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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Eighty-eighth Session
Rome, 13-14 September 2006

REPORT AND RECOMMENDATION OF THE PRESIDENT

TO THE EXECUTIVE BOARD ON PROPOSED FINANCIAL ASSISTANCE TO THE

REPUBLIC OF SENEGAL

FOR THE

**AGRICULTURAL SERVICES AND PRODUCER ORGANIZATIONS
PROJECT – PSAOP 2**

For: Approval

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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CURRENCY EQUIVALENTS

Currency unit	=	CFA franc (CFAF)
US\$1.00	=	CFAF 543,245
CFAF 1.00	=	US\$0.002

WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kilogram (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 hectare (ha)
1 hectare (ha)	=	2.47 acres (ac)

ABBREVIATIONS AND ACRONYMS

ANCAR	National Advisory Services Agency
Asprodeb	Senegalese Association for Grass-roots Development
CLCOP	local consultation forum for producer organizations
DDI	Department for Debt and Investments
FNRAA	National Agricultural and Agro-processing Research Fund
ISRA	Senegal Agricultural Research Institute
ITA	Food Technology Institute
M&E	monitoring and evaluation
PO	producer organization
PSAOP	Agricultural Services and Producer Organizations Project
TFCU	technical and fiduciary coordinating unit

GOVERNMENT OF THE REPUBLIC OF SENEGAL
Fiscal Year

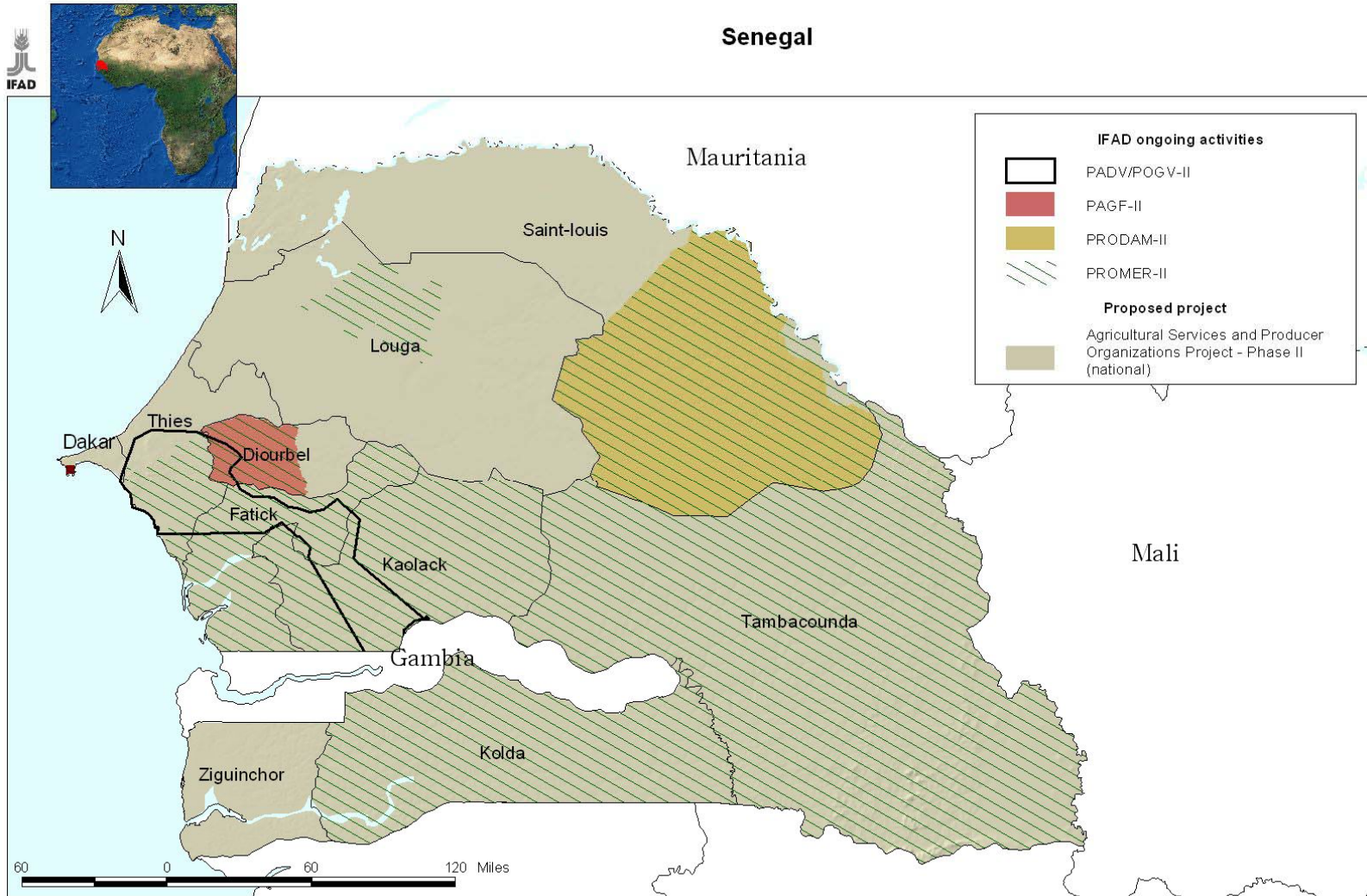
1 January – 31 December

RECOMMENDATION FOR APPROVAL

The Executive Board is invited to approve the recommendation for proposed financial assistance to the Republic of Senegal for the Agricultural Services and Producer Organizations Project – PSAOP 2, as contained in paragraph 42.

MAP OF THE PROJECT AREA

Senegal



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

REPUBLIC OF SENEGAL

**AGRICULTURAL SERVICES AND PRODUCER ORGANIZATIONS
PROJECT – PSAOP 2**

FINANCING SUMMARY

INITIATING INSTITUTION:	World Bank
RECIPIENT:	Republic of Senegal
EXECUTING AGENCY:	Ministry in charge of agriculture (currently, Ministry of Agriculture, Rural Water Resources and Food Security)
TOTAL PROJECT COST:	US\$47 million
AMOUNT OF IFAD FINANCING:	Loan: SDR 4.1 million (equivalent to approximately US\$6 million) Grant: SDR 210,000 (equivalent to approximately US\$300,000)
TERMS OF IFAD LOAN:	40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum
COFINANCIER:	World Bank
AMOUNT OF COFINANCING:	US\$20 million
CONTRIBUTION OF RECIPIENT:	US\$20.7 million
APPRAISING INSTITUTION:	World Bank, with IFAD participation
COOPERATING INSTITUTION:	Loan: World Bank Grant: directly supervised by IFAD

PROJECT BRIEF

Who are the beneficiaries? About 75% of the rural dwellers in Senegal live in poverty. The main target group will be smallholders across the country, with special attention to food-insecure, often marginalized women and youth. Beneficiaries will be reached through existing producer organizations (POs). Over 63% of the existing POs (almost 50,000 farmers) belong to rural consultative forums (local consultation forums for producer organizations), that were fostered in 152 rural council areas during Phase I of the project, specifically to represent and defend the interests of the poorer segments of the rural population.

Why are they poor? Despite the constant effort of farm households to diversify with a view to coping more effectively with climatic variability, agriculture remains the main source of livelihood for two thirds of the country's rural families, whose livelihoods remain heavily conditioned by an agricultural sector in crisis. Yields and, hence, incomes and food security are compromised by limited access by farmers to quality inputs (seed), credit, support services and markets, and by low and erratic rainfall. Alternative sources of income are limited. Due to extensive out-migration by men in search of gainful employment, women have become major players in household diversification strategies, although women have faced more barriers in gaining access to advice and support.

What will the project do for them? The offer of efficient, effective and diversified agricultural services will be improved by strengthening the capacity of POs both in defending the interests of farmers and in delivering the services these farmers need to increase, diversify and stabilize their production and thereby enhance their own food security. The expansion in the coverage by the local consultation forums to all 320 rural councils will provide farmers across the country with a space for interacting on local development issues. The institutional framework for improved farm services that was put in place during Phase I of the project will be strengthened by achieving the planned coverage by public advisory services, supporting emerging private service providers and improving research capacity and focus. Existing POs will be additionally empowered in ways that will enhance social accountability and improve their ability to represent the more vulnerable categories within their membership, particularly women and youth. The gender balance in the activities supported will be closely monitored by project management.

How will the beneficiaries participate in the project? Participatory approaches and methodologies will be mainstreamed at all levels with a view to ensuring that project-supported activities truly respond to the needs of smallholders, women and youth in ways that will reduce gender and age disparities in terms of access to farm services. Implementation of the "Support for POs" component will be managed by the POs themselves, through their technical wing – the Senegalese Association for Grass-roots Development. POs already hold 20% of the shares in the National Advisory Services Agency, and they are represented on the steering committees of the National Agricultural and Agro-processing Research Fund which is charged with screening applications for research funding in light of the real needs of farmers.

How was the project formulated? The Senegalese Association for Grass-roots Development, as technical wing of the PO movement in Senegal, as well as the leader of many POs, was closely involved both in project preparation and in analysing social risk issues (e.g. access to land and farm services, the specific constraints on and needs of women, youth and other vulnerable categories, equity of access to opportunities and benefits, etc.). In 2005, IFAD responded positively to the invitation to join Phase 2 that it had received from the National Council for Rural Cooperation. The council is a long-standing partner of the Fund, as well as a member of the IFAD-supported Network of Producer Organizations of West Africa. The Fund participated both in the self-evaluation exercise on Phase 1 experiences that was conducted by the council and in the evaluations carried out by the World Bank. IFAD's country programme team, including the field presence officer and two technical advisors from the Technical Advisory Division, participated actively in formulation and appraisal and were instrumental in organizing an iterative process of consultations with a broad range of stakeholders. The output is a project appraisal document that may be considered truly jointly owned.

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PROJECT – PSAOP 2**

I submit the following report and recommendation on a proposed financial assistance to the Republic of Senegal comprising a loan of SDR 4.1 million (equivalent to approximately US\$6 million) on highly concessional terms and a grant of SDR 210,000 (equivalent to approximately US\$300,000) to help finance the Agricultural Services and Producer Organizations Project – PSAOP 2. The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum. The loan will be administered by the World Bank as IFAD's cooperating institution, while the grant will be directly supervised by IFAD.

PART I – THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY¹

A. The Economy and Agricultural Sector

1. **Background.** Senegal has a total land area of 196,722 km² and six agroecological zones: (i) the valley of the River Senegal (recession cropping of rice and vegetables); (ii) a mixed vegetable zone in the north; (iii) the groundnut basin, with 40% of the total crop area, in the centre; (iv) the coastal Niayes zone north of Dakar (vegetables, tree crops and fishing); (v) another mixed crop-livestock zone in the south-east; and (vi) the Casamance area, with abundant land and water. The country's population of 10.1 million, growing at 2.7% per year, is three times the population of the country in 1960. A high urbanization rate (47%) reflects strong rural outmigration, especially to Dakar, where 20% of the national population is living. Secondary towns like Thiès, Tambacounda and Kaolack are also growing rapidly.

2. **The economy.** The largest contributor to GDP is the tertiary sector (60%). The secondary sector and agriculture contribute about 20% each. Despite recent reforms, the economy remains weakly diversified and marked by the strong presence of the public sector. Economic performance has improved significantly since the mid-1990s, when the devaluation of 1994, higher aid flows and more rigorous economic management created favourable conditions for GDP growth at rates of over 5% in real terms. Improved financial management was confirmed by a budget surplus of 1.9% of GDP in 2002 (versus a 0.8% deficit in 2001) and an overall deficit, net of grants, of 3.1% of GDP (versus 3.9% in 2001). Public debt, which stood at 72.6% of GDP in 2002, had diminished significantly by the first trimester of 2004, when the country attained completion point under the Debt Initiative for Heavily Indebted Poor Countries. Inflation has been stable at 2.3% since 2002. Government priorities were refocused on simplifying and expanding taxation, continuing privatization and promoting the private sector. A major challenge will be to ensure that economic growth can be exploited in favour of a more equitable distribution of benefits and, hence, poverty reduction, particularly in rural areas.

3. **Poverty.** Indeed, Senegal's recent and relatively robust economic performance has benefited rural areas only marginally, due mainly to the economy's weak ability to create durable jobs and weak

¹ See Appendix I for additional information.

public investment in rural social services. In 2001, per capita GDP was estimated at US\$600, life expectancy at 54 years and child malnutrition at 34%; school enrolments were below the average for sub-Saharan Africa (68% versus 75%), and over 40% of adults were illiterate. Senegal is ranked 154th out of 175 countries on the United Nations Development Programme's human development index (0.4316) for 2002. Poverty, measured in constant francs, has deepened, and 54% of Senegalese households are still living under the poverty line, only slightly better than the 58% in 1994. Overall poverty has reportedly declined by 11% since 1994, but rural poverty by only 5%. Although they allocate 70% of their income to food purchases, rural households often have to reduce the number of meals or eat poor food. Over 75% of health personnel work in Dakar and Thiès. Although 70% of the national population has access to safe water, few rural households have proper sanitation.

4. **Agriculture**, accounting for only 20% of GDP, is the main source of livelihood for 64%-67% of Senegalese households. The cash incomes of these households continue to depend almost exclusively on groundnuts and cotton, for which world demand and prices are declining. High demographic growth is intensifying the pressures on natural resources throughout the country, yet agricultural production remains dominated by low-yield practices that are highly vulnerable to climate: rainfed crops and extensive animal husbandry. Millet and groundnuts are grown on 38% and 37% of the cropped area, respectively. Despite the current crisis, groundnuts remain the main source of cash income for 700,000 households, making a substantial contribution to food security (30% is self-consumed). Less than 5% of the arable land is irrigated, mostly in the River Senegal valley, Casamance and Niayes. Livestock, accounting for 38.5% of the primary sector and 7.5% of GDP, has grown by an average of 3% since 1987, peaking at 6% in 2000. Offtake rates are low, and rising domestic demand is met by imports.

5. Crop and livestock production is severely constrained by lack of capital and basic inputs, inefficient market infrastructure and distribution channels, and the patchy coverage of agricultural services. Major contributions towards addressing these issues were made by IFAD and the World Bank through several agricultural development projects. The Agricultural Services and Producer Organizations Project – PSAOP 1, in particular, laid the foundations for a thorough rationalization and strengthening of the agricultural research and advisory services subsectors at the national level by supporting the establishment of the National Advisory Services Agency (ANCAR), a public/private company for agricultural and rural advisory services, co-managed with producer organizations (POs) and private agribusinesses, and replacing the classical top-down model of the dissemination of technical packages by implementing demand-led support for producer-identified needs. ANCAR is working in 144 rural communities, where 105 advisors are assisting POs in formulating and implementing agricultural development activities. Over 3,000 contracts, worth CFAF 365 million (36% financed by POs), have been executed, directly benefiting over 1,460 POs (24,000 farmers), with 54,000 other farmers as indirect beneficiaries. The Government recently reduced its shareholdings in ANCAR to less than 50%, reflecting its commitment to state disengagement from direct involvement.

6. **Gender.** The gender-related development index of Senegal is promising (0.420, or 128th out of 175). A poverty study in 2003 found that only 14.8% of poor households were headed by women and that only 37% of the woman-headed households were poor (versus over half those headed by men). A woman's ability to undertake high-income activities is traditionally weaker for social and cultural reasons: more difficult access to education, training, information and other factors of production like land and credit; weak voice and presence on decision-making bodies, etc. Rural women are further constrained by heavy workloads and poor working conditions, limited mobility, and higher vulnerability to malnutrition and illness. Senegal's National Action Plan for Women (1997-2001), focused on: (i) integrating gender issues in national development policies and programmes; (ii) promoting gender equality; (iii) strengthening the ability and willingness of support services and elected representatives to undertake systematic gender analysis; and (iv) harmonizing national legislation with international agreements aimed at eliminating all forms of discrimination against

women. The poverty reduction strategy paper strongly emphasizes the promotion of women's rights and economic empowerment. Women (and youth) are often well represented in POs and their local consultation forums.

7. **Changing relations between the Government and civil society.** The solidity of Senegal's democracy is confirmed by a steady rise in direct participation by citizens in decision-making, especially at the local level. In 1996, local government bodies at the village and regional levels were made responsible for the management of local natural resources, as well as for planning and implementation of local development actions. Their ability to take up these responsibilities has been hampered by weak financial and human resources. Growing awareness and understanding of the advantages of democracy and decentralization are a root motivation in the work of civil society organizations and their strong development over the past ten years, including a broad range of rural POs. These civil society organizations reflect the desire of ordinary people to address their problems themselves. To assist them in organizing their demand, PSAOP 1 fostered a network of local consultation forums for producer organizations (CLCOPs) in 152 out of 320 rural councils. Over 63% of the existing POs (almost 50,000 farmers) have joined the network. The POs have also established and are managing their own capacity-building fund to finance microprojects prepared by POs and selected within the framework of CLCOPs. By the end of Phase 1, over 1,100 projects – for a total investment of US\$700,000 and involving almost 62,000 producers – had been financed. Many development partners now recognize CLCOPs as the entry point for any activities dealing with producers and their field-level organizations.

B. Lessons Learned from Previous IFAD Experience

8. **IFAD's country programme.** The country programme evaluation conducted in 2003 drew the following main lessons: (i) IFAD-financed interventions should fit within a coherent programme that complies with national policies and pursue common strategic objectives; (ii) targeting criteria that are defined by outsiders tend to "isolate" the poor; the resulting geographical dispersion blocks the generation of synergies; (iii) POs tend to be overly dependent on fixed-term projects; it is important to foster independent linkages between POs and permanent local support institutions and to envisage a strong project exit strategy; (iv) ongoing projects rely on microfinance professionals for the delivery and management of credit operations, but the sustainability of the latter needs to be further enabled; and (v) the classical top-down methods for internal monitoring and evaluation (M&E) are not able to capture or measure impact and are therefore ineffective in providing strategic guidance in adapting project activities to meet the real demand of rural populations.

9. **PSAOP, experience of the first phase.** The proposed project is the second phase of a three-phase programme financed through a World Bank adaptable programme loan that reflects the Bank's long-term commitment to institution-building in a complex sector. Phase 1 was given an overall rating of "satisfactory" and a rating of "substantial" for institutional impact. It was found that: (i) it effectively helped to empower POs; (ii) it established locally based, demand-driven agricultural services in 152 rural councils; and (iii) it enhanced their responsiveness and accountability to farmers, including smallholders. The Agricultural Framework Law, adopted in June 2004, gave legal recognition to these institutional reforms and the framework for their financial sustainability. The main lessons of Phase 1 are as follows: (i) institutional reforms take time to develop, and the process must be closely supervised; (ii) POs can become key drivers to foster change and ensure sustainability, but they require financial and technical support (with internalized human resources) in order to become more proactive in demanding services and participation in policy formulation; (iii) multi-stakeholder financing mechanisms are valid instruments in that they foster dialogue, partnership and collaboration among institutions and enhance coordination on the ground. Active participation by producers through their organizations is, however, critically important in designing interventions that meet the real needs of these producers in ways that are consistent with the interventions of other stakeholders; and (iv) implementation through partner agencies is a valid

alternative to the establishment of a dedicated project implementation unit, but only if local institutions are empowered as implementing agencies and not perceived as beneficiaries. Coordination among the agencies remains a concern that is best entrusted to a public service operating in close collaboration with all partners. The Ministry for Agriculture, Rural Water Resources and Food Security performed particularly well in this respect during Phase 1. The aim of the second phase will be to translate the institutional achievements of Phase 1 into results at the field level.

C. IFAD's Strategy for Collaboration with Senegal

Senegal's Policy for Poverty Eradication

10. Senegal's first poverty reduction strategy paper (2002-2005, approved in 2002) is based on wealth creation, capacity-building, social services and assistance to vulnerable groups. Recognizing the extent of rural poverty, it identifies rural and agricultural development as major engines of shared growth and highlights the need to modernize and intensify crop and livestock production. The revised poverty reduction strategy paper, which confirms the focus on rural development, is under preparation and will be finalized early in 2007.

IFAD's Strategy in Senegal

11. **IFAD's new country strategic opportunities paper (2004-2008)** aims to help Senegal attain its Millennium Development Goals, particularly Goal 1 (reduce poverty by half by the year 2015), by increasing the incomes of the rural poor in a gender-equitable manner through three specific objectives: (i) strengthen the capacities of the rural poor and their organizations; (ii) enable better access to markets; and (iii) facilitate access to financial services. The country strategic opportunities paper (COSOP) recommends the establishment of a coherent programme approach for IFAD's operations in Senegal. The proposed loan to cofinance PSAOP 2 will contribute significantly towards integrating the portfolio of ongoing projects, four of which have a strong focus on agriculture and rural development. To enhance coherence and contribute to policy dialogue on rural poverty reduction, the COSOP calls for setting up an M&E system to guide programme implementation, promote the development of synergies and capitalize on and disseminate proven methodologies for combating rural poverty. The system is to be related to the monitoring system for the poverty reduction strategy paper and for rural development plans and policies at both the regional and the national levels. This will be the focus of the loan component grant attached to the proposed project.

12. **Project rationale.** Aware that rural poverty contributes massively to national poverty, the Government of Senegal has identified rural and agricultural development as the major engines of growth, underlining the need both to: (i) modernize and intensify crop and livestock production by introducing more efficient technologies, improving access to equipment and inputs, and developing agricultural training and advisory services; and (ii) enhance impact and sustainability by empowering producers through their organizations and local government bodies. Stagnation of agricultural productivity is one of the main constraints on national economic growth and a leading cause of the rising impoverishment of rural families.

13. Between 1999 and 2006, the **first phase of PSAOP** resulted in: (i) a redefinition of the role of public services for agriculture; (ii) a paradigm shift from top-down extension to demand-led, decentralized rural and agricultural advisory services – private as well as public; (iii) a transparent and competitive research-financing mechanism; (iv) a more effective participation of producers in policy formulation; and (v) producer empowerment at the grass-roots level. The Agricultural Framework Law, which was adopted in June 2004, is based on several principles introduced by PSAOP 1: disengagement of the public sector from productive and commercial activities, deconcentration of sectoral staff, need for a sustainable mechanism to finance demand-driven agricultural services and empower POs, competitive funding of research activities, etc. A national rural development fund is

being established to finance the delivery of agricultural advisory services and support to rural POs. **PSAOP 2** is fully aligned with the country's sector strategies, which the first phase helped to define. The Government has demonstrated its commitment to institutional reform and to the placement of agriculture at the centre of its development and poverty reduction strategies. The project will contribute to the national goals of poverty reduction through rural economic growth by improving the productivity, production, incomes and food security of small-scale farmers. It is an opportunity both for the World Bank and, especially, for IFAD to complement their rural portfolios in Senegal. There is no doubt that smaller farmers, who represent the target group in four of five ongoing IFAD-financed projects, would benefit greatly from readier access to demand-driven, efficient agricultural advisory services. The special attention accorded to particularly disadvantaged categories like youth and especially women and the support aimed at enhancing the voice of rural producers of all ages, women as well as men, are perfectly in line with the Fund's own approach.

PART II – THE PROJECT

A. Project Area and Target Group

14. As PSAOP 2 will be national in scope, the **project area** will comprise all rural areas in Senegal. The aim is to expand the coverage of efficient agricultural advisory services to all 320 rural councils in all six agroecological zones of the country. The process of empowerment and productivity-boosting in the areas covered by Phase 1 will be completed. The **target group** comprises medium-scale, but, especially, small-scale farmers, with special attention to women and youth. These people will be reached through existing and new POs that belong to the CLCOP network initiated during Phase 1. An enabling environment will be developed by building up the capacity of providers of agricultural advisory services and the representative structures of farmers and the rural population as a whole (rural councils).

B. Objectives and Scope

15. The three-phase programme financed through the adaptable programme lending instrument is in keeping with the Government's policies and recent reforms. The first phase contributed significantly to the formulation of the new Agricultural Framework Law, approved in June 2004, outlining the country's vision for modernizing the primary sector over the next 20 years. The long-term vision is characterized by: (i) strong and effective POs capable of co-managing efficiently the services they receive and cofinance, as well as of influencing policy dialogue; (ii) efficient and decentralized sectoral ministries focusing on their essential functions of policy formulation, planning and M&E, as well as the definition of the regulatory framework; and (iii) financially self-sustaining, demand-driven agricultural services, both private and public, that are relevant to the needs of different categories of producers and accountable to them, that evolve in a competitive environment and that are responsible for the generation and dissemination of innovations on a contractual basis.

16. The development goal of the four-year second phase of PSAOP is to reduce rural poverty by improving access by smallholder farmers to sustainable and diversified agricultural services and innovations, with a view to diversifying and stabilizing the production and increasing the incomes of smallholder farmers and improving household food security. The project will strengthen the institutional framework put in place during the first phase, expand the coverage of agricultural advisory services nationwide, support the emergence of private service providers, strengthen research capacity and focus, and empower POs, while increasing their social accountability and representation. By the end of Phase 2, most of the activities will be funded through the National Rural Development Fund. IFAD's involvement in PSAOP 2 is justified by the project's strong focus on empowering, building up the capacity and enhancing the social accountability and inclusiveness of the POs. The Fund's role will strengthen the learning process by testing, in the context of its other loan-financed projects in Senegal, pro-poor approaches that can benefit from and feed into the institutional reform

process. IFAD will also provide grant funding to mobilize complementary competencies, particularly for capacity-building in collaborative innovation management.

C. Components

17. The project design, which substantially reflects that of Phase 1, envisages four main clusters of activities: (i) support for agricultural research; (ii) support for agricultural advisory services; (iii) support for POs; and (iv) sectoral coordination and M&E.

18. **Component A: support for agricultural research.** The objective of the component is to enhance the capacity, relevance, efficiency and sustainability of the national agricultural research system (NARS): (i) strengthen the institutional guidance of NARS by increasing the capacity and redefining the role of its steering committee; (ii) strengthen the capacity of the main research institutions (Senegal Agricultural Research Institute [ISRA] and the Food Technology Institute [ITA]) by providing ad hoc investment and capacity-building support; (iii) support the evolution of the National Agricultural and Agro-processing Research Fund (FNRAA) as the main national mechanism for strategic and applied agricultural research and research and development subprojects; and (iv) strengthen linkages with other research systems through regional and international partnerships, including the forthcoming West African Agricultural Productivity Programme.

19. **Subcomponent A.1: strengthen FNRAA and the strategic management of NARS** through two clusters of activities: (i) transition FNRAA's management committee into a NARS steering committee with the institutional mandate and capability of guiding the research system in terms of orientation, priorities and the allocation of resources; and (ii) strengthen FNRAA as the main mechanism for funding agricultural research relevant to the strategic plans of the NARS and to regional priority themes (evolution towards a two-window funding facility to finance strategic and applied agricultural research programmes relevant to the priorities identified in the National Agricultural Research Framework and farmer-driven agricultural research and development subprojects aimed at resolving problems that depress smallholder production and incomes). Subcomponent A.1 makes provision for the costs of the two-window research financing facility, contributions to the operating costs and salaries of FNRAA, vehicles and equipment, training and study tours. The Government and other stakeholders will cover a steadily increasing share of the endowment and operating costs of FNRAA. **Subcomponent A.2: upgrade and maintain the scientific capacity of NARS.** Continued support for capacity-building among the agricultural research institutions (ISRA and ITA) that were established under PSAOP 1, including the rehabilitation of selected physical infrastructure (some ISRA regional research centres), equipment, material and vehicles for research teams, technical assistance, studies and training on scientific and methodological issues, the information system, the handling of research results, publications and documentation, participation in national, regional and international research networks and workshops, and participation in regional partnerships for capacity-building in biotechnology (including the forthcoming regional West African Agricultural Productivity Programme).

20. **Component B: support for agricultural advisory services.** The objectives of the component are extension of the National Advisory Services Agency's (ANCAR) network to all 320 rural councils and the strengthening of the network's primary mission of oversight and regulation of a demand-driven national agricultural and rural advisory system and support for the emergence of a pluralistic network of service providers.

21. **Subcomponent B.1: support for the strategic and methodological guidance of the national agricultural and rural advisory system.** Deploy ANCAR staff to all 320 rural councils to establish a network of rural advisors for the provision of basic (as opposed to specialized) advisory services; prepare advisory programmes in all 320 rural councils, define methodological and technical supports and manuals and implement an integrated information system on agricultural and rural technologies.

Subcomponent B.2: strengthen the offer of agricultural advisory services: (i) promote the emergence of a pluralistic network of specialists with the capacity to advise farmers on crops and products with potential for higher value added; (ii) design and establish rural advisory services to address the main technical constraints on farmers; and (iii) study the ability and willingness of family-run farms and their organizations to pay for agricultural advisory services. The Government's contributions to ANCAR's costs (salaries and operating costs) under a framework contract will be completed through funds for technical assistance, studies, equipment, vehicles and minor civil service rehabilitation works, as well as a decreasing share of the cost of basic advisory programmes. All costs will be funded entirely by the National Rural Development Fund and its clients by the end of Phase 2, at the latest.

22. **Component C: support for POs.** This component aims at strengthening the capacity of POs to defend the interests of smallholder producers and to facilitate their access to the technical and economic services needed to improve production, food security and incomes. The three subcomponents will be implemented by the Senegalese Association for Grass-roots Development (Asprodeb).

23. **Subcomponent C.1: strengthen the social representation and inclusiveness of local and regional POs.** The network of CLCOPs will be extended to all 320 rural councils and assist member POs in designing and implementing their capacity-building subprojects. First-generation POs are to receive logistical and technical support to strengthen the role of rural development facilitators at the local level. Women will be promoted on the decision-making bodies of POs, CLCOPs and regional rural consultation forums. **Subcomponent C.2: strengthen farmers' participation in policy formulation.** The capacity of POs will be built up so they may participate in formulating, monitoring and evaluating sectoral policies in compliance with the Agricultural Framework Law: This will include: (i) capacity-building of leaders at the national, regional and local levels; (ii) information and communication programmes for farmers and POs; and (iii) a demand-driven facility to strengthen the capacity and representation of the national federations of POs. **Subcomponent C.3: strengthen the technical and economic capacity of smallholders and POs to:** (i) develop and test solutions to their main technical and economic constraints with regard to production, processing and marketing; (ii) institute close collaboration with ANCAR, agricultural research and other projects; and (iii) replicate positive pilot experiences through IFAD-financed and other programmes (e.g. World Bank's AgMarkets and European Union's EC Stabex funds to support the groundnut subsector).

24. **Component D: sectoral coordination and M&E.** The objective of this component is to strengthen the capacity of the ministries in charge of agriculture to handle issues and activities concerning policy formulation, planning, coordination, monitoring and evaluation for the use of the resources available for agricultural and livestock development. Support will be provided for selected activities initiated by PSAOP I (capacity-building and support for deconcentration and the development of clear organizational procedures, and a network for exchanging information and monitoring results).

25. **Subcomponent D.1: coordination crops subsector.** Define and implement a medium-term sectoral expenditure framework; establish a subsectoral integrated information system; develop tools, procedures and strategies for rationalizing the use of the Ministry for Agriculture, Rural Water Resources and Food Security's physical, financial and human resources, and implement the national agricultural and rural training strategy at the national and regional levels. Provision is being made for training, technical assistance, equipment, rehabilitation or construction of regional infrastructure, study tours, logistics and communication infrastructure. An M&E system for the IFAD country programme will be installed and tested under a pilot project funded through an **IFAD grant** to serve as a step towards the construction of a sectorally integrated information system. **Subcomponent D.2: coordination livestock subsector.** Define and implement a medium-term subsectoral expenditure framework; strengthen epidemio-surveillance systems and the control of animal-food safety; improve

the management information system in the livestock subsector; and establish a mechanism for addressing endemic and pandemic diseases. Provision is being made for training, technical assistance, equipment, rehabilitation or construction of infrastructure, study tours, logistics and communication infrastructure. **Subcomponent D.3: technical and fiduciary coordination and monitoring.** Establish a technical and fiduciary coordinating unit (TFCU) to coordinate and monitor implementation activities; enable the smooth flow of information among components, the financial and cooperating institutions and partner projects; exercise oversight and fiduciary control over procurement and financial management; assure effective, well-focused M&E; and carry out environmental safeguard measures in collaboration with ANCAR and Asprodeb. Provision is being made for the salaries and other operating costs of TFCU, vehicles, equipment, technical assistance, training and studies.

D. Costs and Financing

26. The total cost of PSAOP 2 is estimated at US\$47 million, including physical and price contingencies. The World Bank's contribution of US\$20 million (43%) will be completed through an IFAD loan for US\$6 million (12.8%) and government counterpart funds for US\$20.7 million (44%). The loan funds of the International Development Association (World Bank Group, IDA) and IFAD will be pooled and disbursed pari passu. IFAD will also contribute a loan component grant of US\$300,000. Identifiable taxes and duties amount to 9% of the total cost (US\$4.5 million). Costs by component and financing plan are summarized in tables 1 and 2.

TABLE 1: SUMMARY OF PROJECT COSTS^a
(US\$ million)

Components	Local	Foreign	Total	% of Foreign Exchange	% of Base Costs
Support for agricultural research	3.0	4.3	7.3	59	17
Support for agricultural advisory services	12.4	3.8	16.3	24	37
Support for POs	6.1	1.7	7.8	22	18
Sectoral coordination and M&E	8.5	3.4	11.9	29	27
Project preparation facility	–	0.6	0.6	100	1
Total base costs	30.0	14.0	43.9	32	100
Physical contingencies	1.0	0.4	1.4	31	3
Price contingencies	1.1	0.6	1.7	35	4
Total project costs	32.1	15.0	47.0	32	107

^a Discrepancies in totals are due to rounding.

TABLE 2: FINANCING PLAN^a
(US\$ million)

Components	IDA		IFAD Grant		Government		IDA/IFAD		Total		Foreign Exch.	Local (Excl. Taxes)	Duties and Taxes
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%			
Support for agricultural research	–	–	–	–	1.6	19.9	6.3	80.1	7.9	16.7	4.6	2.5	0.7
Support for agric. adv. services	–	–	–	–	11.7	67.9	5.5	32.1	17.2	36.5	4.1	12.0	1.1
Support for POs	–	–	–	–	0.3	3.2	7.8	96.8	8.1	17.2	1.7	6.1	0.3
Sectoral coordination and M&E	–	–	0.3	2.3	7.2	54.2	5.8	43.6	13.3	28.3	3.9	7.0	2.4
Project preparation facility	0.6	100	–	–	–	–	–	–	–	–	0.6	–	–
Total costs	0.6	1.3	0.3	0.6	20.7	44.0	25.4	54.1	47.0	100	14.9	27.6	4.5

^a Discrepancies in totals are due to rounding.

E. Procurement, Disbursement, Accounts and Audit

27. The project will follow the World Bank guidelines in the procurement of goods, works and services for contracts financed through the loan, whereas contracts financed through grant proceeds will follow IFAD procurement guidelines. Procurement arrangements are based on a two-tiered structure: (i) a procurement specialist and a procurement assistant at TFCU; and (ii) a procurement officer in each implementing agency to work in close coordination with the procurement specialist and assistant. The TFCU procurement specialist will ensure that all procurement activities comply with the quality standard laid down in the programme implementation manual and comply with the Bank's new procurement guidelines.

28. All expenditures financed under the loan will be cofinanced *pari passu* 75% by IDA and 25% by IFAD. To facilitate project implementation, the borrower will open a special account in local currency in a commercial bank acceptable to IDA and IFAD. IFAD and IDA funds will be pooled into one single account. However, the project will maintain two separate books. The account will be managed by the Department for Debt and Investments (DDI) of the Ministry of Economy and Finance in coordination with TFCU. All replenishment applications will follow World Bank procedures. The Government will make all the arrangements necessary to ensure the timely mobilization of any counterpart funds needed for project implementation. The Government's contribution will be mobilized as cofinancing and take the form of fiscal revenues. The value added tax contribution will be mobilized through treasury cheques issued by DDI. A grant advance account in CFAF will also be opened by the borrower in a local commercial bank to receive part of the grant resources. The withdrawal applications for these funds will be prepared by the project and submitted by the borrower to IFAD.

29. The financial management capacities of FNRAA and Asprodeb were strengthened during Phase 1. These organizations will manage their funds directly through a management services contract signed with TFCU. The other five implementing agencies will send their funding requests to TFCU. Each implementing agency will manage its own procurements under the overall guidance and quality control of TFCU's procurement specialist, keep separate accounts and have the accounts certified annually by an independent auditor.

30. TFCU will maintain project accounts in accordance with procedures approved by the World Bank. Financial statements of TFCU and of the executing agencies will be audited annually in accordance with World Bank procedures. The audit report will be submitted to IFAD and IDA not later than six months after the end of each fiscal year.

F. Organization and Management

31. The implementation mechanism of PSAOP 2 will be organized as follows: (a) a **steering committee** will be composed of representatives of all the implementing agencies and will meet twice yearly to: (i) approve the annual workplan and budget consolidated by TFCU and (ii) assess performance. (b) TFCU, staffed by a coordinator, an M&E specialist, a financial management specialist, a procurement specialist and an assistant, will: (i) monitor implementation activities closely; (ii) solicit and facilitate the exchange of information and cooperation among implementing agencies; (iii) prepare quarterly progress reports by consolidating reports from the implementing agencies; (iv) assure quality control, consolidation, supervision and monitoring with regard to the procurement plans for the components and subcomponents; (v) manage the special account in liaison with DDI; (vi) supervise the implementation of management contracts with Asprodeb and FNRAA; (vii) support the implementing agencies as needed; and (viii) liaise regularly with the World Bank, IFAD and partners. (c) **Seven implementing agencies** have agreed to participate in carrying out the following component and subcomponent tasks: FNRAA, ISRA and ITA for Component A (support for agricultural research); ANCAR for Component B (support for national agricultural advisory

services); Asprodeb for Component C (support for POs); the Ministry for Agriculture, Rural Water Resources and Food Security for subcomponents D.1 (coordination crops subsector) and D.3 (technical and fiduciary coordination and monitoring); and the Ministry of Livestock for Subcomponent D.2 (coordination livestock subsector). Implementing agencies and stakeholders will establish regional and local coordination and monitoring committees. The procedures for coordination, implementation, management, M&E, procurement and administration will be detailed in the programme implementation manual. **IFAD's component grant**, housed and managed by the Directorate of Planning and Statistics at the Ministry for Agriculture, Rural Water Resources and Food Security, will finance the recruitment of international expertise not available in the country, and the grant will be supervised by IFAD.

32. The participatory **M&E system** for comparing progress against targets will be compatible with the results and impact management system and will build on the systems put in place by each implementing agency during Phase 1. TFCU will set up a project-wide system to compile the information from the implementing agencies and any studies, conventional or participatory, and use this as a basis for producing consolidated reports. These reports will pay adequate attention to the third-level results (outcomes or impact) of demand-driven services on the production and productivity, incomes and food security of small-farmer families. M&E data on beneficiaries and benefits will be systematically disaggregated by gender and age. A baseline survey of randomly selected family farms, to be conducted at the start of Phase 2, will include benchmarks established by the 2003 study on POs and add others to assess the representation, effectiveness and transparency of POs. The reports will also provide geographically disaggregated data from national surveys. The same survey will be repeated at the end of PSAOP 2 with a view to assessing the progress towards the set targets. All surveys and periodic assessments of impact will be carried out by independent consultants recruited by TFCU.

G. Economic Justification

33. The project aims to: (i) increase crop and livestock production and productivity and, hence, the incomes and food security of small farmers and their families; and (ii) enhance the sustainability of benefits through empowerment and attention to equity issues. The **direct beneficiaries** will be the farmer-members of supported POs, the staff of support institutions and implementing agencies, and the elected members and staff of local government bodies. The **key performance indicators** will be as follows: (i) at least 80% of beneficiary farmers are satisfied with the services contracted; (ii) at least 50% of farmer-members of POs supported under Phase 1 have integrated at least one innovation into their farming systems; and (iii) at least 60% of beneficiary farmers report enhanced food security.

34. **Financial analysis** is based on analyses of situations with and without the impact of the project. The analyses would consider small and medium farms and herds, and one product in each of the country's six agroecological zones. They would assume technology adoption rates of 15% to 25%, depending on the crop and the zone. The internal rate of return is 20% over the opportunity cost of capital (12%), with a farmer net present value of US\$319 (CFAF 159,000) per year. **Economic analysis** generated an economic rate of return of 36% for the base case, with a net present value of US\$22 million over the first five years, rising to 74% with a net present value of US\$123 million for 2006-2015. The economic rate of return is sensitive to a drop in targeted yields, but more robust with regard to drops in market prices and to net margin and rate of adoption.

35. **Recurrent costs** are estimated at CFAF 25.3 billion over five years. If IDA and IFAD cover CFAF 12.1 billion and if one assumes 10% for tax exonerations, the burden of recurrent costs is about CFAF 10.7 billion, or CFAF 2.1 billion per year. Under the prudent assumptions made about cost-sharing by beneficiaries, the share of project-related recurrent costs in the Government's agricultural expenditure is calculated at 4% in 2015, as opposed to 9% in 2006. Without beneficiary contributions, the cost to the Government will not rise above 10% of agricultural expenditures.

H. Risks

36. The overall risk rating of PSAOP 2 is “modest”. Only three “substantial” risks are identified: (i) the risk that natural events such as drought, floods, pests and diseases may impact severely on crop and livestock production is addressed by provision for piloting the introduction of weather-based insurance schemes and by strengthening veterinary surveillance; (ii) the risk that implementation of PSAOP may be hampered by the Government’s special programmes that are not in line with its approach (nor that of the Agricultural Framework Law) is addressed by the strong emphasis on policy dialogue; and (iii) the risk that the current crisis at the National Oil Seeds Marketing Company may depress the incomes of groundnut growers is addressed by helping farmers diversify their crop range.

I. Environmental Impact

37. The project will promote the environmentally sound management of water and land resources by addressing a broad range of potentially negative **environmental hazards**: (i) water and soil pollution by civil works and construction, the use of pesticides and herbicides, agro-processing, etc.; (ii) soil erosion, the silting of irrigation channels and small dams, and inappropriate land preparation practices; (iii) infestations by aquatic weeds such as reedmace; and (iv) rising pressure on natural resources in areas that have water. Account is also taken of potential **social hazards**: (i) malaria and bilharzia near irrigation schemes, ponds, dams and quarries; (ii) poisoning due to unsafe handling of chemicals; (iii) handling of medical waste at veterinary stations; (iv) accidents and exposure to dust and noise near construction sites; and (v) loss of livelihoods due to land acquisition (expropriation).

J. Innovative Features

38. The project will: (i) offer a unique opportunity to strengthen the partnership between IFAD and POs by contributing, through this alliance, to developing the ability of POs to act as a driving force in defining the rural and agricultural services they need and want; (ii) help build a coherent IFAD country programme that fosters strong complementarities and synergies among projects and is able to bridge the gap between village-level development projects and national-level policy dialogue, thereby providing national strategy-makers with crucially important anchorage in village reality; (iii) play a catalytic role in strengthening the pro-poor focus of a nationwide programme, while complying with the Paris harmonization and alignment agenda; (iv) foster collective learning through a grant-funded pilot M&E system with potential for addressing the information needs of a broad range of stakeholders; and (v) test mechanisms and tools to support dialogue among and with rural stakeholders, thereby enhancing the impact of the Fund’s country programme and the responsiveness of public interventions to the needs and concerns of the rural poor.

PART III – LEGAL INSTRUMENTS AND AUTHORITY

39. A financing agreement between the Republic of Senegal and IFAD will constitute the legal instrument for extending the proposed loan to the recipient. A summary of the important supplementary assurances included in the negotiated financing agreement is attached as an annex.

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

41. I am satisfied that the proposed financial assistance will comply with the Agreement Establishing IFAD.

PART IV – RECOMMENDATION

42. I recommend that the Executive Board approve the proposed financial assistance in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Senegal in various currencies in an amount equivalent to four million one hundred thousand special drawing rights (SDR 4,100,000) to mature on or prior to 15 July 2046 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

RESOLVED FURTHER: that the Fund shall provide a grant to the Republic of Senegal in various currencies in an amount equivalent to two hundred ten thousand special drawing rights (SDR 210,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge
President

**SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES
INCLUDED IN THE NEGOTIATED FINANCING AGREEMENT**

(Negotiations concluded on 26 July 2006)

1. The Government will make available an amount equivalent to at least 10.8 billion CFA francs, excluding taxes for the cofinancing of the activities under parts 1, 2 and 4 of the project. This amount will be mobilized according to the budgetary procedures of the Government and in line with the financing needs of the annual workplans and budgets adopted by the steering committee.
2. IFAD intends to appoint the International Development Association (IDA) as cooperating institution and to entrust it with administration of the loan and supervision of the project. The grant will be supervised directly by IFAD.
3. As part of maintaining sound environmental practices, the Government will ensure that appropriate pest management practices are observed under the project. To that end, it will ensure that pesticides procured under the project do not include any pesticide either proscribed by the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organization of the United Nations, as amended from time to time, or listed in Tables 1 (Extremely Hazardous) and 2 (Highly Hazardous) of the World Health Organization's Recommended Classification of Pesticides by Hazard and Guidelines to Classification 1996-1997, as amended from time to time.
4. The Government will insure project staff against risk of illness and accident in accordance with the usual practices of the Republic of Senegal.
5. Project staff will be recruited under local calls for bids announced in the local press, in accordance with current procedures of the Government and on the basis of renewable, two-year contracts that may in no event extend beyond the duration of the project. The recruitment of the key project officers – i.e. the coordinator, monitoring and evaluation expert, procurement officer, disbursement officer, and two assistants – and any decision to terminate their contracts will be decided in agreement with IFAD. Project staff will be subject to performance evaluations under modalities to be defined in the project implementation manual, and their contracts may be terminated on the basis of the findings of said evaluations. Management of staff will observe applicable procedures of the Republic of Senegal.
6. No form of discrimination on the basis of gender, age, or ethnic or religious background shall be permitted in the recruitment of project staff, in accordance with applicable legislation of the Republic of Senegal. All other qualifications being equal, the Government undertakes to give preference to women candidates, especially for technical positions to be filled under the project.
7. IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the loan account in any of the following events:
 - (a) the financing agreement has not become effective as of the date scheduled for effectiveness or such other subsequent date as may be decided;
 - (b) the counterpart funds are not available under conditions acceptable to IFAD;

- (c) IFAD has notified the Government that credible allegations of corruption or fraudulent practices with regard to the project have been brought to its attention and the Government has not proceeded in a satisfactory manner, in the opinion of IFAD, to fulfil its duty to investigate the matter; or, following such investigation and on the basis of its findings or other information, IFAD – in consultation with the Government – feels that such practices in fact did occur and that the Government did not take appropriate and timely action to remedy them to IFAD’s satisfaction;
 - (d) the project implementation manual or any of its provisions has been suspended, revoked in whole or in part, waived or in any other way amended without the prior consent of IFAD, and IFAD deems that such event has had or is likely to have a serious negative impact on the project; or
 - (e) the right of the Government to withdraw proceeds from the IDA loan has been suspended, cancelled or revoked, in whole or in part, or the loans have become due and payable before the agreed maturity; or upon the occurrence of any event, with notice or with the passage of time, that could result in the same.
8. IFAD will suspend the right of the Government to request withdrawals from the loan account if it has not received the audit reports within the six months following the time indicated in the financing agreement.
9. No withdrawal may be made in respect of expenses under any category until such time as the IDA financing agreement has been amended to reflect the *pari passu* cofinancing with IFAD in the ratios set forth in the table in annex 2 to the IFAD financing agreement.
10. The following are specified as conditions precedent to effectiveness:
- (a) a favourable legal opinion from the competent authority of the Republic of Senegal, acceptable in form and substance, has been forwarded to IFAD by the Government; and
 - (b) the IDA financing agreement has entered into effect.

APPENDIX I

COUNTRY DATA

SENEGAL

Land area (km² thousand) 2004 1/	193	GNI per capita (USD) 2004 1/	630
Total population (million) 2004 1/	11.39	GDP per capita growth (annual %) 2004 1/	3.7
Population density (people per km²) 2004 1/	59	Inflation, consumer prices (annual %) 2004 1/	1
Local currency	CFA Franc BCEAO (XOF)	Exchange rate: USD 1 =	XOF 543.245
Social Indicators			
Population (average annual population growth rate) 1998-2004 1/	2.4	Economic Indicators	
Crude birth rate (per thousand people) 2004 1/	36	GDP (USD million) 2004 1/	7 775
Crude death rate (per thousand people) 2004 1/	11	GDP growth (annual %) 1/	
Infant mortality rate (per thousand live births) 2004 1/	78	2003	6.5
Life expectancy at birth (years) 2004 1/	56	2004	6.2
Number of rural poor (million) (approximate) 1/	n/a	Sectoral distribution of GDP 2004 1/	
Poor as % of total rural population 1/	n/a	% agriculture	17
Total labour force (million) 2004 1/	4.48	% industry	20
Female labour force as % of total 2004 1/	42	% manufacturing	12
		% services	63
		Consumption 2004 1/	
Education		General government final consumption expenditure (as % of GDP)	13
School enrolment, primary (% gross) 2004 1/	76	Household final consumption expenditure, etc. (as % of GDP)	77
Adult illiteracy rate (% age 15 and above) 2004 1/	61	Gross domestic savings (as % of GDP)	10
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita	n/a	Merchandise exports 2004 1/	1 529
Malnutrition prevalence, height for age (% of children under 5) 2004 2/	25 a/	Merchandise imports 2004 1/	2 710
Malnutrition prevalence, weight for age (% of children under 5) 2004 2/	23 a/	Balance of merchandise trade	-1 181
Health		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2004 1/	5 a/	before official transfers 2004 1/	-2 242
Physicians (per thousand people)	0.1	after official transfers 2004 1/	-437
Population using improved water sources (%) 2002 2/	72	Foreign direct investment, net 2004 1/	780
Population with access to essential drugs (%) 2/	n/a	Government Finance	
Population using adequate sanitation facilities (%) 2002 2/	52	Cash surplus/deficit (as % of GDP) 2004 1/	-2 a/
Agriculture and Food		Total expenditure (% of GDP) 2004 1/	n/a
Food imports (% of merchandise imports) 2004 1/	28	Total external debt (USD million) 2004 1/	3 938
Fertilizer consumption (hundreds of grams per ha of arable land) 2004 1/	136 a/	Present value of debt (as % of GNI) 2004 1/	22
Food production index (1999-01=100) 2004 1/	82	Total debt service (% of exports of goods and services) 2004 1/	10 a/
Cereal yield (kg per ha) 2004 1/	975	Lending interest rate (%) 2004 1/	n/a
		Deposit interest rate (%) 2004 1/	4
Land Use			
Arable land as % of land area 2004 1/	13 a/		
Forest area as % of total land area 2004 1/	n/a		
Irrigated land as % of cropland 2004 1/	5 a/		

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

1/ World Bank, *World Development Indicators* database CD ROM 2006

2/ UNDP, *Human Development Report*, 2005

PREVIOUS IFAD FINANCING IN SENEGAL

Project Name	IFAD Approved Financing (USD '000)	Board Approval	Loan Signing	Loan Effectiveness	Current Closing	Project Completion Date	Cooperating Institution	Project Status
Integrated Rural Development Project of M'Bour Louga (Loan Number = 26-SE)	13 632	18/12/79	16/01/80	13/07/81	30/06/90	31/12/89	African Development Bank	Closed
Agroforestry Development Project (Loan Number = S15-SE)	11 130	30/11/88	30/01/89	07/11/89	30/06/98	31/12/97	BOAD	Closed
Second Small Rural Operations Project (Loan Number = S18-SE)	6 300	13/09/89	08/11/89	05/03/90	30/06/99	31/12/98	World Bank IDA	Closed
Agricultural Development Project in Matam (Loan Number = S30-SE)	16 090	11/12/91	23/01/92	27/04/93	31/12/00	30/06/00	BOAD	Closed
Village Organization and Management Project (Loan Number = 315-SE)	8 150	02/12/92	17/12/92	13/08/93	31/12/99	30/06/99	BOAD	Closed
Rural Micro-Enterprises Project (Loan Number = 40-SN)	7 340	06/12/95	18/01/96	03/01/97	31/03/05	30/09/04	BOAD	Closed
Rural Micro-Enterprises Project (Loan Number = S47-SN)								
Village Management and Development Project (Loan Number = 462-SN)	9 488	04/12/97	12/02/98	09/08/99	30/06/07	31/12/06	BOAD	Ongoing
Agroforestry Project to Combat Desertification – Phase II (Loan Number = 489-SN)	8 175	02/12/98	03/03/99	01/09/99	31/03/07	30/09/06	BOAD	Ongoing
National Rural Infrastructure Project (Loan Number = 524-SN)	7 498	09/12/99	13/03/00	08/02/01	30/04/06	30/06/05	World Bank IDA	Completed
Village Organization and Management Project – Phase II (Loan Number = 546-SN)	13 671	07/12/00	16/01/01	16/07/01	31/03/09	30/09/08	BOAD	Ongoing
Agricultural Development Project in Matam – Phase II (Loan Number = 608-SN)	12 508	10/04/03	17/04/03	01/11/03	30/06/12	31/12/11	BOAD	Ongoing
Promotion of Rural Entrepreneurship Project – Phase II (Loan Number = 658-SN)	13 075	19/04/05	07/06/05	19/01/06	30/09/13	31/03/13	BOAD	Ongoing
Total assistance: USD 127 million								

LOGICAL FRAMEWORK

Narrative Description	Objectively Identifiable Indicators (* RIMS; by gender where possible)	Means of Verification	Assumptions
Development Goal			
Sustainable increase and stabilization of smallholder productivity, production, income and food security	<ul style="list-style-type: none"> At least 80% of producers are satisfied with the services contracted Food security has increased for + 60% of producers supported by PSAOP 1 50% producers in members of POs supported in PSAOP 1 have adopted at least one innovation 	<ul style="list-style-type: none"> Impact assessment surveys National surveys and statistics Progress reports of PRSP Reports by implementing agencies and TFCU 	Continuing Government commitment to approach of PSAOP 1 Favourable economic environment No severe climatic or other shocks (pests, diseases)
Specific Objectives			
<ol style="list-style-type: none"> National Agricultural (and food) Research System (NARS) strengthened Network of agricultural advisory services responsive to smallholder needs completed and strengthened Network(s) of Producer Organizations (POs) strengthened to promote/defend smallholder interests Line Ministries strengthened to pilot/enable rural development (MAHRSA and ME) 	<ul style="list-style-type: none"> >320 advisory centres established (at least 1 per rural council) 80% of members of targeted local, regional and a national organizations receiving services are reporting higher production and income Policies and Sectoral Medium Term Expenditure Frameworks (SMTEF) formulated by MAHRSA and ML 	<ul style="list-style-type: none"> Progress reports by implementing agencies PSAOP M&E reports Supervision reports Activity reports of research institutions, advisory centres Annual surveys of client satisfaction 	National funds are available National policies recognize the central role of POs and favour their development National policies and POs support pro poor approaches Rural sector actors commit to participatory methods Adequate human resources are available The programme is likely to become effective in an electoral period, which could cause institutional changes that could slow down implementation The Government's "Special Programmes" for agricultural development are not in line with the approach of PSAOP and may hinder PSAOP implementation SONACOS problems can lead to a crisis in the groundnut sector and hurt producers' livelihoods
Outputs by Component			
A. Agricultural Research <ul style="list-style-type: none"> The NARS develops and adapts technological innovations relevant to the needs of small producers and consistent with national and regional priorities. Competitive mechanism to fund research activities (FNRAA) is established in a sustainable way 	<ul style="list-style-type: none"> 24 innovations developed, adapted, on-farm tested and transferred to advisory services 30% of funding for FNRAA assured by other stakeholders (Government, other donors, commodity organizations, private sector) Entities other than ISRA and ITA obtain at least 15% of funds disbursed by FNRAA by end of project 	<ul style="list-style-type: none"> Yearly financial reports by FNRAA Progress reports by ISRA and ITA Minutes of Steering Committee meetings Independent assessments 	Sufficient human resources Commitment of researchers to participatory and collaborative research
B. Agricultural Advisory Services A pluralistic network of agricultural advisors is established in all 320 rural councils and works in collaboration with public and private services providers	<ul style="list-style-type: none"> 1 agricultural/rural advisor in each of Senegal's 320 rural councils by MTR At least 50% of POs have signed at least one contract with agricultural advisors >80 of clients satisfied with services contracted No. and value of contracts signed between POs and providers of specialized advisory services (marketing, 	<ul style="list-style-type: none"> ANCAR reports Supervisions reports M&E reports Satisfaction surveys 	Continuous commitment of the Government and actors to pluralistic rural advisory services ANCAR remains a government-led institution, not sufficiently accountable to producers Difficulty in recruiting the number of advisors required to cover 320 RC, also because of the contemporary launch of the National Local Development Programme

Narrative Description	Objectively Identifiable Indicators (* RIMS; by gender where possible)	Means of Verification	Assumptions
	management, etc.) • 2/3 of POs participating in community seed production meet needs for quality seeds for rainfed crops		
C. Producer Organizations (POs) • CLCOP and CRCR mechanisms are accessible to all rural producers • POs inform and consult their members in order to contribute to the preparation and implementation of agricultural policies and programmes • POs facilitate access to capacity building and advisory services allowing producers to remove production constraints and improve access to markets	• CLCOPs established in all 320 rural councils by MTR • >70% of PO members of CLCOP of PSAOP 1 have adopted at least one innovation and integrated it in their production system • Five producers' federations and CRCR that have received project support have improved their efficiency and internal governance (quality of records, meetings, actions taken, satisfaction of members) • Network of seed producers for two crops established in at least 5 regions	Annual surveys by POs Progress reports by POs Reports by TFCU	Future agro sylvo pastoral regulation continue to recognize the central role of POs POs willing to extend their base to poorer farmers and women
D. Sectoral Coordination • Sectoral Ministries effectively provide guidance (planning, coordination, M&E) of rural development activities at central and decentralized level, in accordance with LOASP • ME has improved sectoral guidance (planning, coordination, M&E) at central and decentralized levels, including strengthened epidemiologic surveillance of livestock • Implementation of the project is timely and satisfactory at all times	• Sectoral Ministries have defined and implemented a coherent set of procedures and guidelines defining the roles of each service at the central and decentralized levels • Sectoral Ministries have defined and implemented SMTEFs • Sectoral M&E systems established and working satisfactorily at central and decentralized levels • Procurement and financial management activities executed in conformity with procurement plans, implementation manual and IDA procedures • Project reports presented within 30 days of the end of the relevant period • The project rated satisfactory at all times during implementation	• Activity reports by line Ministries • Progress reports by TFCU	Macro economic stability Institutional stability Commitment of all stakeholders to transparency and information exchange Ministries do not adequately play their coordination role. Ministerial staff is unwilling to join deconcentrated services at regional and local levels.
Activities by Component			
Component A: Agricultural Research (US\$7.4 million, of which IFAD US\$630,000)			
A.1.1 Institutional strengthening of NARS			
A.1.2 Financial support to FNRAA • Financing of strategic and applied agricultural research programme • Financing of demand-driven adaptive research and R&D subprojects	• No. and type of agricultural research projects funded • >80% of innovations developed in response to producers' suggestions	• Ad hoc studies of impact of research outputs at farmer level • Progress reports by FNRAA • Reports on project-funded activities and results • Progress reports by ISRA and ITA • Reports on project funded activities and results	
A.2. Upgrading/maintaining NARS scientific research capacities	• 24 innovations developed, adapted, on-farm tested, and transferred to advisory services by end of project • No. of capacity building measures (by type and theme) • No. of trainees (by qualification/gender)		
Component B: Agricultural Advisory Services (US\$29.7 million, of which IFAD US\$740,000)			
B.1.1.Refocus ANCAR on mandate to steer the national agricultural advisory system	• Contracts between ANCAR-approved public/private service providers & POs	• Progress reports by ANCAR	

Narrative Description	Objectively Identifiable Indicators (* RIMS; by gender where possible)	Means of Verification	Assumptions
B.1.2. Implement the agricultural and rural technology information system (SITAR)	<ul style="list-style-type: none"> SITAR in place and functional 	<ul style="list-style-type: none"> Contracts between POs and services providers 	
B.2.1. Support the emergence of public & private agricultural and rural advisory service providers	<ul style="list-style-type: none"> No. and type of new services providers Clientele served by new services providers >80% of clients are satisfied 	<ul style="list-style-type: none"> Activity reports by SITAR FIDAFrique website 	
B.2.2. Build the capacities of actors	<ul style="list-style-type: none"> No. & type of capacity building actions No. of beneficiaries No. of case studies generated through IFAD grants (M&E, CIAT) No. of regional and local discussion fora held Lessons learnt on change processes capitalized and disseminated through FIDAFRIQUE 		
B.2.3. Develop/implement agricultural & rural advisory programmes on major issues identified from producer demand <ul style="list-style-type: none"> Quality seed (e.g. groundnut, millet, maize, rice) Improved husbandry of small ruminants and poultry Improved quality & marketing products Studies on rural family farm oper.s & POs typology 	<ul style="list-style-type: none"> % of assisted producers using improved seed % of assisted producers adopting improved husbandry practices Incomes of assisted producers increased by 15% 		
Component C: Producer Organizations (POs) (US\$8.0 million, of which IFAD US\$2.81 million)			
C.1.1. Social mobilization and strengthening of local organizations	<ul style="list-style-type: none"> CLCOPs established in all 320 rural councils CRCRs established in all 11 regions No. and type of activities No. and type of local organizations 	Progress reports by ASPRODEB and partners (ANCAR, PROMER 2) MAHRSA reports National and regional statistics on trade	
C.1.2. Mechanism of support for POs	<ul style="list-style-type: none"> ASPRODEB contracted as implementing agency 		
C.2.1. Training for leaders of trade orgs. at local, regional and national levels	<ul style="list-style-type: none"> No. and type of training activities No. and role of trainees (by gender) 		
C.2.2. Information for producers and their organizations	<ul style="list-style-type: none"> No. of communication programmes initiated by trade orgs No. and type of communication supports developed 		
C.2.3. Strengthening agricultural trade representation at national level	<ul style="list-style-type: none"> No. and type of apex (umbrella) organizations assisted Demand-driven support fund in place No. and type of studies, expertise, etc. 		
C.3 Strengthen technical and economic capacity of smallholder producers and their organizations <ul style="list-style-type: none"> Establish seed producer networks Improve supply mechanisms for inputs/equipment Support diversification/development of agricultural products Develop financial instruments to support production and marketing Provide management advice to POs and family-run farms 	<ul style="list-style-type: none"> Network of seed producers for two crops established in at least five regions Networks of decentralized financial services in at least two regions propose seasonal credit for a specific crop No. and type of pilot operations replicated and/or expanded in framework of other projects/programmes 		

Narrative Description	Objectively Identifiable Indicators (* RIMS; by gender where possible)	Means of Verification	Assumptions		
Component D: Sectoral Coordination (US\$6.4 million, of which IFAD US\$1.67 million)					
D.1.1. Sectoral coordination and implementation of an interim SMTEF for MAHRSA	<ul style="list-style-type: none"> SMTEF for crops subsector formulated 	<ul style="list-style-type: none"> Activity reports by MAHRSA SMTEF for crops subsector Directorate of Planning and Statistics (DAPS) progress reports Minutes of Steering Committee meetings 			
D.1.2. Implementation of an integrated information system on crop sector	<ul style="list-style-type: none"> Information system on crops in place IFAD Pilot Country Programme M&E system developed and running by end of year 2 				
D.1.3. Strengthening the human resources of MAHRSA	<ul style="list-style-type: none"> Capacity-building and training programmes No. of trainees (by qualification/gender) 				
D.2.1. Strengthening of animal health protections and control of animal products	<ul style="list-style-type: none"> Senegal is declared free from contagious bovine peripneumonia Inspection of animal carcasses is conducted systematically in all 34 departmental capitals At least 50% vaccination coverage of chickens against Newcastle disease 	<ul style="list-style-type: none"> Activity reports by ML SMTEF for livestock subsector Annual vaccination reports Monthly and annual reports of inspections of animal carcasses 			
D.2.2. Improvements to livestock sector information and monitoring systems	<ul style="list-style-type: none"> Information/monitoring system on livestock in place and functioning 				
D.2.3. Sectoral coordination and implementation of a SMTEF for ML	<ul style="list-style-type: none"> SMTEF for livestock subsector formulated 				
D.3.1. Establish Steering Committee	<ul style="list-style-type: none"> SC meets twice yearly TFCU staffed and functioning M&E system in place and functioning Technical coordination assured Fiduciary coordination (procurements, disbursements) assured All project reports presented within 30 days from end of relevant period 	<ul style="list-style-type: none"> Project progress reports (quarterly, biannual) Minutes of SC meetings 			
D.3.2. Establish Technical and Fiduciary Coordination Unit (TFCU) to assure coordination, M&E, and reporting					
Estimates Costs and Financing Plan (USD 'million)					
Costs by component		Costs by category of expenditure		Financing plan	
A. Agricultural Research	7.9	Civil works	7.3	World Bank	20.0 million (43.0%)
B. Agricultural Advisory Services	17.2	Goods	7.4	IFAD	6.0 million (12.8%)
C. Producer Organizations	8.0	Consultants services	9.4	Government	20.7 million (44.3%)
D. Sectoral Coordination	13.0	Non-consultant services	3.3		
IFAD grant	0.3	Training	4.0		
PPF refinancing (p.m.)	0.6	Operating costs	14.8		
Total Cost	47.0	IFAD Grant	0.3		
		PPF	0.6		

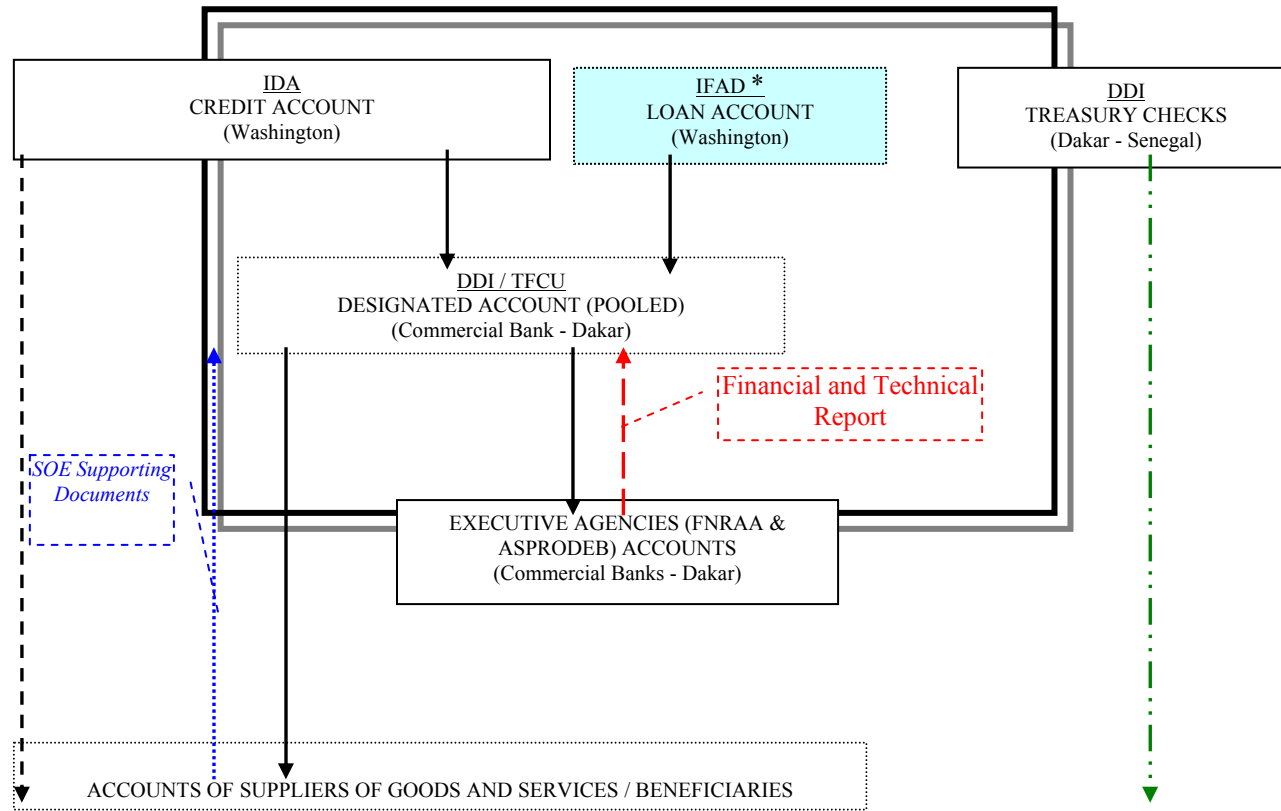
IFAD GRANT'S LOGICAL FRAMEWORK

Narrative Description	Objectively Identifiable Indicators (* RIMS; by gender where possible)	Means of Verification	Hypotheses/Risks
Development Goal			
Contribute to objective 4 of PSAOP 2 “Line Ministries strengthened to pilot/enable rural development by contributing to the setting up of a rural development information system”	IFAD M&E pilot system is used as the basis to build the overall Line Ministry system	Minutes of Steering Committee meetings DAPS progress reports	Commitment of stakeholders to transparency of information
Specific Objectives			
<ol style="list-style-type: none"> Set up a RIMS-compatible M&E system that can measure IFAD programme and project achievements and assess the impact thereof Test mechanisms whereby IFAD M&E system can provide learning and exchange information Support permanent dialogue between IFAD and other rural development stakeholders enabled 	<ul style="list-style-type: none"> M&E procedures of IFAD-financed operations in Senegal harmonized and inter-connected Mechanisms for exchanging information in place Consultation Workshops have taken place Lessons learned available on FIDAFRIQUE 	Reports on IFAD-financed activities Exchanges formalized by contracts	Difficulty in identifying the right operator
Outputs			
<ol style="list-style-type: none"> A RIMS-compatible M&E system for IFAD's country programme that can track and measure progress towards achievement of targets set by the country-specific opportunities paper (COSOP) is set up and operational 	<ul style="list-style-type: none"> Revised logical framework for COSOP Procedures/tools to link project-level planning with COSOP targets and RIMS requirements Operational manual and tools for M&E systems of ongoing projects Stakeholder workshops organized at local, regional and national level 		
<ol style="list-style-type: none"> Mechanisms in place for generating and exchanging information between all stakeholders in rural development (private and public) 	<ul style="list-style-type: none"> Protocols signed with Ministries (MAHRSA, MEF and ME) and local governments M&E software designed to link project M&E systems (including GIS) to national and local information systems No. of case studies generated through IFAD grants (M&E, CIAT) Lessons learned on change processes capitalized and disseminated through FIDAFRIQUE 	Supervision reports Review of COSOP report FPO progress reports Protocols Report by software designer DAPS reports Progress reports	
<ol style="list-style-type: none"> Mechanisms for permanent dialogue between IFAD operations and other rural development stakeholders 	<ul style="list-style-type: none"> Non-IFAD stakeholders also invited to first annual review of IFAD-financed operations in Senegal Guidelines for preparing and holding subsequent annual reviews Guidelines for fostering platforms of stakeholders at regional and local levels No. of regional and local discussion <i>fora</i> held 		

7

Key Activities			
1. COSOP and M&E systems of ongoing IFAD projects			
1.a. Revise logframe and indicators for COSOP of Senegal	<ul style="list-style-type: none"> New logframe and indicators 	Activity reports Supports (logframe, data base, AWPBs, manual, etc.)	
1.b. Create data base to monitor progress in COSOP implementation	<ul style="list-style-type: none"> Data base for IFAD country programme in Senegal 		
1.c. Annual review and planning of M&E operations	<ul style="list-style-type: none"> AWPBs 		
1.d. Harmonize M&E systems of ongoing IFAD-financed projects	<ul style="list-style-type: none"> Simplified analytical bookkeeping system 		
1.e. Write manual on M&E procedures	<ul style="list-style-type: none"> Manual on M&E procedures 		
2. Connectivity between IFAD M&E systems and those of other stakeholders in rural development			
2.a. Study of objectives and related information needs of potential non-IFAD users (Ministries, local governments, etc.)	<ul style="list-style-type: none"> Stakeholders consulted during study MoU signed between projects and information users 	Study report Report on software design DAPS activity reports	
2.b. Design software to enable access by non-IFAD stakeholders to M&E system for IFAD's country programme in Senegal	<ul style="list-style-type: none"> Consultancy 		
2.c. Strengthen capacity of DAPS to steer implementation of grant programme	<ul style="list-style-type: none"> National M&E system in place to monitor rural development activities and impact 		
3. Permanent dialogue between IFAD and other stakeholders			
3.a. Consultancies to draw up annual reviews of targets and achievements of IFAD-financed operations in Senegal	<ul style="list-style-type: none"> Contracts for consultancy services 	Consultants' reports Workshop proceedings Guidelines for annual reviews and workshops M&E manual	
3.b. Annual workshops to review/discuss targets and achievements to involve IFAD as well as non-IFAD stakeholders in rural development in Senegal	<ul style="list-style-type: none"> No. of workshops held No. and type of participants Recommendations for next year's AWPBs 		
3.c. Write guidelines for future exercises (annual reviews and workshops)	<ul style="list-style-type: none"> Guidelines for annual reviews and workshops 		

FLOW OF FUNDS



- ▶ Payments
- - - - -▶ Direct Payments
-▶ Withdrawal Applications
- - - - -▶ Financial and Technical Report of the Executive Agency
-▶ Treasury Checks for VAT Contribution

COSTS AND FINANCING

**TABLE 1 – EXPENDITURE ACCOUNTS BY FINANCIERS
(USD '000)**

	International Development Association		The Government of Senegal		IDA/IFAD		IFAD Grant		Total		Foreign Exchange	Local (Excluding Taxes)	Duties and Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
A. Civil Works	-	-	6 133.2	83.6	1 204.7	16.4	-	-	7 337.8	15.6	2 092.0	3 112.1	2 133.7
B. Goods													
Vehicles	-	-	1 019.5	29.7	2 407.4	70.3	-	-	3 426.8	7.3	1 785.3	956.1	685.4
Equipment	-	-	1 148.1	45.7	1 344.8	53.5	-	0.8	2 512.8	5.3	907.4	891.4	714.1
Expendable Equipment	-	-	460.8	30.4	1 052.8	69.6	-	-	1 513.6	3.2	538.5	534.9	440.1
Subtotal Goods	-	-	2 628.3	35.3	4 805.0	64.5	20.0	0.3	7 453.2	15.8	3 231.2	2 382.4	1 839.6
C. Consultants Services	-	-	0.0	-	8 752.8	100.0	-	-	8 752.8	18.6	1 761.2	6 991.6	-
D. Non-consultants Services	-	-	-	-	2 095.3	88.2	280.0	11.8	2 375.3	5.0	2 095.3	280.0	-
E. Training	-	-	0.0	-	3 915.7	100.0	-	-	3 915.7	8.3	694.7	3 221.0	-
F. FNRAA G1 Microproject	-	-	493.9	82.5	104.8	17.5	-	-	598.6	1.3	598.6	-	-
G. FNRAA G2 Microproject	-	-	329.2	55.0	269.4	45.0	-	-	598.6	1.3	598.6	-	-
H. PO Microproject	-	-	-	-	634.2	100.0	-	-	634.2	1.3	-	634.2	-
I. Operating Costs	-	-	11 116.5	75.2	3 656.6	24.8	20.0	-	14 773.1	31.4	3 250.5	11 007.6	515.0
J. Project Prep. Facility (PPF)	600.0	100.0	-	-	-	-	-	-	600.0	1.3	600.0	-	-
Total Project Costs	600.0	1.3	20 701.0	44.0	25 438.3	54.1	300.0	0.6	47 039.3	100.0	14 922.1	27 628.9	4 488.3

TABLE 2 – EXPENDITURE ACCOUNTS BY COMPONENTS
Totals Including Contingencies (USD '000) – 1st sheet

	SUPPORT TO PRODUCER ORGANIZATIONS													
	Support to Agricultural Research		Support to Agricultural Advisory Services		Strengthen Social Representation/Inclusiveness of Local/Regional POs		Strengthen Farmer Participation in Policy Formulation			Strengthen Technical/Economic Capacity of Smallholders and POs				
	Strengthen FNRAA and Strategic Management of NARS	Upgrade/Maintain Scientific Capacity of NARS	Support to Strategic /Methodol. Guidance of National Agr. /Rural Advisory System	Strengthen Offer of Agricultural Advisory Services	Mobilize and Strengthen Grass-roots Organizations	PO Support Mechanism	Capacity-building of Leaders at Local/Regional/National Level	Information/Commun. Programmes for Farmers and POs	Strengthen Consultation between POs and Other Stakeholders	Seed Producers Network	Agricultural Equipment and Input Supply Mechanisms	Diversification /Upgrading of Produce	Financial Support to Production/Marketing	POs /Smallholders Advisory Services
I. Investment Costs														
A. Fund Allocation	2 095.3	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Civil Works														
Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rehabilitation	-	1 355.3	92.7	-	-	-	121.0	-	-	-	-	-	-	-
Subtotal Civil Works	-	1 355.3	92.7	-	-	-	121.0	-	-	-	-	-	-	-
C. Goods														
1. Vehicles	37.3	435.4	-	896.3	261.3	-	93.3	-	261.3	96.8	-	-	-	-
2. Equipment														
Office Equipment	-	295.9	1 142.6	-	-	-	-	111.4	72.3	7.2	-	-	-	29.4
Expendable Equipment	17.4	557.3	171.1	114.4	-	-	57.9	-	-	-	-	-	-	-
Other Equipment	-	-	453.9	1 038.1	-	-	-	-	-	-	-	-	-	-
Subtotal Equipment	17.4	853.2	1 767.6	1 152.6	-	-	57.9	111.4	72.3	7.2	-	-	-	29.4
Subtotal Goods	54.7	1 288.6	1 767.6	2 048.8	261.3	-	151.2	111.4	333.7	104.1	-	-	-	29.4
D. Consultants Services														
1. Freelance Consultants														
National	83.6	202.0	8 585.4	2 783.9	440.5	-	21.3	73.9	77.0	105.8	-	52.5	-	-
International	28.9	-	196.6	227.9	-	-	29.2	-	43.7	85.7	-	87.5	28.6	-
Subtotal Freelance Consultants	112.4	202.0	8 782.0	3 011.8	440.5	-	50.5	73.9	120.7	191.4	-	140.0	28.6	-
2. Non-consultants Services														
National	659.8	-	147.6	145.5	622.1	745.8	135.0	267.5	583.1	592.3	229.3	204.4	114.8	181.9
International	-	573.5	33.7	-	-	-	44.7	-	-	-	-	76.9	85.4	-
Subtot. Non consultants Services	659.8	573.5	181.4	145.5	622.1	745.8	179.8	267.5	583.1	592.3	229.3	281.3	200.2	181.9
Subtot Consultants Services	772.3	775.5	8 963.4	3 157.3	1 062.6	745.8	230.2	341.4	703.8	783.8	229.3	421.3	228.8	181.9
E. Training														
Project Prep. Facility (PPF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside country / Regional	47.1	-	-	-	-	-	-	-	58.1	-	-	60.5	15.5	18.7
Local	93.7	194.1	110.0	1 033.4	22.8	-	580.2	203.7	30.8	109.5	29.9	101.1	43.1	120.1
Subtotal Training	140.8	194.1	110.0	1 033.4	22.8	-	580.2	203.7	88.9	109.5	90.4	116.6	61.8	120.1
F. FNRAA G1 Microproject	598.6	-	-	-	-	-	-	-	-	-	-	-	-	-
G. FNRAA G2 Microproject	598.6	-	-	-	-	-	-	-	-	-	-	-	-	-
H. PO Microproject	-	-	-	-	634.2	-	-	-	-	-	-	-	-	-
Total Investment Costs	4 260.3	3 613.6	10 933.7	6 239.5	1 980.9	745.8	1 082.6	656.5	1 126.3	997.3	319.7	537.9	290.6	331.5
II. Recurrent Costs														
Total Project Costs	4 260.3	3 613.6	10 933.7	6 239.5	1 980.9	745.8	1 082.6	656.5	1 126.3	997.3	319.7	537.9	290.6	331.5
Taxes	12.5	729.3	541.0	514.4	52.3	-	70.7	32.4	73.3	21.5	-	-	-	8.6
Foreign Exchange	3 525.5	1 091.5	2 472.1	1 618.5	352.3	149.4	208.5	128.9	359.3	221.4	103.7	109.1	67.2	59.2

TABLE 2 – EXPENDITURE ACCOUNTS BY COMPONENTS
Totals Including Contingencies (USD '000) – 2nd sheet

	SECTORAL COORDINATION AND M&E										PPF	Total
	Coordination Crops Subsector			Coordination Livestock Subsector			Technical/Fiduciary Coordination and Monitoring					
	Define/Implement a Sectoral Medium-term Expenditure Framework	Establish a Subsectoral Integrated Information System	Rationalize Use of MAHRSA's Physical/ Financial/ Human Resources	Strengthen Epidemio-surveillance Systems and Control of Animal-food Safety	Improve Management Information System of the Livestock Subsector (SIGEL)	Define/ Implement a Subsectoral Medium-term Expenditure Framework						
I. Investment Costs												
A. Fund Allocation	-	-	-	-	-	-	-	-	-	-	-	2 095.3
B. Civil Works												
Construction	-	-	3 633.2	309.1	-	-	-	-	-	-	-	3 942.3
Rehabilitation	-	-	1 697.0	124.1	-	-	-	5.5	-	-	-	3 395.6
Subtotal Civil Works	-	-	5 330.1	433.2	-	-	-	5.5	-	-	-	7 337.8
C. Goods												
1. Vehicles	-	605.1	37.3	621.5	-	-	-	200.0	-	-	-	3 545.7
2. Equipment												
Office Equipment	-	-	-	-	-	-	-	176.7	-	-	-	1 835.6
Expendable Equipment	-	272.0	641.4	-	162.5	-	-	28.9	-	28.9	-	2 051.9
Other Equipment	-	79.9	-	89.8	11.6	25.1	-	92.7	-	-	-	1 791.1
Subtotal Equipment	-	351.9	641.4	89.8	174.1	25.1	-	298.4	-	28.9	-	5 678.6
Subtotal Goods	-	957.0	678.8	711.3	174.1	25.1	-	498.4	-	28.9	-	9 224.3
D. Consultants Services												
1. Freelance Consultants												
National	-	-	92.4	-	-	-	223.9	461.8	-	138.5	-	13 342.3
International	-	280.0	-	-	-	-	-	-	-	-	-	1 008.0
Subtotal Freelance Consultants	-	280.0	92.4	-	-	-	223.9	461.8	-	138.5	-	14 350.3
2. Non-consultants Services												
National	-	-	-	29.8	9.6	47.9	398.6	55.4	-	-	-	5 170.6
International	277.3	57.1	58.3	37.9	151.7	60.0	-	769.6	-	287.6	-	2 513.9
Subtot. Non consultants Services	277.3	57.1	58.3	67.7	161.3	107.9	398.6	825.0	-	287.6	-	7 684.5
Subtotal Consultants Services	277.3	337.1	150.7	67.7	161.3	107.9	622.6	1 286.7	-	426.1	-	22 034.8
E. Training												
PPF	-	-	-	-	-	-	-	-	-	-	600.0	600.0
Outside country / Regional	57.4	28.7	29.4	32.5	10.7	16.1	-	-	-	-	-	374.7
Local	62.0	154.5	48.7	260.0	149.8	84.2	-	109.4	-	-	-	3 540.9
Subtotal Training	119.4	183.2	78.1	292.5	160.5	100.3	-	109.4	-	-	600.0	4 515.7
F. FNRAA G1 Microproject	-	-	-	-	-	-	-	-	-	-	-	598.6
G. FNRAA G2 Microproject	-	-	-	-	-	-	-	-	-	-	-	598.6
H. PO Microproject	-	-	-	-	-	-	-	-	-	-	-	634.2
Total Investment Costs	396.7	1 477.3	6 237.6	1 504.7	495.9	233.3	622.6	1 900.0	-	455.1	600.0	47 039.3
II. Recurrent Costs												
Total PROJECT COSTS	396.7	1 477.3	6 237.6	1 504.7	495.9	233.3	622.6	1 900.0	-	455.1	600.0	47 039.3
Taxes	-	217.5	1 743.9	276.4	50.6	7.3	-	128.4	-	8.4	-	4 488.3
Foreign Exchange	113.7	486.1	1 830.3	548.5	119.1	53.7	125.5	482.7	-	96.1	600.0	14 922.1

ORGANIZATION AND MANAGEMENT

