards (by promoting more intensive, diversified and sustainable farming practices); develop competitive agricultural entrepreneurship; and support the development of rural non-farm economic activities. The law makes provisions for granting equal rights to men and women, including the facilitation of women's rights to land and credit. Priority is also given to encouraging young people to undertake agriculture-based occupations. The National Agricultural Development Programme (PNDA) and the National Livestock Development Programme (PNDE), now being drawn up, should provide the direction for consultations and coordination of actions to implement the future framework law. Further, the plan to implement poverty reduction through sustainable management of natural resources and the environment, as envisaged by the Poverty Reduction Strategy Paper (PRSP), provides broad orientation for the period 2003-2005. With regard to natural resources management, the plan calls for strengthening management capacity and involving local actors; developing forestry and agroforestry resources; and controlling desertification through the replanting, protection and management of forests and watersheds.

14. **Support services under restructuring.** The Ministry for Agriculture and Water Resources Development is being restructured with a view to enhancing the focus on its public service mission: orientation of sector services and activities; and monitoring and coordination of agricultural development actions, regulation and control. Nine divisions at the national level are to provide agricultural policy guidance to regional rural development divisions (DRDR) in charge of translating agricultural policy into regional programmes and advising local governments on matters related to agricultural development. The parastatal National Agricultural and Rural Advisory Agency (ANCAR) was created in 2001 to establish a national advisory support network to respond to the demand of rural populations for services. Finally, there are plans to adapt the research institutions, enabling them to offer technological innovations that are both affordable and more appropriate to the needs of producers. The recently created Livestock Ministry is well represented at regional, department and village levels. Institutional strengthening is envisaged at the national level, where there is currently only one division.

C. Rural Poverty

15. **Over half the population is poor.** An estimated 58% of Senegalese households were living below the poverty level in 1994. Although the percentage had fallen to 54% by 2001 due to higher per capita incomes, the perception among households is that poverty has worsened: 65% of households consider themselves to be poor, and 64% see themselves as poorer today than five years ago.

⁵ (Projet de loi d'orientation agro-sylvo pastorale.)

16. **Most of the poor live in rural areas.** Poverty affects from 72 to 88% of the rural population. The most affected areas are in the centre, south and north-east, where production is essentially agricultural and undiversified. The high rural poverty is attributable to the vulnerability of agriculture to external shocks (erratic rainfall and deteriorating terms of trade), but also to unequal allocation of public investments.

17. **Rural poverty.** Although 70% of monthly expenditure is spent on food in rural areas, most households are unable to assure three meals per day. Access to health care is limited, as nearly 75% of all health workers are concentrated in the two major cities, Dakar and Thiès. Fortunately, the incidence of HIV/AIDS is still low, with only 80 000 people reportedly affected. This is in large part the result of an early and proactive reaction and commitment of the Government, which has developed an effective country-wide programme of information and prevention, with the support of the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the United States Agency for International Development (USAID) among others. Access to education is limited in rural areas, where the overall literacy rate is 24% as opposed to 57% in urban areas. Although 70% of all households have access to safe drinking water, there are great disparities among regions. Finally, rural households have less access to remittances from emigrant family members and more difficulty obtaining credit and gaining access to inputs and support services.

D. Constraints on and Opportunities for Rural Poverty Reduction

18. **Women seem to be more adaptable.** Women, particularly those who are not heads of households, have limited access to factors of production, information and education. Only 29% of women over 15 are literate, compared to 51% for men. Women also have more limited access to decision-making. Still, men heads of households are more likely to consider themselves poor (67%) than women (59%). This does not mean that women are less poor than men; more likely, whenever women have the opportunity to do so, they mobilize resources more effectively than men and use them more efficiently by addressing basic family needs.

19. **Importance of food crops.** The rural poor are mostly farmers or livestock owners. They plant more land to food crops than to cash crops, first because they have little land and give priority to feeding their families, but also because they lack the resources needed to buy improved seed, fertilizer and equipment. This situation, combined with low and erratic precipitation, leads to soil degradation and diminishing productivity, and hence to low incomes and high household consumption.

20. **Complementary non-farming activities.** Diversification can assure either additional supplies of food or a cash income with which to meet daily expenditures. The poorest households resort to the gathering of forest products, market gardening, small-scale trading, fattening of livestock, etc. Women play a fundamental role in cash generation and are often at the heart of family coping strategies. However, most non-farm activities, particularly crafts, require financial resources that the poor do not have, given their weak access to credit. Their alternative is to sell their main resource, their labour, as seasonal farm workers or domestic help in the cities. Rural out-migration is primarily a phenomenon of the young people, who are moving *en masse* to the cities, or even abroad. Solidarity networks have developed strongly over the past decade, and rising numbers of economic interest groups and women's groups offer a more sustainable response to the lack of stability.

21. **A weak economic and social context.** Agricultural growth is constrained by low productivity, limitations on exports, a lack of profitable alternatives to the groundnut crop, and fluctuating commodity prices. Both farmers and craftspeople are faced with a weak economic environment: lack of access to credit, weak advisory services, inadequate support infrastructure, difficulties in the supply of raw materials and inputs, narrow markets and low purchasing power. In the social environment, the rural areas are penalized by unequal distribution of investments.

E. National Strategy for Rural Poverty Reduction

22. The PRSP approved in December 2002 sets forth the Government's policy on poverty reduction and provides a framework for the formulation of sector policies. Its main **objectives** are to: (i) double per capita income by 2015, through strong, balanced, better-distributed growth; (ii) assure universal access to essential social services by accelerating the installation of basic infrastructure, and (iii) eradicate all forms of exclusion and establish gender equality.

23. **Four strategic thrusts** were defined: (i) **wealth creation**: as most of the poor earn their living from agriculture, the priority interventions focus on agricultural and livestock development, along with non-farm rural employment. Complementary measures focus on the creation of an enabling macro-economic environment, promotion of investments and exports, and improved access to credit; (ii) **capacity-building and promotion of basic services**: priority actions focus on improving the supply of social services (education, health care, safe water and sanitation), conservation and management of natural resources, and promotion of good governance; (iii) **improved living conditions for vulnerable groups**: the measures envisaged for particularly vulnerable groups (children, women, the elderly, youth) focus on facilitating their access to social services and boosting incomes by building up the capacity of community-level organizations to identify, prioritize and carry out their projects; and (iv) **participatory implementation and monitoring**: the instruments for implementing the PRSP comprise sector programmes and regional action plans. The monitoring system is based on partnership of all the stakeholders in development: central government and local administrations, civil-society organizations and the private sector. Coordination is assured by an inter-ministerial task force, working in collaboration with the national steering committee and several regional steering committees. A multi-level monitoring and evaluation (M&E) system is working under the poverty-reduction strategy monitoring unit within the Ministry of Economy and Finance.

III. LESSONS FROM IFAD'S EXPERIENCE IN THE COUNTRY

24. IFAD has financed ten projects in Senegal since 1979, for a total of USD 114 million. Following a decade of partnership that was limited by frequent changes in agricultural policy, cooperation resumed in 1992, with a series of three projects focused on village-level development. A second generation of six projects launched in the late nineties and currently ongoing, expanded geographic coverage to over half the national territory and added the new objective of supporting non-farm activities. A CPE was undertaken in 2002-2003 by IFAD's Office of Evaluation, which examined the cooperation between IFAD and Senegal since its beginning. The conclusions and recommendations were presented and discussed at a validation workshop in July 2003 that brought together representatives of all IFAD's partners in Senegal. The main lessons brought to light during the evaluation and the related recommendations were as follows:

- **Articulate the projects within a coherent programme.** Relations between projects exist, but they are poorly articulated, being neither part of a strategy designed to take advantage of complementarities nor a reflection of common objectives. To enhance its effectiveness, IFAD's cooperation in the future should be defined as an element of a coherent country programme within the framework of a national rural development policy. All projects should pursue the same strategic objectives in ways that combine local actions, alliances with national programmes and policy dialogue.
- **Enhance the approach to fighting poverty.** The existing approach to reaching the poor involves a priori identification of certain population categories or villages. The result is a geographical dispersion that does not facilitate the promotion of synergies among neighbouring villages with similar problems. Rather, the fight against poverty should be but one component of a broader approach to local development that focuses on the dynamics of impoverishment and involves the communities themselves in addressing the problem.
- **Strengthen the local development approach.** One of the strong points of existing projects is their direct focus on the villages and the use of participatory methods. They are,

however, limited to a few sectors of activity and rarely create a critical mass or an institutional platform strong enough to induce self-sustaining local development dynamics. In the future, projects should promote the development of synergies among sectors of intervention (agro-pastoral, microenterprise, financial services, infrastructure), interact with different levels of organization (rural communities, regions) and establish collaboration with all development operators that are present locally.

- **Promote the empowerment of farmers' organizations.** Farmers' organizations are highly dependent on the projects, through which most of their contacts with the outside world pass. Since projects are by definition time-bound, all interventions should envisage an exit strategy and strengthening of the capacities of actors that will remain. In particular, the institutional development of farmers' organizations can help structure the demand for services and hence organize supply better. Projects should also promote independent, self-sustaining relations between farmers' organizations and any local partners that may be able to provide needed services on a long-term basis.
- **Clarify the roles of rural organizations.** When building up organizational capacities, it is important to clearly define the roles and responsibilities of: (i) territorial organizations (CR and village organizations), whose aims are to further the common good and collective interests; and (ii) private-interest organizations such as economic interest groups, professional associations and apex organizations (e.g. the Local Consultative Mechanism for Farmers' Organizations (CLCOP)), whose objectives are economic or commodity-based.
- **Improve access to decentralized financial services.** Projects have engaged professionals to deliver and manage credit, limiting their role to one of support. Yet access to these financial services is by no means assured (due to poor loan recovery, inappropriate choice of financial operators and dependency on project funding) and the financial instruments established have not been effective. There is an urgent need to reflect on which mechanisms are most appropriate for enhancing access to financing by the rural poor.
- **Management of natural resources and agricultural production.** All the projects have a community-based approach to land-use management, yet there is little information available on the impact of this approach in terms of increased productivity of agriculture and livestock production, or of conservation of natural resources. Agricultural advisory services, research and development, and support to innovation seem to have been insufficient, and few results are documented. More appropriate approaches to enhancing the impact of projects on increased, sustainable productivity will need to be sought.
- **Strengthen the instruments for strategic guidance.** The existing mechanisms for internal evaluation, which focus on quantitative measurement of results, fail to capture the impact of actions and seldom involve participation by the actors. A participatory M&E system that also follows the evolving economic and institutional context would allow projects to fulfil their role of strategic guidance and to adapt their interventions to the needs of rural populations.

IV. STRATEGIC FRAMEWORK FOR IFAD

A. IFAD's Strategic Niche and Proposed Thrusts

25. **IFAD-Senegal Cooperation Programme.** The programme is designed so as to: (i) propose a coherent set of diverse projects (loan and grant projects and regional and corporate initiatives); (ii) fit within the framework of Senegal's main agricultural and rural policy directives and IFAD's priorities for the reduction of rural poverty; (iii) pursue common objectives within a common strategic approach; and (iv) promote development of local interventions, which serve as the basis for learning and dialogue on national policies. The design should foster harmonization of approaches, development of exchanges and synergies among projects, and generation of an overall impact that is greater than the sum of that generated by each project individually. The programme builds on the achievements of ongoing projects and the lessons learned during almost twenty years of experience. It is designed to comply with the

strategic framework defined by the PRSP, particularly with regard to the latter's "wealth creation" and "capacity-building and basic services" thrusts. It also complies with the expected orientations of the framework law on agro-sylvo-pastoral development, and with the consultation and coordination approach envisaged for the PNDA. Finally, it addresses IFAD's objectives with regard to the reduction of rural poverty in western and central Africa through: (i) building the capacities of the rural poor and their organizations; and making rural development policy and institutions more supportive of the poor; (ii) boosting the productivity of farming and natural resources and improving access to technology; (iii) raising rural incomes by improving access to capital and markets; and (iv) reducing vulnerability to the main risks affecting rural livelihoods.

26. **Geographic coverage and targeting.** Ongoing operations cover a large part of eight of Senegal's eleven regions (Thiès, Fatick, Diourbel, Louga, Kaolack, Matam, Tambacounda, Kolda) – about half the territory of Senegal. The four ongoing, area-based local projects – Village Management and Development Project (PADV), PAGF-II, POGV-II, Agricultural Development Project in Matam – Phase II (PRODAM-II) – are at early stages of implementation. Thus the programme will continue to operate in those areas, where it will seek to consolidate the results of ongoing projects and expand outreach, as recommended by the CPE. It will further concentrate on developing effective linkages between the local projects and wider programmes, institutions and policies. Within each intervention area, projects will try to concentrate their activities in adjacent geographical zones in order to create synergies by taking advantage of both the diversity of potential and the actors available locally. The existing targeting method will be made more inclusive and more dynamic. Poverty reduction will be entrusted to local actors, due to their better knowledge of the causes and dynamics of impoverishment and vulnerability, and of the coping strategies of the poorest groups. The latter should be involved, in collaboration with other local actors, in identifying the products and activities most suitable for addressing their constraints.

27. **Programme goal.** IFAD's overarching goal in Senegal is to contribute to achieving the Millennium Development Goals (MDGs), particularly MDG-1, which is to reduce poverty by half by the year 2015. The goal of the proposed country programme is to improve the livelihoods of the rural poor employing a gender-equity perspective. Based on the full achievement of ongoing projects' objectives (the high-performance scenario), it is anticipated that IFAD's programme will help reduce the number of rural people living in poverty in 2000 by 8% by the year 2008 (see Appendix VII for estimation details).

28. The **specific objectives** of the programme are the following:

- **Objective 1: Strengthen the capacities of the rural poor and their organizations** to assume their responsibilities autonomously, play an active part in decision-making on local development, and forge partnerships with other rural actors at both local and regional levels (financial and technical services, commodity-sector actors, other projects). The roles of two categories of rural organizations should be distinguished: (i) **farmers' organizations**, to be strengthened and enabled both to provide members with needed services and to join relevant apex organizations; and (ii) **CR and village organizations**, to be strengthened and enabled with a view to integrating village organizations into their rural communities and village-level actions into local development plans. Projects will help farmers' associations enter existing decision-making frameworks (CLCOP, farmers' unions and federations). They may also support any new farmers' initiatives that could become self-sustaining (e.g. the Kaolack Council of Groundnut Producers, established with support from POGV-II; or the local Consultative Technical Committee developed under the Rural Micro-Enterprises Project (PROMER)). They will pay special attention to women's participation in decision-making within farmers' organizations and local consultative bodies. Support will also be provided to other local and regional development actors so as to facilitate their participation in decision-making on local development and the emergence of new partnerships.

- **Objective 2: Increase the returns to rural economic activities.** IFAD will support the development of productive activities in four main areas: (i) **widening the range of local productive activities** in the light of the specific potential of each intervention zone, local actors will be assisted in seeking out production niches for which there is a market and in fostering the emergence, structuring and development of small-scale commodity subsectors in crops, livestock, forestry and non-farm activities. In this area, projects will promote agro-processing activities that can open up new markets and increase local value-added; (ii) **access to appropriate technology:** more emphasis will be placed on updating technical options, and on the accessibility, production and dissemination of appropriate technologies that can improve both the quantity and quality of production. Priority will be given to participatory research and to involving farmers in identifying and developing solutions that respond better to their needs; (iii) **sustainable natural resource management:** projects aimed at boosting agricultural production will continue to assist farmers in integrating natural resource conservation and management concerns into their farming practices. A study will be carried out on the impact of the community-based management approach adopted to date, with a view to identifying any necessary adjustments. Sustainability will be enhanced through a participatory approach that associates long-term concern for conservation of natural resources with the immediate concerns of farmers; and (iv) **infrastructure development:** IFAD will continue to support improvements in rural social and productive infrastructure. Coordination of the village development projects not only with the National Programme for Rural Infrastructure (PNIR), but also with other infrastructure projects, will be substantially strengthened in order to build on complementarities and harmonize interventions. Generally speaking, priority will be given to productive infrastructure (feeder roads, storage, irrigation and water management) and to contracting local microenterprises and tradespeople for implementation.
- **Objective 3: Improve access to markets and financial services.** IFAD will promote market access of the rural poor by improving their knowledge and understanding of marketing opportunities, promoting their products, and facilitating the organization of markets and collection/distribution channels. It will also support the self-sustaining provision of appropriate financial services to rural populations by improving the professional skills of operators and helping them adapt their range of financial products to the needs of the rural poor. Finally, IFAD projects will improve producers' access to information, particularly with respect to the supply of quality inputs, markets and prices, subsector organization, access to training, advisory and financial services, national and international standards and regulations.

29. The programme will also implement the three **cross-cutting approaches** recommended by the regional strategy for western and central Africa: investing in women; enhanced participation; and building on indigenous knowledge (see Appendix IV).

B. Main Opportunities for Innovation and Project Interventions

30. **Promote the dynamics of local development.** Inspired by the approach of PRODAM⁶ in the Matam region, and on the basis of the orientation of harmonized local development plans, local actors will be invited to draw up development strategies based on local potential for the local economy. These strategies will define the strategic thrusts, identify opportunities for synergy among different types and levels of intervention, and develop partnerships among local actors. In accordance with the legal framework for decentralization, the CR is the entry level for developing these strategies, which will be implemented in the villages. As few problems can be fully resolved at the community level, projects will also assist local actors in gradually involving regional actors.

⁶ Based on organizations that are or can be permanent, and on partnerships with local actors (banks, national agricultural credit banks (CNAs), non-governmental organizations (NGOs), public services, rural communities).

31. **Support the consolidation and development of local agriculture and livestock commodity chains (*filieres*).** To boost producer incomes and profitability, the programme will promote the development of *filieres*, exploiting a local development approach (to identify product and market niches), defining appropriate development strategies and promoting their implementation in partnership with interested local actors, particularly the private sector (individually and in association). Emphasis will be placed on developing high-value-added products, including organic and fair-trade products. Financial assistance (credit and non-financial products) will be combined with the strengthening of production infrastructure (roads, storage, irrigation and water) and enhancement of the professionalism of producers and their organizations (especially in production techniques, marketing, organization of collection and distribution circuits, smoothing of supply flows, organization of *filieres* and relations with subsector actors, outreach to regional, national or foreign partners, etc.)

32. **Consolidate and enhance the impact of ongoing projects.** The activities of ongoing village development projects will be adapted to comply with the local development focus presented in this COSOP. In particular, links between the villages and higher levels will be strengthened by helping village-level structures join the CR-based institutional framework, especially the rural councils and the CLCOP, where there is one. Project support to the promotion of productive income-generating activities will be strengthened along the lines explained above.

33. **Support to small-scale rural entrepreneurs.** PROMER's approach to fostering the structuring of small-scale, non-farm *filieres* will be continued, with care being taken to strengthen the links with agriculture by promoting agro-processing and the production of goods and services needed by farmers (tools, equipment). Special attention will be given to the development of permanent business advisory services. These activities will probably cover small and medium-sized rural enterprises (not only microenterprises), most of which are labour intensive and represent a market for farm products.

34. **Rural finance.** Lack of access to rural financial services remains a major obstacle to any increase in rural incomes. The programme will propose ways to lift this constraint by enhancing both the professionalism of operators and the development of appropriate products. It will identify the best approach to creating a unit that can service all the projects (with a technical assistance grant or through PROMER's second phase), thereby reinforcing their performance in this area.

35. **Innovations.** Several are introduced in this COSOP. The following are particularly worthy of mention: (i) development of a coherent country programme made up of a broad range of mutually complementary projects and activities, both horizontally (local level) and vertically (village, CR, regional and national levels), under a single local development approach; (ii) establishment of a consultative mechanism for bringing together all programme stakeholders, including small farmers' apex organizations and an IFAD field-support manager, who will serve as a resource person, in a process of common learning for programme implementation and for policy dialogue fuelled by the implementation experience; and (iii) creation of a single M&E system for the whole programme.

36. **Field experience and learning.** Projects co-financed by IFAD have enormous potential for experimenting with new approaches that can contribute more effectively to dialogue on poverty-reduction policies. These interventions will be organized around two poles: (i) **a programme M&E system** that can guide programme implementation, promote the development of synergies, and capitalize on and disseminate proven methodologies for combating rural poverty. This system will be related to the monitoring of PRSP, PNDA and PNDE implementation, both at regional and national levels. It will be associated with a strategy and instruments for communicating and disseminating the experiences acquired and will thus enrich policy dialogue with both the Government and farmers' organizations; and (ii) **a mechanism for close consultation between IFAD and its Senegalese partners**, situated at the national level. Its role will be to facilitate programme orientation, foster synergies and complementarities, harmonize project methodologies, and contribute to shared reflection on the effectiveness of collaborations, validity of shared objectives and relevance of methods. The mechanism could include the following: a single steering committee or focal point for all the projects; thematic committees (e.g. rural finance, micro-enterprises, marketing); an outreach function that could

be entrusted to government structures and farmers' organizations; and electronic networking of projects and partners (possibly integrated with the regional framework of FIDAFRIQUE, an internet-based network of organizations and projects dedicated to fighting rural poverty in Western and Central Africa).

C. Outreach and Partnership Possibilities with NGOs and the Private Sector

37. IFAD's ongoing projects work extensively with local NGOs that have the specialist skills needed for project implementation. The recommended local development approach will continue to reinforce this practice, promoting the exploitation of all locally-available expertise and the development of complementarities and synergies among local actors. The role of local, regional and national farmers' organizations in the development, implementation, and M&E of the programme will be considerably strengthened following the orientations outlined above.

D. Opportunities for Linkages with Other Donors and Institutions

38. The proposed local development approach, taking advantage of available local expertise and seeking out complementarities, will foster good relations with projects funded by other donors. In particular, IFAD projects will seek harmonization with the Agricultural Services and Producer Organizations Programme (PSAOP), co-financed by the World Bank, and will continue to call on the instruments established with its support (CLCOP, the national fund for research on agriculture and food and ANCAR). The Government will take the necessary steps to harmonize beneficiary contribution rates under the various projects. Meanwhile, the rates applied under IFAD-financed projects will be harmonized. Complementarities will also be sought with the projects that support decentralization by funding small local investments in the zones where IFAD is active. The projects include those funded by French bilateral aid (Tambacounda, Kolda), and others funded by the United Nations Capital Development Fund/United Nations Development Programme (UNCDF/UNDP) and the German Credit Institution for Reconstruction (KfW). Further linkages may also be developed with UNDP, which is financing a poverty-reduction programme based on the installation of microprojects in Tambacounda and Diourbel. Collaboration should also be sought with other bilaterals such as the Canadian International Development Agency (CIDA), which is actively involved in supporting microfinance and microentrepreneurs that target the poor and women, and USAID, which supports private-sector development, local governance and a large HIV/AIDS programme.

39. IFAD is **cofinancing** PNIR with the World Bank. However, the Fund is only marginally involved in monitoring this project and, as its share of funding is relatively small, it is not in a position to influence project orientation. Opportunities for new cofinancing with the World Bank under the second phases of PNIR and PSAOP will be examined. In such cases, however, IFAD participation in the follow-up of implementation must be assured. IFAD is currently cofinancing three projects with the West African Development Bank (BOAD), and the partnership needs to be reinforced, particularly regarding the respective roles of the partners in the support to project implementation and supervision.

40. Potential linkages will be sought with the programme to revitalize the **groundnut subsector**, which is cofinanced by the European Union, in particular to take advantage of PROCAPA experience in organizing farmers and the subsector as a whole.

41. To enhance the visibility and impact of its programme, IFAD will join the dynamic **Donors Thematic Group on Rural Development and Food Security**, which is regularly consulted by the Government and represents an important tool for reinforcing synergies among donors active in this sector and for furthering policy dialogue.

E. Areas for Policy Dialogue

42. To enable IFAD to enter more effectively into policy dialogue, a series of processes will need to be put in place. The establishment of a consultation mechanism including small farmers' apex organizations will capitalize on project experience at the local level, and thus link the operational level of projects more closely with central policy-making. In addition, IFAD's participation in the donors thematic group should give its programme more visibility and exposure. Finally, IFAD's recruitment of a field-support manager in Senegal, in the framework of the IFAD Field-Presence Pilot Programme, and the establishment of the regional multi-donor hub in Dakar (see sections F and G) will bring IFAD closer to its partners and facilitate policy dialogue.

43. In supporting government implementation of the new framework law for agro-sylvo-pastoral development, IFAD will concentrate its policy dialogue efforts for the coming years in two areas in which it has a clear comparative advantage. Building on its rich experience in the field and its fruitful partnerships with small farmers' apex organizations, IFAD can effectively contribute to policy dialogue in the areas of **decentralization and demand-driven services for poor farmers** by assisting in establishing linkages between the grass-roots village level and regional and national levels. The experience acquired in this respect, particularly with regard to the promotion of consultations between local actors and the preparation of development strategies based on local skills and resources, will help operationalize the regional agricultural development programmes prepared under PNDA.

44. IFAD will also contribute through the development and testing of innovative methodological approaches to mainstreaming the extremely poor. Neither the draft agro-sylvo-pastoral legislation nor PNDA make specific provisions for addressing the constraints of the poorest farmers. IFAD will develop and test an inclusive approach whereby the communities themselves will be invited to assist these farmers in entering mainstream economic circuits.

F. Action Areas for Improving Portfolio Management

45. Implementing the programme's orientations and enhancing its impact will call for some adjustments to portfolio management: (i) **more flexible project design**: rather than lay down a pre-established programme of activities, project arrangements should be flexible and easily adapted to a varied and changing environment and to evolving demand. The long delays that may occur between project design and start-up constitute sufficient justification for revising the initial design at start-up. Any urgent or priority actions identified by the beneficiaries, within the limits of the project framework, should also be accommodated; (ii) **gender based approaches**: accompanying measures are needed to promote gender mainstreaming. Women need to be integrated into the dynamics of development and their participation in decision-making increased within farmers' organizations and local consultative bodies. Possible measures include the definition of strategies based on the results of gender analysis, training for project staff members and partners and the recruitment of women as staff of the support services; (iii) **a longer-term perspective**: project management units (PMUs) should have clear exit strategies from the outset. They should focus on enabling farmers' organizations and other local actors and empowering them throughout the life of the project. A frame of reference common to all projects should be established in order to clearly define the role and responsibility of the PMUs and the diverse partners (e.g. farmers' organizations, public services and service providers) and to further the gradual integration of project support functions into permanent public and private structures; (iv) **participation of farmers' organizations and locally elected officials in guiding implementation**: they should be represented in sufficient numbers within the consultation mechanism and be encouraged to take charge of certain responsibilities within it; (v) **strengthening IFAD's presence in Senegal**: in the context of a pilot initiative launched by IFAD with a view to bringing IFAD physically closer to the field, thus enhancing both partnerships and the impact of operations, an IFAD field-support manager will be recruited to help support implementation of the IFAD/Senegal cooperation programme; and (vi) **strengthening support to implementation to enhance the impact of field operations**: this includes but is not limited to greater effectiveness in supervision, and should provide genuine support to implementation of the projects. It should therefore address not only management and the monitoring of

results, but also the technical, strategic and methodological issues, as part of a strong partnership with cooperating institutions (e.g. BOAD and the World Bank), and with greater involvement of IFAD and local partners such as farmers' organizations and NGOs. The respective roles of all involved will be clarified accordingly.

46. **IFAD debt servicing** in Senegal has not been problematic; payment has been made promptly by the Government. However, based on its overall debt burden, Senegal was declared eligible for the Debt Initiative for HIPC and a 2.4 million Special Drawing Rights (SDR) relief contribution was approved by IFAD in 2000, to be mobilized at completion point. After delays due mainly to the slow privatization process, this point is now foreseen for mid 2004. In light of export revenue deterioration and increased borrowing during the interim period, a top-off at completion point will most likely be necessary.

G. Tentative Lending Framework and Rolling Programme of Work

47. Given the overall performance of Senegal over the last decade compared to other countries in the region, and in line with the recommendation of the CPE, it is proposed to maintain the Fund's commitments at the levels recorded over the past ten years, i.e. a lending envelope of USD 20-30 million for the five-year period covered by this COSOP. A series of complementary activities financed through grants will also be carried out, and the programme will benefit from a number of IFAD regional and corporate initiatives. The allocation will be further refined within the now-approved Performance-Based Allocation System (PBAS). In addition, a review of the COSOP will be conducted early in the third year to take stock of achievements and constraints in the implementation of the proposed strategy. On this occasion, progress made in the formulation of the agricultural-sector policy framework will be assessed, and the modalities of its implementation, together with the role and place given to farmers' organizations, will be closely examined. Based on the conclusions of this review, the strategy as well as the programme scope and size will be adjusted accordingly.

48. The ongoing portfolio comprises six loan-financed investment projects. IFAD proposes to fund two additional loans in support of the following projects:

- (i) **Phase II of PROMER (Phase I is due to close early in 2005).** The project will be extended for a second phase focusing on support to those subsectors with strong potential and on the development of self-sustaining business advisory services; the project area will be expanded to the whole of IFAD's intervention zone. The possibility will be examined of attaching the autonomous unit to this project – the unit will provide rural-finance technical assistance to all ongoing projects;
- (ii) **A project to support the consolidation and development of *filières*.** This project will seek to create an enabling environment for agricultural and livestock development through the implementation of local development approaches. It will combine interventions in financing, productive infrastructure and support aimed at enhancing the professionalization of farmers. The project will be formulated jointly with the Government and farmers' organizations, with a view to best adapting its interventions to producer needs.

49. **Other activities and operations** that could reinforce certain elements of the loan programme, with a focus on Senegal or the subregion, include the following:

- **Cross-cutting initiatives (studies and workshops)** that would contribute to the creation and strengthening of a successful programme include: (i) a study on the effects of the community-based, land-use management approach to agricultural productivity and the management of natural resources and incomes, aiming to enhance the performance of village development projects; (ii) a participatory learning exercise on the dynamics of vulnerability and impoverishment, aiming to refine methodologies and instruments appropriate to the circumstances of the extremely poor; (iii) methodological support aimed at harmonizing the approaches to village development within the institutional context of decentralization; (iv) a proposal on the M&E systems and consultation mechanisms of IFAD and its partners; (v) preparation of a common frame of reference for all projects,

specifying the missions of PMUs and partners; and (vi) a workshop on responsive project management and team-building for project teams and their partners.

- **Establishment of an autonomous rural finance unit.** If it is decided not to integrate this unit with PROMER-II, the required funding will be sought through a technical assistance grant or supplementary funds.
- **Continuation of PROCAPA, possibly under DFID funding.** After evaluation of the first phase of the project in early 2004, the advisability of a second phase will be assessed. Further funding will be sought until longer term cofinancing can be obtained.
- **Partnership with NGOs.** At least two new grants will be developed to strengthen partnership with NGOs and civil society and to foster innovation under the programme. The first such NGO grant in 2004 will contribute to the promotion of organic agriculture.
- **FIDAFRIQUE.** The Internet system being set up to promote direct exchanges among projects and partners will facilitate the sharing of information and experiences and will foster learning.
- **Other subregional initiatives.** Senegal will also benefit from a number of subregional initiatives funded by IFAD: (i) the African Network for Horticultural Development (RADHORT) to promote vegetable gardening and marketing; (ii) support for the Networking of Farmers' Organizations and Agricultural Producers in Western Africa (ROPPA), in which the Senegalese apex farmers' organizations are at the forefront, voicing the concerns of farmers in UEMOA as well as in other regional and international forums; (iii) support for implementation of IFAD's new practical guide for project M&E; (iv) the regional rural-finance support project, to assist implementation of the IFAD rural-finance regional strategy; (v) the training programme in management capacity-strengthening for IFAD project teams; and (vi) the regional multi-donor hub for policy dialogue on pro-poor rural development.

APPENDIX I

COUNTRY DATA

SENEGAL

| | | | |
|--|-----------------------|---|---------|
| Land area (km² thousand) 2001 1/ | 193 | GNI per capita (USD) 2001 1/ | |
| Total population (million) 2001 1/ | 9.77 | GDP per capita growth (annual %) 2000 1/ | |
| Population density (people per km²) 2001 1/ | 51 | Inflation, consumer prices (annual %) 2001 1/ | |
| Local currency | CFA Franc BCEAO (XOF) | Exchange rate: USD 1.00 = | XOF 662 |
| Social Indicators | | Economic Indicators | |
| Population (average annual population growth rate) 1995-2001 1/ | 2.7 | GDP (USD million) 2001 1/ | 4 645 |
| Crude birth rate (per thousand people) 2001 1/ | 36 | Average annual rate of growth of GDP 1/ 1981-1991 | 2.8 |
| Crude death rate (per thousand people) 2001 1/ | 13 | 1991-2001 | 4.3 |
| Infant mortality rate (per thousand live births) 2001 1/ | 79 | Sectoral distribution of GDP 2001 1/ | |
| Life expectancy at birth (years) 2001 1/ | 52 | % agriculture | 18 |
| Number of rural poor (million) (approximate) 1/ | 3.9 a/ | % industry | 27 |
| Poor as % of total rural population 1/ | 40.4 a/ | % manufacturing | 17 |
| Total labour force (million) 2001 1/ | 4.38 | % services | 55 |
| Female labour force as % of total 2001 1/ | 43 | Consumption 2001 1/ | |
| Education | | General government final consumption expenditure (as % of GDP) | 10 |
| School enrolment, primary (% gross) 2001 1/ | 75 a/ | Household final consumption expenditure, etc. (as % of GDP) | 78 |
| Adult illiteracy rate (% age 15 and above) 2001 1/ | 62 | Gross domestic savings (as % of GDP) | 12 |
| Nutrition | | Balance of Payments (USD million) | |
| Daily calorie supply per capita, 1997 2/ | 2 487 | Merchandise exports 2001 1/ | 1 080 |
| Malnutrition prevalence, height for age (% of children under 5) 2001 3/ | 19 | Merchandise imports 2001 1/ | 1 510 |
| Malnutrition prevalence, weight for age (% of children under 5) 2001 3/ | 18 a/ | Balance of merchandise trade | -430 |
| Health | | Current account balances (USD million) | |
| Health expenditure, total (as % of GDP) 2001 1/ | 5 a/ | before official transfers 2001 1/ | -545 a/ |
| Physicians (per thousand people) 1999 1/ | n/a | after official transfers 2001 1/ | -320 a/ |
| Population using improved water sources (%) 2001 3/ | 78 | Foreign direct investment, net 2001 1/ | 142 a/ |
| Population with access to essential drugs (%) 1999 3/ | 50-79 | Government Finance | |
| Population using adequate sanitation facilities (%) 2001 3/ | 70 | Overall budget deficit (including grants) (as % of GDP) 2001 1/ | -2.0 |
| Agriculture and Food | | Total expenditure (% of GDP) 2001 1/ | 22 |
| Food imports (% of merchandise imports) 2001 1/ | 27 | Total external debt (USD million) 2001 1/ | 3 461 |
| Fertilizer consumption (hundreds of grams per ha of arable land) 2000 1/ | 192 | Present value of debt (as % of GNI) 2001 1/ | 53 |
| Food production index (1989-91=100) 2001 1/ | 137 | Total debt service (% of exports of goods and services) 2000 1/ | 13 |
| Cereal yield (kg per ha) 2001 1/ | 879 | Lending interest rate (%) 2001 1/ | n/a |
| Land Use | | Deposit interest rate (%) 2001 1/ | n/a |
| Arable land as % of land area 2000 1/ | 12 | | |
| Forest area as % of total land area 2000 1/ | 32 | | |
| Irrigated land as % of cropland 2000 1/ | 3 | | |

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* CD Rom 2003

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2003



LOGICAL FRAMEWORK

Senegal Country Programme 2004-2008

| | Narrative Summary | Objectively Verifiable Indicators ^a | Sources of Verification | Assumptions |
|-------------------|---|---|---|--|
| GOAL | Improve the livelihoods of the rural poor with a gender-equity perspective in rural Senegal | <ul style="list-style-type: none"> * Number of households that have improved food security (increased number of meals per day, length of 'hungry season') * Increase in household assets (productive assets, bicycles, radios, improved housing) * Reduction in the prevalence of child malnutrition | Impact-assessment household surveys | |
| OBJECTIVES | <p>1. Strengthen capacities of the rural poor and of their organizations</p> <p>2. Increase productivity of rural economic activities</p> <p>3. Improve access to markets and to financial services</p> | <ul style="list-style-type: none"> * Number of people belonging to organizations (by gender) * Number of operational organizations * Number and types of partnerships established by organizations * Rate of satisfaction of members of farmers' organizations (by gender) * % of community infrastructure committees operating a maintenance fund * Increase in productivity/yields * Increase in new productive activities (by gender) * Number of new enterprises operating after three years (by gender) * Number of jobs generated by small and medium enterprises (by gender) * Increase in marketed surpluses * Number of producers accessing credit/other financing facilities * Percentage of operating cost/loan portfolio of microfinance institutions | <p>Progress reports Supervision reports Impact surveys Contracts for provision of services Satisfaction surveys</p> <p>Progress reports Project-level impact studies</p> <p>Progress reports Project-level impact studies Microfinance-institution statistics</p> | <p>National policies for rural development and decentralization favour participatory democracy and pro-poor approaches</p> <p>Local stakeholders are willing and able to address the needs of poorer groups and to participate in the formulation and implementation of appropriate strategies</p> <p>Improved technologies are available Projects funded by other donors willing to coordinate in the framework of a local development approach Microfinance institutions are available in programme area</p> |
| OUTPUTS | <p>Effective contribution to policy dialogue on rural poverty reduction based on the capitalization of field experiences</p> <p>PMUs have developed and implement exit strategies through the empowerment of local stakeholders</p> | <ul style="list-style-type: none"> * Number and quality of reports produced by programme M&E system * Number of innovative pro-poor approaches developed by programme and promoted by government at the local or national level * Number of effective local partnerships developed * Number of contracts passed directly between partners of IFAD projects * Number and type of PMU functions transferred to local partners | <p>Communications on programme achievements and methods Minutes of policy dialogue meetings National/local regulations and instructions</p> <p>National and agricultural statistics Programme M&E system reports</p> | <p>Continuous government commitment to poverty alleviation and decentralization</p> <p>Agricultural-sector policy is developed and implemented, with strong role for farmers' organizations</p> <p>Resources for rural development are available locally in a timely and efficient manner</p> |

2

| | Narrative Summary | Objectively Verifiable Indicators ^a | Sources of Verification | Assumptions |
|--|--|---|---|--|
| | <p>1.1 and 3.1 Farmer/producer organizations (OPs) capabilities are strengthened to defend the interests of their members, including women</p> <p>1.2 Local governance institutions (e.g. CR, Comité villageois de développement) effectively undertake collective action</p> <p>2.1 Water resources are sustainably mobilized and managed in IFAD programme area</p> <p>2.2 Demand-driven advisory services are provided to small farmers</p> <p>2.3 and 3.2 Income sources of the poor are diversified</p> <p>3.1 Existing rural financial institutions have developed services, and products are adapted to the needs and capacity of the rural poor in IFAD programme area</p> <p>3.2 Market and storage infrastructure is put in place in IFAD programme area</p> <p>3.3 New, promising markets are identified, and effective access strategies developed</p> | <ul style="list-style-type: none"> * % of women in decision-making bodies of OPs * Degree of satisfaction of members for services rendered by the OP (by gender) * number of new, functional local apex organizations * Number of local development plans developed and implemented * Amount of resources mobilized by CR * Ha irrigated * % of functional maintenance committees * % increase in production * Number and types of demands for services reaching ANCAR * Degree of satisfaction of members for services rendered (by gender) * Number of new <i>filières</i> developed * % of income coming from non-agricultural sources (by gender) * Number and value of loans made, disaggregated by gender * Repayment rate remains above 95% * Km of feeder roads * Number of new cereal banks * Number of contracts passed between OPs and buyers | <p>Beneficiary reporting</p> <p>CR and regional statistics Programme M&E system reports Beneficiary reporting</p> <p>Agricultural statistics, programme periodic reports</p> <p>CR and regional statistics Programme M&E system reports</p> <p>Beneficiary assessments Periodic surveys and programme M&E reports Agricultural statistics</p> <p>Thematic evaluation/ household surveys Rural finance system periodic reports Ministry of Finance and Economy (AT-CPEC) thematic reports</p> <p>National and agricultural statistics, programme progress report, <i>Chambre de Commerce</i> bulletins</p> | <p>The agricultural framework law is implemented and includes provision for land-tenure issues</p> <p>Conducive environment for private-sector investments</p> |

^a Indicators taken from the newly approved Framework for a Results Management System for IFAD-Supported Country Programmes.

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

| Priority Areas | Affected Groups | Major Issues | Actions Needed |
|--|---|---|---|
| Irregular and insufficient rainfall | Smallholders cultivating traditional rainfed crops | Low rainfall of latest years has led to significant decrease in agricultural productivity and disappearance of groundnut seed stocks (main cash crop). Larger percentage of crops is consumed. Food security and purchasing power decrease. Market for off-farm enterprises shrinks | Develop appropriate technologies to mitigate risk Diversify production and alternative income sources Develop irrigation schemes where feasible |
| Degradation of natural resources | Small farmers cultivating rainfed crops, herders and livestock breeders | Population growth and decreasing rainfall have caused soil overexploitation, suppression of fallow and declining fertility | Develop rational use and management of natural resources, in connection with support to income generation |
| Insufficient support services | All groups | State withdrawal and precipitous restructuring of agricultural sector have led to insufficient access to technical services, agricultural inputs and markets. This has caused a significant decrease in the use of fertilizers and of improved seed, as well as a return to traditional practices that aggravate soil degradation | Strengthen organization of farmers Develop organization of commodity chains at local level Develop farmers' organizations ability to establish partnerships with service providers |
| Uneven distribution of public investment | Rainfed areas | Public investments are concentrated in Senegal river area. Rainfed areas, especially in centre and west, are poorly equipped and landlocked | Support local development strategies and plans at rural community and regional levels |
| Low private investment | All groups | Low income and lack of access to financial markets limit farmers' investment capacities and possibilities of agricultural intensification | Develop decentralized financial services and financial products adapted to the needs of the rural poor Support development of non-financial products Support farmers' organizations (FOs) willing to extend financial services to their members |
| Lack of access to markets | All groups | Liberalization of commercial exchanges and new WAEMU regulations affect the competitiveness of small farmers. Traditional export crops face unfavourable market conditions. Local markets are poorly organized and farmers lack market information | |
| Women's lack of access to productive factors | All groups | Women have limited access to land and housing, education, extension and financial services. Domestic workload and use of obsolete technologies aggravate already significant workload. Compounded by severe illiteracy | |

| Organization | Strengths | Weaknesses | Opportunities/Threats | Remarks |
|---|--|--|--|--|
| Ministry of Agriculture and Hydraulics (MAH) | Regional directions are focusing on poverty reduction | Limited number of qualified staff because of low wages and competition from specialized public agencies with more attractive wages Lack of clear sector strategy Inability to formulate and pilot regional agricultural development strategies Limited coordination with MEPN except at local level | Opportunities World Bank-funded project (PSAOP) supports MAH restructuring and institution-building Threats Risk of staff leaving due to low wages | Participates in formulation of local development strategies Participates in and facilitates policy dialogue |
| Ministry of Livestock (ML) | Good representation network at local level (regional, department and rural community inspections) | New poorly developed central organization with limited number of staff and capacities | Opportunities ML is in process of defining a sector strategy. Tentative priorities include support to women and small-scale livestock breeding IFAD-funded PADV is one of few projects executed by ML and can become source of expertise and methodological development | Provision of capacity-building assistance through local network with project support Participates in formulation of local development strategies Participates in and facilitates policy dialogue |
| Ministry of Environment and Protection of Nature (MEPN) | Good representation of forestry services from regional down to village level | Limited capacity to formulate and pilot strategies | Opportunities Supports linkages between income-generation and better management of natural resources Threats Limited coordination with MEPN except at local level | Provision of capacity-building assistance through local network with project support Participates in formulation of local development strategies Participates in and facilitates policy dialogue |
| Local governments | Range of decentralized competencies, including local planning, local development and management of natural resources | Limited base of financial resources Limited capacity of local authorities | Opportunities Several donor-funded projects support capacity-building of local authorities and provision of social infrastructure Threats Lack of financial resources and capacity hampers promotion of citizen participation in decision-making | Offer venue and tools (local development plans) for coordinating interventions at local level and develop public/private linkages Participate in formulation of local development strategies |

| Organization | Strengths | Weaknesses | Opportunities/Threats | Remarks |
|----------------------------------|---|---|--|---|
| Farmers' organizations (FOs) | Numerous and dynamic FOs Increasing number of FO coordination structures exist at local level (<i>cadres locaux/régionaux de concertation des organisations de producteurs</i>) Increasing organization at regional/national level (apex organizations) and around commodity chains | Insufficient linkages between national and local levels Incipient capacity at local level Illiteracy Limited financial resources | Opportunities FOs are recognized partners of local development With support from the World Bank, research and extension are adapting to FO demand Threats Existence of extension services is contingent on World Bank funding Abrupt withdrawal of state from functions of direct execution Lack of access to financial services | Main IFAD partner to develop economic activities and to channel technical and capacity-building assistance Participate in formulation of local development strategies Participate in and facilitate policy dialogue |
| Microfinance institutions (MFIs) | Large pool of MFIs across the country | Uneven distribution in rural areas because of cost and limited potential Insufficient adaptation of services to rural poor demand | Opportunities Political determination to support MFIs Interest of FOs in developing financial services Threats Regular write-off of borrowers' debts for political reasons | Participate in formulation of local development strategies Extension of financial services in project areas |

IFAD'S CORPORATE THRUSTS AS RELATED TO THE PROPOSED COUNTRY PROGRAMME**Strategic Thrusts**

The programme is in line with IFAD strategic thrusts to build the capacities of the rural poor and their organizations, universalize access to natural resources and technology and improve access to financial services and markets. It is also in tune with IFAD regional strategy objectives to build capacity, boost agricultural productivity and access to technology, and improve access to capital and markets. Given the country's low prevalence of HIV/AIDS, it was not deemed necessary to include a specific objective in this area, but awareness-raising activities may be carried out under the various projects or through IFAD/NGO Extended Cooperation Programme grants.

Cross-Cutting Issues

The programme will implement the three cross-cutting approaches recommended by the regional strategy for western and central Africa:

- (i) **Investing in women.** While the programme will not finance projects exclusively for women, an emphasis will be placed on adopting gender-sensitive approaches in all projects. A gender training workshop held in May 2003, was followed by the preparation of action plans for addressing gender issues in all ongoing projects, implementation of which will start in 2004.
- (ii) **Enhanced participation.** The focus on empowering farmers' organizations at the local, regional and national levels, and the proposals with regard to the participatory design of projects, self-evaluation and participation in decision-making bodies are ways in which this approach will be pursued.
- (iii) **Building on indigenous knowledge.** The focus on taking advantage of available skills of the proposed local development approach will facilitate the exploitation of local knowledge and skills.

ACTIVITIES OF OTHER PARTNERS IN DEVELOPMENT – ONGOING AND PLANNED

| Donor/Agency | Nature of Project/Programme | Project/Programme Coverage | Status | Complementarity/Synergy Potential |
|--|---|--|------------------------|---|
| ACDI | Projet d'appui aux opérateurs/trices de l'agroalimentaire (PAOA) | Promotion of small processing enterprises | 2002-2007 | Support to microenterprises of PROMER project |
| African Development Bank | Projet de modernisation et d'intensification agricole (PMIA) | Support to vegetable, cereal and livestock production, export development | Until 2004 | Professionalization of producers |
| African Development Bank | Projet d'appui à l'élevage (PAPEL II) | Development of productive systems, management of natural resources, capacity-building of producers' organizations, credit development | 2001-2006 | Linkages between agriculture and livestock breeding |
| Agence française de développement | Appui à la décentralisation et au développement local (ADDEL) | Decentralized programming of public investment for improved access to social services and infrastructure, capacity-building of local authorities | 2002-2006 | Complementarities with rural community investment programming in the regions of Kolda and Tambaconda |
| European Union | Programme de relance de la filière arachidière | Reconstitution of seed stocks, professionalization of producers and support to commodity chain | Under preparation | Support to peanut producers in the regions of Kaolack, Tambacounda and Kolda |
| European Union | Programme de soutien aux initiatives de développement local (PSIDEL) | Decentralized programming of public investment and strengthening of local capacity, income-generating activities | 2002-2007 | Complementarities with rural community investment programming in the region of Kolda |
| European Union | Programme d'appui aux régions (PAR) | Institutional support to regional councils and to regional development agencies | 2002-2007 | Coordination in areas of local/regional development |
| French Cooperation | Promotion d'une agriculture compétitive et durable (PACD) Partenariats professionnels et institutionnels dans les secteurs de l'agriculture, de l'élevage et de la pêche au Sénégal (2P.I) | Capacity-building services to farmers, farmers' organizations, and small enterprises | 2002-2005 2004-2007 | Support to local commodity chains in the regions of Tambacounda and Bakel |
| GTZ/KfW | Appui au processus de décentralisation | Local development fund for priority infrastructure, advisory services for local development | | Complementarities with rural community investment programming in the region of Kaolack |
| UN Capital Development Fund UNDP/Luxemburg | Programme d'appui à la décentralisation en milieu rural (PADMIR) and Fonds de développement local | Provision of infrastructures and local services, promotion of local economic development | Until 2005 | Complementarities with rural community investment programming in the regions of Tambaconda, Kaolack and Louga |
| UNDP | Programme d'appui à la réduction de la pauvreté (PAREP) | Regional centres to support productive activities and microprojects | 2003-2005 | Complementarities in the regions of Tambacounda, Diourbel, Tamba |

| Donor/Agency | Nature of Project/Programme | Project/Programme Coverage | Status | Complementarity/Synergy Potential |
|---------------------|--|---|---|--|
| USAID | Agricultural and Natural Resource Management Programme | Commercialization of agricultural and non-timber forest products, community-based natural resource management, promotion of joint ventures between communities, the private sector and government | Jan 2003 to Jan 2008 | Access to export markets and market information, complementarities in the region of Tamba and Kolda, coordination of regional activities |
| World Bank | Programme des Services agricoles et des organisations de producteurs (PSAOP) | Restructuring of Ministry of Agriculture, reorganization of agricultural research, creation of a national agency for agricultural and rural advice, strengthening of farmers' organizations | Phase I ending 2004 Phase II 2005-2008 | Coordination of activities, harmonization of methodologies, access to research and extension services |
| World Bank | Projet de promotion des exportations agricoles (PPEA) | Export development, construction of markets | To start 2004 | Marketing activities and access to information |

DIAGNOSTIC OF TARGET GROUP AND PRIORITY NEEDS

| Classification* | Diagnostic of Problems | Priority Needs |
|----------------------------------|---|--|
| Very vulnerable households | Annual monetary income is low (FCFA135 000) and not very diversified. Main economic activities are traditional agriculture and small commerce. Cereal production is limited and has a low productivity (336 kg/ha). Cash crops and vegetable production are also low. Livestock (essentially small ruminants) represents a potential income of three times annual monetary income. These households are very vulnerable as they only have sale of their livestock as a response to shocks and crises. | Seed and plant multiplication Raise technology and skills level Integration in farmers organizations Diversification of productive activities Activities in animal sector (poultry, small ruminants) |
| Moderately vulnerable households | These households have higher annual income (around FCFA 250 000) and attain higher levels of agricultural production and livestock breeding. Cereal productivity is higher (580 kg/ha). Sources of income are more diversified. These households can become vulnerable in case of prolonged perturbation. | Strengthen production capacity of marketable crops Raise technology and skills level Income-generating activities, especially during dry season Develop farmers' organizations Develop microenterprises and rural employment Rural road rehabilitation and construction of storage facilities |
| Not very vulnerable households | These households have higher annual income (around FCFA 450 000) with significant livestock or agricultural production. They have greater capacity to respond to crises. | Develop access to markets (information on marketing opportunities, product promotion, market organization) Organize local commodity chains Raise management and business skills Extend range of services provided by farmers' organizations Develop microenterprises and rural employment |
| Non-vulnerable households | These households have either significant annual income (average of FCFA 1 200 000) or substantial livestock or cash-crop production. Migration is another significant source of income. Survival strategies are high performing. | Develop access to markets Raise management and business skills Organize local commodity chains Extend range of services provided by farmers' organizations and develop regional levels Develop microenterprises and rural employment |

* From *Ministère de l'Agriculture et de l'Hydraulique, la vulnérabilité structurelle à l'insécurité alimentaire en milieu rural, Expérience du Sénégal*, October 2003.

ESTIMATION OF IFAD PROGRAMME TARGET CONTRIBUTION TO THE MDG-1 IN RURAL SENEGAL BY 2008

1. Quantification of MDG-1 in the Senegalese Rural Environment (G) (data from World Bank, *World Development Indicators*, 2001)

Rural population in the year 2000: $X = 5\,066\,000$

Prevalence of poverty in the rural environment in the year 2000 (according to MDG-1: less than one USD/day and/or malnutrition): $b = 77\%$

Number of rural poor living in poverty according to MDG-1: $bX = 3\,900\,000$

Quantification of MDG-1 in the Senegalese rural environment (halving the number of rural poor living in poverty): $G = bX/2 = - 1\,950\,000$

2. Expected Number of Direct Beneficiaries of IFAD Ongoing Projects (except PNIR) in Senegal over the Period 2004-2008 (B)

| Projects | Expected number of direct beneficiaries ⁽¹⁾ | | | Completion Date | Expected number of beneficiaries in 2008 |
|----------------------------|--|---------------|-----------------------|-----------------|--|
| | Villages | Households | Individuals | | |
| PROMER I | N/A | 3 300 | 24 000 | 2005 | 24 000 |
| PAGF II | 126 | 7 000 | 70 000 | 2005 | 70 000 |
| PADV | 80 | 3 500 | ⁽²⁾ 26 000 | 2006 | 26 000 |
| POGV II | 500 | 30 000 | 200 000 | 2008 | 200 000 |
| PRODAM II | 76 | 20 000 | 150 000 | 2012 | ⁽³⁾ 75 000 |
| Total (except PNIR) | 782 | 63 800 | 470 000 | | B = 395 000 |

⁽¹⁾ Data from Appraisal Reports.

⁽²⁾ Estimate made considering number of individuals/households equal to other ongoing projects' average.

⁽³⁾ It is estimated that PRODAM II will have reached half of its target population in 2008.

3. Estimated Contribution of IFAD's Programme to MDG-1 in 2008 (C), Excluding Account Possible Indirect and/or Multiplier Effects

3.1 High Assumption:

- **Outreach:** the expected number of direct beneficiaries is actually reached at projects' completion dates (395 000) ;
- **Targeting:** 80% of IFAD projects' direct beneficiaries lived in extreme poverty and/or malnutrition in 2000 and would probably be in the same situation in 2008 if they did not receive any support from IFAD-financed projects (316 000);
- **Impact:** none of the project direct beneficiaries live in extreme poverty and/or malnutrition at projects' completion dates and their improved socio-economic status is **sustainable** at least until 2015 (395). Contribution to MDG-1 = – 316 000 rural poor.

In terms of relative contribution to MDG-1 in a rural environment: $C = 316\ 000 / G \times 100 = 16 \%$

3.2 Low Assumption:

- **Outreach:** only 80% of expected direct beneficiaries are reached at projects' completion dates (316 000 inhabitants);
- **Targeting:** 70% of IFAD projects' direct beneficiaries lived in extreme poverty and/or malnutrition in 2000 and would probably be in the same situation in 2008 if they did not receive any support from IFAD-financed projects (221 000 inhabitants);
- **Impact:** of the 221 000 rural poor actually benefiting from IFAD projects, 60% experience a significant and sustainable improvement in their socio-economic status at projects' completion dates. Contribution to MDG-1 = – 133 000 rural poor.

In terms of relative contribution to MDG-1 in a rural environment: $C = 133\ 000 / G \times 100 = 7 \%$

IMPLEMENTATION OF COSOP – INTERIM PERIOD WORK PROGRAMME

| Action | Responsibility | Timing |
|--|---|---|
| COSOP approval | IFAD, Government of Senegal (GoS) | April 2004 |
| Set up and strengthening of the IFAD/Senegal Programme | | |
| <ul style="list-style-type: none"> • Strengthening partnership to support implementation of ongoing projects and policy dialogue | GoS, BOAD, IFAD, other partners | March 2004 to end 2005 |
| <ul style="list-style-type: none"> • Establishment of the consultative mechanism • Harmonization of the Programme's Institutional Framework • Methodological support to M&E systems of projects and establishment of M&E systems for the programme • Methodological support to ongoing projects for local anchorage • Evaluation of PROCAPA experience • Proposal for a rural-finance technical assistance unit • Field-presence arrangements | GoS, IFAD, BOAD GoS, donors, IFAD IFAD (PA/OE) | ASAP September 2004 March 2004 to end 2005 |
| Processing of PROMER II <ul style="list-style-type: none"> • Interim Evaluation of PROMER I • Inception of PROMER II • Formulation • Appraisal • EB presentation • Loan effectiveness • Launching | IFAD (OE), GOS, partners IFAD (PA), IFAD (PA) IFAD (PA), BOAD GoS, IFAD, BOAD GoS, IFAD, BOAD GoS, IFAD, BOAD | February 2004 March 2004 April/May 2004 July/September 2004 December 2004 September 2005 October 2005 |
| First-phase review of PNIR and PSAOP | GoS, WB, IFAD, other partners | Mid 2005 |
| Development of new <i>filière</i> project | GoS, IFAD, BOAD | 2005 to 2006 |
| Mid-term review of COSOP implementation | GoS, IFAD, Partners | 2006 |