

PA-AT-171
40952

**Organizing Rural
Development
in Southern
Senegal**

Craig Olson
Alan Roth

June 1984



Development Alternatives, Inc. 624 Ninth Street, N.W. Washington, D.C. 20001

PREFACE

This study focuses on the effective role and organization of a Senegalese regional development authority, Societe de Mise en Valeur Agricole de la Casamance (SOMIVAC). The study was requested by SOMIVAC and financed by the U.S. Agency for International Development using funds from its Casamance Integrated Rural Development Project (Projet Integre de Developpement Agricole de la Basse Casamance [PIDAC]), which is managed by SOMIVAC.

The study team was originally to comprise six persons: four specialists from Washington (one personal services contractor, two consultants from Development Alternatives Inc. [DAI], and one member of the direct hire staff of the Office of Rural and Institutional Development of AID/Washington's Science and Technology Bureau) and two SOMIVAC staff members. The individual whose services had been requested as the personal services contractor attended a briefing seminar in Washington but was not able to accompany the team into the field. The AID staff member spent several days with the team in the field but had to return unexpectedly to Washington. The two SOMIVAC staff members participated in the field work and assisted in writing a summary of conclusions and recommendations for an inter-ministerial meeting in Dakar.

The DAI team members attended a two-day briefing seminar in Washington and spent one day in Dakar meeting with AID personnel. Two weeks were then devoted to field work in the Casamance where the two SOMIVAC staff members joined the team. The DAI and the SOMIVAC team members interviewed SOMIVAC and PIDAC staff members and advisers, local government officials, and staff of other development projects and agencies. The four-person team then spent three days in Dakar interviewing representatives of SOMIVAC's Board of Directors and its parent ministries.

Before leaving Senegal, the team presented a written summary report as well as oral reports to the AID mission and to a government inter-ministerial meeting comprising 19 senior government officials. The DAI consultants prepared the final report at DAI offices in Washington.

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EXECUTIVE SUMMARY

This study focuses on the functions and organization of the Societe de Mise en Valeur Agricole de la Casamance (SOMIVAC), a regional development authority that is responsible for agricultural and rural development in southern Senegal. When SOMIVAC was created in 1976, it was designated as the principal planner for rural development in the Casamance and was also placed in charge of several development projects that were under implementation. Among these was the Projet Integre de Developpement Agricole de la Basse Casamance (PIDAC), an agricultural production project that was financed originally by the United Nations Development Programme and the European Development Fund but whose financing was taken over in 1978 by the U.S. Agency for International Development. Because of its interest in the efficient management of PIDAC, AID/Senegal, with the approval of SOMIVAC, authorized the use of PIDAC funds to finance this study.

PURPOSE OF STUDY:
ORIGINALLY AND AS RECONCEIVED

As originally conceived, this study was to analyze and, if necessary, redefine the functions of SOMIVAC, the relationship of SOMIVAC to its projects, and its relations with other rural development organizations in southern Senegal. The study team was to recommend organizational and budgetary changes that would be appropriate for the redefined functions and relations.

Two important assumptions were built into the scope of work. The first was that SOMIVAC would remain the principal organization charged with agricultural and rural development in southern Senegal. The second was that certain changes in SOMIVAC's legal status and in its relationship to its parent ministries that SOMIVAC and AID/Senegal had requested -- changes that would confer on SOMIVAC greater administrative and financial autonomy -- would be officially granted.

In the course of its three-week stay in Senegal, the study team found that there was reason to doubt the validity of both assumptions. Recent Government of Senegal policies have called for the abolition of most rural development authorities, including SOMIVAC, over a period of five years and a strengthening of line ministry services. The processing of SOMIVAC and AID/Senegal requests for greater SOMIVAC autonomy had been stalled by entrenched interests in the Senegalese government whose interests ran counter to a favorable response to the requests.

These findings regarding the validity of the assumptions on which the scope of work was based required that the team, while completing the scope of work as originally conceived, expand its inquiry into an examination of rural development organization policy in Senegal and SOMIVAC's relations with its parent ministries.

PRINCIPAL FINDINGS AND RECOMMENDATIONS

The team found that the government's policy of abolition of most rural development authorities might be appropriate for some regions of Senegal but was inappropriate for southern Senegal. Intensive agricultural research and extension activities are still necessary in the Casamance and will remain necessary for some time to come. SOMIVAC, through its projects, is better able to respond to this need than are the line ministries or other possible organizational options. In fact, SOMIVAC's extension activities already create an economic value added that surpasses its operating costs. The team recommends, therefore, that the government revise its policy with respect to the abolition of SOMIVAC.

Although SOMIVAC is the most appropriate organization to provide agricultural extension services in southern Senegal, it is not an appropriate organization to carry out commercial and industrial activities. Accordingly, the team recommends that SOMIVAC be gradually relieved of responsibility for input delivery, credit, agricultural processing, and agricultural marketing. SOMIVAC should retain its responsibility as the principal regional planner for southern Senegal, but should work more closely with the line ministries in its planning activities. SOMIVAC should be responsible to the governors of the two regions in southern Senegal for its planning output.

The tight control exercised by SOMIVAC's two parent ministries, particularly with respect to control of expenditures and personnel decision making, coupled with uncertainties in budgeting and financial flows, has a stultifying effect on SOMIVAC management. Similarly, the control exercised by SOMIVAC headquarters over SOMIVAC projects interferes with efficient project management. The present system of "a priori" control of SOMIVAC management exercised by the Center for Public Establishments should be replaced by what is known as "a posteriori integral" control by the Financial Control Office of the presidency. SOMIVAC headquarters should no longer be involved in the operational management of its projects, but should play the role of policy and program coordinator.

The redefinition of the functions of SOMIVAC, as well as its relations with projects and external organizations, calls for a reorganization of SOMIVAC headquarters:

- Two departments, Technical Operations and Rural Works, would no longer be necessary at the level of headquarters;
- The Studies, Evaluation, and Planning Department should be strengthened, particularly with respect to planning;
- The Director General's Office should be reorganized;
- The current Department of Administration and Finance should be split into two departments; and
- The current Accounting Department should become part of a new Finance Department.

This reorganization would reduce the staff in SOMIVAC headquarters from 111 to 74.

Concerning the organization of PIDAC, the team benefited from and largely concurred with the recommendations of a consultant who was completing an organizational study of PIDAC when this study began. However, it was necessary to make some modifications in the consultant's proposed reorganization plan for PIDAC so that the plan would be consistent with the overall recommendations of this study. These modifications deal principally with the degree of decentralization of technical and administrative functions within PIDAC.

If all the recommendations of this study are adopted, the annual budget for SOMIVAC headquarters could be gradually reduced, using constant 1984 costs, from 300 million FCFA to 184 million FCFA by 1987. Similarly, the annual PIDAC budget could be reduced from 350 million FCFA to 275 million FCFA by 1988. The study recommends that AID, in return for favorable action on the proposals in this study, consider financing the entire cost of PIDAC and SOMIVAC headquarters in a future project.

NEXT STEPS

Acceptance or adoption of the recommendations in this study will not occur easily. Virtually all the interests and organizations mentioned in the study will look favorably on some of the recommendations and will oppose others. AID, therefore, should utilize this report as a discussion paper to promote a process of negotiations among the organizations whose activities affect rural development in southern Senegal. The team recommends that AID/Senegal distribute this report for reading prior to a workshop that interested organizations should attend and that AID should sponsor and finance. AID/Senegal should also engage the services of a consultant who is a specialist in organizing and conducting workshops of this nature. The consultant would assist in setting the agenda for the workshop and in facilitating its proceedings.

CHAPTER ONE

INTRODUCTION

BACKGROUND

The overall objective of this study, as it was originally conceived, was to assist in the reorganization of a Senegalese regional development authority, Societe de Mise en Valeur Agricole de la Casamance (SOMIVAC).

SOMIVAC is one of several public development authorities in Senegal. SOMIVAC's principal responsibility is to plan and manage agricultural development in the Casamance, which is one of Senegal's eight administrative regions.[1] At its creation in 1976, SOMIVAC was given supervision authority over two major development projects that were already under implementation in the Casamance. One was the Sedhiou Rural Development Project (Projet Rural de Sedhiou [PRS]), which was financed primarily by the World Bank. The other was the Casamance Integrated Rural Development Project (Projet Integre de Developpement Agricole de la Basse Casamance [PIDAC]).

PIDAC was begun in 1974 as an independent, mainly donor-managed project. It was responsible for agricultural development in the lower (western) Casamance. In 1978, PIDAC was redesigned and its principal donor became the U.S. Agency for International Development. (The current termination date for AID financing of PIDAC is June 1985.) For the first four years after SOMIVAC's creation, PIDAC retained a great deal of independence in its financial and administrative management. Beginning in 1980, however, management control of all SOMIVAC projects became more centralized in SOMIVAC headquarters.[2] This centralization of control was perceived by several observers, including AID/Senegal, as detrimental to the efficient operations of PIDAC.

SOMIVAC headquarters itself is subject to centralized control from its two parent ministries in Dakar -- the Ministry of Rural Development (MRD) and the Ministry of Economy and Finance (MEF). Virtually all administrative and financial decisions made by SOMIVAC's director general are subject to a lengthy review process by MEF known as "a priori control." SOMIVAC also suffers from uncertain financing.

SOMIVAC and AID have attempted to address these problems by requesting that SOMIVAC be relieved of a priori control and that its legal status be changed from that of a public establishment (etablissement public) to a "societe nationale." As this report will explain, this change in legal status would automatically confer a greater administrative, if not financial, autonomy to SOMIVAC. In an April 1984 letter, AID made acceptance by the Government of Senegal of these requests a condition for the release of further financing for PIDAC.

THE PURPOSE OF THE STUDY:
ORIGINAL INTENT AND MODIFICATION

It was against the background of this initiative by AID and SOMIVAC that this study was requested. Its purpose, as defined in its scope of work, was "to assist AID/Dakar in evaluating the present organization of SOMIVAC and make specific recommendations for a revised SOMIVAC capable of carrying out the functions of agricultural development in the Casamance area."

The scope of work required that specific topics be covered, including the relations of SOMIVAC headquarters with PIDAC, and of SOMIVAC with other organizations involved in rural development in the Casamance. The scope of work required that the responsibilities of SOMIVAC be examined and, if necessary, redefined, that a new organization chart be created for SOMIVAC headquarters, and that the funding requirements of SOMIVAC be calculated through December 31, 1986.

Two assumptions were implicit in the scope of work. One was that SOMIVAC would continue to be the principal organization responsible for rural development in the Casamance; the second was that a favorable response would be forthcoming from the April 1984 letter. No mention was made in the scope of work of SOMIVAC's legal status or its relations with its parent ministries. In a briefing, the drafter of the scope of work, who is the AID project manager for PIDAC, explained that the team was not to raise theoretical issues about whether SOMIVAC was the most appropriate organizational response to the rural development problems in the Casamance, but should concentrate on the narrower questions of SOMIVAC reorganization.[3]

These assumptions were undoubtedly sound when the scope of work was written. On the basis of these assumptions and the narrow interpretation of the scope of work, the team organized its field research for about the first two weeks in Senegal. However, in the third and last week of its stay in the country, certain interviews and recent policy documents of the Government of Senegal led the team to question the validity of the study's assumptions. The team found that a great deal of doubt existed about whether either request put forth in the April 1984 letter would be granted and that, in any case, it was not in SOMIVAC's interest to change its legal status.

Of even greater importance, the team found that the very existence of SOMIVAC had become at best problematic by virtue of a new agricultural policy that the government had recently issued. One policy paper stated that SOMIVAC should be eliminated. The team, therefore, had to face the question of whether it made sense to proceed with reorganizing an organization that was due to disappear.

The team's response to this question was to proceed with the original scope of work, while attempting to place the reorganization of SOMIVAC within a larger policy context of rural development strategy and organization.

NOTES

- 1 In July 1984, the Casamance will be split into two regions, one with its capital at Ziguinchor, the other with its capital in Kolda.
- 2 Throughout this study, the term "SOMIVAC" will refer to the entire organization, including headquarters and the projects. When a reference is made to SOMIVAC's headquarters, the report will use the term "SOMIVAC headquarters" or simply "headquarters." When a reference is made to a project, either the word "project" will be used or the projects will be referred to by name, for example, PRS or PIDAC.
- 3 In the same briefing it was agreed that, because field time would not permit a thorough organizational analysis both of SOMIVAC headquarters and of all SOMIVAC projects, the team should accord priority, first, to reorganization of SOMIVAC headquarters, and second, to reorganization of PIDAC.

CHAPTER TWO
THE ROLE OF SOMIVAC
IN THE DEVELOPMENT OF THE CASAMANCE

The first article of the scope of work asked the team to "define the activities that SOMIVAC must undertake to function as a regional development organization charged with responsibility for planning for the development of the Casamance region, coordinating donor inputs, and periodically evaluating the operating extension agencies..." To address this question, this report first provides some background on the history of rural development organizations in Senegal and in the Casamance. The report situates SOMIVAC in the context of the transition that is taking place in agricultural policy in Senegal and provides a developmental and analytic framework concerning the options for rural development organization.

RURAL DEVELOPMENT ORGANIZATION:
IN THEORY AND IN SENEGAL

Developing countries have historically used four principal strategies to organize rural development activities.[1] The most prevalent strategy is to work through traditional line ministries. In this model, each ministry -- for example, Agriculture, Rural Works, Health, Education, and Cooperatives -- has discrete sectoral responsibilities; lines of authority and communication are vertical, with decision making generally taking place at the ministry level in the capital city. The principal advantage of this model is that line ministries are usually permanent parts of the government apparatus, operating procedures have been worked out and are well known, and new activities benefit from the institutionalized knowledge of ministry personnel. The principal disadvantage of this model is that line ministries frequently have difficulty in building bridges to other government or non-government entities whose cooperation

might be needed. In addition, the procedures of line ministries are often mired down for bureaucratic and political reasons, especially since decision making tends to be centralized at the top.

A second strategy is to work through subnational government entities, such as a regional or provincial governments. In this model, authority over development decision making, including the ability to integrate sectoral activities, is located with the head of the subnational unit of government or his or her designee. This model has the advantage of locating decision making closer to the field of action. Its principal disadvantage is that, in practice, line ministries are reluctant to give up control of resources to a decentralized authority and employees of the line ministries must deal with divided organizational loyalties.

A third strategy for organizing rural development activities is to work through a development authority, which is itself often regionally based. These authorities can be state enterprises or corporations, or they can be parastatals with a mixture of public and private capital. Regional development authorities (RDAs) are normally given a certain administrative and financial autonomy, which, in theory, frees them from political or bureaucratic interference and leads to increased efficiency. In practice, however, the degree of real autonomy enjoyed by development authorities is usually directly related to the degree to which an authority secures an independent source of income.

The fourth strategy is to create special project management units (PMUs). These units are usually project-specific and are often donor financed and managed, with only nominal control from host country authorities. PMUs are often efficient in achieving short-term objectives, but their principal disadvantage is that

they leave no organizational structure behind to carry on development activities once initial objectives have been accomplished and donor funding is withdrawn.

Senegal has, at various times, used all four strategies. Before independence and through most of the 1960s, the established line ministries carried out rural development activities. Beginning in the mid-1960s, Senegal created regionally based RDAs, including the Societe d'Amenagement et d'Exploitation du Delta (SAED) to develop the Senegal River basin; the Societe de Developpement et de Vulgarisation Agricole (SODEVA) to develop the peanut basin; and the Societe de Developpement de l'Elevage dans la Zone Sylvo-pastorale (SODESP) to develop livestock raising, mainly in the northeastern areas of Senegal. The last RDA to be created was SOMIVAC.

In theory, these RDAs were assigned responsibility for all rural development activities within their ecologically and agriculturally demarcated zones. However, RDAs did not replace the line ministries; in most cases, the services of the line ministries coexisted in the same regions with RDAs. The division of responsibilities between RDAs and line ministries was never clear. The line ministries usually had far fewer resources with which to work, but they were nevertheless maintained.

Senegal has also experimented with the subnational unit of government model and with PMUs. In the Casamance, a deputy governor for development is charged with the coordination of line ministry activities; he carries out this function through his chairmanship of a rural development committee, comprising the chiefs of the traditional services and other development organizations, including SOMIVAC, located in the region. During much of the 1960s and until 1976, the largest development activities were run by PMUs, particularly those of the World Bank (PRS) and of China (Chinese Agricultural Mission [Mission Agricole Chinoise, or MAC]).

The team's tenure of three weeks in Senegal did not allow sufficient time to retrace the entire history of rural development organization in Senegal, with all the reasons for the shifts between or coexistence among the different strategies. Nonetheless, one can assume that RDAs were created for several reasons. First, and most important, they were seen as improvements on the line ministries. Freed from bureaucratic and political constraints, RDAs could, in theory, coordinate and integrate the activities and services needed for rural development and, in general, operate more efficiently. Second, they were seen as convenient vehicles for channeling donor funds. Third, they were viewed as a potential means to relieve the financial pressure on the Senegalese treasury since, in theory, RDAs could generate at least some of their own revenues.

RECENT RURAL DEVELOPMENT POLICY CHANGES

The content of recent policy papers reveals that the Government of Senegal is seriously concerned about the appropriateness and effectiveness of RDAs. In March 1984, MRD and the presidency began issuing a set of papers that revealed a radical change in agricultural policy. Several of the documents are recent; MRD issued the latest document while the team was in Senegal.[2]

Some of the policy changes are not clear; indeed, some contain internal contradictions. In general, however, those changes that are important for SOMIVAC and for rural development organization in Senegal are as follows:

- The most important change is that, in principle, SOMIVAC, as well as most other RDAs, is to be eliminated within five years.

- SOMIVAC is to merge with the Societe de Developpement Agricole et Industrielle du Senegal (SODAGRI), which has been carrying out agricultural development in upper (eastern) Casamance. The two organizations will undergo a combined reduction in personnel of 60 percent over five years (it is not clear how this is consistent with the elimination of SOMIVAC in five years.) The RDA employees who lose their jobs will either be used in other activities or be assisted by the state to establish themselves as private farmers.
- At the end of five years, farmer organizations are to be responsible for obtaining most of their own inputs and for soliciting whatever extension assistance they need from extension services, which are to be light and flexible (souple et leger).
- The light-and-flexible extension services will apparently be provided by the local offices of the line ministries, which will be strengthened (revalorises). (To what extent this strengthening will take place by re-assigning extension agents who lose their jobs with RDAs to the line ministry services is not clear.)

These policy changes were announced after the scope of work for this study was prepared. Considerable confusion still exists over what exactly these new policies mean as well as the extent to which they will be seriously implemented. It is not clear, for example, how the farmer groups will acquire the capacity to procure their own inputs and market their own commodities. Similarly, it is unclear why the line ministry services are preferred over RDAs as extension intermediaries.

If, in fact, the policies are interpreted literally and are to be implemented, the validity of this study's scope of work is placed in question. In particular, the scope of work assumed that SOMIVAC, even if reorganized, would remain the government's principal rural development institution in the Casamance. But if SOMIVAC is indeed to disappear within the relatively short span of five years, does it makes sense to proceed with its reorganization?

Faced with this dilemma, the team decided to proceed on two fronts. The remainder of this chapter will analyze the development problems in the Casamance and the options for organizing responses to those problems. It will also present a reorganization of SOMIVAC, based on the assumption that SOMIVAC will in fact not be eliminated but will be considerably diminished in its functions and personnel and will work much more closely with the governor's office and the line ministries.

ORGANIZING RURAL DEVELOPMENT IN THE CASAMANCE

The analysis that follows is offered as suggestive rather than definitive. In light of the policy changes outlined in the previous section, it is necessary to look at broad options for organizing rural development in the Casamance to assess possible roles for SOMIVAC.

The Development Problem in the Casamance

The Casamance, which is the southernmost region of Senegal, is distinctly different from the northern regions. The northern regions are predominantly Oulof (or Oulofized) and Moslem; the Casamance is largely non-Oulof and has a significant non-Moslem population. Rainfall in the northern regions rarely exceeds 500-800 millimeters; in the Casamance, it ranges from 800 to 1,300 millimeters. The staple food crops in the north are millet and sorghum; in the Casamance, the staple is rice. The Casamance is also geographically separated from the northern regions by two river basins and by the Gambia.

These differences between the Casamance and the northern regions have contributed to differences in their history and the pattern of development. Relative to the north, the Casamance has, until recently, been politically disenfranchised and financially and economically neglected. Most investment in agriculture and industry has taken place in the north.

Concerning agriculture, one contributing factor to the heavier investment in the north has been the importance of peanuts as an export commodity. The Casamance has no agricultural export commodity that compares in importance with peanuts. Even rice, which the Casamance used to produce in surplus and export to other regions of Senegal, is now imported into the region.

Development, however, has taken place in the Casamance. Several donors, including the World Bank, France, the Netherlands, the European Community, China, and AID, have had important projects in Casamance. But compared with the north, the Casamance still lags behind in literacy, rural infrastructure, sophistication of production techniques and production support services, primary and secondary markets, farmer organization, and development and penetration of improved agricultural technologies.

In the northern peanut basin, farmers have been exposed to the basic elements of improved peanut production -- animal traction, sowing in lines, and the use of fertilizer -- for decades. A good argument can be made that, since no new peanut-farming technologies are on the horizon and almost all peanut farmers have already assimilated current techniques, further heavy commitments to extension education are no longer justified in the peanut basin. In fact, MRD has made this argument to justify its call for a reduction of 75 percent in the personnel of SODEVA, the RDA for the peanut basin.[3] MRD's policy is that a reduced number of extension personnel in the peanut basin should serve as permanent field agents and as agricultural counselors who would provide services to farmers, but only at their request.

How does this nearly 100 percent coverage of peanut basin farmers over several decades compare with the extension situation in the Casamance? The first difference is that new technologies and methods of cultivation have just recently been, or are now being, developed and introduced in the Casamance. These include

new varieties and methods of cultivation of rainfed rice, the use of chemical and organic fertilizers on food crops, the introduction of corn into rice and peanut rotations, and the use of pesticides.[4]

A second difference is that the percentage of farmers who have benefited from exposure to improved technologies is much smaller in the Casamance than in the peanut basin. In the PIDAC area, (lower Casamance), for example, only an estimated 38 percent of farm units in 1982 were exposed to PIDAC extension activities, and only 26 percent were covered intensively. Today, only an estimated 16 percent of Casamance farmers use animal traction, less than 10 percent use fertilizer on rainfed rice, and less than 5 percent use pesticides on any crop.[5]

Support services for agricultural production are also better organized in the north than in the Casamance, due, to a large extent, to the importance of peanuts. In the peanut basin, payment for input delivery (seeds and fertilizer) in a given year, for example, is guaranteed by an automatic deduction from the sale price of peanuts in the previous year; and marketing was for many years the province of a Senegalese parastatal, Office National de Cooperation et d'Assistance au Developpement (ONCAD), although it has now been largely left to the private sector. In contrast, the Casamance has no institutionalized source of credit or input delivery except as provided through the SOMIVAC projects. And except for peanuts, the need for a sophisticated marketing system has not been necessary.

The conclusion must therefore be drawn that the circumstances that appear to obviate the need for a continuation of intensive extension activities in the northern regions (at least in the peanut basin) are not the same in the Casamance. The ongoing development of new technologies and the low rate of penetration of improved techniques in the Casamance indicate the need for a continuation of intensive extension activities.

Organizational Options

Because intensive extension activities are still required in the Casamance does not necessarily mean that SOMIVAC is the organization best suited to carry out this task or that it should continue with its currently assigned tasks. But assuming the need for a continuation of intensive extension activities in the Casamance (as opposed to the light-and-flexible model proposed by the government), what are the alternatives to SOMIVAC?

One option would be a return to the PMU model, which was to some extent in effect prior to the creation of SOMIVAC in 1976. Adoption of this model would mean that donors would assume nearly total responsibility for the financing and implementation of extension activities. For this model to work, the donors would have to make a commitment to this financing and implementation for as long as it would take for the Casamance to reach the same level of technology development and extension that has been achieved in the peanut basin.

The government, in return for donor financing, would have to allow the donors a relatively free hand in implementation. One virtue of this model is that once a critical mass of farmers has been reached through PMU activities, there would be little problem in dismantling the PMU since it, by definition, is not an institutionalized part of any bureaucracy. However, because of the short-term nature of most donor commitments and the government services that are already in place in the Casamance, it is not likely that this model would be acceptable to either the donors or the Senegalese government.

A second option would be to work through the services of the line ministries that are already in place in the Casamance. But the line ministry services in the Casamance receive almost no operating money, and their personnel have few resources to do their jobs. In the new agricultural policy, it is not clear how

the planned reinforcement of these line ministry services is consistent with the proposed model of a light-and-flexible extension service. In any case, it seems curious that the government would revert to a model that it found wanting 20 years ago.

Presumably, RDAs were created because the services of the line ministries did not operate efficiently. Yet these services have remained in place alongside RDAs. Perhaps the government is simply trying to make the best of a bad situation. If the line ministries are, as they were described to the team, perennial, and if it is easier, for social and political reasons, to reduce the staffs of RDAs than of the line ministries, then it might make sense to accept these facts and work with the line ministries. It remains to be seen, however, what resources the government will mobilize to reinforce the line ministries.

A third option would be to centralize rural development services, including SOMIVAC, under the control of the governor's office. The structure necessary to ensure this control already exists in the apparatus of the Rural Development Committee chaired by the deputy governor for development. What is lacking, however, is effective control by the governor's office over personnel and finances; at present, each line ministry controls its own staff and budget, as does SOMIVAC, which is itself an instrument of MRD.

A fourth option is to continue with the RDA model, that is, a restructured and reorganized SOMIVAC. For reasons that will be discussed, SOMIVAC suffers from important operational problems that have kept it from becoming an efficient RDA. But the one advantage SOMIVAC does have over the other options is that it has received, and continues to receive, donor funding, which, in terms of operations, is virtually the only source of development funding for the Casamance. In addition, one can argue that SOMIVAC, through its projects, has been a successful instrument of agricultural extension.

A fifth option would be to reduce state-supported rural development activities to permit and encourage more private sector initiative. To some extent, this option is implicitly selected in the government's new agricultural policy because farmers and farmer groups are to be encouraged to assume more responsibility for acquiring their own inputs and marketing their own outputs.

None of these options is necessarily exclusive of any other. Currently, the RDA option prevails in the Casamance; SOMIVAC, by virtue of its control over donor and project resources, is the dominant, but hardly the exclusive, rural development organization in the Casamance. The line ministry services still exist but are inadequately funded; the Rural Development Committee in the governor's office still meets; and a number of smaller projects implemented by private voluntary and other organizations are based on the PMU model. The new agricultural policy would shift the balance of power toward the line ministry services. The policy is unclear, however, on the eventual role of RDAs and silent about the role of the governor's office and the status of the donor-funded and private voluntary organization projects.

The agricultural policy provides an opportunity to rethink the way in which rural development activities should be organized in the Casamance. The team is sceptical about the wisdom of returning primary authority to the line ministry services, but sees a more active role for the governor's office in the coordination of rural development activities. SOMIVAC should not be eliminated, either immediately or in five years, but its personnel should be reduced, particularly at the headquarters level, and its mission redefined.

A REDEFINITION OF SOMIVAC'S MISSION

SOMIVAC was legally established in July 1976 as an "etablissement public à caractere industriel et commercial." In 1976, a number of projects financed by external donors already operated in the region, including PRS, MAC, and PIDAC. At its creation, SOMIVAC inherited the assets as well as the liabilities of these projects, and was made responsible for their supervision.

SOMIVAC was established to:[6]

- Undertake activities related to agricultural development in the Casamance, including investments of a water resources, agricultural, economic, and social nature;
- Manage and maintain water works built and financed by the state;
- Manage state lands;
- Process and market agricultural products;
- Organize and train farmers;
- Extend technical assistance to rural development organizations in the Casamance;
- Coordinate rural development activities in the region;
- Carry out medium- and long-term planning for the Casamance;
- Conduct tests and produce seeds and other agricultural materials; and
- Work with cooperatives in the region to help them acquire goods, credit, and services, and to help guarantee the reimbursement of loans made to cooperatives.

These responsibilities can be grouped in five major categories. First, SOMIVAC is responsible for managing rural development investments in the Casamance; this responsibility includes the supervision of donor-funded projects, installation

and maintenance of rural infrastructure (including wells, small dams, and storage depots), and management of state land. Second, SOMIVAC is responsible for agricultural extension, including extension education and input delivery. Third, SOMIVAC is responsible for state relations with cooperatives and other rural development organizations in the region. Fourth, SOMIVAC is responsible for regional planning. And fifth, SOMIVAC may generate its own revenues through the processing, storage, and marketing of agricultural produce.

Functions SOMIVAC Should Retain

The team recommends that SOMIVAC continue to assume responsibility for the following functions:

- Agricultural extension, with emphasis on farmer group formation, literacy training, and extension education;
- Development of small rural infrastructure;
- Regional planning for rural development; and
- Evaluation and coordination of rural development projects.

These functions have two characteristics in common. First, SOMIVAC can and should do all of them well. Second, they are all essentially public services.

Agricultural Extension

SOMIVAC, through its projects, has already enjoyed considerable success in agricultural extension. In 1976-1977, SOMIVAC's extension activities reached 63,000 members of the rural working population in the Casamance. By 1983-1984, this number had reached 158,000, representing an average annual increase of 91 percent. In 1977-1978, the number of hectares planted with SOMIVAC extension assistance was 32,000. By 1983-1984, the number of hectares was 82,000, representing an average annual increase of 79 percent.[7]

Although overall cereal production in the Casamance has stagnated in recent years, mainly as a result of severe drought conditions, the production of farmers who have benefited from SOMIVAC extension assistance has been markedly superior to that of farmers who have not received SOMIVAC assistance. From 1977-1978 to 1982-1983, the average rice yield for SOMIVAC-assisted farmers was 1,790 tons per hectare; for non-SOMIVAC farmers, it was 865 tons per hectare. For all cereals, the marginal product of the average extension agent has been about 39 tons per year.[8] At 6,000 FCFA per ton (the most recent farm-gate price for rice), the value of this marginal product is 2.34 million FCFA (about \$5,600.)

In 1982-1983, SOMIVAC's total value added (that is, the value of the marginal product for all crops less farmer and intermediate costs of production) was 1.85 billion FCFA (about \$4.4 million.) In the same year, SOMIVAC's total budget, including investment and operating costs, was 1.19 billion FCFA (about \$2.8 million.).[9] Thus, the ratio of SOMIVAC's value added to total costs can be calculated as approximately 3:2; that is, for every \$2.00 SOMIVAC spends, it increases the value of agricultural production in the Casamance by \$3.00.

The reliability of the data on which these calculations are based is uncertain. Even allowing a generous error factor, however, they indicate that SOMIVAC has had a substantial, positive, and profitable impact in its agricultural extension activities.[10]

Rural Infrastructure Development

SOMIVAC has also achieved some success in small rural infrastructure development. As of 1983, it had prepared 205 hectares for irrigated agriculture; completed 10 deep wells, 10 large warehouses, and 32 small depots for storage of agricultural

inputs and agricultural products; installed 5 small rice mills; and constructed 63 kilometers of rural roads.[11] These accomplishments are decidedly modest in relation to the needs of the region and the SOMIVAC's potential. Nonetheless, SOMIVAC could accomplish a great deal more in rural infrastructure if procedures for accessing resources are rationalized and if the engineers who work in SOMIVAC headquarters were assigned to its projects.

Regional Planning

SOMIVAC has a large capacity for regional planning that has been underutilized because of the independence of an AID-financed regional planning unit. SOMIVAC has, however, been effective in project planning and evaluation. SOMIVAC should retain its mandate as the principal planning entity for the Casamance, but should coordinate its planning activities more closely with the governors' offices.[12]

Evaluation and Coordination

Closely connected to planning is project coordination. At present, SOMIVAC supervises two major projects (PRS and PIDAC) and several smaller projects. SOMIVAC's relationship with these projects has evolved over the years from light supervision to tight control. The team feels that SOMIVAC's proper role with respect to these projects should be one of policy and program coordination, rather than control. Proper coordination will ensure that there is consistency among the projects with respect to policy and program direction and will give SOMIVAC access to the information that it needs to plan and evaluate.

Functions SOMIVAC Should Not Retain

While retaining the four functions recommended above, SOMIVAC should be relieved of responsibility for the following functions:

- Agricultural credit;
- Input supply;
- Agricultural processing; and
- Marketing.

These four functions have two characteristics in common. First, SOMIVAC does not do them well now, and, in light of its staffing pattern and overall capabilities, cannot be expected to do them well in the future. Second, they are all, at least potentially, income-generating activities.

Agricultural Credit and Input Supply

Input supply and agricultural credit are tightly linked. When credit is available, farmers generally purchase inputs; when credit is not available, farmers usually do not.

As pointed out in a recent evaluation of PIDAC, agricultural credit has a poor history in the Casamance. There are virtually no sources of institutionalized agricultural credit in the Casamance outside of credit programs administered by projects. But the problem with the management of credit by projects is that project personnel are not trained in credit management, and neither the projects nor SOMIVAC has the institutionalized incentives to operate a loan portfolio in a profitable manner. SOMIVAC and its projects, moreover, must rely, usually desultorily, on donors or the government to provide financing for the credit operation and are then held hostage to the vagaries of government credit policies and the input delivery system.[13] One consequence of SOMIVAC's reliance on the uncertain credit and input delivery system is that, when credit does not materialize or inputs arrive late, SOMIVAC, often through no fault of its own, loses credibility with farmers.

In theory, another government public establishment, Societe Nationale d'Approvisionnement du Monde Rural (SONAR), is responsible for delivery of the major agricultural inputs: fertilizer, seeds, and animal traction equipment. However, SONAR has apparently encountered some of the same difficulties as has SOMIVAC. As a result, input procurement and delivery for SOMIVAC projects is now handled only partially by SONAR. SOMIVAC is now playing the role of middleman between farmer and some combination of donors and the private sector. In 1984, for example, urea fertilizer to be used by PIDAC farmers has been purchased by a private firm using a bank letter of credit. When and if the government provides the money to SOMIVAC to purchase the urea from the private firm, the firm will deliver the fertilizer directly to PIDAC storage depots to be distributed to farmers. SOMIVAC can then obtain reimbursement from AID for the purchase of the fertilizer and for the extension of credit to farmers.

The government has announced its intention to establish a National Agricultural Credit Bank ('Caisse Nationale de Credit Agricole [CNCA]) to manage all farmer credit. It will take some time for Senegal's CNCA to become operational. Moreover, CNCAs in other French-speaking African countries have encountered difficulties in managing loans to small farmers. However, given the poor past performance of the public sector, the transfer to the private sector of input delivery and the management of credit either by private banks or by CNCA should be encouraged and SOMIVAC's involvement in these functions should be gradually phased out.

Processing and Marketing

At present, SOMIVAC does little processing or marketing. SOMIVAC's profit-and-loss statement for fiscal year 1981-1982 shows no generated revenues at all. In FY 1982-1983, SOMIVAC had no sales, but showed 222 million FCFA from government and donor contributions. For FY 1983-1984, SOMIVAC projected income

from sales of 123 million FCFA. As of March 31, 1984, however, it had generated only 4 million FCFA, mainly from the sale of seeds from the seed multiplication farm. SOMIVAC does little marketing of farmer surpluses, mainly because there is little to market.

SOMIVAC may be tempted to retain a marketing function because it is potentially a source of independent income. But the team does not believe that SOMIVAC will be able to carry out commercial activities profitably. One problem that might arise if SOMIVAC retains income-generating activities is that, since commercial activities tend to be assigned priority over public services in any organization that has financial problems, management attention would be directed to the former at the expense of the latter. A related problem is that, if SOMIVAC did succeed in earning some money from these activities, it is likely that state pressure would increase to use the earnings from these activities to subsidize the non-income-generating activities.

As pointed out, SOMIVAC's primary activity -- extension -- is already profitable in an economic sense, that is, in value added to the economy, even though the financial profits are not earned directly by SOMIVAC. The government and donors should explicitly recognize the profitability of SOMIVAC's extension activities by fully financing extension as a public service. Conversely, the government and the donors should not expect SOMIVAC to engage in income-generating activities for which it is poorly suited and from which it has, in any case, little hope of earning sufficient income to make the effort worthwhile.

NOTES

- 1 See Donald R. Mickelwait, Charles F. Sweet, and Elliott R. Morss, New Directions in Development: A Study of U.S. AID (Boulder, Colorado: Westview Press, 1979), Chapter 8.
- 2 MRD, Note de Service, Application de la Nouvelle politique agricole, May 16, 1984.
- 3 Republique du Senegal, Ministere du Developpement Rural, Conseil interministeriel sur la nouvelle Politique agricole, seance du 26 mars 1984, pp. 38-39.
- 4 The new farming systems research unit of ISRA/Djibelor should prove invaluable in developing and field testing these new technologies for adaptation to the tremendous variety of farming systems that exist in the Casamance.
- 5 SOMIVAC, Evaluation de l'Impact du PIDAC en Basse Casamance, Campagne Agricole 1982-1983; Premiere Partie: Penetration de Themes Techniques, December 1983.
- 6 See Republique du Senegal, Loi No. 76-64, July 2, 1976.
- 7 The increase in the number of hectares was less than that of the working population because the number of hectares farmed per worker decreased over the period.
- 8 Marginal product is defined as the difference in yield per hectare obtained by SOMIVAC and non-SOMIVAC farmers multiplied by the average number of hectares for which each SOMIVAC agent is responsible.
- 9 This figure does not include costs paid directly by donors, such as for technical assistance. See Chapter Seven for details on SOMIVAC's budget.
- 10 The figures upon which these calculations are based were obtained from SOMIVAC, Direction des Etudes, de l'Evaluation et de Programmation, SOMIVAC en Chiffres, February 1984.
- 11 SOMIVAC, draft Mission Letter, 1983, p. AII-2.
- 12 In July 1984, the Casamance will be split into two regions: Ziguinchor will remain the capital of the one region; the other regional capital will be located at Kolda.
- 13 The evaluation of PIDAC points out that the government has twice since independence forgiven farmer loans and that inputs, for reasons of bureaucratic rigidities, almost always arrive late. (See Evaluation of the Casamance Integrated Rural Development Project, July 1983, pp. 54-55.)

CHAPTER THREE

SOMIVAC'S RELATIONS WITH DAKAR

The creation of a public authority should mean that it will be granted sufficient resources and authority to carry out its mission. But because it is public, the authority depends on the state for its resources and is subject to state regulations and bureaucratic procedures.

In the case of the relations between SOMIVAC, whose headquarters are in Ziguinchor, and the state, represented by SOMIVAC's two parent ministries in Dakar, the dilemma of a public authority manifests itself in three ways:

- SOMIVAC receives insufficient funds from the state development budget; however,
- SOMIVAC's legal status as a public establishment gives it access to the common public establishments account; but
- SOMIVAC's drawings from the common public establishments account render it subject to the authority of the Centre des Etablissements Publics (CEP) for a priori approval of almost all financial and administrative decisions.

SOMIVAC FINANCING

SOMIVAC receives its financing from the state and external donors. Although in the past SOMIVAC has received financing from several donors, for the last two fiscal years AID has been its only external donor.

In the last complete fiscal year, 1982-1983, SOMIVAC's budget for external assistance, comprising strictly AID funds for PIDAC, was 285 million FCFA, all of which was disbursed. In the same year, SOMIVAC's budget for assistance from the state was 754 million FCFA, which was needed to cover expenses for headquarters as well as its projects. Of this amount, 704 million FCFA was disbursed.

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Concerning its financial relations with the state, FY 1982-1983 was a good year for SOMIVAC because it actually received over 90 percent of its approved state budget. In contrast, SOMIVAC has in most years received either a small percentage of its approved state budget or no money at all.

SOMIVAC's budget begins as a line item in MRD's development budget. After a complicated review and approval process, an approved SOMIVAC budget is entered into the Budget National d'Equipement (BNE). From FY 1977-1978 to FY 1978-1979, the approved BNE budget for SOMIVAC totaled 2.511 billion FCFA. Of this amount, only 994.6 million FCFA (40 percent) was disbursed, and these disbursements all took place in three years: FY 1977-1978, FY 1981-1982, and FY 1982-1983. In FY 1978-1979, FY 1979-1980, and FY 1980-1981, BNE disbursed no money at all to SOMIVAC.

In terms of priorities, SOMIVAC's projects, rather than headquarters, are more likely to receive all or part of their contributions from BNE, due perhaps to pressure from donors for the projects to receive counterpart contributions. In its first full fiscal year, 1977-1978, SOMIVAC headquarters received 180 million FCFA from BNE. Since that first year, however, it has received no money at all from its state-approved budget. SOMIVAC headquarters does not benefit from external donor financial support.

THE COMMON PUBLIC ESTABLISHMENTS ACCOUNT

Normally, disbursements representing only 40 percent of an approved budget would severely constrain the operations of any organization. But SOMIVAC nevertheless can survive financially because of two characteristics particular to its status as a public establishment.

The principal privilege enjoyed by public establishments is access to the state treasury. In the case of SOMIVAC, this includes access to the common public establishments account. It is into this account, which is managed by CEP, that the receipts of all public establishments are deposited. Actually, most public establishments including SOMIVAC, have little, if any, self-generated income. Thus, the common account is funded mostly by only a few income-generating public establishments such as the Port Authority and the Post Office.

SOMIVAC has had an almost automatic line of credit into the common public establishments account. This explains how in FY 1982-1983, for example, SOMIVAC headquarters spent 188,233,891 FCFA, with no disbursements from an approved budget and no donor assistance. Technically, SOMIVAC's borrowings from this account are overdrafts (decouverts), and SOMIVAC must eventually pay back this debt to the common account. But the assets that SOMIVAC uses as collateral to continue its borrowings from the common account are its approved BNE budgets.

The second characteristic from which SOMIVAC has benefited is its knowledge that the state has a social and political obligation to meet payrolls. Once a person is employed by a public establishment, the state virtually guarantees that the person will be paid regularly every month. Indeed, payrolls are met even if approved budgets do not permit it. And it is primarily to meet the payroll of its 565 employees that SOMIVAC is able to draw on the common public establishments account.

A PRIORI CONTROL

In return for its access to the common public establishments account, SOMIVAC is subject to the a priori approval authority of CEP. Thus, CEP's prior approval is required for any decision made by SOMIVAC that has financial implications.

The most common instances for which prior approval is needed are for expenditures and for hiring and dismissing personnel. But CEP exercises its prior approval authority even for what would normally be considered routine decisions. When a SOMIVAC employee wishes to take vacation leave, for example, the employee first submits a request to the SOMIVAC personnel office. A personnel officer then prepares a file that is sent to CEP in Dakar for approval or rejection. When the personnel office receives the approved file, the office submits it to the SOMIVAC director general for approval. It is then sent back to CEP a second time so that a disbursement can be made for the employee's vacation allowance (which is one month of extra salary).

The request for vacation leave has to be sent twice to Dakar because two separate authorities within CEP must approve SOMIVAC's financial and administrative decisions. The first of the two decision makers is usually the Centre des Operations Financieres (COF). COF controls requests to ensure that the requested expenditure is covered by a budget line item and that all the rules and regulations concerning the procedures for submitting the request have been respected. Once COF acts, a dossier is normally returned to the public establishment for additional action.

The dossier is again submitted to CEP, this time to the second authority, which is the Agence Comptable Centrale (ACC). ACC's principal responsibility is to authorize the actual expenditure, which it does only after it ascertains that the line item in the budget of the public establishment has not been exceeded and that the public treasury has sufficient funds to cover the expense. ACC actually has a full-time agent within SOMIVAC, the agent comptable particulier (ACP), who in theory could be authorized to make decisions on behalf of ACC. But in practice, the only authority vested in the ACP is to manage the

periodic cash advances that SOMIVAC receives. The ACP keeps SOMIVAC's books, but ACC in Dakar also maintains a central set of accounts on SOMIVAC expenditures.

The most complicated and time consuming of all the procedures controlled by CEP is tendering. Current regulations require that:

- Competitive bidding take place for the procurement of any commodity whose line item exceeds 3 million FCFA (about \$7,000);
- Regional tendering occur for commodities with line items exceeding 10 million FCFA (about \$24,000); and
- National or international tendering take place if the line item exceeds 20 million FCFA (about \$48,000.)

It is not the amount of the tender or order for the commodity itself but the amount of the line item in SOMIVAC's annual budget that determines whether tendering is required. Thus, if SOMIVAC wishes to purchase \$100 worth of pens, but if pens are included in the line item for office supplies (which they are) and if that line item exceeds 10 or 20 million FCFA (in FY 1983-1984, the office supplies line item was 19 million FCFA), the pens must be procured by regional, or national or international tender.[1] Many important SOMIVAC budget items, including fertilizer, seeds, gasoline, office equipment, and maintenance of office equipment and vehicles, surpass 20 million FCFA. This is because SOMIVAC must present to its Board of Directors and to its parent ministries a unified budget, incorporating the budgets of all the projects.

The procedures for issuing a national tender and entering into a procurement contract with a supplier require three separate actions by COF and four separate actions by ACC. In addition, five other independent or quasi-independent actors -- the ACP and the director general at SOMIVAC, the government data-processing service, the supplier, and the National Commission for

Government Contracts -- must take separate actions for the entire process to be consummated. All together, the tendering and contracting process requires 17 separate administrative acts. SOMIVAC has calculated that the average time involved for the entire process is 133 days.

CEP maintains that a priori control is necessary to safeguard the public treasury and that experience has shown that, without this type of control, public establishments will be mismanaged. According to CEP, all but 2 or 3 of the 24 public establishments in Senegal are subject to a priori control. SOMIVAC contends that this type of control prevents it from ordering commodities and managing its agricultural development efforts in a timely manner. SOMIVAC points out that the growing season in the Casamance is short, and there are frequent needs for quick responses to agricultural problems. A sudden outbreak of a plant disease, for example, would require an order of pesticides quickly.

ALTERNATIVES TO THE CURRENT RELATIONSHIP BETWEEN SOMIVAC AND DAKAR

Two alternative arrangements could be established to modify the relationship between SOMIVAC and Dakar.

Change of Legal Status

One option would be to change the legal status of SOMIVAC from public establishment to societe nationale. As a result, SOMIVAC would no longer be subject to a priori control from CEP. As a societe nationale, SOMIVAC would enjoy virtually total administrative autonomy. It would not need prior approval either from Dakar or from an accountancy or finance department within the societe nationale to make administrative or financial

decisions. SOMIVAC's books would be kept by a chief accountant, appointed by and responsible to the director general rather than by the ACP, who is appointed by and responsible to ACC.

The principal disadvantage of this change in legal status would be that SOMIVAC would lose its virtual automatic access to the public treasury and, in particular, to the common public establishments account. In theory, SOMIVAC could still receive financing, at least in part, by BNE, but this source of financing has not been secure. Moreover, it is not likely that the financial situation of the Senegalese government will improve dramatically in the near future. As a *societe nationale*, SOMIVAC would come under increasing pressure to obtain financing from sources other than the state treasury; in particular, this would mean engaging in income-generating commercial and industrial activities. However, this is neither feasible nor desirable for SOMIVAC.

A Posteriori Control

The second option would be for SOMIVAC to retain its status as a public establishment but operate under a posteriori control. In one version, known as a posteriori integral, SOMIVAC would no longer be subject to the a priori control of CEP. Instead, SOMIVAC's books would be maintained internally, but by a commissioner appointed by the Financial Control (Controle Financier) Office of the presidency. Like the ACP, the commissioner would be appointed by and report to an external government office, in this case the presidency. But unlike the ACP, the commissioner would not have to obtain approval from Dakar before authorizing expenditures, although the commissioner's approval would be necessary for the director general to authorize expenditures and take most administrative actions.

The principal disadvantage of this arrangement is that SOMIVAC would lose access to the common public establishments account and would, in theory, have to rely on BNE for its financing. However, under this arrangement, whenever BNE cannot meet its obligations to SOMIVAC due, for example, to short-term cash-flow problems, SOMIVAC would be able to borrow commercially to meet its own financial obligations, using its BNE budget as a guarantee of repayment.

RECOMMENDATIONS

SOMIVAC, with the assistance of AID, should attempt to obtain the second of these two alternative arrangements, namely, a posteriori integral control.

AID should write a letter to the presidency reiterating the request for a posteriori control made to MEF in its letter of April 5, 1984, but rescinding the request that SOMIVAC's status be changed from a public establishment to a *societe nationale*. The letter should specify that the request is for a posteriori integral control. The letter should retain the statement that approval of the request is a condition for the release of further PIDAC funding.

It is not in the interest of SOMIVAC to become a *societe nationale*. SOMIVAC should not be distracted from its main pursuit of agricultural extension by engaging in commercial or industrial activities, which, in any case, are unlikely to generate sufficient income to make them worthwhile. The consequence of SOMIVAC becoming a *societe nationale* would be a financial situation even more uncertain than it is now. The only condition under which SOMIVAC should become a *societe nationale* would be if it had total and long-term guaranteed funding from a donor. This funding would have to cover recurrent as well as investment costs for the projects and headquarters.

If SOMIVAC and AID do not receive a favorable response from the presidency on their request for a posteriori integral control for SOMIVAC (it is not likely that a favorable response will be forthcoming), SOMIVAC and AID should enter into discussions with concerned parties to attempt to arrive at a negotiated set of special arrangements for SOMIVAC.[2]

In this context, the choice between complete a priori control and complete a posteriori control is not necessarily an either/or situation. The space between them represents a continuum along which it may be possible to arrive at a compromise solution. In fact, special arrangements in this regard had been made to accommodate the particular needs of the National Research Institute (Institut Senegalais de Recherches Agricoles [ISRA]) and the commodity distribution agency (SONAR).

ISRA, for example, maintains its access to the common public establishments account, but is not subject to a priori control of its administrative and financial expenditures, except with respect to personnel matters. ISRA does remain subject to the rules concerning tenders, but the ISRA research station at Djebilor (just outside of Ziguinchor) manages its own budget independently from that of ISRA headquarters in Dakar and does its own tendering and supply procurement without approval from ISRA headquarters.

The team was not able to obtain information on the special arrangements that had been made with SONAR or to explore fully the range of possibilities for compromise solutions. However, compromise solutions are possible, but only if SOMIVAC and AID take the initiative to identify and bring together interested parties in an atmosphere that is amenable to negotiations. Suggestions for how this can be done will be presented in Chapter Eight.

NOTES

- 1 The use of regional tenders is rare because of the dearth of large commercial enterprises in the Casamance. In addition, many items, including some fertilizers, can only be procured abroad.
- 2 Only two public establishments have been granted a posteriori control, one of which is the railroad.

CHAPTER FOUR
SOMIVAC'S RELATIONS WITH OTHER
RURAL DEVELOPMENT ORGANIZATIONS IN CASAMANCE

When SOMIVAC was created, a number of projects as well as line ministry services provided assistance to farmers in the Casamance. Each project and service had its own technical and operational strategy.

SOMIVAC was created to improve development activities in the region through better coordination. However, although SOMIVAC was assigned the role of planner for the region, it was given coordination authority over only several large projects. The line ministry services, as well as a number of smaller projects, continued to operate independently.

SERVICES OF THE MINISTRY OF RURAL
DEVELOPMENT IN CASAMANCE

Outside of SOMIVAC, the line ministries continue to provide a wide range of development services, including crop and livestock extension and assistance to cooperatives. The quality of these services is poor due to a lack of resources, except personnel, and of planning skills. In reality, little is accomplished outside of SOMIVAC except for a scattering of other donor-funded activities.

The basic problem for all of the line ministry services is that, aside from salary payments, they receive almost no financial support from Dakar. However, this lack of financial support has not resulted in a significant reduction in the number of personnel employed by the line ministries in rural development activities.

Agriculture Service

In the 1960s, the Agriculture Service of MRD was the principal extension organization in the Casamance. When PRS, PIDAC, and MAC were started, a number of the extension agents from the Agriculture Service were transferred to the projects, but the Agriculture Service was placed in charge of their supervision and coordination. In 1976, the responsibility for supervision and coordination of the projects was transferred to SOMIVAC. The Agriculture Service now tries to work in areas not served by the SOMIVAC projects.

Current Field Activities

The Agriculture Service has no vehicles and virtually no operating budget. The agents nevertheless try to help farmers by showing them better ways to grow their crops using manure and crop management techniques. This type of assistance would have more value if the farmers could obtain fertilizer and other inputs. However, the government no longer provides credit, and farmers are generally unwilling to borrow from local moneylenders to purchase inputs.

Cooperation between the Agriculture Service and SOMIVAC

The Agriculture Service does have one resource, pesticides, which it receives from Dakar and shares with SOMIVAC in return for assistance in transporting the pesticides into the field.

The two organizations have also cooperated in data collection. The studies unit of SOMIVAC undertakes a regional survey of agricultural production each year but does not have sufficient enumerators to cover the area in the statistical sample. Only five enumerators work directly for SOMIVAC. In the 1983 survey, SOMIVAC used extension workers from the Agriculture

Service as enumerators. They continued to receive their regular salaries from the service. However, for the two to three months they worked for SOMIVAC, they also received the allowances that SOMIVAC pays its employees as well as the use of 12 SOMIVAC motorcycles. Unfortunately, this arrangement did not work out well because the enumerators were not under the direct, continuous supervision of SOMIVAC. They did not perform well and abused the motorcycles, using them mainly for personal activities and not maintaining them. No decision has been made yet at SOMIVAC about how to staff for the next survey.

Cost of Service

The Agriculture Service has 100 employees of which 50 are civil servants. Although these agents are not operational, for lack of transportation and other support services, the government is apparently unwilling to reduce staff, except through attrition. For example, the service has no vehicles but a number of drivers, not civil servants, who are contractors are still on the payroll.

Cooperatives Service

The Cooperatives Service has problems similar to those of the Agriculture Service. Since the government canceled the credit program, excusing all debts and leaving the cooperatives without a source of funds, the service has had no program. However, the cooperatives were reputed to be inefficient, and the government plans to rejuvenate the program with more emphasis on village groups.

In the meantime, the Cooperatives Service continues to employ 50 persons, including 17 drivers. The service has 25 light vehicles.

Animal Health and Production Service

The Animal Health and Production Service is also troubled by a lack of operational funds. It comprises 55 employees, including one veterinarian.

Merging MRD Services with SOMIVAC

Agriculture, Cooperatives, and Animal Health and Production are all services within MRD, a parent ministry of SOMIVAC. The consensus among the people interviewed in the Casamance, including the governor, was that these services should become part of SOMIVAC. These people favor integration because it would reduce duplication and promote efficiency, and service personnel would have access to SOMIVAC's operational support. They offered few ideas, however, about how this integration could be accomplished.

SOMIVAC has not taken the initiative in collaborating with the line ministry services because they lack resources. In fact, it is the services that see SOMIVAC as a potential source of equipment and materials, even if only on a loan basis. The more distance between SOMIVAC and the line ministry services, the less pressure on SOMIVAC to be a provider.

Although SOMIVAC has not tried to be a major actor in regional coordination with the line ministry services, it does participate in meetings of the Regional Development Committee. The committee meets periodically throughout the year and as frequently as once a week during the agricultural season. It also holds special meetings to discuss urgent matters. The committee's meetings are attended by the heads of the line ministry services and other important actors in regional development such as SOMIVAC.

In Dakar, many participants at the inter-ministerial meeting opposed SOMIVAC's absorbing the services. A new government policy announced May 16, 1984, emphasizes the line ministry services rather than the regional development authorities. The consensus among the participants at the inter-ministerial meeting was that SOMIVAC should be phased out in favor of the line ministry services.

SERVICES OUTSIDE THE MINISTRY OF RURAL DEVELOPMENT

When SOMIVAC was created, its parent ministry, MRD, had responsibility for water projects (including dams, wells, and salt water barriers) and for protection of water resources and forests. Since then, these activities have been transferred out of the ministry. Water projects became a separate ministry, and protection of natural resources was transferred to the president's office. As a result, SOMIVAC's focus narrowed to those activities remaining in MRD. An exception is SOMIVAC's rural works program (genie rurale). Within this program are water projects that would normally be implemented by the Ministry of Water Projects. However, the ministry does not have a significant operational budget for the Casamance, and SOMIVAC has operated its own program in relative isolation from this ministry.

SOMIVAC has only limited contact with other rural development services in the region. Some of these are described below.

Health Service

Like most of the other line ministry services in the Casamance, the Health Service suffers from a lack of operational resources. Most health centers throughout this region do not have adequate medical supplies. In the meantime, PIDAC has a health component but does not have a field staff. As a result,

PIDAC plans to use the Health Service for field implementation. However, the health component of PIDAC is only in the planning stage, and there is considerable uncertainty about how it will operate.

Women's Activities

PIDAC has a special unit for women's activities. In addition, the Ministry of Social Development has a regional service for women. The ministry was asked to work with PIDAC but declined. PIDAC therefore has had to employ 15 field staff.

Rural Expansion Centers

The office of the president in Dakar has a special unit for decentralization. Headed by a secretary of state, this unit focuses on the development and operation of rural expansion centers in the rural areas. The major task of these centers is to write local development plans. There is very little interaction between the centers and PIDAC.

Water Resources and Forests

Also in the president's office is the secretary of state for protection of natural resources. The water resources and forest program is operated out of this unit. The activities of this unit in the Casamance have so far fallen outside SOMIVAC's area of interest.

RURAL SERVICES NOT AVAILABLE FROM MINISTRIES OR THE PRIVATE SECTOR

The most important missing element for agricultural development in the Casamance is credit. The government's credit service is not operating, although there is an intention to start up a new service with the CNCA. Credit is now provided in the SOMIVAC project areas directly by the projects. When CNCA begins to

operate in the region (its start date is unknown), it may not have the capability to process loans in significant numbers for small farmers for a number of years.

Another missing service is the supply of agricultural inputs. The government has an input distribution service managed by SONAR. Although SOMIVAC has used SONAR to obtain supplies for farmers in the project areas, the projects deliver the inputs to the farmers. In addition, SONAR does not handle seeds. SOMIVAC produces some of its own seeds and has also bought seed from contract farmers and from the marketplace. For the 1984 season, SOMIVAC is trying to obtain seeds from the Gambia.

Marketing services are also in short supply in the region. SOMIVAC has undertaken some marketing activities but only on a small scale. In the Casamance, as in other parts of Senegal, private sector marketing has not been well developed. For rice and some other crops, there is an insufficient supply for local consumption and therefore little surplus for the market. Truck gardening is a growing activity, and a potential exists for much more growth if a marketing infrastructure can be developed. The constraint on the development of marketing facilities is the lack of medium- and long-term credit for merchants.

Agricultural Research

SOMIVAC has an agreement with the national research institute, ISRA, to collaborate on research to improve food production in the Casamance. ISRA has a research center just outside of Ziguinchor. PIDAC provides technical assistance to ISRA to develop better agricultural techniques for the project. The studies unit in SOMIVAC is responsible for liaison between ISRA and SOMIVAC. One problem is that both ISRA and PIDAC have focused on rice when many farmers are moving away from rice production and into cash crops such as maize and soybeans.

Role of the Governor

Most of the regional development activities are directly controlled by ministries in Dakar, but local coordination is the responsibility of the governor. Although the governor does not have line authority over the line ministry services, he does have considerable influence and can make requests directly to the ministries in Dakar to resolve problems in the region.

To facilitate his coordination role in development, the governor has a deputy who is responsible only for development activities. Both the governor and his deputy contend that a major information gap exists between SOMIVAC and the governor's office. Neither is familiar with the regional planning effort that is part of AID's Casamance Integrated Rural Development Project. This governor has been in office for about one year. Perhaps his predecessor made most of the contributions that might be expected of the governor in this type of planning effort. However, with the regional planning effort still under way, at least some contact with the governor would be expected.

The governor is also unfamiliar with SOMIVAC studies. SOMIVAC reports are sent to MRD and to AID but not to the governor's office.

In July 1984, the Casamance will be split into two regions, with one regional capital at Ziguinchor and the other at Kolda. This split may create problems concerning the relationship between SOMIVAC and the line ministry services as well as between SOMIVAC and the governors' offices. If SOMIVAC were to coordinate a broader array of development activities and work more closely with the line ministry services, it may have to deal with separate services in each new region. At present, plans have not been worked out for how the services will divide their activities and staff among the two regions.

RECOMMENDATIONS

SOMIVAC should operate as an advisory body to the governors of Ziguinchor and Kolda. The planning operation should be centralized in the governors' offices, with SOMIVAC providing a planning service to the governors. The line ministry services should provide technical inputs and program information to SOMIVAC.

SOMIVAC should remain under MRD, although locally it should be at the service of the governors. The governors should use their regional authority to obtain the cooperation of all the relevant line ministry services.

As a planning agency, SOMIVAC should continue to identify potential development projects for donor agencies and to act as an intermediary for the government in working out the operational plans of selected projects with the donors.

SOMIVAC should provide a monitoring service to the governors by tracking the on-going projects and the activities of the line ministry services. This tracking operation should not be supervisory. It should provide information to SOMIVAC to use for planning. SOMIVAC should provide assistance to projects and the line ministry services to establish efficient monitoring systems. The governors should use their authority to obtain the necessary cooperation.

SOMIVAC should prepare to move away from supplying credit, agricultural inputs, and crop-marketing services. It should help establish these services outside of its own operations. Until these services are established elsewhere, SOMIVAC projects should provide minimal levels of service but in no way compete with or impede external services or the private sector.

SOMIVAC should play a more active role in its relationship with ISRA, rather than just receiving research results. SOMIVAC should be a catalyst to move ISRA activities into a better fit with current crop patterns in the region.

CHAPTER FIVE
REORGANIZATION OF SOMIVAC HEADQUARTERS

The reorganization of SOMIVAC headquarters that is proposed in this section flows from the redefinition of SOMIVAC's mission, as presented in Chapter Two; the new relationship between SOMIVAC and its parent ministries as proposed in Chapter Three; and the revised relationship between SOMIVAC and external organizations, as proposed in Chapter Four. The proposed reorganization also takes into account the new government policy of reducing personnel in the development authorities.

The overall thrust of these proposals is that SOMIVAC, in cooperation with the line ministries and the governors' offices, should be granted sufficient funds and operating authority to plan and manage an effective extension program while phasing itself out of commercial and industrial activities. A strengthened extension program will also require that the headquarters of SOMIVAC devolve greater management authority to its projects and that the role of headquarters be shifted from managing the projects to ensuring policy and program coordination among them. This will in turn require a reorganization of SOMIVAC headquarters and will permit a reduction in its staff.

The total number of employees in SOMIVAC, including its headquarters and projects, is 565. Of these, 20 percent work at headquarters, 32 percent in PIDAC, 42 percent in PRS, 5 percent in MAC, and 1 percent in Guidel. Approximately one-third of the employees are civil servants, who are made available (mis a la disposition) to SOMIVAC and whose salaries are paid directly by the state rather than by SOMIVAC. However, SOMIVAC pays civil servant as well as contractor allowances. They range from 20 percent to 80 percent of salary.

Currently, 111 personnel staff SOMIVAC headquarters. Figure 1 and Table 1 show organization and staffing pattern of SOMIVAC headquarters. An analysis of departments and recommendations for their reorganization follow.

THE DIRECTOR GENERAL'S OFFICE

The Office of Director General consists of the Director General's secretariat plus six services that are attached to it. The total number of employees is 17 of whom 7 are civil servants and 10 are contractual. One service attached to the office is the executive secretariat, which includes two secretaries, a driver, and a messenger (planton).

Two other services that are attached to the Office of Director General are one-person offices. One consists of a specialist in the promotion and marketing of cereals. This person was not available during the team's visit. However, since Casamance is a cereals-deficit area, it is unlikely that the marketing activities connected to this position (which does not appear on the official list of positions) could be time consuming; this assumption is confirmed by an examination of SOMIVAC's profit-and-loss statements, which show almost no revenue from cereals marketing. The other one-person office is that of planning adviser. The person who occupies this position and was a member of the team for this study functions more as a general adviser and assistant to the director general than as a planning adviser.

In light of the team's recommendation that SOMIVAC no longer engage in commercial activities, the position relating to the promotion and marketing of cereals should be eliminated. The team believes that the general advisory functions now carried START out by the planning adviser are useful. However, to avoid confusion with the planning functions in Evaluation, Studies, and

FIGURE 1

CURRENT ORGANIZATION CHART OF SOMIVAC HEADQUARTERS

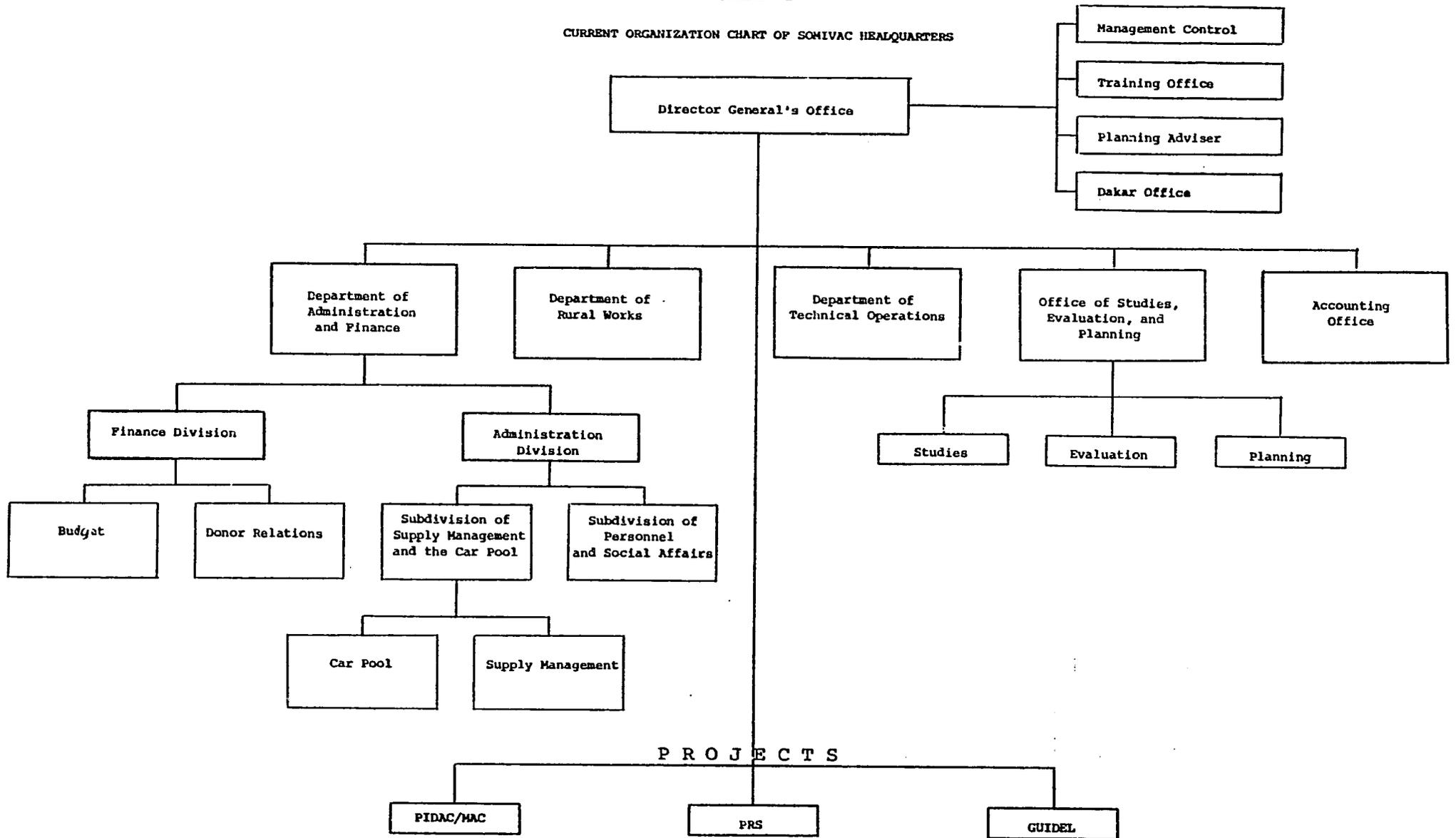


TABLE 1

CURRENT STAFFING PATTERN
SOMIVAC HEADQUARTERS

Department	Staff		Total
	Civil Servants	Contractors[a]	
Director General's Office	7	11	18
Department of Administration and Finance	2	31	33
Bureau of Planning, Studies and Evaluation	6	22	28
Department of Technical Operations	11	3	14
Department of Rural Works	2	7	9
Accounting	<u>1</u>	<u>8</u>	<u>9</u>
Total	29	82	111

[a] Includes three seconded civil servants

Planning (Bureau des Etudes, de l'Evaluation [BEEP], the job description for this position should be changed to that of general technical adviser (conseiller technique).

Another service attached to the Office of Director General is the Dakar Office (representation à Dakar), which comprises three employees. This office is responsible for maintaining relations between SOMIVAC and its parent ministries. Its primary activities are to track files and documents that have been sent to SOMIVAC's parent ministries in Dakar and make logistical arrangements for the numerous official visits that the director general or departmental personnel make to Dakar. Given the importance of SOMIVAC's relations with its parent ministries, this office is essential. The team recommends that its staffing pattern remain the same.

The two other services attached directly to the Office of Director General are the Training Office and Internal Management Control.

The Training Office

The Training Office (Bureau de Formation [BF]) is headed by a German technical adviser who has been in this position for about three years. The office's other personnel consist of four Senegalese professionals and a secretary. Until 1983, BF was in the Department of Technical Operations. It became a service attached to the Office of Director General in 1983 to facilitate its coordination of all SOMIVAC training activities.

Internal Structure

In March 1984, BF was reorganized into four separate cells:

- Design and Evaluation

- Development of strategies and training programs,

- Coordination and support of training activities at the regional level,
- Evaluation of training,
- Relations with external training institutions, and
- On-site training of senior-level staff;
- Management of Participant Training and Interns
 - Planning and monitoring of intern programs, and
 - Planning, selection, monitoring, and evaluation of participant training;
- Farmer Training
 - Coordination and support of functional literacy programs, and
 - Monitoring of farmer training;
- Audio-Visual
 - Preparation and production of programs for Rural Education Radio,
 - Liaison with external producers of audio-visual materials, and
 - Support for planning and production of materials.

These responsibilities are different from BF's previous responsibilities in three ways: the activities are more detailed, the audio-visual component is new, and the activity "evaluation of the impact of training activities" has been changed to "evaluation of training."

Training in the Training Office and in the Projects

The BF training staff assist with project-level training activities. The training strategy that BF promotes and employs is the cascade system. This system consists of top managers training middle-level managers who train the next lower echelon and so on to the bottom of the organizational hierarchy. This

system has not worked well, however, because the zone chiefs who train the extension agents have too little education (zone chiefs are mainly agent technique agricoles [ATA]). The director of PIDAC intends to move ingénieur de travaux agricoles (ITAs) into the zone positions to improve the training system. ITAs have three more years of schooling than do ATAs.

The question arises about whether BF staff should be involved directly in training or whether it should be strictly a function at the project level. When asked this question, the head of the PIDAC Extension Division expressed confidence in the capability of PIDAC's training section to develop and manage suitable training strategies. He allowed, however, that a training unit in SOMIVAC headquarters could provide worthwhile advisory assistance. The PIDAC training unit is headed by an ITA and has four ATAs on its staff. Technical assistance would be necessary if the unit is given more responsibility.

The Radio Program

Staff in PIDAC and SOMIVAC headquarters expressed strong support for the BF's radio program. The radio program is prepared by BF in liaison with the extension divisions of the projects so that the information coincides with the extension schedule of activities. Since the radio program, which is produced in several local languages, broadcasts to many parts of the Casamance, this function should remain at the SOMIVAC level. The BF director sees a need for an additional person to work on the radio program if the 90-minute per week program is to continue. Some project-level advisers expressed interest in having project technicians participate in the broadcasts to improve the technical quality of the program.

Functional Literacy

Both the PIDAC director and the project's extension chief see a need to improve the functional literacy of the production groups (GPs) so that they can assume some of the survey and record-keeping tasks that the extension agents now perform. The head of the project's Extension Division sees the major constraint in achieving this goal to be a lack of materials for use in the literacy training program. The first manual, a primer, has been completed in two major local languages, but some production groups have already passed this level of literacy and need materials that will help them learn basic skills necessary for project activities. Supplies are not available to produce these training materials.

Recommendations for the Training Office

The projects, particularly PIDAC and PRS, should be more independent in developing and implementing the training programs. BF should provide guidance to projects on training options. Monitoring of training should take place at the project level, whereas evaluation of training should be the responsibility of BEEP, which should look to the SOMIVAC training staff for technical advice.

BF should provide coordination for the projects so that training materials developed in one project can be made available to other projects to avoid duplication of effort.

All other training activities should be oriented toward upgrading the skills of SOMIVAC and project senior personnel, and toward the production of the radio program. With these revisions in its responsibilities, BF should remain attached to the Director General's Office.

There should be three professional staff in BF: one to be responsible for staff training, advise projects on training methodology, and coordinate the development of training materials; one to produce the radio program; and an assistant to help the two senior staff persons.

The PIDAC training unit should be enlarged to include two more ITAs and a training adviser to improve its training capability. The training adviser should not have line authority and should be oriented strictly toward a transfer of technology to his or her counterpart and the other staff members.

The PIDAC training program for extension agents and GP members should be more direct than the cascade system now allows. This will be accomplished by the proposed PIDAC reorganization plan that moves more qualified technicians into field positions.

Internal Management Control

Internal Management Control (Controle Interne de Gestion [CIG]) is a relative newcomer among administrative offices in the Senegalese bureaucracy. CIG was born in 1980 from the marriage of two ideas that formed the basis of a management reform: decentralization and management by objectives. Under the new system, as elaborated by the Ministry of Finance on January 24, 1980, Senegalese public establishments and corporations were to be reorganized into cost centers. Each cost center was to have an approved budget that corresponded to an approved set of annual objectives. The chief of the cost center would be responsible for managing his or her budget and for achieving the cost center's objectives.

CIG was created to oversee the preparation and execution of budgets in accordance with these new procedures. In addition, CIG was to be responsible for advising the director general on ways to increase the administrative and operational efficiency of

the establishment. CIG was also to establish and supervise a management information system. A principal instrument of internal control would be official monitoring forms (tableaux de bord) that would permit CIG to review the performance of the cost centers on a monthly or quarterly basis.

The theory of CIG is sound, but its practice is not possible in an organization that does not control its own budget. SOMIVAC's uncertain finances, coupled with the prior control needed from CEP for virtually all expenditures, have made almost any management, let alone management by objectives, extremely difficult.

At present, the CIG office in SOMIVAC has a staff of two: the controller and an assistant. The assistant works mainly as a bookkeeper. She is physically located in the Finance Division, where she is responsible for daily monitoring of budget outlays.[1] It therefore appears that the assistant functions more as a finance clerk than as an inspector or controller.

For the reasons stated earlier, the chief of the office has not been able to develop any meaningful system of control of the new management systems. He has, however, developed a number of new management procedures, mostly dealing with inventory control and relations between departments with respect to the acquisition and distribution of materials. He also signs off on the director general's process of authorizing expenditures to ensure that he follows regulations.

To the extent that the financial and administrative systems are not in place to implement a decentralized system of management by objectives, it is apparent that CIG can function as little more than a management or administrative adviser to the director general. Nonetheless, this function is important and should be maintained. The daily budgetary monitoring, however, would appear to be an unnecessary encroachment on, even duplica-

tion of, the functions of the budget office. CIG should monitor and inspect financial records but should not keep a separate set of accounts.

The team recommends that CIG be retained as a one-person office.

Social Affairs

The Social Affairs Office in SOMIVAC has just recently been created. It provides medical assistance and social welfare services to employees. All public establishments are required by law to provide social services to employees. The nature and the extent of these services depend on the size of the organization.

Since his assignment to SOMIVAC in November 1983, the social affairs officer has lobbied to obtain the support needed to provide the services required by law. Since SOMIVAC comprises over 500 employees, the law requires that a full-time nurse serve on the Social Affairs staff and that the Social Affairs unit be equipped with a specified range of equipment and medicine. The Social Affairs officer has determined that a clinic is required and has priced it at about 1.4 million FCFA.

On paper, Social Affairs is part of the Personnel Office. However, the Social Affairs officer sees two problems with this placement:

- Social Affairs represents employee welfare and often the grievances of employees are directed against the Personnel Office.
- If Social Affairs is a section of personnel, the head of the section would have a relatively low rank. If there were to be a nurse in the section, no nurse (of the type needed) would work at that low level.

For these reasons, the Social Affairs officer believes that he should report directly to the director general.

The team recommends that the Social Affairs Office be attached to the Director General's Office, with a one-person staff.

Summary Recommendations for the Director General's Office

These recommendations for the Director General's Office would result in:

- The elimination of one office -- Promotion and Marketing of Cereals;
- A transfer to the Director General's Office of a service -- Social Affairs -- that was assigned elsewhere; and
- A net reduction in staff from 18 to 14.

THE DEPARTMENT OF ADMINISTRATION AND FINANCE AND THE DEPARTMENT OF ACCOUNTING

The current organizational structure of SOMIVAC combines the functions of administration and finance into one department and maintains accounting as a separate department. The team's recommendations for reorganization entail a splitting off of administration as a separate department and a fusion of finance and accounting into one department. For this reason, these two departments will both be described and analyzed in this section; recommendations for their reorganization will follow the analysis.

Administration and Finance Department

With 33 employees, the Administrative and Finance Department (Direction Administrative et Financiere [DAF]) is the largest single department in SOMIVAC headquarters. About two-thirds of DAF personnel are relatively low-grade employees: drivers, guards, typists, and laborers. Two of the DAF staff are civil

servants; the remainder are contract employees. Six are assigned to the projects, although they still appear on the headquarters staffing pattern.

On paper, the responsibilities of DAF include:

- Coordination and control of financial and administrative activities;
- Personnel management;
- Implementation of SOMIVAC financial policies;
- Supply procurement and management;
- Social affairs (employee health and labor relations);
- Legal affairs; and
- Budgeting by objectives.

Conspicuous by its absence from this list is accounting, which is located in a separate department that is independent of SOMIVAC management and that reports directly to the Ministry of Finance.

DAF has always been one unit, but its various divisions and sections have operated independently. Recently, the Office of the Director General has attempted to exercise stronger control over DAF by eliminating the position of secretary general and reassigning the individual who had been secretary general to the position of director of DAF. Despite this move, the various sections of DAF are still subject to only loose coordination.

The Administration Division

The Administration Division, which employs 29 staff, consists, on paper, of two subdivisions, one of which contains two sections, the other three (see Figure 1). In reality, the five sections operate independently of one another. The heads of

these sections report, de facto, either directly to the director general or to the director of DAF, rather than to the heads of the subdivisions or the division itself.

The Subdivision of Personnel (and Social Affairs)

This subdivision consists only of a personnel section. Social Affairs, although on paper a section of this subdivision, is at present free floating. As recommended previously, Social Affairs should become a service attached directly to the director general.

The Personnel Office at headquarters currently has five staff members. Of these, one is the director of the office and one is his secretary. One person is in charge of working out salary details for all personnel. The remaining two have project responsibilities. One takes care of MAC/Guidel and the other PIDAC. The person who is responsible for PRS is at PRS headquarters in Sedhiou and is employed by the project rather than by headquarters.

As PMUs, and for four years after the creation of SOMIVAC, the projects managed their own personnel systems. In 1980, personnel management was moved into SOMIVAC headquarters. Two reasons were given for this move. One was to free the projects to devote more of their time to operational activities. The second was an alleged lack of capacity in the projects to manage personnel efficiently. However, although personnel decisions were centralized, the projects still kept the same number of personnel officers.

One reason the project personnel officers could not perform properly was lack of access to government manuals and publications containing new rules and revisions to existing rules. This information is apparently sent to SOMIVAC headquarters but not to the projects. Both the PIDAC director and

the director of personnel at headquarters see a need for one new person at the project level with the proper training and experience to manage personnel.

According to the headquarters personnel director, personnel decisions currently must be made at headquarters because the projects do not have the legal status to do this. However, even headquarters has limited authority because it must obtain prior approval from COF and ACC before personnel decisions can be made.

In line with the teams's recommendations for greater authority at the project level, the Personnel Office in SOMIVAC headquarters should be reduced to three persons as soon as the projects have developed their own capability in personnel administration. At that point, the headquarters Personnel Office may have a minor coordination role for the projects but will mainly handle the reduced personnel needs of headquarters. It is possible that this office can be further reduced to two people, one of which would be a secretary and clerk.

The personnel offices in the projects should be upgraded by assigning an experienced officer to head each one. This project personnel director should have all the necessary manuals and documents to do his or her job properly.

The Subdivision of Supply and Vehicle Management

The Subdivision of Supply and Vehicle Management (Subdivision de l'Approvisionnement et du Parc Automobile) does not really exist as a functioning subdivision. Rather, it comprises three operationally independent sections.

One section is called the Section of Contracts and Procurement (Section de l'Approvisionnement et des Marches). It is formally charged with procuring all supplies and materials for

SOMIVAC, through tendering or direct purchase. In fact, this section consists of one person, who is also, on paper, the chief of the entire Administration Division. Because most supplies must be obtained through tender, this person's principal activity is to manage the tendering process. He also personally attends to the pick-up and delivery of supplies.

The second section is called Supply Management (Bureau de Gestion du Materiel et des Matieres). The section consists of six employees: a chief, a storekeeper, a bookkeeper, and three workers. This section is responsible for the reception, internal distribution, and inventory of supplies. The storekeeper maintains an office in the central office supply room. He also manages a large warehouse that is used to store large items such as fertilizer, seed, and tires. Most of the agricultural inputs, however, are delivered directly to project storage facilities and do not transit by the headquarters warehouse.

The bookkeeper, who has been detached from the Accounting Department, assists the storekeeper to maintain a running inventory of supplies. The chief of the section manages the process of responding to requests for supplies. Aside from office supplies, the most frequent supply request involves gasoline. SOMIVAC does not have its own supply of gasoline (although it does maintain a supply of oil), but distributes coupons that can be used at a particular gas station in Ziguinchor. Another frequent request that the chief of this section handles is for airplane tickets to Dakar.

The third section is the Car Pool. This section consists of 1 chief plus 11 drivers. At the time the team was in Ziguinchor, the car pool consisted of 20 vehicles, 10 of which run and 10 of which were out of service. At the beginning of the team's visit to Ziguinchor, 8 of the 10 functioning vehicles had been permanently assigned, along with their drivers, to the

The Budget Process

In theory, the budget process is as follows: In April, the National Assembly votes a state budget that includes financing for MRD and a line item for SOMIVAC. SOMIVAC prepares a budget that stays within the ceiling of the line item. The budget is submitted to SOMIVAC's Board of Directors, which after approval, submits the budget to MRD and MEF. The ministries approve the budget before the beginning of the fiscal year, July 1. Over the course of the year, MEF releases tranches of money into SOMIVAC's bank account, and SOMIVAC spends the money in accordance with the budget and with the tight a priori control of CEP. DAF prepares monthly analyses of budget expenditures, signaling to cost centers and to management when expenditures, projected annually, surpass the budget for a line item. Budgets can be revised to be adjusted to real expenditures with the approval of the SOMIVAC's Board of Directors and CEP.

The way the budget process actually works, however, is quite different. In fiscal year 1984 (July 1, 1983 to June 30, 1984), the following took place: The state budget line item for SOMIVAC covered barely one-half of the organization's real needs, so SOMIVAC entered into negotiations with MRD to increase the budget. The negotiations enabled SOMIVAC to prepare a budget and submit it to its Board of Directors by August 1983. The board approved the budget, but MEF later rejected it on the grounds that it exceeded the line item.[2]

SOMIVAC then prepared a revised budget, which was balanced (in accordance with the line item in the state budget) by retaining real figures for non-personnel expenditures, but sharply reducing the estimation of personnel costs. The personnel costs item could be drastically underbudgeted because, unlike the other budget items, CEP simply overlooks discrepancies between the budget and actual expenditures for personnel.[3] The Board of Directors approved the revised budget in December 1983,

various departments and divisions of SOMIVAC headquarters. But before the team departed, management had directed that all these vehicles and their drivers be returned to the common pool.

The Supply and Vehicle Management Subdivision should be eliminated. Supply Management and the Car Pool should each become divisions headed by a chief who would report directly to the director of the Administration Department.

Supply management should be divided into two sections. One section, containing one employee, should be in charge of supply procurement, including tendering. The other section, with two employees (a storehouse manager and a worker), should be responsible for supply distribution and inventory. Thus, this division would employ four persons including the chief.

The personnel of the Car Pool should remain the same (1 chief and 11 drivers), except that the Car Pool should become a separate division reporting directly to the director of the Administration Department.

The result of this restructuring would be to eliminate an unnecessary layer of bureaucracy (the subdivisions) to create a formal system that more closely resembles the informal system that now exists.

The Finance Division

DAF is mainly an administrative department with only a small financial operation. The Finance Division consists of only four employees -- the chief of the division, two assistants, and a secretary. The three professional employees carry out three tasks. They prepare annual budgets, which are revised periodically during the course of the fiscal year. They monitor actual expenses against the budget. And they prepare invoices for reimbursement of project expenses by donors (mainly AID.)

and submitted it to the ministries in January. The ministries finally approved the SOMIVAC budget on March 13, 1984, just 3.5 months before the end of the fiscal year. However, by mid-May 1984 the government had not disbursed any of this money.[4]

The fiscal year 1983-1984 differed from other years only in its details. The SOMIVAC budget is almost never approved until many months into the fiscal year. The budget rarely reflects reality because personnel costs are underestimated. And the government, in any case, disburses less than one-half of the money that has been budgeted.

Notwithstanding these circumstances, the budget section of the Finance Division prepares monthly reports comparing budgetary outlays against budgetary provisions. Given the circumstances described above, this exercise has little value.

Recommendations Concerning the Finance Division

The Finance Division should be split off from DAF to become division of a new Finance Department to be headed by a chief SOMIVAC accountant. The division's responsibilities should remain the same as they are now except that project billings should be done by the projects and finance and accounting functions should be more tightly coordinated. With fewer responsibilities, particularly for project billings, the Finance Division can be reduced to three employees, two professionals and a secretary.

The Accounting Department

The Accounting Department (Agence Comptable Particuliere [ACP]) is the only department in SOMIVAC headquarters that is legally independent of the Office of the Director General. Officially, the head of the department (the agent comptable particulier) is under the administrative control of the director general; however, ACP is appointed by and reports directly to ACC

within the Ministry of Finance in Dakar. The establishment of this independence is, of course, deliberate; it is a principal means by which ACC exercises a priori control over SOMIVAC expenditures. The most visible manifestation of ACP's control is the need for its authorization before the director general can sign checks.

ACP Responsibility

Thus, ACP functions as both an accounting and a controller's office. It is also responsible for the operations of the cashier and for document reproduction (mécánographie.) At present, its staff is nine, including the head of the department, three accountants, two bookkeepers, the cashier, and two secretaries.

On paper, the department has two accounting functions: general accounting and analytic accounting. General accounting responsibilities include preparing and updating a cash-flow plan for SOMIVAC; keeping daily and monthly accounting journals; preparing monthly, quarterly, and annual financial statements; and controlling the accounts of the projects. Analytic accounting responsibilities include assistance in the preparation of budgets by cost center, determining the break-even cost of cost center operations, and assisting in the preparation of requests for disbursements from sources of finance.

In practice, almost all ACP's work falls into the category of general accounting. At present, ACP keeps the books not only for headquarters, but also for PIDAC.[5] The office does little analytic accounting; of course, even if the head of ACP attempted to analyze and monitor the true costs of the cost centers, the exercise would be of little value, given the vagaries of the budgeting and disbursement cycle. It is perhaps for this reason that the annual expenses of cost centers over the

last three years (the period over which the concept of costs centers has been introduced into Senegalese accounting) were not available to the team and had to be calculated from scratch.

Three separate departments or offices in SOMIVAC headquarters have at least paper responsibility for some function related to cost center accounting: ACP, the Finance Division of DAF, and CIG. For budget purposes, the Finance Division of DAF, prepares estimates of annual expenses by cost center, but no office routinely prepares a statement of actual expenses by cost center.

The a priori control function of ACP is most visible when the head of the department authorizes the Office of Director General to sign checks. The function is also exercised through control of the cashier's operations from which cash expenditures from donor and government advances are made. However, for most financial transactions such as large purchases by check or procurement by contract (marches), and for any management decision that has financial implications such as hiring or dismissing personnel, ACP defers to ACC in Dakar for prior approval decision making.

If SOMIVAC is granted relief from a priori control, ACP, as an agency depending on ACC, would no longer exist within SOMIVAC. Instead, accounting control would become the province of a chief accountant, who would report directly to the director general, or a government commissioner who would report to the presidency.

Recommendations Concerning the Accounting Department

In light of the team's recommendations concerning the granting of a posteriori integral control to SOMIVAC, the team recommends that ACP be eliminated and replaced with a chief accountant who would report administratively to the director general but would be responsible to the presidency for financial

control in SOMIVAC. This chief accountant should head a new Finance Department, which should incorporate both the budgeting and the accounting functions.

The chief accountant should have oversight responsibilities for project accounting, but should not keep project books. Instead, each project should be assigned a competent accountant and appropriate staff to keep its own books.

In light of this diminished role for the headquarters accounting staff, the team believes that the proposed new headquarters Finance Division would function effectively with seven employees, three in budgeting and four in accounting.

Summary of Recommendations Concerning Administration, Finance, and Accounting

Structurally, the current Department of Administration and Finance should be divided into two parts. Administration should become a separate department with three divisions: Personnel, Supply Management, and the Car Pool. The functions of the current Finance Division should be limited to budgeting for SOMIVAC headquarters; accordingly, its personnel should be incorporated into a Budget Division under a new Finance Department.

A new Finance Department should be created. This department should include two divisions: Budgeting and Accounting. The Finance Department should be headed by a chief accountant who reports administratively to the director general of SOMIVAC, but who is responsible to the presidency for the integrity of SOMIVAC's accounts.

This proposed new organization is shown in Figure 3 at the end of this chapter.

STUDIES, EVALUATION, AND PLANNING

Studies, Evaluation, and Planning (BEEP) is officially charged with the following tasks:

- Program planning for the development of the Casamance;
- Carrying out agronomic and economic studies concerning the development activities of the organization;
- Planning and evaluating development projects;
- Carrying out agro-socioeconomic surveys;
- Developing and implementing experiments prior to their extension and in consultation with the research centers;
- Carrying out agro-socioeconomic surveys as a complement to applied research at the project level;
- Overseeing relationships with the research centers;
- Participating in the development of a technical and scientific data bank for the Casamance;
- Planning the methodologies for monitoring the implementation of development projects, in consultation with the Technical Operations Department;
- Assisting projects to plan project-level activities;
- Planning, monitoring, and supervising specific studies on livestock, fishing, and forestry; and
- Managing the SOMIVAC documentation center.

Current Staffing and Organization

BEEP currently has a staff of 28: 11 professionals, 2 secretaries, and 15 paraprofessionals. The 15 paraprofessionals are divided among the field staff (enumerators) and support center staff. The support center comprises a documentation center, a computer center, and a graphics design office. Organizationally, BEEP is divided into three major units: Planning, Studies and Research Liaison, and Evaluation.

Planning Unit

The Planning Unit currently has two persons, the acting director and a German adviser who is an agro-economist. The new organization plan for this unit includes a regional planner who could be an economist or agro-economist, a sociologist, and an administrator.

The head of the Planning and Programming Unit is also the acting director of BEEP. He is a sociologist and will return to a staff position in BEEP when the person who is to be the director returns from training in France. The new organization plan has the director's office in the Planning and Programming Unit. The acting director spends little time on planning because his administrative responsibilities are so time consuming. He has requested an administrative assistant, but the request has not been granted and he must do most of the paper work himself. Two secretaries assist 11 BEEP professionals.

The major weakness of the unit is that it lacks a person skilled in planning techniques.

Involvement in Regional Planning

Originally, BEEP was called the Regional Planning Unit and was to develop an overall rural development plan for the Casamance. This plan was developed by the end of 1978, but it was not implemented. AID's Casamance project included a \$3 million budget to develop a new regional plan and the work was given to an U.S. contractor. BEEP was involved in some of the contractor's early activities, but eventually saw the contractor's work as competing with its own in regional planning. More recently, BEEP has had little to do with the contractor's operation.

Current and Future Activities

The Planning unit has recently concentrated its attention on the identification of projects that could interest potential donors. The unit has also developed forms to monitor the use of agricultural equipment at the project level, and to present requests for financing to potential donors. The unit intends to put more attention into regional planning. It intends also to readjust the objectives of its 1978 regional plan.

Studies and Research Liaison Unit

The Studies and Research Liaison Unit is made up of four persons: two agro-economists, one specialist in animal production, and one agro-economist/statistician. The agro-economist/statistician is a member of the AID-financed technical assistance team. She will be replaced by a Senegalese statistician, who is finishing short-term training in the United States in micro computers. The composition of the unit is heavily weighted toward agro-economics and lacks a number of technical fields such as engineering and sociology that are important for rural studies. The unit should also have an agronomist to help monitor the results of agricultural research.

Unit Activities

The unit has recently concentrated its efforts on project planning, studies of agricultural activity in the region, and development of an information system to provide a data base for regional planning.

Activities planned for the unit include monitoring studies and data collection activities carried out by others in the region; monitoring research results at the regional, national, and international level; and assuming responsibility for periodic

and special surveys for the regional data base. The unit's services have been and continue to be available for studies commissioned by outside parties. Several of these have already been completed.

Studies Unit Compared with Planning Unit

The activities of the Studies Unit and the Planning Unit are often similar. For example, both units do project planning. There appears to be little coordination between the two units, although they do work together on selected projects. Part of this problem appears to be the director's lack of time to act as the coordinator. There is an apparent appreciation for the functional relationship between studies and planning, but this has not been applied in practice. In the Studies Unit, the need for a person familiar with survey and data base methodologies is appreciated and being met. However, the Planning Unit appears to place more emphasis on substantive skills than on the process skills needed for planning. The Studies Unit currently has five enumerators for field work. The unit used 36 extension agents from the regional Agriculture Service for short-term work in 1983 on a crop survey, but they did not perform well.

Evaluation Unit

The Evaluation Unit comprises three persons: one agro-economist and two agronomists.

Evaluation Activities

The Evaluation Unit is responsible for evaluating donor-funded projects in the region. In 1983, the unit carried out a base-line study of PIDAC and PRS. For the 1984 agricultural season, the unit plans to collect data to compare against the base-line information. The data collection is carried out by 8

enumerators in PIDAC and 10 in PRS. The enumerators are payed by the projects but work full time throughout the year for the Evaluation Unit.

The objective of the Evaluation Unit is to produce the evaluation report of one agricultural season's results prior to the start of the next year's agricultural season. They have not yet met this objective.

Evaluation and Monitoring

The unit has developed a project monitoring system, but the system has not yet been implemented. However, the evaluation system is seen as separate from the monitoring system. Information gathered from the evaluation field work stays in the Evaluation Unit although project directors receive copies of the final report. Information gathered from the project monitoring systems remain at the project level; as a result, the Evaluation Unit does not benefit from the monitoring information. At the same time, the projects do not benefit from the information gathered by the enumerators, except in the final report that is finished a year later.

The Evaluation Unit has not yet analyzed the monitoring systems the projects use but reports that these monitoring systems are overloaded with paper work that takes up 75 percent of the time of the extension agents.

The weaknesses of the evaluation systems and the monitoring systems are related to the one-way direction of the flow of information and the lack of expertise in both BEEP and the projects in information systems management.

Other Activities

BEEP also is responsible for the documentation center, the computer center and the graphics center. The documentation center has two full time staff members; the graphics center, five; and the computer center, two.

Recommendations

Planning and Studies

The Planning Unit and the Studies and Research Liaison Unit should be merged. The head of the unit should be a planner. The studies side of the unit should employ five specialists -- an agro-economist, a sociologist, a livestock specialist, a civil engineer, and an agronomist -- and five full-time enumerators (other enumerators can be hired temporarily on an as-needed basis). However, the types of skills and the number of people employed in studies should be flexible to reflect the:

- Specific studies that are planned and their technical requirements;
- Availability of local technicians for temporary, short-term hire; and
- Availability of people with the relevant technical capability for long-term positions.

The planning side of the unit should consist of one regional planner and two project planners, who can also support the regional planner. These people should be development generalists who will draw on the technical skills of the studies side of the unit or of those brought in under short-term contract.

The close link between planning and studies should emphasize the interdependence of the two functions. Studies should not be

undertaken unless the planners identify a specific need for a study. The information gathering and technical analysis for planning should be the domain of the studies side of the unit.

Since the unit currently no planning expertise, AID should provide the short-term services of a regional planning adviser and a project design specialist who provide formal and on-the-job training.

Evaluation and Monitoring

The Evaluation Unit should be renamed the Evaluation and Monitoring Unit to stress the unit's tasks in developing improved monitoring systems and promoting the shared use of both monitoring and evaluation information. The monitoring side of the unit should be staffed by one person, skilled in monitoring systems. AID should provide short-term assistance to this unit and to the projects to develop the systems and oversee the start-up of their implementation. The monitoring specialist in BEEP should be seen as a provider of technical assistance to the projects; as the designer of the monitoring systems in collaboration with the heads of the projects' monitoring systems -- both to maintain the quality of these systems and to establish uniformity among them; and as the recipient of information generated by the systems. But the monitoring systems themselves will belong to the projects and be operated by them.

The projects should use the information generated by the systems, with copies sent to BEEP for evaluation. The information is to provide a record of what the project is doing so cause and effect relationships can be established when evaluating project impact. BEEP should not use the information for direct supervision of project activities.

Reporting

BEEP should assume all SOMIVAC headquarters reporting functions. This task should be reduced by delegation of authority to the projects to produce their own reports and by reductions in reporting requirements from DAKAR. BEEP should produce a synthesis of the projects' reports and add other relevant information. BEEP should use its computers to facilitate preparation of reports. Programs should be developed that could rapidly recalculate figures for periodic reports that require the same analysis. A word-processing program should be used to develop report text so that succeeding reports would require only word changes and rearranging of the text. The BEEP reporting function should be placed in the monitoring side of the Evaluation and Monitoring Unit.

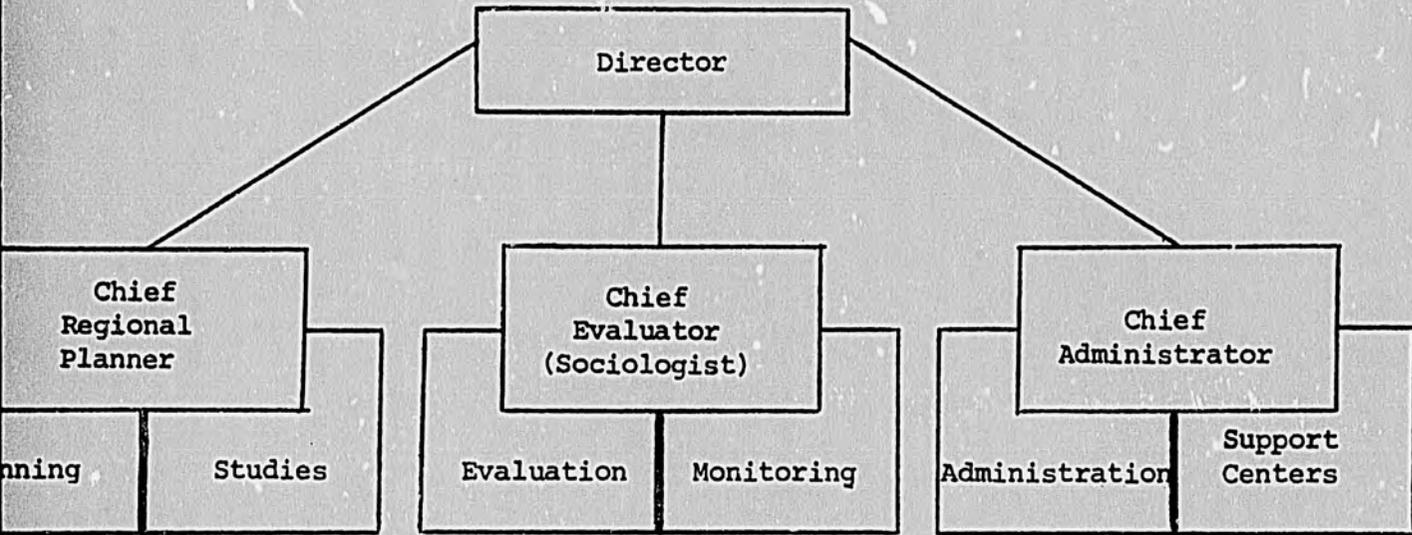
BEEP's Administration

The administration of BEEP does not appear to be overly burdensome except that the acting director had to do most of it himself. It was first suggested to move the administrative function to a small mini-unit under the director. However, this did not take into consideration the support services of BEEP, namely, the documentation, design, and computer centers. Since the head of the support services could be an administrator rather than a technical person, it appeared reasonable to create an administrative unit with the support services on one side and BEEP administration on the other.

The proposed staffing pattern for BEEP, as described above, would employ 33 persons. Figure 2 depicts the resulting organization chart.

FIGURE 2

PROPOSED BEEP ORGANIZATION CHART



THE TECHNICAL OPERATIONS DEPARTMENT

With 14 employees, the Technical Operations Department (Direction Technique des Operations [DTO]) is the third-largest department in SOMIVAC headquarters. Civil servants account for 10 of the 14 employees; the only contractual employees are three secretaries and an agronomist, who is the former director of the MAC project and is currently director of the Bignona Valley Project. (This project currently involves the construction by technicians from China of a salt water intrusion dam in the Bignona Valley.) At present, DTO comprises two divisions: the Division of Agriculture and Livestock, with six employees; and the Division of Credit, Intendancy (supply), and Cooperatives, with three employees. According to the internal regulations adopted under the previous SOMIVAC director, a bureau of rural equipment was also supposed to fall under DTO. However, this bureau is now and always has been a separate Department of Rural Works.

On paper, the responsibilities of DTO are as follows:

- The conceptualization and preparation of technical guidelines for use in the projects. Examples of technical guidelines include instructional booklets for use by extension agents in the cultivation techniques of a certain crop, or the number of hectares that a particular extension agent is expected to supervise;
- Supervision of the technical aspects of project implementation;
- Implementation of certain activities that fall outside the scope of projects;
- Coordination of planning for the annual agricultural campaign;
- Coordination of rural development activities in the areas of credit, supply, cooperative development, and marketing of agricultural products; and

- Periodic reporting on agricultural conditions in the Casamance and on SOMIVAC activities.

In reality, these functions do not receive equal time.

Reporting

The vast majority of DTO time -- about 75 percent -- is spent on periodic reporting. Reporting, or communications, takes two forms: written reports and representing SOMIVAC on various technical committees and at meetings. The requirements for written reports come mainly from the MRD in Dakar and they are numerous: five comprehensive monthly reports plus weekly reports on climatic conditions during the growing season (June-October), quarterly reports due at the end of March and the end of June, a semi-annual report due at the end of December, and an annual report due at the end of June. The department head and other staff also represent SOMIVAC at technical meetings at the regional level, for example, with the governor's office, and in Dakar with MRD.

Ironically, the reporting requirements are heaviest during the growing season, the very time, ostensibly, in which the technical skills of the DTO staff could best be used in operations. The weight of the reporting requirements affect not just DTO but the projects as well. The basic data that are eventually compiled by DTO are collected by field agents and passed up the line from the village (secteur) to the zone to the department before being transmitted to DTO in SOMIVAC headquarters. The reports intended for Dakar and donor consumption are actually drafted at the department level, then compiled and synthesized by DTO. The consequence is that all levels of technical personnel spend a great deal of time on data collection and reporting at the expense of agricultural extension activities.[6]

Technical Materials

DTO spends so much time on reporting that it has relatively little time to devote to its other responsibilities. DTO shares with ISRA the responsibility for preparing technical material on various cultures and cultural techniques (fiches techniques). To this end, DTO and project personnel are represented on a committee that ensures technical liaison with ISRA. However, DTO has produced no new technical material for the projects since 1981. DTO did prepare a general document on extension guidelines (normes d'encadrement); this document was sent to the projects for appraisal, but DTO has received no response. A more detailed document is now under preparation.

Input Supply

DTO's responsibilities for input supply involve mainly procurement of seeds and fertilizer for the agricultural season. The estimation of input requirements is prepared by the projects on the basis of a survey of farmers; these estimations, especially for fertilizer, are frequently speculative, particularly in recent years, due to uncertainty, on the part of farmers as well as the projects, concerning the eventual price of these inputs and the availability of credit. DTO's role in input supply is basically to compile the needs of all the projects and to act as their purchasing agent. DTO procures all the fertilizer for SOMIVAC's projects. About one-half of the projects' seed requirements (approximately 40 tons) are satisfied by the projects' seed multiplication farms and the output of contract farmers. DTO attempts to procure another 40 tons from outside the project area; this year DTO is making inquiries even in the Gambia.

Project Supervision

DTO's supervisory activities appear to be performed eclectically, rather than in any systematic fashion. When time permits and transportation is available, DTO personnel make technical visits to inspect project operations. But time and, especially, transportation, are in scarce supply, so these visits can seldom be programmed rationally. DTO does not directly implement any SOMIVAC project. It has little involvement with credit which, when it is available, is managed directly by the projects. It also does little with cooperatives, whose management supervision is the responsibility of the Department of Cooperatives in MRD.

Recommendations

The activities in which DTO actually engages are secondary to its central activity, for which it has little time and few resources. The only real justification for the existence of a technical department at the level of headquarters would be to fulfill a need for technical supervision of project operations. Yet agricultural field agents are already supervised by two layers within each project: the zone and the department; and technical and agricultural personnel are already assigned to each of these layers. In any case, DTO personnel are severely constrained logistically by distance from field operations and lack of transportation from carrying out supervisory activities effectively.

The other activities carried out by DTO are secondary and should be carried out by other departments or the projects. Agricultural inputs should, in the near term, be procured directly by the projects using their own line items for this procurement rather than the unified line item of SOMIVAC. In the longer term, inputs should be procured directly by farmers from private suppliers. Extension guidelines should be project-

specific and should be prepared by the project extension divisions. Technical agricultural material should be prepared by research personnel in ISRA, with suggestions for project-specific adaptations made by the project technicians serving on a reinforced liaison committee with ISRA.

The problem of how to deal with the time-consuming requirements of reporting is more difficult. The long-term solution, which goes beyond SOMIVAC and the scope of this report, is that the ministries and the donors should analyze to what extent the information they are requiring is useful for decision making; to the extent that it is not, that the marginal opportunity costs of the time used in information gathering and reporting exceed the marginal value of the information obtained, information requirements should be scaled back. The short-term, SOMIVAC-specific solution is that project-specific reports should be prepared by the projects and sent directly to the ministries and donors, with copies to SOMIVAC headquarters. Regional reports or reports that require a synthesis of project information should be prepared by BEEP.

The overall conclusion of this analysis, therefore, is that DTO should no longer remain a department in SOMIVAC headquarters. Two DTO personnel should be re-assigned to BEEP to strengthen its capacity to use agricultural information in its planning and evaluation functions and to assist in the preparation of reports. Remaining DTO personnel should be re-assigned to supervisory positions at the departmental or zonal levels in the projects. This move would permit incumbent supervisory personnel, most of whom are trained as agricultural technicians, to work directly with farmers as field agents, thus strengthening the quality of agricultural extension in the projects.

DEPARTMENT OF RURAL WORKS

The official organization structure of SOMIVAC [7] refers to an Office of Rural Equipment (Bureau de l'Equipement Rural [BER]) as a subordinate unit of DTO. However, SOMIVAC staff refer to this unit by its former official name, the Department of Rural Works (La Direction des Amenagements Ruraux [DAR]) and, in practice, DAR is independent of DTO. One reason for the de facto separation of DTO and DAR is the nature of their work. Another reason is that DAR is physically located at the new SOMIVAC headquarters, which is approximately 2 kilometers from the current headquarters.[8]

Staff

DAR currently has a staff of nine: six engineers (civil and water resources), one graphic artist, one secretary, and one guard. Two engineers work full time on project matters, one for PIDAC on well construction, the other as the director of a small banana irrigation project. The other four engineers are engaged mainly in the supervision of project-based rural works activities.

Responsibilities

The principal responsibilities of DAR are to:

- Assist BEEP in preparing engineering studies and plans;
- Assist the projects to prepare requests for proposals for rural engineering work;
- Supervise engineering work carried out directly by the projects;
- Supervise engineering work performed for SOMIVAC by private enterprises (such as the construction of the new headquarters);
- Manage irrigated perimeters; and
- Manage engineering equipment.

Thus, most of DAR's work is of a supervisory or assistance nature. Yet most of the work that DAR is called on to assist or supervise is already covered by some other layer of supervision. Both PIDAC and PRS contain divisions of rural works with built-in layers of supervisory personnel for the most common engineering endeavors (wells, salt intrusion dikes, and small storage depots). Larger, more sophisticated engineering and construction activities, such as the construction of the Bignona Valley salt water intrusion dam or the new SOMIVAC headquarters, are invariably completed by a donor or a private enterprise on a turn-key basis. The effectiveness of the headquarters-based engineers in fulfilling their supervisory responsibilities is, in any case, seriously constrained by the lack of transportation to rural works sites, which are often far from Ziguinchor.

Recommendations

The DAR engineers could be utilized more effectively if they were reassigned to the projects or to BEEP. If assigned to the projects, the engineers would be closer to construction sites, thus reducing transportation difficulties and strengthening the capabilities of the projects to plan, supervise, and carry out rural works activities. Reassignment to BEEP would strengthen its capabilities to integrate engineering into program and project planning and to evaluate the results and impact of rural works. For the occasional rural engineering task that falls outside BEEP or project responsibilities, such as inspection of a large dam, an engineer could be detached from a project or from BEEP for a short period of time.

For these reasons, the team recommends that the DAR (or BER) be eliminated as a headquarters unit. Two DAR engineers should be assigned to BEEP to strengthen its capacity to incorporate engineering analysis, particularly water resource engineering, into its planning and evaluation functions. The DAR engineers

reassigned to BEEP will also provide assistance in preparing the engineering analyses that are required in periodic reports to Dakar.

The remaining staff of DAR should be placed in middle-level supervisory positions in PRS or PIDAC. This placement would strengthen the quality of the supervision of project rural works and enable the projects to reassign the technicians who now occupy these middle-level posts to field-level operations. It will be recalled that the movement of qualified personnel into operational functions is one orientation of MDR's new agricultural policy.

The small stock of topographic and other engineering equipment that DAR now manages, as well as any new agricultural machinery that is procured, should be placed with the projects. The director of DAR agrees that small machinery should be placed with the projects but argues that heavy machinery (such as earth-moving equipment) should be managed by headquarters so that this equipment could be more easily used by all the projects. The team believes, however, that it is not cost-effective for SOMIVAC to own and operate heavy equipment. Headquarters has little or no capability to maintain this type of equipment. When the need arises, SOMIVAC should contract the work to private machine owners and operators or rent the machinery from other Senegalese government agencies, such as the Highways Department.

SUMMARY OF ORGANIZATIONAL CHANGES AT SOMIVAC HEADQUARTERS

The overall result of this reorganization of SOMIVAC headquarters will be a reduction in staff and a rationalization and simplification of organization. Headquarters staff will be reduced by one-third, from 111 to 74 (see Table 2). SOMIVAC headquarters will have three rather than five departments and there will be less bureaucratic balkanization of units (see Figure 3).

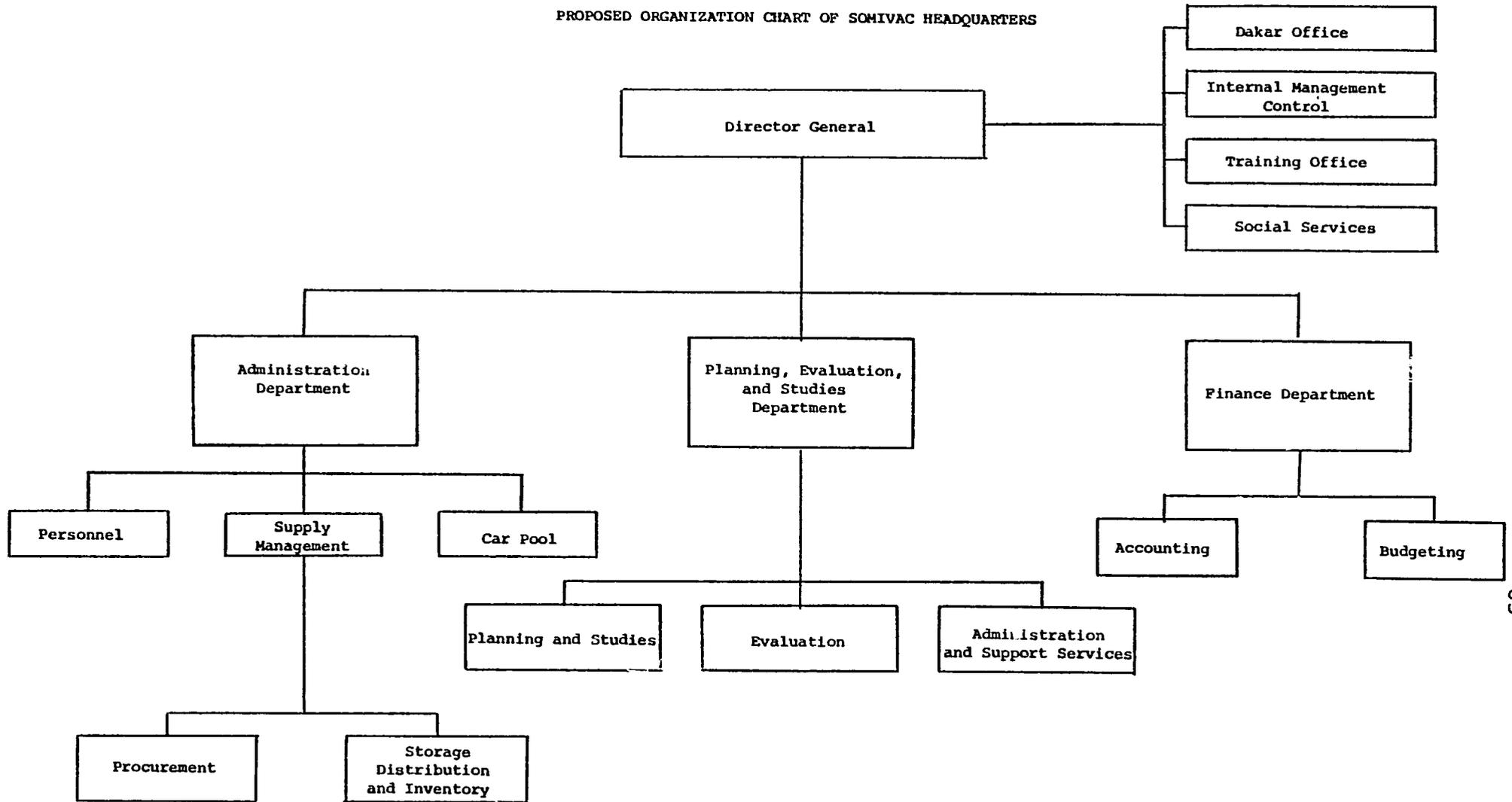
TABLE 2

SOMIVAC HEADQUARTERS PROPOSED STAFFING PATTERN

Director General's Office	14
Finance Department	7
Administration Department	20
Studies, Evaluation, and Planning	<u>33</u>
Total	74

FIGURE 3

PROPOSED ORGANIZATION CHART OF SOMIVAC HEADQUARTERS



NOTES

- 1 This information was obtained from the controller rather than the assistant, who was on maternity leave during the team's stay in Ziguinchor.
- 2 At least two representatives from the MEF sit on the Board of Directors, albeit as non-voting members. Presumably, these members could have advised the board not to approve the budget if MEF would reject it.
- 3 In the case of SOMIVAC, the need and the precedent for this arose when the World Bank withdrew funding for well over 200 personnel in PRS in the middle of a fiscal year (1981), leaving SOMIVAC (that is, the government) to meet the expenses. When asked why this situation is allowed to persist, the standard reply was that, for political and social reasons, salaries must be paid. As one respondent put it: "Quoiqu'il arrive, le personnel sera paye." (Come what may, employees will be paid.)
- 4 Beginning January 1, 1985, SOMIVAC will change its fiscal year to coincide with the calendar year in the hope that this will help rationalize the budget process.
- 5 According to the Office of the Director General, this was exceptional and was done only because of accounting problems that had occurred in PIDAC.
- 6 This phenomenon is not unique to Senegal. In Kenya it was found that meeting all their paperwork requirements would take 474 percent of extension staff time. (Robert Chambers. Managing Rural Development: Ideas and Experience from East Africa. Uppsala: Scandanavian Institute of African Studies, 1974, p. 66).
- 7 Presidential decree No. 83-748, July 16, 1983.
- 8 DAR was relocated in advance to oversee the construction of the new headquarters; private contractors are doing the construction work itself.

CHAPTER SIX

PIDAC

PIDAC MANAGEMENT AUTHORITY

To strengthen agricultural extension in the Casamance, PIDAC and the other extension-oriented projects now managed by SOMIVAC should regain a great deal of the autonomy that they have lost since SOMIVAC's creation.

From 1974 to 1976, PIDAC was an independent donor-financed project. PIDAC still functioned independently from 1976-1980, even though on paper it fell under the management authority of SOMIVAC. Since 1980, however, SOMIVAC headquarters has exercised its full authority over PIDAC in making virtually all important management decisions. SOMIVAC headquarters procures almost all of PIDAC's supplies, including agricultural inputs and office materials. Headquarters makes all personnel decisions and even keeps PIDAC's books.

Unified Budget

One way in which SOMIVAC headquarters exercises its authority over PIDAC and the other projects is through a unified budget. When the projects were PMUs and until 1980 under SOMIVAC, the projects had separate budgets. Since 1980, the budgets have been integrated. One consequence of this integration is that most commodities must, by virtue of the value of the line item in the integrated budget in which the commodities fall, be procured through national or international tender.

According to SOMIVAC headquarters and CEP, a unified budget centralized tenders are needed because only SOMIVAC has a legal identity (raison sociale). Conversely, since the creation of SOMIVAC, the projects have no legal identity outside SOMIVAC and,

by this argument, are not legally able to obligate Senegalese funds through procurement contracts or through hiring staff or setting the conditions for staff employment.

Restricted PIDAC Authority

In March 1983, the SOMIVAC director general delegated some powers to the director of PIDAC, but the provisions and exclusions in the delegation only serve to underscore the very limited nature of PIDAC's management authority.[1] The PIDAC director may authorize expenditures up to 500,000 FCFA (about \$1,200), but only if the budget line item does not require tendering and a procurement contract. The projects cannot procure commodities by contract on their own authority; yet, almost all procurement requires tendering because of the unified budget. The PIDAC director does not have check-signing authority; once the director has authorized an expenditure, the actual payment must be approved and the check issued or cash payment made by the ACP in SOMIVAC headquarters.

The March 1983 delegation specifically prohibits the PIDAC director from hiring or dismissing personnel or establishing the conditions of personnel employment. The director is able to discipline lightly (prendre des mesures disciplinaires du ler degre) low-level employees, but can only propose to the director general disciplinary action against higher-level employees (cadres). Similarly, the director can shift the work assignments of low-level employees, but cannot change those of division chiefs without the director general's authorization. The PIDAC director is also specifically prohibited from officially corresponding with anyone outside SOMIVAC.

Similar restrictions apply to the directors of the PRS and MAC projects, although the PRS director can authorize expenditures up to 750,000 FCFA and also receive periodic cash advances from SOMIVAC headquarters to pay bills directly in cash.

It was explained that this additional authority enjoyed by the PRS director was necessary because of the distance between SOMIVAC headquarters in Ziguinchor and PRS in Sedhiou.

Delegations of Power

PIDAC, and perhaps the other projects, should receive more liberal delegations of authority for project management.[2] At present, project directors do not have sufficient authority to manage their projects effectively.

It is critical that directors be able not just to authorize expenditures but also to ensure that disbursements of authorized expenditures are made. This means that:

- The projects should maintain their own bank accounts;
- Project directors, with the counter-signature of project accountants, should be able to issue and sign checks;
- The projects should be able to procure commodities either through direct purchase or through tender; and
- The projects should be responsible for maintaining their own accounts.

The SOMIVAC headquarters' Accounting Office should be able to inspect project accounts at any time, but should not be involved in the day-to-day process of expenditure authorization or bookkeeping.

The director general could reserve to himself the right to authorize expenditures of a certain type or above a certain amount, but the operating principle should be that the projects regain the management authority they once had and that SOMIVAC headquarters interact with the projects as a policy and program coordinator rather than as an administrator.

Legal Identity and Tendering

The team was not able to resolve the seemingly intractable problem of the projects' legal identity (or lack thereof). From a strictly legal point of view, it would appear that the projects, lacking a legal identity, cannot engage in direct tendering. However, a precedent that may be used to request a waiver to this rule is that the ISRA research station at Djebilor, which is an agency of ISRA headquarters much like the SOMIVAC projects are agencies of SOMIVAC headquarters, is in fact able to engage in tendering with minimal involvement of ISRA headquarters in Dakar. Accordingly, the team has the strong impression that the Senegalese legal code can, if goodwill exists among interested parties, be interpreted flexibly to allow the projects to engage in tendering.

The projects should have greater, although not unlimited, authority over their personnel. Project directors should have virtually unlimited authority to make and shift work assignments among personnel, including division chiefs. They should also have greater disciplinary authority, including limited authority of dismissal. However, because of the unwritten rule that personnel, once hired, will always be paid even if the payroll exceeds the personnel line item, the team believes that SOMIVAC headquarters should retain the right to approve hiring decisions.

REORGANIZATION OF PIDAC

Previous Consultancy

Before this study began, a reorganization of PIDAC had been undertaken with the assistance of an AID consultant who operates his own accounting and management consulting firm in Dakar. The consultant worked with the project director as well as with selected people in both PIDAC and SOMIVAC headquarters to develop a new organization chart for PIDAC and to improve the project's financial management capability.

To improve financial management, the consultant recommended dividing PIDAC's Administration and Finance Division into four new units:

- General and analytic accounting;
- Budgetary monitoring and management supervision;
- Donor liaison; and
- Personnel and social affairs.

The specialist described to the team many of the weaknesses of the current system and showed how the reorganization would help. The team agrees that the reorganization plan for this division is suitable.

The consultant's plan for reorganizing the rest of PIDAC was based on a policy of decentralization to place more of its operational capability in the field. The policy originated in a directive of the SOMIVAC director general and was to be implemented through this reorganization plan. The plan is both feasible and desirable. However, it was developed in the absence of this team's recommendations for the reorganization of SOMIVAC headquarters. Some modifications to this reorganization plan are necessary to reflect the effects on PIDAC of the changes proposed for headquarters.

The consultant's plan for reorganizing of PIDAC would divide PIDAC's technical offices into two parts. The technical offices would be operated out of two field offices, one in Ziguinchor that would cover both Ziguinchor and Oussouye, and one in Bignona. Except for three centralized offices - training, health, and the women's section - and an agronomist to assist the project director, all technical personnel would be in the field.

This degree of decentralization could work if SOMIVAC headquarters continued to provide technical services to PIDAC. However, if the services of DTO and DAR are decentralized to the project level and if PIDAC is granted administrative and financial autonomy, some supervision of technical services would be needed at the project level.

The proposed solution is to place a limited number of technicians in a central project office to provide technical assistance to the field-level technicians and liaison with external research centers, coordinate technical activities, and produce an analytic synthesis of the field reports. Under this plan, the technicians in the field offices would receive technical advice and resources from the central offices, but their field activities should be coordinated by the head of the field office who would play the role of a sub-project director with responsibility for directing the timing and level of activities provided to the production groups.

Another change in the specialist's reorganization plan would be to create an office attached to that of the project director that would perform some of the tasks now carried out by SOMIVAC headquarters. The most burdensome of these is the production of reports for Dakar. The office should prepare summary reports of project activities and consolidate the reports of the departments. It should also assist the director in monitoring project activities.

Upgrading Field Personnel

PIDAC's director intends to increase the capability of the project's 14 zones and give them more responsibility and authority. This concept is a good one to the extent that support for the zones from above is sufficient. To have more decision making closer to the field allows for a more rapid and a specific response to local problems.

The project director's plan is to upgrade the zone chiefs from ATA, who have two years of agriculture training in the eleventh and twelfth grades of school, to ITA, who have a high school education plus three years of agriculture training. The ATAs would be the field staff. In the current system, the ATA at the zone level do not have enough knowledge to guide the ATAs in the field. This is also the weak link in the PIDAC training program whereby an employee at a given level in the hierarchy is trained by someone one level above and, in turn, trains those one level below. An ITA at the zone level will have the necessary skills to train the ATAs and provide operational guidance.

At the department level, the plan is to upgrade the department chief from an ITA to an ingénieur agronome (IA), who has a high school education plus five to six years of agriculture training, often in Europe. This will give the department chief the capability to guide the ITAs below him.

Residual Centralized Functions

Some operations would still be centralized. Administration and finance would be at the central office as well as training and agricultural input supply. The women's activities and the health program would also be located at the central office. The major field operations -- rural works, animal production, and agriculture -- would have no representation at the central office.

Recommendations for PIDAC Re-Organization

The decentralization concept recommended by the management and accounting consultant and the project director should be supported. This decentralization, however, should reflect the need to have a sufficient number of centralized functions at the level of the project that its operations can be adequately planned, coordinated, and reported without direct involvement of SOMIVAC headquarters.

The Administration and Finance Division recommended by the specialist should be created. The Social Affairs Office, however, should report directly to the project director rather than through the division chief.

A special staff office should be established under the project director to handle monitoring, reporting, and management information systems.

The reporting function should draw on contributions from the different technical services. This function should be primarily administrative because the technical analysis will be done by the head of each technical service. The size of this unit will depend on the degree to which SOMIVAC is able to reduce the reporting requirements for Dakar and PIDAC is allowed to produce its own reports. If the project is to prepare its own reports, it should have access to a computer and word-processing machine to facilitate the task. The computer center at headquarters should make its services available.

The manager of the project's monitoring system should develop (with help from BEEP) a system that limits activity reporting forms to information that has an important role in decision making. The manager should see that the information is processed and packaged in a format that can be easily used for decision making. He or she should facilitate the flow of information within the project and see that project operations continue when the project director is absent. The manager should be responsible for limiting the amount of time spent by project staff in management reporting to the minimum needed for supervision and decision making.

Operational line authority in PIDAC should go from the project director to department heads who should have operational authority over the technical units and over the zone chiefs. For

the input supply and credit program, the department heads should have operational line authority over the program's department managers, who would, in turn, supervise the zone chiefs.

This operational authority parallels the technical supervision of the department technical offices by the central technical offices. This supervisory authority for technical matters should also be used for equipment supply and materials. For example, the project's central office of rural works should allocate equipment to each department on an as-needed and as-available basis. For questions of how the equipment is used, stored, and maintained, the department head would not be involved. The project's central office and field office directly would resolve the issues. For questions of where (for example, which village) and when the equipment is to be used, the department head would answer that question.

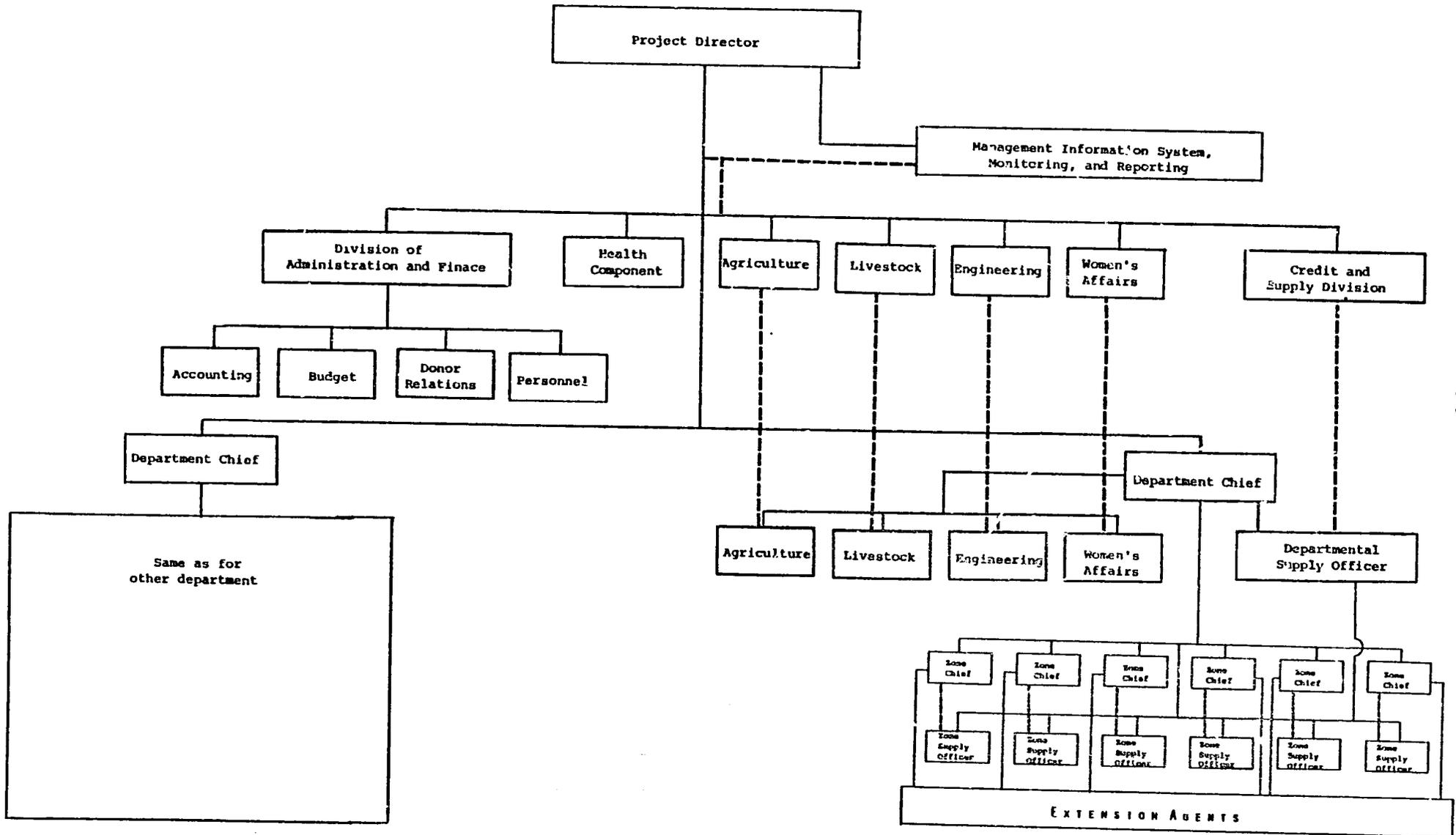
The field work should be programmed as far ahead as possible (one to two weeks or more) for the department head to review. It should be the responsibility of the department head and the central management information systems person to see that work plans are reviewed without delay. Once the work plan is approved, the field work should proceed without daily review by the department head. However, if the work plan is not followed, the new schedule would have to be approved.

The rationale behind this system is that the operations of the project should be managed as much as possible at the department level. The department head should coordinate field work so that the extension agents can prepare farmer groups for technician visits and provision of supplies.

This recommended reorganization plan for PIDAC is depicted in Figure 4. It reflects the plan prepared by the AID specialist with modifications necessitated by this team's reorganization of SOMIVAC headquarters.

FIGURE 4

PROPOSED ORGANIZATION CHART FOR PIDAC



NOTES

- 1 See SOMIVAC, Decision, document No. 0035, March 3, 1985.
- 2 Time constraints did not permit the team to examine the internal organization and functioning of PRS and MAC and allowed only a brief examination of PIDAC. By agreement with AID, priority was accorded to a thorough analysis of SOMIVAC headquarters and an analysis of how the redefinition of SOMIVAC's mandate would affect the projects, especially PIDAC.

CHAPTER SEVEN

SOMIVAC COSTS

The penultimate articles of the scope of work for this study request that the team "make recommendations concerning the funding required for SOMIVAC to carry out the functions recommended in the study until December 31, 1986" and also "for the two-year period 1987-88." The last article requests that the team "make recommendations as to how the Government of Senegal may assume the costs of operating SOMIVAC and PIDAC as a result of increased agricultural production and other revenues." [1]

The team intended to base its cost projections on an analysis of SOMIVAC's actual expenditures over the past three years, with appropriate adjustments for the restructuring proposed in this report. But the data needed for this analysis were not immediately available at SOMIVAC headquarters and had to be provided specially by the Finance Division and ACP. However, when the data were eventually provided, omissions and discrepancies served to cast doubts on its reliability. The projections provided in this chapter represent, therefore, the team's best effort under these circumstances.

TOTAL SOMIVAC EXPENDITURES

Total SOMIVAC expenditures from FY 1980-1981 to FY 1982-1983, broken out by investments and operating costs, are presented in Table 3. The table shows that, over this time, SOMIVAC'S investment expenditures have decreased in absolute terms, but SOMIVAC's operating expenditures have increased by more than 50 percent. The table also shows that the most expensive of SOMIVAC's three major projects is PRS, which accounts for 46 percent of operating costs. PIDAC accounts for 33 percent of operating costs, headquarters for 17 percent, and MAC for 4 percent.

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TABLE 3

SOMIVAC EXPENSES 1980/1981 - 1982/1983
(FCFA)

	<u>1980-1981</u>		<u>1981-1982</u>		<u>1982-1983</u>	
	Investment	Operations	Investment	Operations	Investment	Operations
HEADQUARTERS	1,139,205	160,145,317	192,430	203,397,114	300,000	188,401,310
PRS	85,105,907	322,703,959	103,681,095	321,667,501	72,562,727	510,361,318
PIDAC	3,806,605	186,791,416	13,730,915	176,815,028	2,746,757	366,395,342
MAC	<u>1,403,472</u>	<u>50,885,027</u>	<u>161,350</u>	<u>40,381,149</u>	<u>-</u>	<u>44,947,100</u>
TOTALS	91,455,189	720,535,719	123,765,790	742,260,292	75,609,484	1,100,105,070
TOTALS (Investment and Operations)	<u>811,990,908</u>		<u>866,026,582</u>		<u>1,185,714,554</u>	

SOMIVAC HEADQUARTERS

Analysis of Recurrent Costs by Cost Center

The expenditures of SOMIVAC headquarters from FY 1980-1981 to FY 1982-1983, broken out by cost center, are presented in Table 4. The table shows that headquarters operations expenditures have increased by only 18 percent over the time period (from 160 million FCFA to 188 million FCFA), far less steeply than overall SOMIVAC expenditures. Expenditures actually decreased in absolute terms between FY 1981-1982 and FY 1982-1983 (from 203 million FCFA to 188 million FCFA).[2]

The most expensive cost center in headquarters is general administration which, in FY 1982-1983, accounted for 57 percent of headquarters expenditures. The accounting office uses the category general administration to include the director general's office, including all attached services except the Dakar office, and the administration division of DAF. No breakdown of costs by divisions, services, or offices within this category was available. The largest functional expense item within the category general administration is personnel costs, which accounts for 45 percent of the category's expenditures. Other large items include supplies (office and agricultural inputs), transportation, and depreciation (mainly of vehicles).

The next most expensive cost center is studies, evaluation, and planning, which accounts for 17 percent of headquarters' expenditures. Two-thirds of the expenditures for this cost center are for personnel. Accounting, technical operations, and rural works account for 10, 7, and 6 percent respectively, of headquarters' operating costs. The Finance Division accounts for only 4 percent and the Dakar office less than 1 percent of headquarters' operating expenses. In these last five cost centers, personnel costs are of even greater importance, ranging for 85 percent in DTO to 100 percent in DAR.

TABLE 4

SOMIVAC HEADQUARTERS EXPENSES 1980/1981 - 1982/1983
(FCFA)

Cost Center	<u>1980-1981</u>		<u>1981-1982</u>		<u>1982-1983</u>	
	Investment	Operations	Investment	Operations	Investment	Operations
General						
Administration[a]	234,641	82,402,295	192,430	124,406,566	300,000	106,516,807
Finance Service		8,318,265		9,448,558		7,557,532
Dakar Office		371,153		467,419		467,419[a]
Accounting	170,000	16,159,617		18,998,681		18,958,827
Studies, Evaluation, and Planning	734,564	29,821,547		29,908,530		31,657,397
Rural Works		14,079,497		12,211,126		10,590,541
Technical						
Operations		<u>8,992,943</u>		<u>7,956,234</u>		<u>12,652,787</u>
Totals	1,139,205	160,145,317	192,430	203,397,114	300,000	188,401,310
TOTALS (Investment and Operations)	<u>161,284,522</u>		<u>203,589,544</u>		<u>188,701,310</u>	

a No expenses were recorded for 1982-1983, but knowing that the Dakar office was in operation, the team decided simply to use the 1981-1982 figures for 1982-1983.

Analysis of Recurrent Costs by Functional Category

When analyzed by functional category, the headquarters budgets show, not surprisingly, that the single largest budget line item is for personnel.[3] Seventy percent of the FY 1982-1983 headquarters budget was for personnel. Only 40 percent of the budget was for salaries, but the remaining 30 percent was made up in such personnel items as allowances, taxes, bonuses, training costs, and temporary lodging.[4]

In the FY 1983-1984 headquarters budget, in contrast, the personnel line items are both smaller in absolute terms than they were in FY 1982-1983 and as a percentage of the total budget. As shown in Table 5, salaries are only 14 percent of the total headquarters budget and total personnel charges only 33 percent.[5] When asked why the FY 1983-1984 budget for salaries was only one-half that of FY 1982-1983 whereas the total FY 1983-1984 headquarters budget represented a 37 percent increase over FY 1982-83, it was explained that, since salaries are always paid, the budget line item for salaries did not have to reflect reality if it would impede submitting a budget that was acceptable to MEF. Thus, it is likely that the real budget for FY 1983-1984 is 15-20 percent higher than that represented in the official budget. It is not known whether previous budgets were also balanced in this same manner.

Aside from personnel costs, other large functional items in the FY 1983-84 headquarters budget include seeds (75 million FCFA), gasoline (16 million FCFA), fertilizer (14 million FCFA), depreciation on vehicles (12 million FCFA), pesticides (11 million FCFA), and travel costs (10 million FCFA).

Projections of Headquarters Budgets

The recommendations of this study that most affect the headquarters budget are reductions in personnel and changes in overall SOMIVAC activities. The activity changes detailed in Chapter Two as well as the structural and personnel changes

TABLE 5

SOMIVAC HEADQUARTERS BUDGET - 1983-1984
(FCFA)

Operations	
Agricultural Inputs	110,050,300
Consumable Materials (office supplies, gas, electricity, etc.)	31,628,000
Transportation	5,382,000
Rent and Services	35,379,500
Personnel Costs	
Personnel Overhead	14,590,110
Salaries	43,231,663
Allowances	34,703,177
Taxes	4,689,486
Interest	30,000
Depreciation	<u>18,576,036</u>
Total Operations	<u>298,260,272</u>
Investment	<u>6,000,000</u>
TOTAL	<u><u>304,260,272</u></u>

detailed in Chapter Five will result in a one-third reduction of headquarters personnel, from its current level of 111 to 74. In addition, the changes in activities, notably the elimination of the input supply function, will reduce procurement costs substantially.

The recommended reductions in personnel will take place at all levels and should affect civil servants and contractuels in equal numbers. Thus, it should be possible to arrive at a good estimate of future personnel costs by taking two-thirds of current personnel costs plus an inflation factor. However, there is a great deal of doubt concerning the accuracy of reported personnel costs for the most recent fiscal year, and perhaps also for previous ones. In addition, employees of public establishments have just received an increase.

According to the new pay schedules for the 82 SOMIVAC headquarters contractual employees, the new payroll on an annualized basis will be 105 million FCFA. If, based on FY 1982-1983 expenditures, the allowances and other personnel costs of SOMIVAC employees (civil servants as well as contractors) are 75 percent of salaries, then the total personnel costs in 1985 for SOMIVAC headquarters will be 184 million FCFA (105 million FCFA plus 79 million FCFA.) Two-thirds of this amount is 123 million FCFA.

If one can assume that the non-personnel items of the FY 1983-1984 budget are reasonably accurate, then it should be possible to use Table 6 to calculate the remainder of a projected SOMIVAC headquarters budget. Because the input delivery functions of SOMIVAC will be eliminated, the input delivery costs can also be eliminated. The other non-personnel line items -- consumable materials, transportation, rent and services, interest, and depreciation -- are all variable personnel support costs and should vary in a reasonably direct proportion with the number of personnel. Thus, it should also be possible to reduce these costs by one-third, that is from 91 million FCFA to 61 million FCFA.

Once headquarters is restructured along the lines of the recommendations in this study, therefore, its total budget should, at today's prices, be 184 million FCFA (123 million FCFA in personnel costs, plus 61 million FCFA in non-personnel costs.)

It is not anticipated that this restructuring will take place in one or even two years. Reduction of personnel, mainly through transfers rather than dismissals, should be possible to achieve quickly. More time will be needed to phase out the agricultural input services. However, it should be possible to effect the entire transition in three years.

Taking the FY 1983-1984 budget, which is approximately 300 million FCFA, as a base, personnel as well as input delivery can be reduced in such a way that, at constant 1984 prices, SOMIVAC headquarters budgets for the period 1984-1988 would be as shown below.

TABLE 6
PROPOSED SOMIVAC HEADQUARTERS BUDGETS
(FCFA)[a]

1983-84	300,000,000
1985[b]	261,333,000
1986	222,667,000
1987	184,000,000
1988	184,000,000

a Constant 1984 costs.

b SOMIVAC's fiscal year will coincide with the calendar year beginning January 1, 1985.

PIDAC

Budget Analysis

The team was not able to analyze PIDAC operations in detail, but obtained a record of PIDAC budgets and expenditures. Overall PIDAC expenditures for FY 1981-1983 are shown in Table 3.[6] Table 7 compares expenditures with amounts budgeted for FY 1981-1982 and FY 1981-1983.

TABLE 7

PIDAC
APPROVED BUDGET AND ACTUAL EXPENDITURES, 1981-82 and 1982-83
(FCFA)

	<u>1981-1982</u>		<u>1982-1983</u>	
	Investment	Operations	Investment	Operations
A. Budget	75,787,000	306,342,172	96,300,000	322,579,490
B. Expenditures	13,730,915	176,815,028	2,746,757	366,395,342
C. Difference (A-B)	62,056,085	129,527,144	93,553,243	(43,815,852)

Details on PIDAC expenditures were not available, so it is unclear why expenditures on the investment budget for both years and on the operations budget for 1981-1982 fell so far short of budget. However, FY 1982-1983 expenditures surpassed the budget and were more than double those of FY 1981-1982, indicating perhaps an improved PIDAC operating capacity.

Table 8 shows the detailed PIDAC budgets for FY 1983-1984 and for the interim semester July 1, 1984, to December 31, 1984.[7]

TABLE 8

PIDAC BUDGETS 1983-1984 AND JULY 1-DECEMBER 31, 1984
(FCFA)

	1983-1984	July 1-December 31, 1984
<u>Operations</u>		
Agricultural Inputs	17,982,450	52,078,077
Consumable Materials	53,880,000	26,950,000
Transportation	1,050,000	1,032,000
Rent and Services	51,175,000	24,225,000
 Personnel		
Personnel Overhead	6,400,000	11,386,000
Salaries	109,671,617	87,154,518
Allowances	137,504,082	128,882,521
Taxes (Income and Other)	5,452,936	
Interest	771,400	-
Depreciation	<u>36,715,813</u>	<u>-</u>
 Total Operations	 420,543,298	 329,780,689
<u>Investment</u>	54,100,000	21,315,000
 TOTAL	 <u>474,643,298</u>	 <u>351,095,689</u>

As was the case for SOMIVAC headquarters, the most important budget item is personnel costs. Salaries constitute more than one-half of the operations budget. Personnel allowances are even more important than salaries, reflecting large amounts budgeted for such costs as housing, per diem, temporary employees, and depreciation on motorbikes. Salary costs for the six-month interim budget are nearly 80 percent of the salaries for the entire FY 1983-1984, reflecting the substantial salary increases that have recently gone into effect.

Another item that is substantially higher for the six-month budget than for the FY 1983-1984 budget is agricultural inputs. This reflects an expectation that seeds, fertilizers, and other inputs needed for the 1984 agricultural season will not be available for purchase until July or later. It also reflects a substantial increase (more than 100 percent) in the price of fertilizer that took place in 1984.

Budget Projections

PIDAC's record of expenditures make it unlikely that PIDAC will be able effectively to spend the amount budgeted for FY 1983-1984 or for the interim six months. An estimation provided by the SOMIVAC headquarters' Finance Division showed, in fact, that, as of March 31, 1984, with only three months remaining in the FY 1983-1984, PIDAC had spent only 200 million FCFA of its 475 million FCFA budget.

For purposes of PIDAC's projected budget, the team has assumed no change in PIDAC's staffing pattern. There are two reasons for this. First, the team was not able to analyze PIDAC's staffing pattern in the same detail as it did for SOMIVAC headquarters (See Chapter Five). Second, the team believes that the Casamance will, through projects like PIDAC, need a substantial and intensive extension effort for some time to come.

Consistent with this study's recommendations concerning transferring credit and input delivery to the private sector, the projected budget assumes a phasing out of these activities.

The PIDAC budget projections that follow, therefore, are made on the following assumptions:

- Actual 1984 PIDAC expenditures of 350 million FCFA;
- No substantial change in staffing pattern; and
- A phasing out of credit and input delivery activities over three years.

TABLE 9
PIDAC BUDGET PROJECTIONS
(FCFA)[a]

1984	350,000,000
1985	350,000,000
1986	325,000,000
1987	300,000,000
1988	275,000,000

a Constant 1984 costs.

Should AID wish to finance both PIDAC and SOMIVAC headquarters, the total projected budget, in constant FCFA, is as follows:

TABLE 10
SOMIVAC HEADQUARTERS AND PIDAC
(FCFA)[a]

1984	650,000,000
1985	611,333,000
1986	547,667,000
1987	484,000,000
1988	459,000,000

a Constant 1984 costs.

NOTES

- 1 In the briefings that the team had with the AID manager of the Casamance Integrated Rural Development Project prior to carrying out this study, it was agreed that the team would concentrate especially on the projection of costs for SOMIVAC headquarters and to a lesser extent for PIDAC. It was also agreed that the team's three weeks in Senegal would not permit an in-depth analysis of SOMIVAC's other projects.
- 2 The approved headquarters budgets for 1981-1982 and 1982-1983 were both 217 million FCFA. Thus, in 1981-1982, headquarters was able to spend 94 percent of its budget and in 1982-1983 87 percent.
- 3 One anomaly of the SOMIVAC budget and accounting procedures is that budgets are prepared by functional category whereas analysis is to be carried out by cost center.
- 4 Of the total 1982-1983 headquarters budget of 217 million FCFA, 86 million FCFA was for salaries and 151 million FCFA was the total cost for personnel.
- 5 The total headquarters operations budget for 1983-1984 is 298 million FCFA; salaries are 43 million FCFA, and total personnel charges are 97 million FCFA.
- 6 The expenses shown are only those that are programmed in SOMIVAC's budget. They do not include expenditures made directly by AID, such as for technical assistance, training, and studies.
- 8 The interim budget is necessary to enable SOMIVAC to switch from a July-June fiscal year to a calendar fiscal year.

CHAPTER EIGHT

CONCLUSIONS, RECOMMENDATIONS, AND NEXT STEPS

PRINCIPAL CONCLUSIONS AND RECOMMENDATIONS

The study's principal conclusions and recommendations are summarized below. Recommendations specific to particular issues and problems are presented in the body of the report.

1. SOMIVAC should remain the organization principally responsible for rural and agricultural development in the Casamance. However, it should establish a much closer working relationship with the traditional services under the various line ministries and with the two governors' offices.
2. SOMIVAC should retain four principal functions: agricultural extension, small rural infrastructure development, regional planning for rural development, and project evaluation and coordination. It should be gradually relieved of responsibility for four other functions: input procurement and delivery, agricultural credit, agricultural processing, and marketing of agricultural products.
3. The services for which SOMIVAC will retain responsibility should be provided to rural populations free of charge. SOMIVAC should not be expected to engage in income-generating activities. Its full financing is and will remain justified by the economic value added of its extension activities.
4. SOMIVAC should no longer be subject to a priori financial control by MEF. Instead, it should be subject to a posteriori integral financial control by the presidency.

5. SOMIVAC headquarters should devolve to PIDAC the authority to order its own supplies, by direct procurement and by tender, and to make most personnel decisions. SOMIVAC's relationship to its projects should be one of program coordinator rather than manager.
6. In SOMIVAC headquarters, the Departments of Rural Works and of Technical Operations should be eliminated. The Department of Administration and Finance should be split into an administration department and a finance department, with finance incorporating accounting (which is now a separate department). The Department of Studies, Evaluation, and Planning should be slightly strengthened. Overall, headquarters staff should be reduced by 31 percent.
7. The adoption and implementation of these recommendations will require negotiations among all interested parties. In the Casamance, these parties include the director general of SOMIVAC, the directors of the major projects, and the governors' offices. In Dakar, they include representatives of MRD, MEF, the presidency, and SOMIVAC's Board of Directors. AID should organize these negotiations and offer, in exchange for their successful outcome, to finance a new project in the Casamance that would include operating costs (all recurrent costs except salaries) for SOMIVAC headquarters.
8. It is estimated that the costs of SOMIVAC headquarters, once reorganized following the guidelines proposed in this study, would be in constant 1984 FCFA, gradually reduced from 300 million FCFA at present to 184 million FCFA by 1987. It is estimated that PIDAC costs, in constant FCFA, would be reduced from 350 million FCFA at present to 275 million FCFA by 1988.

NEXT STEPS

It will not be easy to gain acceptance for or to implement all of the recommendations in this study. Any recommendations affecting shifts in power or the allocation of resources are bound to meet opposition from institutional interests who feel adversely affected by the recommendations. From SOMIVAC itself to the other rural development organizations in the Casamance and the ministries in Dakar, almost every organization mentioned in this study will find in this document some recommendations to approve and some to oppose.

It is recommended, therefore, that AID/Senegal use this document as a discussion paper to promote a process of negotiations among the institutions whose activities affect rural development organization in the Casamance. The team recommends that AID/Senegal distribute this document for reading prior to a workshop that interested institutions would attend and that AID should sponsor and finance. The workshops should last several days and take place in the Casamance, but at a neutral setting removed from the possibility of interruption by daily business. At a minimum, the following individuals or institutional representatives should be invited to attend the workshop:

- The director general of SOMIVAC;
- The directors of PIDAC, PRS, and MAC;
- The governors and/or the deputy governors for development of the two new regions in the Casamance;
- The director of agriculture in MRD;
- The principal adviser to the minister in MRD;
- Representatives of other functional ministries such as Water Projects and Natural Resources;
- The director of ACC;

- A representative from the Financial Control Office in the presidency; and
- The president of SOMIVAC's Board of Directors.

It is critical that the workshop not become a platform to defend or criticize this document or to defend institutional interests. To this end, the team recommends that the workshop be cosponsored by, and chaired by a representative of, the presidency. This person should set the theme that:

- Change is inevitable;
- No institution will be able to continue as before; and
- Each institution should come to the workshop prepared to understand and accommodate the point of view of other institutions.

The team also recommends that AID/Senegal engage the services of a consultant who is a specialist in organizing and conducting workshops of this nature. This consultant would serve as an adviser to AID/Senegal and to the presidency in setting the agenda for the workshop and in facilitating its proceedings.

There is a great deal of confusion and misunderstanding about the roles played by the institutions involved in rural development in the Casamance. If the proposed workshop does nothing but clear away some of this confusion, it will have served a useful purpose.