

Document: EB 2017/LOT/P.5
Date: 28 June 2017
Distribution: Public
Original: English

E



President's memorandum

Proposed additional loan to the
Republic of Senegal for the
Support to Agricultural Development and
Rural Entrepreneurship Programme

Note to Executive Board representatives

Focal points:

Technical questions:

Luyaku Nsimpati
Country Programme Manager
West and Central Africa Division
Tel.: +221 33 859 6757
e-mail: l.nsimpati@ifad.org

Dispatch of documentation:

William Skinner
Chief
Governing Bodies
Tel.: +39 06 5459 2974
e-mail: gb@ifad.org

For: Approval

Contents

I.	Context and justification	1
A.	Background	1
B.	Justification for additional financing	1
C.	Status of programme implementation	2
II.	Description of activities to be supported	3
III.	Description and quantification of expected benefits	4
IV.	Financial management, procurement and governance	4
V.	Programme costs and financing	5
VI.	Proposed amendments to the financing agreements	6
VII.	Legal instruments and authority	6
VIII.	Recommendation	7

Appendix

Revised logical framework

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed additional loan to the Republic of Senegal for the Support to Agricultural Development and Rural Entrepreneurship Programme, as contained in paragraph 30.

Proposed additional loan to the Republic of Senegal for the Support to Agricultural Development and Rural Entrepreneurship Programme

I. Context and justification

A. Background

1. The present memorandum seeks the approval of the IFAD Executive Board for additional financing for the Support to Agricultural Development and Rural Entrepreneurship Programme (PADAER) in the form of a loan in the amount of SDR 4.25 million (equivalent to approximately US\$5.82 million) on highly concessional terms. The additional financing will respond to the Government of Senegal's request to the Fund in the amount of 3.55 billion CFA francs (CFAF) for the full completion of PADAER ongoing activities and consolidation and scaling up of the results achieved by PADAER.
2. Implementation of the activities under the additional financing will benefit from an extension by 18 months of the programme completion and loan closing dates, to 30 June 2019 and 31 December 2019 respectively.
3. The additional financing will be allocated under the 2016-2018 cycle of the performance-based allocation system (PBAS). The Government will contribute by covering the duties and import taxes resulting from the importation and use of material and equipment under the additional financing. Beneficiaries will also provide an in kind contribution as cofinancing of the agricultural inputs, equipment and other services that they will receive under the additional financing.
4. The original total financing of PADAER consisted of an IFAD highly concessional loan of SDR 20.2 million (equivalent to US\$32.33 million), a loan from the Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund) of EUR 7 million (US\$10.09 million), a government contribution of US\$8.66 million and a beneficiary contribution of US\$0.62 million. It was approved by the IFAD Executive Board in September 2011 (EB 2011/103/R.18) for a six-year duration entering into force on 12 October 2011.

B. Justification for additional financing

5. The development objectives of PADAER are to sustainably improve the food security and incomes of small-scale producers (farmers and livestock farmers) and to create sustainable rural employment opportunities, particularly for women and youth. The programme will accomplish these through improved access to agricultural production services, technologies and infrastructure for small-scale farmers and their organizations. PADAER covers the regions of Kedougou, Kolda, Matam and Tambacounda.
6. In pursuit of these objectives, the additional financing will enable the programme to: (i) complete the graduation process of farmers' organizations (FOs) from a digressive grant and "input savings" mechanism to self-financing; (ii) ensure adequate implementation support to smallholder farmers and their FOs for the 2017/18 crop season, which includes access to quality inputs, agricultural

equipment, ploughing services, agricultural insurance, provision of technical assistance to agricultural production, and capacity-building in crop and organizational management and in marketing of agricultural products; (iii) complete rehabilitation and construction of livestock, market and hydro-agriculture infrastructure and ensure its proper and sustainable management; and (iv) provide bridge financing between PADAER and the follow-up programme to be designed under the PBAS 2016-2018 cycle for presentation to the Executive Board in 2018, covering the same geography and using a longer-term programmatic approach. The completion of these activities and the consolidation of the results achieved so far will enhance PADAER impacts and improve the likelihood of their sustainability.

7. Activities to be financed under the additional financing are well aligned with the Government's priorities. They respond to the agricultural growth objectives of the Programme for Accelerated Agricultural Development in Senegal [Programme d'accélération de la cadence de l'agriculture sénégalaise] (PRACAS) of the Ministry of Agriculture and Rural Equipment, in particular concerning improving cereal production (rice and maize) and reducing rural poverty and food insecurity.

C. Status of programme implementation

8. The programme has achieved good results. It has reached out directly to 43,753 households (88 per cent of the target of 50,000 households) and has contributed significantly to the objectives of PRACAS, especially in rice and maize production. It has built high-quality infrastructure (livestock and hydro-agriculture), highly appreciated by the beneficiaries and the government. The programme is compliant with original loan covenants. All audit reports have been submitted on time and unqualified.
9. The programme has improved smallholder farmers' food security and incomes through a significant increase in crop yield and production of the main crops supported (rice and maize). Rainfed rice yield increased by 200 per cent (from 1 ton to 3 tons/hectare [ha]), and maize yield increased by 133 per cent (from 1.5 tons to 2.8 tons/ha).¹ Total production for cereals increased significantly by five times (from 5,682 tons in 2014/15 to 35,259 tons in 2015/16²). This is mainly due to FOs' and farmers' access to quality inputs (certified seed, fertilizer and pesticides) and equipment, and access to proximity agricultural extension services. Through programme support, FOs were able to cultivate 2,308 ha in 2014, which increased exponentially in 2015 and 2016 to 12,273 and 15,939 ha respectively. The increase in production represents additional income for farmer households in the range of US\$290-460 for rice and US\$240 for maize.³ In addition, the programme encourages food diversification by providing support to other crops (e.g. fonio) and horticulture. For 1,135 FOs (116 per cent of the 975 FOs targeted) and 43,702 farmers, capacity for adopting and applying good cultivation and livestock practices has been significantly strengthened.
10. The hydro-agriculture infrastructure built or rehabilitated has made 460 villages accessible throughout the year. Households in these zones are now able to easily access social services, including school and health facilities. Storage capacity totalling 480 tons has been built to facilitate market access and the commercialization of smallholder products, as well as 73 kilometres of feeder roads. The market infrastructure built has facilitated the sale of agricultural products. Moreover, high-quality livestock infrastructure has been realized, comprising 12 vaccination stations, 12 water towers, 8 storage facilities for livestock feed and 4 drinking troughs. This infrastructure has contributed considerably to the improvement of the rural population's living conditions (such as

¹ Data from the PADAER monitoring and evaluation (M&E) system for the 2015/16 crop season.

² Data from the PADAER M&E system for the 2014/15, 2015/16 and 2016/17 crop seasons. The 2014/15 crop season was negatively affected by low and irregular rainfall patterns.

³ Data from the PADAER M&E system for the 2015/16 crop season.

improved access to drinking water and animal watering). Management committees, comprising representatives of FOs and local authorities, whose capacity has been strengthened, have been put in place for all infrastructure completed and ongoing, thus ensuring its effective management and maintenance. The quantity of cereals commercialized by targeted producers, especially maize and rice, has consistently increased over the years. While 788 tons of cereal were commercialized in 2015/16, this amount increased to 1,755 tons in 2016/17. This was the result, among other things, of improved storage facilities and contract farming between FOs and market operators for the sale of the produce.

11. Although the capacity of FOs was very weak at the start of the programme, their organizational capacity and institutional development have improved with programme support. However, more capacity-strengthening of FOs will still be needed if they are to become fully autonomous and able to sustainably provide effective economic services to their members. While the current focus of PADAER is mainly on production, resulting in significant results, looking forward, it will focus more on post-harvest aspects (storage, processing, conservation, packaging and marketing).

II. Description of activities to be supported

12. Activities to be supported by the additional financing remain those contained in the design document. They are consistent with programme objectives and will not imply any modification of the original programme description or its geographical coverage, implementation arrangements, components or expense categories. A few adjustments are introduced to better respond to the Government's priorities and a consolidation of the results through the 2017/18 crop season. They follow under two main components.

Component 1: Enhancing supply of agricultural production

13. Under this component, the specific activities to be funded through the additional financing will be: (i) completion and proper management of the hydro-agriculture and livestock infrastructure envisaged in programme design; (ii) further capacity-strengthening of FOs for the provision of quality inputs and equipment to their members; and (iii) capacity-strengthening of smallholder farmers and their organizations for adopting and applying better cultivation and livestock practices, as well as improving their agricultural risk management capacity. Specifically:
 - Subcomponent 1.3: Access to production inputs: (i) cultivation of 14,200 ha of agricultural lands (rice, maize, cowpeas, fonio and horticulture), targeting 25,000 households belonging to 700 FOs, during the 2017/18 crop season, through support for access to improved inputs, equipment and ploughing services; and (ii) PADAER will also facilitate subscription to agricultural index insurance for 48 FOs.
 - Subcomponent 1.4: Capacity-building and extension services: (i) capacity-building for farmer trainers-of-trainers in agricultural practices; (ii) follow-up during the crop season; and (iii) exchange visits involving FOs.

Component 2: Value added and markets

14. Under this component, the additional financing will support activities to amplify the capacity of FOs to become autonomous, offer adequate, effective and appropriate services to their members, and increase their marketing and negotiating skills.
 - Subcomponent 2.2: Building stakeholder professionalism: (i) capacity-building of 235 grass-roots and umbrella FOs and support to implementation of their action plans; (ii) workshops on leadership, advocacy, cooperatives, marketing and access to finance; strengthening of value chain actors; and establishing lasting relationships among the diverse actors; and

(iii) support to the establishment of two interprofessional value chain platforms (for rice and maize).

15. Most of the mentioned activities will be implemented in 2017, as they are complementary to the 2017/18 crop season. Only a few capacity-building and follow-up activities targeting FOs will be carried out in 2018 and 2019. Moreover, soft activities, consisting of capacity-building of the infrastructure management committees and local authorities, will be implemented to ensure sustainable and effective management of the infrastructure built (through initial loan resources).

Component 3: Programme coordination and knowledge management

16. Additional funds will be allocated to cover part of programme staff salaries for a few months towards the end of 2017, as well as their separation-related compensation in compliance with the country's human resources guidelines. During the extension period, the programme coordination unit will be significantly reduced to limit the cost of salaries, while ensuring proper implementation and monitoring of planned activities. During that period, follow-up of some activities will be undertaken by the regional directorates of the Ministry of Agriculture and Rural Equipment.

III. Description and quantification of expected benefits

17. The additional financing will directly benefit 25,000 smallholder farmers (13,500 women), members of about 740 FOs,⁴ who will have access to quality inputs and advisory services during the 2017/18 crop season. This will result in significant increased productivity and production for home consumption, thereby improving food security, and for the sale of surpluses for income generation. The market infrastructure and roads built and properly managed will contribute to reducing post-harvest losses, facilitating access to markets and reducing the isolation of villages.
18. Moreover, the completion of pastoral infrastructure will provide pastoral communities with increased access to potable water for human consumption and livestock watering, thus contributing to improving the living and socio-economic conditions of rural smallholders. Finally, more than 500 FOs, targeting at least 50 per cent women, will become more dynamic and autonomous after programme completion. They will establish stronger linkages with market operators, allowing them to sell agricultural products at competitive prices.

IV. Financial management, procurement and governance

19. Country context and risk rating. Financial management arrangements for the proposed additional financing will be aligned with those of the ongoing PADAER, which have been found to be fully adequate by supervision missions and audits. The financial management risk of PADAER, assessed in accordance with IFAD guidelines, is deemed low.
20. Financial management. Responsibility for financial management of the additional financing will rest with the Ministry of Economy, Finance and Planning. A full set of accounts will be maintained in line with IFAD's requirements and internationally recognized accounting standards. Interim financial reports and annual programme financial statements prepared by the programme coordination unit will include the additional financing, identified separately.
21. Accounts. The additional financing will be transferred by IFAD to a designated account managed by the Ministry of Economy, Finance and Planning, at a bank in Dakar acceptable to IFAD, and in accordance with IFAD's disbursement procedures. Funds will be transferred to PADAER's operational account for programme implementation.

⁴ 712 FOs in Kedougou, Kolda and Tambacounda, and 30 in the irrigated schemes in Matam.

22. External audit arrangements. The programme will be audited annually by independent auditors acceptable to IFAD under terms of reference approved by IFAD and in line with the IFAD Guidelines on Project Audits. An audited, consolidated financial statement for the entire programme, together with the required management letter, will be submitted to IFAD within six months of the end of each fiscal year.
23. Procurement. The ordering and provision of works, supplies and services will be done in accordance with IFAD procurement guidelines and with the provisions indicated in the administrative and financial procedures manual.

V. Programme costs and financing

24. The additional financing amounts to SDR 4.25 million (approximately US\$5.82 million), in the form of a loan on highly concessional terms.
25. Distribution of costs by expenditure category and by component and financiers is shown in the following tables:

Table 1
PADAER additional financing by expenditure category
 (Thousands of United States dollars)

<i>Categories</i>	<i>Amount</i>	<i>%</i>
1. Civil and rural works	-	-
2. Agricultural equipment, inputs and material	3 452	59.34
3. Training, studies and technical assistance	1 389	23.87
4. Service providers	104	1.79
5. Salaries	873	15
6. Operational costs	-	-
Total	5 818	100

Table 2
PADAER additional financing by component and financier
 (United States dollars)

Component	IFAD additional financing	IFAD loan	Spanish Trust Fund	Beneficiaries ^a	Government ^b	Total from Jan 2017 to extended closing date	%
	Amount	Amount	Amount	Amount	Amount	Amount	
A. Enhancing supply of agricultural production							
1. Hydro-agriculture rehabilitation	-	1 029 166.5	1 878 286.2	172 613.2	556 375.5	3 636 441.4	19.7
2. Livestock infrastructure	-	3 328 257.8	-	379 122.5	669 692.1	4 377 072.4	23.7
3. Production factors	3 317 770.8	-	-	1 105 215	184 416.2	4 607 401.9	25
4. Agricultural advisory services	352 564	-	-	-	63 686.3	416 250.3	2.3
Subtotal	3 670 334.7	4 357 424.3	1 878 286.2	1 656 950.7	1 474 170.1	13 037 165.9	70.7
B. Value added and markets							
1. Market infrastructure	-	1 618 117.5	-	159 656	321 132.6	2 098 906.1	11.4
2. Processing and rural entrepreneurship	332 286.9	139 764.9	-	28 100.4	90 346.3	590 498.4	3.2
3. Professionalization of main actors	47 673.9	-	-	-	8 611.7	56 285.5	0.3
Subtotal	379 960.7	1 757 882.5	-	187 756.3	420 090.6	2 745 690.1	14.9
C. Programme coordination and knowledge management							
1. Coordination and management	1 320 936.6	642 661	-	-	115 865.2	2 079 462.8	11.3
2. Knowledge management and communication	190 178.8	-	-	-	29 685.9	219 864.7	1.2
3. Institutional support: agriculture and livestock	256 609.4	47 015.3	-	-	54 846	358 470.7	1.9
Subtotal	1 767 724.9	689 676.3	-	-	200 397.1	2 657 798.3	14.4
Total	5 818 020.3	6 804 983.1	1 878 286.2	1 844 707	2 094 657.8	18 440 654.4	100

^a In kind contribution.

^b Contribution in taxes.

VI. Proposed amendments to the financing agreements

26. Once approved by the Executive Board, the PADAER financing agreement will be amended to take into account the additional IFAD financing. No new expenditure category will be created. This financing completes the financing plan initially approved during programme design and will not involve changes to the programme description, objectives, target area or target group. The Government will cover taxes related to expenditures envisaged under the additional financing, in the form of exemptions and/or cash as required.

VII. Legal instruments and authority

27. An amendment to the current financing agreement between the Republic of Senegal and IFAD will constitute the legal instrument for extending the proposed additional financing to the borrower.
28. The Republic of Senegal is empowered under its laws to receive financing from IFAD.
29. I am satisfied that the proposed IFAD additional financing will comply with the agreement establishing IFAD and with the Policies and Criteria for IFAD Financing.

VIII. Recommendation

30. I recommend that the Executive Board approve the proposed additional financing in terms of the following resolution:

RESOLVED: that IFAD shall provide a loan on highly concessional terms to the Republic of Senegal in an amount equivalent to 4.25 million special drawing rights (approximately US\$5,820,000), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Hougbo
President

Revised logical framework

	Objectively smart indicators (PDR)	Objectively smart indicators (rev after MTR)	Progress report at 31/03/2017	Means of verification	Risks and preconditions
1. GOAL					
To contribute to rural poverty reduction and boost economic growth in Kédougou, Kolda, Matam and Tambacounda regions	- Reduced the prevalence of under 5 child chronic malnutrition from x% to y% - In six years, the HH asset index is increased by at least 5% for 50% of the target HHs	- Reduced the prevalence of under 5 child chronic malnutrition from x% to y% - In six years, the HH asset index is increased by at least 5% for 50% of the target HHs	N/A	- DPES - M&E PNIA, PNDE, CSD - National statistics and baseline surveys	- Weather and market conditions are favourable
2. DEVELOPMENT OBJECTIFS					
To sustainably improve food security and income of small-scale producers (farmers and livestock farmers), as well as to create sustainable rural employment opportunities, particularly for women and youths	- The % of HHs living below the poverty line is reduced to x% to y% in six years - In six years, the targeted HH income is increased by at least 10% - 80% of the new jobs created are sustainable - 50 000 rural HHs have access to the services offered by the programme	- The % of HHs living below the poverty line is reduced to x% to y% in six years - In six years, the targeted HH income is increased by at least 10% - 80% of the new jobs created are sustainable - 50 000 rural HHs have access to the services offered by the programme	N/A - 43 753 rural HHs (10 775 HHs targeted in 2014 and 17 162 in 2015)	- MTR report (impact study) - Final evaluation study - DAPSA and DIREL national statistics	- Weather and market conditions are favourable
3. RESULTS					
Component 1 Enhancing supply of agricultural production					
EFFECT 1 : Water management infrastructures offer to small holder farmers opportunities to use the available natural resources (water and land)	- Increase in the total cultivated area, 2 275 ha - X% reduction of livestock mortality in the pastoral units	- Increase in the total cultivated area, 2 286 ha - X% reduction of livestock mortality in the pastoral units	- 2 026. 4 ha	- Surveys	-
Output 1 : Watershed infrastructures are in place or rehabilitated and used by small producers for agricultural production	- 10 vegetable gardens of 10 has put in place in Matam regions - 200 ha of communal irrigated area (PIV) rehabilitated in Matam region to adopt a rice intensification system (SRI) - 255 ha of low lands put in place in Tambacounda, Kolda and Kédougou regions - 200 ha of outwash plains realized in Kédougou region - 1.100 ha of additional parcels of lands rehabilitated downstream the small dams created by PAPIL in the 3 regions (492 ha Kolda, 328 ha Tamba and 280 ha Kédougou) - 220 ha rehabilitated and provided with pumping equipment on old perimeters PISO (120 ha in Tambacounda and 100 ha in Kédougou) - 6 000 ha of land rehabilitated for the conservation and restauration of soil (DRS) in the catchment areas of the regulated lowlands in Kedougour, Kolda and Tambacounda	- 6 vegetable gardens of 10 has put in place in Matam regions - 763 ha of communal irrigated area (PIV) rehabilitated in Matam region to adopt a rice intensification system (SRI) - 580 ha of low lands put in place in Tambacounda, Kolda and Kédougou regions - 200 ha of outwash plains realized in Kédougou region - 558 ha of additional parcels of lands rehabilitated downstream the small dams created by PAPIL - 125 ha vegetable gardens rehabilitated and/or put in place(10 ha Tambacounda, 40 ha Kolda, 15 ha Matam and 60 ha à Kédougou) - 6 000 ha of land rehabilitated for the conservation and restauration of soil (DRS) in the catchment areas of the regulated lowlands in Kedougour, Kolda and Tambacounda	- 0 - 763.9 ha - 445 ha - 160 ha - 563 ha - 94.5 ha - 3 609.8 ha	- Written report of the final completion of works	- Rural committees allocate enough land for land rehabilitation to targeted farmer organisations

Output 2: The existing livestock units are consolidated and new ones are created and managed by agro-herders to improve management of transhumant pastoralism	- 10 new livestock units created (drilling, water towers, drinking troughs, storages for animal feeds, vaccination stations) - 20 livestock wells, 20 drinking troughs, 20 vaccination stations, 20 storages for animal feeds, 5 water towers built to strengthen existing livestock units - 20 km of firewalls	- 10 new livestock units created (drilling, water towers, drinking troughs, storages for animal feeds, vaccination stations) - 12 drinking troughs, 20 vaccination stations, 12 storages for animal feeds, 4 water towers built to strengthen existing livestock units - 20 km of firewalls	- 0 (most of the works are on-going but not yet completed) - 12 drinking troughs, 12 vaccination stations, 8 storages for animal feeds, - 50 km	- Written report of the final completion of works	- Rural committees allocate the requested land to the pastoral units
EFFECT 2: Access to agricultural inputs and technological innovations improve production conditions	- 50% of small holder farmers have adopted at least a good agricultural practice introduced by the programme - Yield increase for the targeted crop, in particular from an average of 1,5 T/ha to 4 T/ha for rice (3.5 T/ha for lowland rice and 6 T/ha for the irrigated rice) - 70% of producers having access to proximity extension services are satisfied with the services offered	- 50% of small holder farmers have adopted at least a good agricultural practice introduced by the programme - Yield increase for the targeted crop, in particular from an average of 1,5 T/ha to 4 T/ha for rice (3.5 T/ha for lowland rice and 6 T/ha for the irrigated rice) - 70% of producers having access to proximity extension services are satisfied with the services offered	Yields: - Rain-fed rice: 3 T/ha in 2015/2016 vs 2,09 T/ha in 2014/2015 - Maize : 2,8 T/ha in 2015/2016 vs 2,7 T/ha in 2014/2015 - Irrigated rice : 6,2 T/ha	- Survey	
Output 3: Small-scale producers (farmers and livestock farmers) have an easier access to production inputs (inputs and equipment)	- At least 25 000 targeted HHHs are able to meet their annual needs concerning agricultural inputs and livestock feed - At least 25 000 targeted HHHs own at least a farm equipment	- At least 26 000 targeted HHHs are able to meet their annual needs concerning agricultural inputs and livestock feed - At least 25 000 targeted HHHs own at least a farm equipment	- 26 022 HHHs (14 052 women and 7 546 youth) - 21 122 HHHs (11 721 women and 6 044 youth)	- Programme reports	- Seeds and inputs providers are closed to small holder farmers
Output 4: Small-scale producers (farmers and livestock farmers) have an easier access to agricultural extension and management services	- 100% of small-scale producers have access to agricultural extension services in the 4 regions	- 100% of small-scale producers have access to agricultural extension services in the 4 regions		- Survey	-
Component 2: Value addition and marketing					
EFFECT 3: Post-harvest environment is improved to add value to production	- 20% of production is processed and/or sold to the market - At least 70% of the SMREs overall turnover is generated by offering services and products to the targeted small-holders	- 20% of production is processed and/or sold to the market - At least 70% of the SMREs overall turnover is generated by offering services and products to the targeted small-holders	- 25% of production sold to the market	- Surveys	-
Output 5: Rural infrastructures are built to facilitate access to market, reducing village isolation, and improving the storing capacity	- 75 km of rural tracks constructed - 48 storage facilities for cereals built (total storing capacity 576 tons) - 1 market information system (SIM) put in place	- 88 km of rural tracks constructed - 12 storage facilities for cereals built (total storing capacity 1440 tons) - 1 market information system (SIM) put in place	- 73.5 km - 2 storage facilities (other 2 are almost completed) - 1 SIM in place	- Written report of the final completion of works	- Effective infrastructure management by beneficiaries
Output 6: Job opportunities are created through emerging of micro and medium rural enterprises offering services down and upstream the value chain	- At least 200 jobs are created or consolidated by the SMREs in six years - 200 SMREs are created/consolidated in the programme area	- At least 1150 jobs are created or consolidated by the SMREs in six years - 200 SMREs are created/consolidated in the programme area	- 1560 jobs created (1040 for women and 566 for youths) - 196 SMERs (124 managed by women and 15 by youth)	- Activity reports - Surveys	- The business environment is favourable for agriculture
EFFECT 4: FOs become more professional, independent and empowered	- At least 35% of level 2 FOs reach the stage of independence (level 3) - At least 10 of level 1 FOs reach the stage of independence (level 3) - 75% of FOs members are satisfied with the services offered	- At least 35% of level 2 FOs reach the stage of independence (level 3) - At least 10 of level 1 FOs reach the stage of independence (level 3) - 75% of FOs members are satisfied with the services offered		- Surveys	-
Output 7: FOs become more professional and are capable to offer services to their members	- 975 FOs offer at least a service to their members	- 975 FOs offer at least a service to their members	- 1 146 FOs	- Surveys - FOs monitoring reports	- Good governance and democratic systems are in place for FOs