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MACROECONOMIC AND SECTORAL ADJUSTMENT PROGRAMS IN SENEGAL

Implications for the USAID Agricultural Sector Analysis

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707 Cayuga Heights Road
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**Report submitted in completion of Contract No. 685-0294-0-00-0200-00
with USAID/Senegal dated 22 May 1990**

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PREFACE

This report was written by John H. Eriksen of Ithaca International Limited under Contract No. 685-0294-0-00-0200-00 dated 22 May 1990. The work was performed in Washington, D.C., Dakar, Senegal and Ithaca, New York between 29 May and 26 June 1990.

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All errors of fact and/or interpretation in this final report remain the responsibility of the author.

TABLE OF CONTENTS

	Page
I. The Senegal Macroeconomic Structural Adjustment Program and Its Implications for the Senegal Agricultural Sector	1
II. The Senegal Programme d'Ajustement Sectoriel Agricole (PASA)	5
A. Major Goals and Objectives of the PASA for the Agricultural Sector	5
1. Introduction	5
2. Recent Government Declarations of Intent	5
3. Government Commitments in the Context of SAL and Enhanced Structural Adjustment Facility Agreements	8
B. Summary of Programmed Government Investments in the Agricultural Sector (1987-1993)	11
1. General Characteristics of the Investment Program	12
2. Sub-Sector Investment Allocations in the Fourth Three Year Investment Program (1990/1993)	13
3. Projected Investment by Sub-Sector and Source of Funding	14
4. Project Investment by Individual Donors to the Total Sector Program	14
5. Orientations of Individual Donors by Sub-Sector Investment	15
6. Regional Orientation of Projected Investment in the Fourth Three Year Program	17
C. Institutional Capacity in National Agricultural Policy Development, Sector Planning and PASA Implementation	18
III. Major Donor Assistance Programs (1985-1994)	21
A. The World Bank [IDA, IFC and World Bank Loan]	21
1. Policy Orientation and Focus	21
2. The Existing Assistance Program [1985-1989]	25
3. The Projected Assistance Program [1990-1994]	26

	Page
B. The European Economic Community [FED]	27
1. Policy Orientation and Focus	27
2. The Existing Assistance Program [1985-1989]	29
3. The Projected Assistance Program [1990-1994]	30
C. The French Program [Caisse Centrale de Cooperation Economique and FAC]	30
1. Policy Orientation and Focus	30
2. The Existing Assistance Program [1985-1989]	30
3. The Projected Assistance Program [1990-1994]	31
D. The Italian Bilateral Program	32
1. Policy Orientation and Focus	32
2. The Existing Assistance Program [1985-1989]	32
3. The Projected Assistance Program [1990-1994]	33
E. Other Major Bilateral Donor Programs	34
1. The West German Bilateral Program	34
2. The Canadian Bilateral Program	35
IV. Implications for the USAID Agricultural Sector Analysis	37



ACRONYMS AND TERMS USED IN THE REPORT

ADF	African Development Fund
CCCE	French Bilateral Development Investment Agency
CEAO	Economic Community of West African States
CIDA	Canadian International Development Agency
CNCAS	Senegalese Agricultural Credit Bank
CSA	Senegalese Food Security Commission
CSS	Senegalese Sugar Company
DPDA	Declaration of Agricultural Development Policy
ECU	European Currency Unit
EEC	European Economic Community
ESAF	Enhanced Structural Adjustment Facility
FAC	French Bilateral Technical Assistance Agency
FAO	Food and Agriculture Organization
FCFA	CFA Francs
FED	European Development Fund of the EEC
Filières	Commodity-based agro-industrial networks, as in cotton or groundnut <u>filière</u>
GDP	Gross Domestic Product
GOS	Government of Senegal
GTZ	West German Bilateral Technical Assistance Agency
ICOR	Incremental Capital-Output Ratio
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund
ISRA	Senegalese Institute for Agricultural Research
KFW	West German Bilateral Development Investment Agency
MDRH	Ministry of Rural Development and Hydraulics
NGO	Non-Governmental Organization
NPA	New Agricultural Policy
OMVS	Senegal River Development Authority
PASA	Agricultural Sector Adjustment Program
PRIMOCA	Italian Integrated Rural Development Project in Casamance
SAED	Public Enterprise for Development of Irrigation in the Senegal River Delta
SAF	Structural Adjustment Facility
SAL	Structural Adjustment Loan
SDR	Standard Drawing Right
SECAL	Sectoral Adjustment Loan
SODEFITEX	Cotton Parastatal based in Southeastern Senegal
SODESP	Livestock Parastatal based in the Ferlo area of northern Senegal
SOMIVAC	Regional Parastatal for Development of the Casamance
SONACOS	Parastatal for Processing and Marketing of Edible Oils in Senegal
Systemes des perequation	Systems for cross subsidization of losses in domestic agro-industries
USAID	United States Agency for International Development
Verite des prix	Full-cost pricing

TABLE OF CURRENT EXCHANGE RATES

Currency	US\$	FF	FCFA	DM	Lira
US\$	-	5.6775	283.9	1.6884	1,239
FF	0.176	-	50.0	0.2971	218.73
FCFA	0.0352	1.000	-	0.0059	4.375
DM	0.5923	3.3658	168.29	-	734.08
Lira	0.0008	0.0046	0.2286	0.0014	-
ECU	1.2163	6.9302	346.51	2.0594	1,512
SDR	1.3115	7.4735	373.68	2.2188	1,629

Source : International Herald Tribune -- 18 June 1990

MAIN REPORT

I. The Senegal Macroeconomic Structural Adjustment Program and Its Implications for the Senegal Agricultural Sector

Since mid-1983 the Government of Senegal (GOS) has been implementing a package of structural and macroeconomic policies under its Medium and Long-Term Structural Adjustment Program (1984/85-1992/93). The adjustment program and its discrete components have been aimed at alleviating the obstacles to sustained growth in per capita incomes, controlling inflationary pressures in the national economy, and redressing certain domestic and external financial imbalances.

The discrete components of the adjustment program implemented in the 1980s have been supported by successive Stand-by Arrangements from the International Monetary Fund (IMF), as well as arrangements under its Structural Adjustment Facility (SAF) and, more recently, the Enhanced Structural Adjustment Facility (ESAF). Major support for the adjustment process has been provided under three World Bank Structural Adjustment Loans (SALs II, III and IV) and a SECAL agreement for the transportation sector. Additional support has come through bilateral and other multilateral creditors and donors, including a large French debt relief agreement.

During the period 1983/84 to 1989/90 the Government of Senegal has taken steps to:

- ◆ Liberalize the national economy;
- ◆ Reduce agricultural and industrial production distortions;
- ◆ Strengthen public investment programming;
- ◆ Initiate reform of the public enterprise sector;
- ◆ Reduce its overall fiscal deficit;
- ◆ Pursue an appropriate credit policy; and
- ◆ Put in place a prudent external debt management policy.

The macroeconomic policies implemented have contributed in some measure to a revitalization in the national economy; to a dampening of inflationary pressures; and to strengthening of the country's external sector position. However, as has been the case since independence in 1960, Senegalese economic planning at all levels continues to be significantly affected by exogenous factors -- chiefly the spatial and temporal distributions of annual precipitation and its effects of crop and livestock production and agro-industrial activity; and, to a much lesser extent, secular trends in world prices for Senegalese exports.

The adjustment period in question, therefore, can be broken down in three distinct sub-periods during which factors exogenous to the adjustment process -- i.e. annual rainfall distributions

over the entire period and, more recently, locust invasions and civil disturbances -- affected the economy. From 1983/84 to 1984/85, there was a drought-related decline in economic activity which set the tone for the effective start of the current adjustment program. From 1985/86 to 1987/88, Senegal had a period of relatively good rains and, as a consequence, real gross domestic product (GDP) grew at an average annual rate of 4.2 percent, substantially exceeding a population growth rate estimated at 2.9 percent.

In 1988/89, the economy was once again adversely affected by poor rains and locust invasions causing subsequent declines in agricultural production and related agro-industrial and trade activities. This situation has been made more difficult by civil disturbances arising from difficulties between Senegal and neighboring states and from domestic interest group reactions to the strictures and uncertainties imposed by the structural adjustment process. As a consequence, 1989/90 has been a year of economic recovery with increased domestic tensions, necessitating some reformulation of the content and timing of key macroeconomic targets in the adjustment program.

According to recent appraisals from the IMF [March 1990] and the World Bank [November 1989], the Senegalese macroeconomic structural adjustment program is "broadly on track". The government is still pursuing a two-pronged economic strategy focussed on the promotion of private sector activity and the strengthening of public resource management. This strategy continues to aim at achieving an average annual rate of growth of real GDP of 4.0 percent; containing the rate of inflation, as measured by GDP deflator, at 2.3 percent; and reducing the external current account deficit, excluding official grants, to 6.1 percent of GDP by 1991/92. Taking into account the programmed reduction in the external Treasury financing requirements from CFA Francs (FCFA) 97.9 billion in 1989/90 to FCFA 35.0 billion in 1991/92, the balance of payments would record surpluses, excluding debt relief, starting in 1990/91.

Within this broad macro-aggregate target framework, Senegal has been implementing a program of structural reforms, while continuing emphasis on financial policies aimed at limiting the growth in aggregate demand in line with available resources. The progress made at the macroeconomic level is summarized in Annex A Table 1 and in Annex A Figures 1 and 2.

In general, the structural adjustment program has been reasonably successful in introducing a greater measure of stability into the economy in the second half of the decade. In addition, given that Senegal as a member state in the West African Monetary Union has essentially no direct control over its currency and cannot resort to direct devaluation of the CFA Franc as a policy instrument in its structural adjustment program, the government through resort to second best measures -- i.e., tariff protection and other controls on imports, limited export promotion, measures to dampen inflationary tendencies, and general tightening in monetary and fiscal policies -- has at least succeeded in forcing a decline in the real effective exchange rate. This decline has now reached the point where the distortions created by overvaluation are, at least, no worse than they were at the beginning of the decade [Annex A Figure 3].

In addition to the general macroeconomic improvements induced by structural adjustment, the program has several elements which bear directly on the agricultural sector. These elements include changes in the regulatory environment affecting commercial marketing of agricultural inputs and outputs; efforts to stimulate greater private sector participation in the sector; reforms of and reductions in the scope of public enterprise involvement in the economy; price policies affecting the terms of trade and mitigating disparities in income distribution between rural and urban inhabitants; and a greater effort by government to improve its allocation of budgetary resources to sectoral activities and eliminate or defer low priority expenditures in conformance with the strictures of the macroeconomic program.

In the agricultural sector, the most significant improvements of the decade have come in the following areas:

- ◆ Deregulation of domestic coarse grain markets;
- ◆ Elimination of subsidies on most agricultural inputs;
- ◆ Reduction in public enterprise involvement in sector activities and greater enforcement of financial accountability through management contracts;
- ◆ Willingness to use agricultural price and trade policies to affect improvements in terms of trade and income disparities; and
- ◆ Greater restraint in and scrutiny over allocation of available budgetary resources, coupled with greater transparency in accounting procedures.

In sum, then, as a result of progress with structural adjustment program, agricultural markets in Senegal -- with the principal exception of rice -- are subject to significantly less government intervention and control than was the case before the mid-1980s.

Allocative distortions in use of agricultural inputs flowing from government subsidy programs have essentially been eliminated -- with the sole exception of inputs distributed through SODEFITEX for cotton and maize -- and even these subsidies are to be eliminated in 1993. As a result, farmers' use of most purchased inputs has declined significantly but residual input use is almost certainly being allocated more efficiently.

Some of the largest and most deficient agricultural public enterprises have been disbanded and others are scheduled for privatization or elimination before the end of 1991. Management contracts, organizational and financial restructurings, reductions in force, and other cost savings have been affected in many of public enterprises remaining and the government has pledged to continue and accelerate these activities under SAL IV and its agreements with the IMF.

Government use of agricultural prices, monetary and fiscal restraints, and trade policies in the 1980s appeared to have benefited the rural populace more than the more affluent, urban

population. Increases in nominal -- if not real -- agricultural prices for major commodities probably improved rural incomes relative to urban ones, where real incomes in the formal sector were declining significantly over most of the decade. And, government restraints on the importation of rice limited to some extent the negative effects of these importations on domestic cereals prices, marketing and consumption.

II. The Senegal Programme d'Ajustement Sectoriel Agricole (PASA)

A. Major Goals and Objectives of the PASA for the Agricultural Sector

1. Introduction

The objective of this section is to summarize the major goals and objectives of the Government of Senegal's declared program for sectoral adjustment in agriculture. The principal sources of information relevant to this objective are recent Government of Senegal statements of intent with respect to structural adjustment and the agricultural sector -- i.e., the Declaration de Politique de Developpement Agricole [Republique du Senegal, Decembre 1989] and its follow-up Plan d'Actions [Mai 1990]; and the Lettre de Politique de Developpement Quatrieme Programme d'Ajustement Structurel (SAL IV) [Republique du Senegal, 29 Decembre 1989]. These documents are supplemented with records of commitments made to the World Bank and the IMF in the context of the SAL IV and the Enhanced Structural Adjustment Facility -- i.e., Senegal: Policy Framework Paper, 1989/90-1991/92 [World Bank, 15 November 1989] and Senegal - Midterm Review Under the Second Annual Arrangement Under the Enhanced Structural Adjustment Facility [IMF, 14 March 1990] -- as they pertain to the agricultural sector. Finally, other information related to the on-going multi-donor/GOS negotiations over the proposed World Bank agricultural SECAL and the allied bilateral donor programs was reviewed.

2. Recent Government Declarations of Intent

After a review of the existing documents, the first thing that must be said is that no single, unambiguous statement of Government of Senegal setting forth the strategic goals and objectives for the agricultural sector has been found -- and there is the strong suspicion that no recent public document actually exists. The existing government statements cannot be said to advance the national agricultural strategy much beyond where it was in 1984 when the New Agricultural Policy -- i.e., Nouvelle Politique Agricole (NPA) -- was announced.

As with most statements of policy intent, the Senegalese policy declarations with respect to the agricultural sector in the Declaration de Politique de Developpement Agricole (DPDA) are stated in broad and often ambiguous terms. They lack critical information as to the operational details of policy changes and projected implementation schedules for the timing of such changes. The DPDA preamble essentially reiterates that the 1984 NPA was put in place to foster a program to promote local cereal production; restructure the groundnut industry; reorient policies with respect to agricultural inputs, research, extension and credit; and foster a new strategy for crop diversification.

The activities envisaged in the NPA were directed at achieving:

- ◆ A better distribution of income with respect to rural areas;
- ◆ A reduction in rural/urban migration;

- ◆ **Balanced regional growth;**
- ◆ **Improved food security through increased production and consumption of local cereals; and**
- ◆ **Better management of resources -- particularly soils --coupled with better integration of agricultural, forestry and livestock enterprises.**

The DPDA then goes on to say that, in the interim period from 1984 to the present, Senegal's rising debt burden and other macroeconomic imbalances in the economy, coupled with a decline in world prices for Senegalese exports, forced the government to adopt the present structural adjustment program. The consequences for the agricultural sector were that:

- ◆ **In the short-term, priority was given to reestablishing financial stability in the principal agro-industrial networks -- i.e., filieres -- notably through a coherent system of agricultural prices; and**
- ◆ **In the longer term, as financial stability and economic coherence was restored, the agro-industrial networks were to provide the bases for increased sector growth.**

Overall, the expected results of sectoral adjustment program were seen as being:

- ◆ **Increased revenues for the government;**
- ◆ **An improvement in the balance of payments;**
- ◆ **A greater sense of responsibility among farmers and other economic actors in the rural areas in management of their land and other resources;**
- ◆ **A diversification of agricultural production; and**
- ◆ **The progressive disengagement of the state from activities in agricultural production, processing and marketing to the profit of the private sector.**

After enumerating several changes which have been taken in the context of existing structural adjustment programs -- i.e. liberalization of coarse grain and other agricultural prices and markets, elimination of subsidies on most agricultural inputs, cost savings in agro-industrial public enterprises, etc. -- the DPDA concludes that it is now time to draw lessons from recent experiences in application of structural reforms to avoid negative consequences -- i.e., effets pernicieux -- from excessive application of sectoral reforms which conflict with the stated sectoral objectives of the government vis-a-vis the rural population.

It observes that the transition from an administered economy to an open market economy has shown itself to be a complex one when open markets are not fully competitive and unified and

when there are few experienced local entrepreneurs. It reiterates that the disengagement of the state in such a situation must be orderly and should not engender chaos. This implies that the passing of economic responsibility and means to groups in the private sector must be done through a series of structured agreements -- i.e., dans un cadre contractuel et conventionnel -- with the government over a transition period.

Following on the same theme, the DPDA asserts that, given the crisis in world markets, a policy of full cost pricing -- i.e., verite des prix -- in agriculture will lead inevitably to a contraction in farm incomes just at the time when farmers are being asked to increase investments and raise productivity in their agricultural enterprises. Without savings, farmers have already cut back on seasonal use of inputs; and, if this trend continues, it will have grave economic, ecological and social consequences in the central groundnut basin.

Moreover, it finds it difficult to imagine how farmers without motivation, instruction and financing can be expected to raise productivity and make full use of the irrigated perimeters in the context of the Senegal River development plan.

The DPDA preamble concludes by reemphasizing that actions taken under the sectoral adjustment program must not conflict with those of the NPA and must not be brutal or rash in their execution or consequences. The adjustment measures contained in a future action plan must create a favorable environment for private investment. They must also be coupled with and supported by material and institutional investments by the state to make Senegalese agriculture more productive. Government -- and, by implication, donor -- investments in the context of the agricultural sector adjustment program are expected to be directed toward:

- ◆ Achieving better financial balance in agro-industrial networks;
- ◆ Better hydro-agricultural management;
- ◆ Providing farmers with agricultural inputs and other "factors of production";
- ◆ Restoration, conservation and management of natural resources;
- ◆ Development and modernization of agro-industrial plant and equipment for processing and marketing agricultural products;
- ◆ Reinforcing plant and animal phytosanitary programs;
- ◆ Support for organizing the rural areas -- organisation du monde rural; and
- ◆ Reinforcing institutions concerned with agricultural research and extension and within the Ministry of Rural Development generally.

The DPDA concludes by stating that the development of a domestic market economy and its

linkages to world markets constitute constant points of reference for the sectoral adjustment program. However, the government system for using profits from imports to cross subsidize losses in domestic agro-industries -- i.e., systemes de perequation -- still appear to be necessary to the maintenance of a dynamic food and agriculture sector.

3. Government Commitments in the Context of SAL and Enhanced Structural Adjustment Facility Agreements

Only in documents such as the SAL IV agreement signed in February 1990, preceeding SAL agreements, and the Policy Framework Papers of the World Bank is there a complete statement of government stated policy intents as negotiated with the World Bank and the IMF, a detailed agenda of actions to be taken, and a timetable for their execution. Annex A Table 2 presents the most complete summary available of the actions negotiated and the time frames adopted for macroeconomic and structural adjustment policies for the period 1989/90 to 1991/92. For past annual changes and projections of selected macroeconomic and financial indicators for the Senegalese economy see Annex A Table 3.

The agricultural sector policy reform commitments made by the government have the objectives of:

- ◆ Expanding and diversifying production;
- ◆ Increasing net sectoral contribution to public finances; and
- ◆ Narrowing price distortions.

The government commits itself to pursuit and development of the reform process envisaged in the New Agricultural Policy, specifically including gradual elimination of price distortions and subsidies and disengagement of government from productive and commercial activities.

In the cereals sub-sector, a commitment is made to promote substitution of domestic coarse grains for imported rice. And, to move toward a less costly and more sustainable policy for irrigation. The major elements foreseen to achieve these commitments are:

- ◆ Testing suitable technologies at different scales of production;
- ◆ Setting criteria for adjusting price(s) of imported rice to provide an adequate degree of protection for local cereals;
- ◆ Rationalizing the domestic pricing of rice;
- ◆ Developing capacity within the Ministry of Rural Development and Hydraulics (MDRH) to use and improve agricultural pricing models; and

- ◆ Implementing the third Lettre de Mission of SAED relating to phased disengagement from productive and commercial activities, full-cost pricing of irrigation water for farmers benefiting from double cropping, and autonomy and privatization of rice milling activities.

In the groundnut sub-sector, the overall objective is to reduce the sub-sector financial deficit. These is to be done through:

- ◆ Rationalizing the groundnut processing capacity of SONACOS -- the parastatal oil groundnut processing company;
- ◆ Adopting a flexible system for determination of producer prices for oil groundnuts in line with world market conditions;
- ◆ Executing a technical and financial study of SONACOS and instituting a system of regular independent audits;
- ◆ Revising the protocol between SONACOS and the government;
- ◆ Strengthening the guarantee fund for groundnuts to monitor the financial performance of SONACOS and associated enterprises; and
- ◆ Privatizing the commercialization of confectionary groundnuts.

In the cotton sub-sector, the overall objective is to reduce the cost to public finances. This is to be accomplished through the preparation of a recovery program for SODEFITEX -- the parastatal cotton company -- to include technical performance criteria, internal economy measures, and the progressive reduction of subsidies on inputs provided to farmers.

In the sugar sub-sector, the objectives are to reduce the cost of producing domestic sugar and the reduce the cost to the CSS -- the parastatal sugar company. These objectives are to be accomplished through:

- ◆ Preparing a plan of action to further increase productivity at the CSS;
- ◆ Renegotiating the agreement on the determination of domestic sugar prices; and
- ◆ Linking the reference price for local industrial sugar users to world market prices.

A commitment is made by government to increase the sustainability of the rural credit system. The major actions are envisaged:

- ◆ Drawing up a plan for the reform of the agricultural credit system;

- ◆ Opening the capital of the CNCAS -- the agricultural credit company -- to private participation and increasing its commercial autonomy; and
- ◆ Preparing a program for recovery of overdue loans and advances; setting up an analytical accounting system; and instituting annual external audits for the CNCAS.

Crop diversification and export promotion are to be pursued through development of cash crops for domestic consumption and export and stimulation of domestic and foreign investment for the development of high-yield crops. The government is to prepare a plan of action to promote crop diversification, including steps to facilitate the marketing and export of fruits and vegetables.

Improving the land tenure system and reducing administrative obstacles to the productive use of land is also an element to the sectoral program. This objective is to be forwarded by:

- ◆ Defining and introducing an initial series of studies, consultations, and specific measures designed to improve the land tenure system;
- ◆ Reviewing regulations and administrative systems governing the allocation of irrigated land in the Senegal River valley to foster more intensive land use; and
- ◆ Preparing and introducing a new rural code.

Supplementing the commitments made in land tenure reform, the government is to develop national and region-specific approaches to the productive management and conservation of natural resources. It is to set up an administrative framework for implementing and evaluating pilot natural resource conservation and management activities.

Finally, the SAL program aims at strengthening the policy-making capacity of the Ministry of Rural Development by establishing a small strategy unit within the Ministry to program and implement agricultural policies.

In addition to commitments made by government to agricultural sector reforms, proposed reforms in two other areas -- i.e. parapublic sector reform and investment programming -- will have significant impacts on the sector if implemented.

Under the parapublic sector reform, the government is committed to privatize 35 parapublic enterprises and to liquidate an additional 10 enterprises by the end of 1991. In line with this commitment, a list of target enterprises to be privatized -- or, in the event of non-sale, liquidation by the end of 1991 -- has been drawn up. Agricultural enterprises included on the list include: SENPRIM, the Projet Fruitier de M'Boro, CNCAS, SEPFA and SONACOS. In addition, SOMIVAC and SEIB are scheduled for outright liquidation by 30 June 1990.

Other parapublic enterprises not subject to privatization and/or liquidation are to be the subjects of cost reviews, reductions in force, regular external audits and stricter management contracts

with the government.

Finally, the investment programming is to be tightened considerably under the structural adjustment program with the objectives of:

- ◆ Optimizing allocation of available resources within a macroeconomic and sectoral framework;
- ◆ Placing greater emphasis on directly productive and priority rehabilitation activities;
- ◆ Evaluating the financing requirements, recurrent costs, and debt servicing implications of project more closely;
- ◆ Strengthening capabilities of the technical ministries to undertake project identification, feasibility studies, and project monitoring; and
- ◆ Improving overall control and monitoring of public investment expenditures.

Actions to be taken in this regard include:

- ◆ Adopting an annual public investment program in the context of a three-year rolling public investment program;
- ◆ Rationalizing budget preparation and ensuring close coordination of the ministries involved;
- ◆ Transferring responsibilities for project identification and preparation to certain technical ministries;
- ◆ Adopting and periodically reviewing sector investment strategies;
- ◆ Adopting a uniform approach to project preparation and appraisal;
- ◆ Consolidating the investment outlays financed by foreign grants and loans with the regular budget monitoring and expenditure control processes; and
- ◆ Improving the monitoring of projects.

B. Summary of Programmed Government Investments in the Agricultural Sector (1987-1993)

Information with respect to the programming of Government of Senegal funding for the agricultural sector was derived from the data presented in the four successive government

investment budgets -- i.e., Programmes Triennal d'Investissements Publics -- dated 1987-1990 to 1990-1993. Although these budgets provide a rolling three year picture of government intents with regard to agricultural development activities, there were no government documents available on the actual execution of investment programming -- i.e., Bulletin d'Execution du Programme d'Investissements Publics -- beyond budget year 1987/88. One other analysis of government's second three year public investment program 1988/89-1990/91 was also available but this was an a priori analysis and contained no information on actual plan implementation. [World Bank, 3 June 1988].

Finally, as discussed in the Section III below, the inclusion of a project investment activity in a Three Year Plan is not always an accurate reflection of the actual state of donor commitments to the activity; nor are the investment figures cited by project activity always accurate.

1. General Characteristics of the Investment Programs

A summary of the programmed funding for the agricultural sector in the four successive three year investment programs 1987/88-1990/91 to 1990/91-1992/93 is shown in Annex B Table 1. In the first three year investment program, the agricultural sector was broken down into six categories: agriculture, livestock, forestry and natural resources, fisheries, agricultural water development, and rural water development. In succeeding investment programs, all water development was grouped as a single category and two new categories were added -- i.e. agricultural research/studies; and institutional support/agricultural extension.

Over the four programs, aggregate investment in the agricultural sector was projected to grow from FCFA 280,309 million to FCFA 337,709 million -- or at an interprogram rate of 5.1 percent in nominal terms. At the same time, the agricultural sector's share of the total government investment programs was projected to fall from 38 percent of the first three year program to 30.2 percent of the fourth program.

Each investment program presents the total investment projected, the level of funding committed, the level of funding still to be negotiated, and the level of unsecured funding by sub-sector and project. In addition, each investment program presents a breakdown of investment in sub-sector and projects in three categories: investment disbursed prior to the program period; projected investment over the three year program period; and projected funding in the investment pipeline after the program period.

Over the four investment programs, changes in these three variables are as follows:

- ◆ The percent of investment disbursed prior to the program period rises from 23.6 percent to total investment in the first program to 31 percent in the fourth program;
- ◆ The projected investment during the successive three year periods as a percent of total investment remains essentially constant at between 47.3 and 51.2 percent;

and

- ◆ The projected pipeline carryover at the end of each investment program as a percent of total investment declines from 29.1 percent in the first program to 18.6 percent in the fourth program.

Whether these changes indicate that Senegalese planners have improved their project monitoring and expenditure forecasting capacities over the period of the four investment programs is impossible to say with any certainty. However, since many of the projects in the investment portfolio have been carried over in successive rolling programs, one would think that planners must surely have built up greater familiarity with this core of carryover projects.

Moreover, there have been relatively few projects added to the portfolio between 1987 and 1990. Most of these new entries have been rather large additions in financial terms -- i.e., the Italian project in the Moyenne Casamance and the two World Bank projects in agricultural research and agricultural services -- and this may also have led to more precision in investment programming.

Due to the modifications in sub-sector investment categories between the first and second three year programs, changes in investment allocations between sub-sectors can only be done for the period from 1988 to 1990. In general, these changes appear to have been rather minor. Agriculture sub-sector investment remained relatively constant around an average 51.4 percent of total sector investment. Livestock investment continued to be low at about 2 percent of total investment. And, forestry and natural resources and fisheries investments also remain constant at about 9 and 6 percent of total investment, respectively.

The three investment categories showing the greater variation were water development, agricultural research/studies, and institutional support/agricultural extension. Funding for water development --as distinguished from development of irrigated perimeters -- was 14 percent of investment in 1988; jumped to 22.3 percent in 1989; and dropped off again to 18 percent in 1990. Agricultural research/studies showed the reverse pattern starting at 10 percent in 1988; falling to 2.5 percent in 1989; and rising again to 6.3 percent in 1990. Only the institutional development/agricultural extension category showed a consistent upward trend in investment from 4.3 percent of total sectoral investment in 1988 to 7.7 percent in 1989 to 9.3 percent in 1990.

2. Sub-Sector Investment Allocations in the Fourth Three Year Investment Program (1990/1993)

In the context of the USAID agricultural sector analysis, the Fourth Three Year Investment Program is of greatest relevance since it covers the period 1990/91 to 1992/93. Annex B Figure 1 presents a picture of projected investment spending by sub-sector within the agricultural sector in the early 1990s.

As has been the pattern throughout the 1980s, investment flows are heavily skewed toward the agriculture sub-sector (49.8 percent of sectoral investment) -- and within it toward irrigated agriculture in the Senegal River basin and, to a lesser degree, in the Casamance. The water development sub-sector -- where projects are often in support of development in irrigated agriculture areas -- is the second most important investment category (18 percent).

The forestry/natural resources (8.7 percent) and institutional support (9.3 percent) sub-sectors are of almost equal importance in third place -- with investment in the latter sub-sector reflecting funding primarily from the continuing USAID agricultural support project and the new World Bank agricultural services project. Next in priority are the fisheries and agricultural research/-studies sectors with each projected to have about 6 percent of sectoral investment over the period. Finally, investment in the livestock sub-sector has continued to decline throughout the 1980s and now stands at less than 2 percent of total projected sector investment.

3. Projected Investment by Sub-Sector and Source of Funding

Projected funding by bilateral donor agencies dominates Senegal's agriculture sector investment program for the early 1990s. (Annex B Tables 2 and 3). Bilateral donors are expected to contribute 51.9 percent of total sectoral investment. Moreover, bilateral investments are expected to be the major funding source for project activities in all sub-sectors but livestock and agricultural research/studies.

In the livestock sub-sector, investment from local sources -- i.e. the government and project participants -- will be the primary --and, indeed, the only significant -- source of funding. This is so because follow-up interviews with representatives of donor agencies in the course of our analysis of the Fourth Three Year Program revealed that French -- i.e., CCCE -- participation in the SODESP livestock project had been cancelled.

In the agricultural research/studies sub-sector, primary funding is projected to come from local sources, followed by multilateral and bilateral donors. External donor participation in this sub-sector largely involved with the new World Bank agricultural research project, which has co-financing from several bilateral donors.

Overall, after bilateral donors, multilateral donors are expected to fund 23.4 percent of the sector investment program and external development banks 6.6 percent. Local investment -- i.e., government, public enterprises and participants -- is projected at 13.8 percent of the total sectoral program. Funding as yet unsecured amounts to 4.3 percent.

4. Projected Investment by Individual Donors to the Total Sector Program

Among bilateral donors, Italy is projected to be the largest individual investor in Senegalese agriculture with 13.8 percent of total sector investment -- i.e., FCFA 46,605 million. French investment -- i.e., CCCE and FAC -- is projected at FCFA 26,760 million -- or 7.9 percent of the total. The United States is the third ranking bilateral donor (6 percent); followed by West

Germany (4.5 percent), Canada (4.4 percent), and Japan (4.1 percent). Ten other bilateral donors are expected to fund 11.2 percent of the total sectoral program between them.

World Bank funding is projected to be 45.7 percent of total multilateral donor investment -- or FCFA 35,744 million. EEC investment is next most important with funding of FCFA 22,763 million (28.6 percent). And, the African Development Fund and United Nations agencies -- i.e., FAO and UNDP -- are, respectively, the third and fourth most important multilateral investment sources.

Funding from external development banks is expected to make up 6.6 percent of the total investment program. The most important investment source is the West African Development Bank; followed by the Arab Development Bank and the Islamic Development Bank. The African Development Bank has token representation in the investment program. (Annex B Tables 4 and 5).

5. Orientations of Individual Donors by Sub-Sector Investment

The Fourth Three Year Program presents a picture of Senegalese evaluations of individual donor commitments to the development of the agricultural sector. These evaluations appear to be based on a donor's previous track record of projectized assistance; firm commitment documents and budgets for on-going projects; and government expectations of further involvement.

While the rolling Three Year Programs have significantly increased clarity of presentation in the government's projected investments -- chiefly through computerization, improvements in the organization and presentation of government investment projections should not necessarily be taken as synonymous with greater accuracy of content.

Within the agriculture sub-sector, the current Three Year Program lists nineteen separate donor agencies and twenty-two separate external funding sources. In addition, five sources of local investment are indicated.

If separate sources of investment from the same donor are combined -- i.e., CCCE and FAC for France; GTZ and KFW for West Germany; etc. -- the ranking of the major donors by projected sub-sector investment is as follows:

1. Italy (FCFA 27,135 million -- and 16.1 percent of sub-sector investment);
2. World Bank (FCFA 20,272 million -- 12.1 percent);
3. European Economic Community (FCFA 17,633 million -- 10.5 percent);
4. France (FCFA 16,030 million -- 9.5 percent); and
5. West Germany (FCFA 11,774 million -- 7 percent).

Each of these donor programs are discussed in greater detail in Section III.

In the livestock sub-sector, external donor investment is insignificant relative to the projected sectoral program. In reality, it is virtually non-existent since French involvement in the SODESP has either been cancelled (CCCE) or already spent (FAC). In the absence of such changes, the relative ranking of donor investments would have been: France, EEC, and the United States. If one takes the changes into account and the fact that approximately 77 percent of EEC investments are shown as having been disbursed prior to 1990, then the United States -- with the USAID water buffalo project -- remains as the only significant external donor still funding specific livestock activities.

The forestry and natural resources sub-sector shows the best balanced distribution of projected investments between donors. While Canada is projected to be the largest single sub-sector investor -- FCFA 5,000 million and 16.9 percent of the sub-sector program -- three other donors are expected to fund programs at levels of FCFA 3,000 to 3,500 million -- i.e., the World Bank, West Germany and the United States. In addition, six other donors have projected investment levels of between FCFA 1,000 and 2,000 million.

Projected investment in the fisheries sub-sector is expected to come from three principal sources: Canada (FCFA 6,711 million); Japan (FCFA 5,150 million); and the African Development Fund (FCFA 2,666 million).

The water development sub-sector -- i.e., borehole and shallow well development and maintenance of pumping equipment -- has by far the highest level of investment in the unsecured category (19.9 percent). It also may be a sub-sector with the greatest potential instability in projected investment since almost 25 percent of the total investment is ascribed to Italy. After Italy, the next largest investor is projected to be the United States (9.9 percent); followed by nine other donors with projected programs between FCFA 2,000 and 4,000 million.

The agricultural research/studies sub-sector is dominated by one large project -- i.e. Recherche Agricole II -- with major external financing from the World Bank and local government resources (71.6 percent of total sub-sector investment). The remainder of projected investment is split between a USAID-sponsored hydrological study (7 percent); an Italian-sponsored research project for irrigation water management using alternative energy sources (14.6 percent); and a whole range of small and diverse technical studies (6.8 percent).

Finally, the principal investment activities in the institutional development sub-sector are expected to be the World Bank-sponsored Agricultural Services Project (23 percent); the USAID-sponsored Agricultural Production Support Project (21 percent); and the French-sponsored Three Year Seed Plan (18.6 percent). The balance of the sub-sector investment program is projected to be small grants to specialized government agencies for soils and fertilizer work, environmental activities, and regional agricultural planning.

Complete details of projected sub-sectoral investment by donor is presented in Annex B Tables 6 and 7.

6. Regional Orientation of Projected Investment in the Fourth Three Year Program

The Government of Senegal's current investment program projects an allocation of 26.4 percent of sectoral investment to national projects. The rest of investment program is allocated by regions in close conformity with the stated objectives and biases of the NPA of 1984 and the PASA of 1989. (Annex B Tables 8 and 9).

Investment is concentrated on irrigation projects -- i.e., large public and smaller private perimeters -- for rice production in the Senegal River basin, coupled with complementary support efforts in rehabilitation of infrastructure, water development, farmer organization, and resource conservation. Projected investment amounts to 26.5 percent of total sectoral investment and involves all of the major donors and many of the minor ones.

Projected investments in the South and Southeast of Senegal -- formerly the regions of Casamance and Senegal Oriental -- are centered on the maize and cotton filières and on water development and rehabilitation of perimeters to prevent salinization and to permit continued irrigation in Casamance. Investment is projected at 31.7 percent of the sectoral program.

The projected funding for the area, however, is heavily influenced by the huge Italian PRIMOCA integrated rural development effort planned for the Moyenne Casamance around Kolda. And, to a lesser extent, by continued French support for SODEFITEX programs based in Tambacounda. USAID support for improved water management in Casamance and West German efforts with maize and rural development constitute the other major development efforts.

Since there is considerable doubt about the directions and actual funding level for the PRIMOCA project -- as discussed below -- realized investment in this region may be considerably lower than anticipated in the investment program.

Investment projections indicate a relative donor neglect of the central groundnut basin (Diourbel, Thies, Fatick and Kaolack) and its northern extension in Louga. Project funding in these areas is anticipated to constitute only 13.7 percent of total sectoral investment. The orientation in committed projects is toward forestry and natural resources and water development. And, most efforts seem to be directed at slowing down the rate of deterioration and conserving what remains of natural resource base in the groundnut basin. Little emphasis is placed on projects to directly increase agricultural productivity in the area and virtually no external funding is expected with livestock activities.

Little direct investment attention is given to the Dakar area and the coastal strip in the current program. Only 1.7 percent of sectoral funding is anticipated for this area with investment concentrated almost entirely on forestry and natural resources efforts and small projects to assist

the coastal fisheries.

C. Institutional Capacity in National Agricultural Policy Development, Sector Planning and PASA Implementation

According to donor representatives interviewed in May and June 1990, there is a general consensus that there has been improvement in capacity of GOS officials -- and particularly technical staff -- to understand the implications of the economic issues being discussed in the context of structural adjustment. Actual implementation of structural adjustment measures is seen to have been most successful with respect to the short-term macroeconomic policies adopted to stabilize the economy since 1984.

Senegalese ability to deal with the conceptualization and implementation of an agricultural sectoral adjustment program and complementary actions with regard to agro-industrial enterprises is generally seen as less impressive. Staff capacities -- particularly in the technical ministries and agencies -- are thought to be still quite limited. And, even in cases where significant capacity is known to exist -- i.e., the ISRA agricultural policy unit developed with USAID assistance -- it appears to be underutilized because of weak linkages in planning between the President's Office, the Ministry of Finance, the Ministry of Rural Development and Hydraulics -- and the technical agencies in agricultural research and program implementation.

Primary examples of the continuing weaknesses in agricultural planning are the Declaration de Politique de Developpement Agricole [Republique du Senegal, Decembre 1989] and its companion document the Plan d'Actions [Mai 1990]. The first document was presented to the major donors as the basis for the PASA. In February 1990, these donors as a group formally communicated their dissatisfaction with the Declaration and said it did not even serve as a basis for continuing negotiations on the PASA.

Unfortunately, the companion document finished in May 1990 -- presumably as the government's operational guide to implementation of the Declaration -- is an even worse demonstration of local capacities in sectoral planning and policy implementation. The document essentially is a long laundry list of suggested projects, research efforts, and short-term studies to be undertaken principally with donor funding. Although some of the actions proposed relate directly to sectoral adjustment issues; others are very reminiscent of Senegalese planning documents from the 1970s and early 1980s.

To put the present situation in perspective, however, one must say that most donor representatives interviewed did not ascribe the present deficiencies in agricultural planning exclusively to an overall lack of technical expertise in formulating and implementing policy. Most said that real technical capacities in agriculture policy formulation and implementation were not in evidence mainly because there was such political indecision -- and, in some cases, resistance -- at higher levels of the government to major policy changes on difficult issues like rice pricing and import policy; privatization of public enterprises; government deregulation and withdrawal from commercial and production activities; etc..

In the absence of a clear and unambiguous mandate from political authorities to proceed with vigorous and far-reaching sectoral adjustment initiatives, it was generally conceded that one was not likely to see any brave new initiatives in or more vigorous implementation of policies in the context of the PASA. In addition to the persistent problem of lack of a clear and unambiguous political mandate for vigorous sectoral planning in the context of structural adjustment, other factors have made it very difficult to accurately assess national policy planning capacity.

One factor making assessment difficult is that until the late 1980s there was a pervasive resistance in the Government of Senegal -- encouraged and abetted by many of the major donors -- to allowing participation by technical line ministries in the macroeconomic or sectoral planning processes. Throughout the 1970s and well into the 1980s, Senegalese planning and policy formulation for the economy and at the sectoral level was seen to be the preserve of the Office of the President, Ministry of Planning and Cooperation, and the Ministry of Finance. "Participation" by line technical ministries consisted largely of being asked after the fact to implement policies which they had had no significant role in formulating.

The situation was further aggravated by many major donors' insistence on implementing their development assistance efforts through an array of internal project management units, parastatal agencies, ad hoc credit programs, and regional development agencies. This was done with the explicit objective of bypassing the existing line ministries and agencies which were uniformly labeled as fundamentally incompetent to manage Senegalese development. Such actions have to have had obvious and persistent effects on both the morale and competence of staff in the Ministry and the associated technical agencies.

In this regard, one of the major ironies of the 1990s is that so much effort is now being expended to dismantle a sectoral development assistance structure which was put in place by a compliant government and lavish donor funding in the 1970s and 1980s. Recent rethinking of strategic approaches to Senegal -- particularly at the World Bank -- has begun to move donor interest and assistance back toward the Ministry of Rural Development and Hydraulics and associated line agencies. Institutional development assistance to strengthen staff capacities in sectoral analysis and policy formulation is in place but the strengthening process is still in its infancy and its success is far from certain.

The recent reorganization of the government economic planning system to eliminate the Ministry of Planning and Cooperation and delegate its functions to the Office of the President, the Ministry of Finance, and the line ministries may prove to be a further step in the right direction. If this functional division of policy planning responsibilities engenders a greater need for more effective and active collaboration in the policy formulation and implementation process and permits a greater role for the line ministries, there will, at least, be a firmer basis for improved policy analysis and program implementation by competent technical staff.

Finally, it must be said that the pervasive influence of expatriate technical assistance staff in the government and donor agency personnel at all levels of sectoral planning and policy making has had mixed results. Interventions by such personnel may have avoided major misallocations of

development resources and made some project efforts better but they certainly have not been conducive to development of a strong Senegalese policy planning capacity in agriculture. At the staff level, expatriate technical assistance has been present in large numbers over such a long period that it is still impossible as a practical matter to differentiate between Senegalese and expatriate influences in internal policy formulation and implementation. In addition, hands-on donor approach to program and project preparation and implementation is still so pervasive as to effectively mask -- or, in some cases, mitigate against -- any effect Senegalese input.

These influences -- when coupled with the very high level of donor per capita development funding available for Senegal in the 1980s -- have meant that senior Senegalese officials often have had the luxury of being reactive to donor proposals. In many instances, economic policy making and "planning" have been limited to official decision-making on how to exploit the most vulnerable external funding sources.

Until relatively recently, this approach usually permitted the government to sustain a "business as usual" approach to policy formulation and sectoral development. Collaterally, the cutting edges of policy reform agendas promoted by the more aggressive major donors have often been blunted or their effects avoided merely by government resort to exploiting points of disunity between the donors until the donor policy consensus disintegrated. Another tactic was simply to agree in principle to a difficult policy change and then stall on its implementation until the donors themselves dropped key elements, accepted compromises in implementation, and/or went back to "moving money" in Senegal for other reasons having little to do with government adherence to the agreed agenda of policy changes.

III. Major Donor Assistance Programs (1985-1994)

A. The World Bank [IDA, IFC and World Bank Loan]

1. Policy Orientation and Focus

The World Bank program in Senegal has been in a period of transition in the 1980s. Throughout the first twenty years of Bank assistance to Senegal, the sectoral program in agriculture was funded by a combination of World Bank loans, IDA lending on concessional terms, and IFC investments. The orientation was toward implementation of development activities usually in the context of discrete projects. These projects were often set up as independent entities operating with regional or rural development agencies or government public enterprises. They normally intervened directly on a regional or commodity basis, attempting to channel agricultural inputs, extension, and other support services to general populations of farm families and/or specific rural clients.

There were several important consequences of this approach. First, projects were often conceived and implemented in an effective policy void -- i.e., with little resort to any overarching, comprehensive and cohesive macroeconomic and sectoral framework for the national economy or the agricultural sector.

Second, sectoral line agencies were often by-passed in the hope of affecting changes in rural areas by more direct means -- e.g., project-based agricultural credit programs, regional parastatal agencies to provide inputs and market outputs, independent project management units, etc..

Third, flows of project funding to Senegal grew enormously and became essentially extra-budgetary in the sense that the donor(s) held essential controls over its provision and disbursement.

Fourth, funding allocations were heavily weighted by external ideas as to how they should be used -- e.g., concentration on targeting assistance to particularly marginal rural groups; emphasis on integrated rural development and, later, farming system approaches; a bias toward equity considerations in resource allocation; and a tendency to regard sectoral interventions by public agencies as the most effective means of "getting things moving".

And, finally, little effective attention was given to either the recurrent cost or debt implications of project activities or to their sustainability after project funding ceased.

The 1980s have seen several major shifts in Bank orientation toward development assistance to Senegal -- and to the Sahelian region as a whole. Some of these shifts appear to stem from sheer frustration with past experiences and orientations -- as expressed in documents like The World Bank and Senegal, 1960-87 [World Bank, 31 August 1989] -- but many changes appear to reflect a maturation in the Bank's approach to Senegalese problems and potential and to its relations with the government.

One of the most salutatory changes in orientation is a shift away from the "quick fix" approach to the objective of achieving sustained and sustainable per capita income growth in Senegal. The rather grim experiences of the last three decades appear to have convinced key decision-makers within the Bank that the Senegalese rural economy is unlikely to move to any higher growth path solely through manipulation of existing factors in the short-term. For example, while "getting agricultural prices right", improving institutional efficiencies, and removing economic distortions are all still seen as important contributors to improving sectoral prospects for sustained growth, there appears to be less inclination to put advanced any single policy element as the key to sustained progress.

Second, there is a greater appreciation that interventions at the project level are likely to be ineffective if they are not tied directly to and supported by a coherent set of macroeconomic and sectoral policies which free up economic relationships -- prices, markets and institutions -- and limit government intervention in the economy to those areas where such intervention is both essential and sustainable.

Third, where the Bank continues to use the projectized assistance format, there now appears to be a firmer consensus among decision-makers that "actions should be undertaken by line agencies seeking site-specific programs and simplicity via selectivity, and that public agencies should not supplant private actors." Painstaking project preparation is also seen to be important "but not by way of lengthy, meticulous ex-ante diagnosis; a more dynamic and effective way will be through pilot operations to test promising new ideas and effective extension services that inform, but are also informed by, farmers and herders.

By these means, the problem of "getting the timing right" will be addressed more on the basis of the practitioners' preoccupations than the professionals' hunches." Finally, in contrast to the conventional project cycle, where the Bank typically puts more effort into the preparation and appraisal of a project than into the six or more years of its implementation, there is now a feeling that more staff effort should be put into implementation, including the initial pilot operations, leaving appraisal as a less deterministic and staff-intensive stage. [Steeds, March 1989, pp. 4-5].

Along the same lines, there is also the recognition that past successes with certain types of assistance -- i.e., regional commodity-based projects with cotton -- have particular characteristics which are not necessarily applicable in other regions or with other commodities. Moreover, there seems to be a greater willingness -- indeed, an eagerness -- to enter to co-financing agreements with other donors in pursuit of more effective joint program efforts.

Fourth, there appears to be an even stronger realization now that a general lack of effective agricultural technologies severely limits the potential for agricultural supply response in Senegal across the board and, particularly, in the dryland areas above the 800 millimeter isohyet. And, that this would continue to be the case even if all other endogeneous economic and institutional distortions were to be removed in the short-term.

Current agricultural thinking for Sahelian countries -- and Senegal is not seen as an exception -- is that "while the prospects in the area south of the 800 millimeter isohyet remain the most promising, the north is not hopeless. Increased crop production can be obtained by improved cultural practices, and from environmental management measures that increase soil water retention capacity. As cultural practices, water harvesting and organic fertilization are improved, so will be the scope for profitable use of chemical fertilizers and other cash inputs." [Ibid, pp. 4-5].

Current themes in the Bank's strategic agricultural orientation for Senegal -- and other Sahelian countries -- are:

- ◆ Collaboration with the government and other major donors in development of an appropriate macroeconomic and sectoral policy framework to be supported by a series of SAL and SECAL agreements -- the objective being to increase the sector's net contribution to the economy, and its ability to provide remunerative and economically viable employment;
- ◆ Further development of local capacity for analysis of sector economic issues; especially with regard to pricing policies required to reconcile the government's conflicting objectives for the sector, and to develop sub-sectoral strategies to support a market-oriented approach to agricultural development;
- ◆ Emphasis on institutional development, over a twenty year time-frame, to make more effective those public institutions that operate in the fields where the public sector incontestably has an operational role to play -- i.e., research, extension, functional literacy, agricultural education, and aspects of crop and livestock protection against pests and contagious diseases.
- ◆ Work with the government, but with at most a five year time-frame, to make more efficient some existing public institutions that operate in fields where the public sector does not have an evident comparative advantage, but where private participation is unlikely to develop quickly -- i.e., cotton ginning and export marketing, and groundnut oil extraction and export marketing; and
- ◆ Assistance with improving environment management -- e.g. arresting soil degradation and the loss of forest cover; and protection of water supply -- principally through better extension services, environment management projects, and, possibly, sectoral adjustment credits in cases where enabling legislation is needed.

In addition to direct support in the above areas, the Bank's agricultural strategy supports but appears content to leave to other donors such worthwhile activities as:

- ◆ Building rural infrastructure, principally village water supplies and feeder roads, and possibly produce markets and storage facilities;
- ◆ Expanding access to formal financial markets, principally through training in promotion and management of local savings and loan associations and Grameen Bank-types of small-group loan recipients;
- ◆ Improving private input supply systems, with training and seed money, principally for seed multiplication and distribution, and distribution of fertilizers, chemicals, implements and veterinary supplies;
- ◆ Piloting innovations, with technical assistance and seed money, in improved implements, improved charcoal kilns, improved wood stoves, improved fishing techniques including aquaculture, small-scale grain milling and processing, oil milling, honey and wax treatment, hides and skins treatment and leather tanning, etc.; and
- ◆ Undertaking export marketing studies, with training and seed money for trial shipments -- to African as well as European markets -- to be done with local Chambers of Commerce.

Based on Bank experiences, the strategy specifically opposes as worthless such activities as:

- ◆ Agricultural credit banks;
- ◆ Rural development projects that work through autonomous management units instead of line agencies;
- ◆ Parastatal (or "project") manufacturing;
- ◆ Public funding for cooperative commerce; and
- ◆ In the short-term at least, investment in new, large, publicly-management irrigation.

Strategic areas which remain unresolved within the Bank's agricultural approach in the Sahel are said to include:

- ◆ What to do about pastoral zones within the region;
- ◆ The scope for, and how to promote, diversification in agricultural sectors dominated by a few commodities; and

- ◆ How to conduct public expenditure reviews to determine what is adequate funding for the perceived needs of basic public services in agriculture, as against competing claims from other sectors.

2. The Existing Assistance Program [1985-1989]

Over the past decade, the World Bank has been very closely associated with the Senegalese structural adjustment effort and, by its own estimation, is "now perceived both by opinion-makers in Senegal and by informed commentators on development issues elsewhere as the most influential partner of the government in shaping economic policy." [World Bank, 21 June 1989, p.20].

This involvement in the formulation and implementation of the structural adjustment program has resulted in a very significant shift in the way the Bank funds its country program. Financially, the Senegal program in the late 1980s was much more heavily oriented to policy-based lending under a series of SAL and SECAL agreements. World Bank loans were discontinued for Senegal in 1981 and there has been a rapid increase in net transfers from IDA since 1985.

Direct project funding has declined to significantly less than 50 percent of the total Bank program. This decline has resulted partly from the rise of policy-based lending and partly from a deliberate effort by the Bank to phase out projects which were seen as non-performers. In agriculture, the movement has been toward elimination of:

- ◆ Area and rural development projects in favor of nationwide agricultural services programs;
- ◆ Free-standing forestry and livestock projects in favor of environmental management projects; and
- ◆ Technical assistance projects.

Bank officials contend, however, that this process has been "not simply a matter of culling white elephants" but working with all other interested parties ... to develop "positive lists" along the lines of worthwhile activities mentioned above. [Steeds, March 1989, p. 8]. As a result, a collateral change in Bank project funding in the late 1980s is that is heavily co-financed in Senegal and across the Sahel with respect to activities in sectoral adjustment, environmental management, and research operations.

Existing Bank activities in agricultural extension and irrigation are not similarly characterized by high levels of co-financing, possibly because many other donors are, on the one hand, not yet convinced of the efficacy of the Bank's Training and Visit extension methodology; and, on the other, some are still more committed than the Bank to the continued funding of large scale, public irrigation perimeters.

The structure and status of the Bank Group Operations in Senegal as of the end of 1989 are summarized in Annex C Tables 1 and 2. Table 1 shows nineteen activities in the existing portfolio with a committed funding level of \$ 426.890 million -- and a undisbursed pipeline of \$ 307.340 million. Of these, six activities have closing dates in 1990 -- including SAL III, the Eastern Senegal Rural Development Project, a forestry and a rural health project.

Of the remaining 13 Bank operations to be carried over beyond 1990, the largest and most important activities affecting the rural sector are the SAL IV (\$ 80 million) and the Banking and Financial Sector SECAL (\$ 45 million). If implementation of these agreements proceeds as planned, both will have major effects on the economic environment in which agricultural sector participants will operate in the 1990s. The carryover portfolio of agricultural projects per se is limited to the Irrigation IV project (\$ 33.6 million) and the Small Rural Operations Phase II Project (\$ 16.1 million).

In addition, IFC investments in the late 1980s were limited to one activity -- i.e. the Industries Chimique du Senegal II -- with \$ 12 million in loan and \$ 0.15 million in investment. There has been no World Bank loan activity since 1981 and all of the 20 previous loans have been closed.

3. The Projected Assistance Program [1990-1994]

The size and components of the Bank's country program in the first half of the 1990s will be directly tied to Senegalese responsiveness to and success in implementing the agreed structural and sectoral adjustment programs. In its Senegal Country Strategy Paper [21 June 1989], the Bank lays out its summary strategy [see Annex C Table 3] and establishes three basic scenarios for program lending tied to Senegalese performance.

The base case -- i.e., status quo or slow pace of adjustment -- scenario is essentially a non-response situation by the Senegalese government, reflecting the lack of government determination to tackle the now more difficult policy reforms.

The moderate adjustment scenario assumes quick and full implementation of the policy recommendations already on the table for:

- ◆ Implementation of export promoting reforms, resulting in accelerated export growth, particularly in the non-traditional sector;
- ◆ Improvement of the domestic investment climate, resulting in increased investment efficiency; and
- ◆ Better allocation of resources to directly productive sectors (agriculture, livestock, fisheries) in the short-term and services (tourism, financial services and trade) in the longer term.

The rapid adjustment scenario presupposes a deeper adjustment at the macro level, particularly in areas of labor market conditions, administrative regulations and public sector management, more rapid implementation of a broad range of sector policy reforms and a significant adjustment in the exchange rate.

The status quo or slow adjustment scenario would essentially constitute non-compliance by the Senegalese government in the structural adjustment program. Under this extreme case, the Bank's lending would be reduced to a core program consisting of a sector operation in human resources development; part of the investment proposals in the planned SECALs in transportation and urban infrastructure; and support for agricultural research and environmental management. Total funding under this most pessimistic scenario would justify no more than \$ 40 million per year of IDA lending.

Under the moderate adjustment scenario, the proposed Bank program would consist of a series of SECALs in banking and finance, agriculture, transportation and human resources; a SAL V agreement in FY 1993; and projects in agricultural research, agricultural services, environmental management and irrigation sector management. The program for FY 1990/FY 1994 would have a projected funding level of \$ 403 million -- or an annual level of \$ 80.6 million. The full details of the proposed program under the moderate adjustment scenario are presented in Annex D Table 1. A summary statement of the Bank's country strategy is contained in Annex D Table 2.

The rapid adjustment scenario is recognized in the Bank strategy as possible but is also viewed as posing serious challenges to the government in terms of confronting difficult issues which have substantial political and social costs. The statement is made, however, that, if the government did successfully implement the scenario, it would justify IDA financing at a rate of \$ 150 to 170 million per year, contingent on actual availability of funds.

B. The European Economic Community [FED]

1. Policy Orientation and Focus

Since 1985, there has been a contraction in the scope, both geographically and programmatically, of the EEC assistance program to Senegal. Prior to this date, the overall program encompasses approximately 20 different project efforts in several different sectors through the country. In the last half of the decade, however, the EEC has decided to concentrate program activities in two areas -- i.e., irrigation and transportation -- and to confine the program geographically to the Podor area of the Senegal River basin.

The reorientation of the program was based on a number of interrelated factors:

- ◆ A perception held by both the GOS and the EEC in the wake of the drought years for the early 1980s and the issuance of the NPA in 1984 that cereals production -- chiefly rice -- from irrigated perimeters in the Senegal River basin was one of the most promising means of improving the level of food self-sufficiency in Senegal;
- ◆ Problems in implementing the pre-1985 assistance program, due to its sectoral complexity and geographical scope;
- ◆ Limitations in staff program management capacity; and
- ◆ An institutional need to improve rates of disbursement in program activities.

The EEC experience with its irrigation effort in Podor has definitely been mixed. Investments in the large scale public perimeters have proven to be both more costly and slower to advance than anticipated in 1985. Relationships with SAED have been less than satisfactory, particularly with respect to follow-up activities with farmers after infrastructural rehabilitation has taken place. Efforts to privatize SAED activities have been slow to materialize; and, at the same time, the organization increasingly suffers from staffing problems, lack of managerial capacity, difficulties with recurrent cost financing to maintain existing infrastructure, and uncertain institutional prospects.

The situation has been greatly complicated over the period by the absence of both a clearly articulated national agricultural policy -- particularly with respect to rice importation, pricing and marketing policies -- and a detailed development plan for the Senegal River basin. The single point of optimism at present seems to be with respect to EEC assistance to farmers on private, small scale irrigated perimeters.

With respect to future, EEC assistance will be carried out under the Lome IV convention. Prospects for the assistance program, however, are presently tied to the completion of successful PASA negotiations -- and, specifically, to GOS/donor agreement on a clearly articulated policy for rice importation, pricing and marketing.

If successful negotiations are concluded on the PASA agreement, it appears that the EEC intends to continue its geographical focus in the river basin but extend activities beyond Podor to other areas in the Department of St. Louis. Available funding would be divided approximately equally between irrigation and transportation activities. In the irrigation sub-sector, program emphasis would be increasingly on private small scale perimeter development with complimentary activities in a small enterprise credit program and rural infrastructure development.

The transportation component of the program would apparently consist of assistance in the rehabilitation and maintenance of principal and feeder roads.

2. The Existing Assistance Program [1985-1989]

The EEC assistance program over the second half of the 1980s has been conducted in the context of the Lome III agreement. It has provided ECU 97.0 million (FCFA 33,612 million) in assistance to Senegal -- ECU 87.0 million in grant funding and ECU 10.0 million in concessional loans (2.5 percent interest for 40 year term, with 10 year grace period).

According to FED officials, 99 percent of the EEC existing program has been oriented to irrigation and transportation activities in the Podor area of the Senegal River basin. Program activities in this area have concentrated on:

- ◆ Rehabilitation and management of large scale public irrigation perimeters (ECU 27.0 million);
- ◆ Small scale private perimeters (ECU 6.0 million);
- ◆ Provision of technical assistance for farmer organization activities -- i.e. encadrement -- (ECU 15.0 million);
- ◆ Environmental activities, chiefly in forestry (ECU 5.0 million);
- ◆ Credit for small scale enterprises (ECU 4.0 million);
- ◆ Main and feeder road rehabilitation (ECU 18.0 million);
- ◆ Village-level water development, chiefly pumps (ECU 6.0 million);
- ◆ Urban infrastructure, including communications (ECU 5.0 million);
- ◆ Social and health-related programs, including women's cooperatives (ECU 3.0 million); and
- ◆ Overall program monitoring and evaluation (ECU 8.0 million).

Outside of the Podor area geographically and areas mentioned above programmatically, EEC investments in the agricultural sector were limited under Lome III to minor contributions to three other activities:

- ◆ Joint support with the CCCE and FAC of the SODESP livestock program for development of the sylvo-pastoral zone in the Ferlo;
- ◆ Support for the rinderpest control program; and
- ◆ Support for an artisanal fisheries project in the Casamance based in Ziguinchor.

3. The Projected Assistance Program [1990-1994]

As stated above, the scope and focus of any EEC assistance program in agriculture for the early 1990s appears to be tied primarily to the successful completion of GOS/donor negotiations over a PASA agreement -- and, in particular, a clearly articulated policy with respect to rice. Given the uncertain prospects for the success of these negotiations at present, the EEC appears to be quite willing to delay indefinitely any negotiations with the government over the content and level of its own assistance program under Lome IV.

In the event of a successful conclusion to these negotiations, preliminary indications are that the EEC program would continue to focus geographically in the Senegal River basin, with some extension of activities beyond the Podor area. There would be proportionately more funding for transportation activities in the context of the transportation policy already negotiated between the government and the World Bank. Within the irrigation component, relatively more emphasis would be placed on assistance to small scale private perimeter development, small enterprise development and the general effort to privatize SAED activities.

C. The French Program [Caisse Centrale de Cooperation Economique and FAC]

1. Policy Orientation and Focus

From interviews at the CCCE, it appears clear that continuance of the French bilateral program in agriculture is strongly tied to and will be conditioned by successful negotiation and implementation of a PASA agreement by the GOS. Several times in the course of reviewing the existing and projected bilateral program, references were made to the essential linkage between continued CCCE/FAC funding for agricultural activities and GOS adherence to implementation of a comprehensive sectoral adjustment program. In this regard, no significant differences of opinion with regard to policy orientation surfaced in the French position as opposed to those articulated by the World Bank, the EEC and USAID.

2. The Existing Assistance Program [1985-1989]

Programmatically, the French bilateral program has been and continues to be focused in three areas:

- ◆ Assistance to rehabilitation and development of irrigated agriculture -- particularly rice production -- in the Senegal River basin;
- ◆ Assistance to SODEFITEX for the cotton filiere and related cropping programs; and
- ◆ Assistance at the national level in programs to support improved seed production and plant protection.

In addition to these primary areas, modest assistance was provided in the last five years for livestock development through SODESP in Louga; artisanal fisheries in Ziguinchor; and a water development effort. Of these activities, assistance to SODESP and water development have been cancelled and the fisheries effort Phase I program has been completed by 1990. A Phase II fisheries project is currently under consideration.

3. The Projected Assistance Program [1990-1994]

If a PASA were to be successfully negotiated and implemented, it appears that the orientation of the French bilateral program would continue to be toward the three areas of concentration pursued in the late 1980s. There would be major assistance for irrigated agriculture in the Senegal River basin -- i.e., rehabilitation of perimeters in the Boundoum, Dagana and Thiagar area; the Matam 3 project; and funding through the OMVS regional program. Assistance to SODEFITEX through the PDRSO II and Aide Mission III activities would continue. And, funding would be available for improved rice seed production and distribution and for plant protection activities.

In addition, two new initiatives may be considered for development and funding in the medium-term. They are an expanded effort for maize production, marketing and utilization following up on West Germany regional maize effort in the 1980s; and a program for regeneration of soils in the Groundnut Basin to be developed and co-financed by several donors.

At present, projections by CCCE staff indicate the following possible activities and funding in the early 1990s:

- ◆ Assistance to irrigation development on the Senegal River, including total ongoing project commitments of approximately FCFA 9,822 million (less pre-1990 disbursements of FCFA 5,603 million) and an OMVS Phase III regional project with a component for Senegal totaling about FCFA 1,200 million;
- ◆ Assistance to SODEFITEX in the context of the PDRSO II and Aide Mission III activities with projected funding of FCFA 12,500 million;
- ◆ Continued support for improved seeds and plant protection activities with a total commitment of FCFA 4,965 million (less pre-1990 disbursements of FCFA 3,475 million); and
- ◆ A variety of smaller projects -- i.e., Recherche Developpement CADEF; Recherche Agricole II; Peche Artisanal Maritime Ziguinchor Phase II; and the PICOGERNA project -- with an aggregate funding commitment of about FCFA 2,581 million.

D. The Italian Bilateral Program

1. Policy Orientation and Focus

The Italian bilateral program for Senegal is the most difficult one to analyze -- or even accurately describe -- for several reasons.

First, by the admission of local representatives, it is not a program conceived and executed by a local staff of development specialists. To the contrary, it is a program conceived in direct negotiations between senior political representatives of the Italian and Senegalese governments and then implemented through the Italian Ministry of Foreign Affairs.

Second, again by admission of local representatives, it is not a program in which promised funding levels or actual allocations of assistance to Senegal are constrained by reference to any overarching Italian country development assistance strategy.

As a bilateral donor, Italy by choice is not involved in major donor negotiations with the GOS on either the macroeconomic program or the PASA. Moreover, it appears that local representatives at least do not necessarily subscribe to many of the key medium-term objectives of the PASA under negotiation -- e.g., market liberalization; price deregulation; privatization of public enterprises; and withdrawal of the GOS agencies from commercial and production enterprises -- as either valid in theory or feasible in fact.

Third, there appears to be no effective correspondence between the Italian development assistance program projected in the GOS Fourth Three Year Investment Program (1990/1993) and the actual level of assistance likely to be made available from the Italian government. For example, whereas the GOS Investment Program projects Italian assistance at a level in excess of Lira 300 billion -- i.e., approximately FCFA 69 billion at current exchange rates -- local representatives informed us that the Italian government has already informed the GOS that actual flows for the period 1990/1993 will not exceed one-third of the projected level. This situation was explained as an unfortunate variation between Italian assistance aspirations at the political level and the reality of funding availability as dictated by Italian financial authorities.

These factors, then, quickly lead one to the conclusion that, when it comes to policy orientation and focus, there is considerably less to the Italian bilateral program than initially meets the eye.

2. The Existing Assistance Program [1985-1989]

As can be seen in Annex C Tables 3 and 4, the Italian bilateral program has supported a large and diverse array of development programs and projects. Investments have been channeled through GOS agencies, private companies, non-governmental agencies, universities, and multilateral donors.

The information provided in Annex C Table 3 shows fifty-one program and project activities completed through May 1990 at a total cost of Lira 161,801 million (FCFA 37,084 million). Within this total, seventeen activities can be identified as relating directly to agricultural and agro-industrial development. The largest of these activities was assistance for development and mechanization of the irrigated perimeters in the Senegal River basin funded through OMVS. There were also a number of other programs and projects which appear to have been efforts complementary to agricultural sector development in rural water development, feeder road construction, and food aid assistance.

Annex C Table 4 presents a listing of on-going Italian development assistance activities projected at a total investment cost of just under Lira 343,223 million (FCFA 78,667 million). The list contains twenty-nine discrete programs and projects -- only some of which can be cross-identified as line items in the GOS Investment Program.

Of the activities in the on-going Italian program, twelve can be identified as investments in the agricultural sector and related agro-industrial enterprises. These activities have a total projected cost of Lira 228,546 million (FCFA 52,383 million). The two largest activities in the program are the PRIMOCA integrated rural development project in Kolda (i.e., Moyenne Casamance) and the project for development of Matam E Centre Nord irrigation perimeter(s) in the Senegal River basin. These two projects are scheduled to cost 50.7 and 18.4 percent, respectively, of the projected program investment.

3. The Projected Assistance Program and Projects [1990-1994]

As indicated above, there appears to be considerable uncertainty at present over the programmatic content and levels of funding for Italian programs and projects. According to local representatives, actual program funding in the first half of the 1990s will be not more than one-third of that projected in the GOS Investment Program. No new programs or projects will be initiated over a transition period during which the spending cuts will be absorbed and allocated over the existing inventory of activities. The only area likely to see increased activity is assistance to the University of Dakar at the specific request of President Diouf.

There is, however, an tentative listing of possible Italian projects "under evaluation" for the medium-term and three small projects for which "funding has been approved". (Annex D Table 3). The exact meaning of such a list is unknown given the program difficulties enumerated.

In the agricultural sector, Italian opinion in some respects echoes that of other major donors working in the Senegal River basin. There is a pronounced dissatisfaction with the results of previous funding for development and operation of large scale irrigation perimeters administered and control by public enterprises. This is coupled with an expectation that working with farmers on smaller privately-owned perimeters and introducing simpler technologies will yield better results in the future.

With respect to the huge Italian PRIMOCA integrated rural development project in the Casamance, it was reported that activities have been slow to evolve over the last year of full operations. The project design was apparently less than specific as to exactly what project activities were to be undertaken and in what order of priority. The operative philosophy of the project was centered on developing specific development initiatives in response to requests from a consensus of local participants -- which is a difficult and slow process under the best of conditions. Finally, project management apparently has suffered from weak staffing on the Italian side and, according to local representatives, needs to be corrected in the near-term.

E. Other Major Bilateral Donor Programs

1. The West German Bilateral Program

As reported in August 1989, the West German bilateral program consisted of two components: technical assistance and investment. The technical assistance program was funded at a total commitment of DM 82,807,834 (FCFA 13,936 million) and the investment program at DM 220,933,510 (FCFA 37,181 million). Actual disbursements in 1988, however, were reported as DM 9,180,816 (FCFA 1,545 million) and DM 14,193,400 (FCFA 2,389 million), respectively, for the two components.

The technical assistance component of the program had four agricultural activities of interest:

- ◆ A project for production and processing of cashew nuts -- Project Anacardier Senegalo-Allemand -- funded at DM 20,528,675;
- ◆ A maize promotion project -- Encouragement de la Culture du Mais -- funded at DM 14,440,639;
- ◆ A fund for rural self-help projects in Ziguinchor funded at DM 9,591,908; and
- ◆ A project to develop and test resource management models to prevent desertification -- Amenagement Agro-Sylvo-Pastoral NORD IV -- funded at DM 9,398,689.

The investment component consisted of loans for infrastructural development and maintenance. Agricultural investment included loans and grant totaling DM 55,600,000 and DM 8,000,000, respectively, for development of irrigation perimeters at Nianga C and Boumdoum; funding for rehabilitation of the rice processing facility at Richard-Toll (DM 5,000,000 in loan and DM 400,000 in grant monies); and investment for small rural projects co-financed with the World Bank (DM 3,000,000 in loan and DM 2,700,000 in grant monies).

Under the Fourth GOS Investment Program, West German bilateral aid is programmed for all of the above except the small rural projects activity. Total funding is anticipated at FCFA 15,021 million less disbursements of FCFA 1,711 million prior to 1990.

Interviews in June 1990 with West German Embassy staff administering the bilateral program revealed that there had been some significant changes in the composition of the investment program. These changes included cancellation of investment for rehabilitation of the rice processing facility at Richard Toll and reallocation of investment from the Nianga C Sud irrigation project to an electrification project.

With these changes, the West German bilateral program in agriculture in the early 1990s is expected to have the following components: rehabilitation of irrigated perimeters at Boundoum, Dagana and Thiagar; promotion of maize; rural self-help activities in Ziguinchor; the promotion of cashew production; and the agro-sylvo-pastoral resources management effort. Total funding is projected at FCFA 13,932 million -- of which FCFA 1,711 million had been disbursed prior to 1990.

2. The Canadian Bilateral Program

Within the agricultural sector, Canadian development assistance is devoted primarily to the forestry and natural resources and fisheries sub-sectors.

Three on-going forestry projects provide resources for dune fixation to protect vegetable growing areas in the Niayes areas; promote conservation of forestry resources in the Ziguinchor area; and develop rural forests in the Kolda area. Total investment for these projects is projected at FCFA 5,000 million, of which FCFA 3,226 million is bilateral funding from CIDA and the rest is counterpart funding generated from wheat imports.

Two on-going fisheries projects provide assistance to the modernization of the artisanal fishing fleet and the training. A third project, which was aimed at increasing direct fish marketing activities by fishermen's cooperatives, was dropped when it was discovered that fishing operations and the marketing of fish were handled by two different groups of entrepreneurs and that the fishermen themselves had no direct role in the marketing of their catch.

Total investment for the two fisheries projects is projected at FCFA 7,036 million: of which FCFA 4,773 million is CIDA funding; FCFA 1,938 million is counterpart funding; and FCFA 325 million is GOS funding.

In addition to project activities listed by both the Canadian assistance program and the GOS Fourth Three Year Investment Program, the Canadians have funded non-government organization efforts in agricultural production and marketing since 1982. During the period 1982 to 1986, funding was provided for a banana production project in Tambacounda in areas where river blindness had recently been eliminated and for a vegetable production project in the Podor area.

A program evaluation in 1986 recommended the elimination of the Podor project and the restructuring of the Tambacounda project. This was accomplished with the result that a new project in Tambacounda was designed in 1988 for 1,700 farmers in 21 groups on approximately 400 hectares. This project is funded at Canadian \$ 4.5 million (FCFA 1,080 million at the

current exchange rate) and implemented with the assistance of a Canadian NGO.

A second agricultural project was also developed in 1988 as a complement to the Canadian dune fixation project in the Niayes area. This project aims at improving vegetable production and marketing in the area and is also being implemented by a Canadian NGO. Total funding for the project is Canadian \$ 6 million (FCFA 1,440 million).

In addition to these efforts, Canada has contributed to the funding for emergency locust/grasshopper control programs (FCFA 360 million in 1989) and to the Common Fund (FCFA 130 million in 1990).

Finally, a borehole and wells development project listed in the GOS Investment Program was found not to exist in Canadian program. Further checking with Senegalese authorities revealed that the listed project was, in fact, a very old idea which had never materialized.

With respect to future assistance programming, Canadian representatives said that the existing inventory of projects would continue into the early 1990s. It was stated, however, that the Canadians, given the general cuts they have incurred in their development assistance budget and the uncertain prospects for the PASA, are quite content to delay any new programming efforts until a new GOS/donor approach to the agricultural sector has been negotiated and they see signs of its being implemented.

If there is progress on the PASA, the intention is to explore with the GOS new ways Canada can support private sector initiatives in agricultural input supply and in post-harvest crop protection and produce marketing. However, presently there appears to be a feeling that GOS policies and programs in the agricultural sector are much weaker than in other sectors and that the government will only move on the PASA when it is clear that it has no other options available.

Finally, concern was expressed about the level(s) of protection for domestic cereals currently being proposed as a key element in the PASA. Not surprising, Canada, as a major player in world cereal markets, does not look favorably on "second best" measures that raise protection barriers to free trade in an effort to solve the fundamental currency overvaluation problem.

IV. Implications for the USAID Agricultural Sector Analysis

This section of the report is intended to convey the key points of the preceding sections as they apply to the on-going USAID Agricultural Sector Analysis. As such, it is not an executive summary of the report per se but an attempt to lay out what seem to be the major positive and negative developments since the Agricultural Sector Assessment in 1985 and to list the apparent sectoral opportunities which merit further investigation by USAID/Senegal staff.

A. Positive Developments

The following are seen by the author as the major positive changes in the climate surrounding agricultural sector activities since his participation in the Agricultural Sector Assessment in 1985.

1. Agricultural sector planning now at least can take place in the context of a coherent GOS/IMF macroeconomic adjustment strategy which attempts to stabilize financial aggregates, control government expenditures, liberalize markets and prepare for accelerated economic growth in the 1990s.
2. The GOS has made significant progress toward liberalizing the agricultural economy -- particularly with respect to freeing up domestic cereals markets, removing subsidies on agricultural inputs, limiting the role of public enterprises in production and commercial activities, and removing impediments to private sector participation in the agricultural sector.
3. The major donors appear to be more united in their position vis-a-vis the critical elements of a meaningful PASA agreement with the GOS.
4. Due to adoption by the GOS of "second best" macroeconomic measures, overvaluation in the real effective exchange rate, though still a major problem, appears at least to be no worse than it was in the early 1980s.
5. There has been a strong movement away from donor support for projects run through ad hoc regional development agencies and commodity-oriented parastatals created and supported by external funding and toward joint support for programs with line ministries and agencies.
6. There has also been donor movement away from excessive reliance on resident expatriate technical assistance in line positions to "do things for the Senegalese" and toward a more mature and flexible relationship using short-term consulting expertise to backstop qualified Senegalese staff in the line ministries.

7. Elimination of subsidies on virtually all agricultural inputs has resulted in more efficient use of those inputs both in terms of regional distributions and levels of use.
8. Projected donor investments appear to be oriented toward those crops and regions which, in the author's opinion, have the greatest long-term potential for increased agricultural production, given the nature of Senegal's resource base and existing crop technologies. In this respect -- and irrespective of current economic distortions caused by bad GOS policies in the past -- the three prime areas for accelerated agricultural growth would appear to be on land south of the 800 millimeter rainfall isohyet; in the Senegal and Gambia River basins; and in the coastal vegetable and fruit-growing areas adjacent to the Dakar metropolitan area.

B. Weaknesses in the Current Situation

The following are seen by the author as the most serious weaknesses in the current situation.

1. There appears to be a fundamental conflict in objectives and tactics between implementation of the GOS/IMF macroeconomic strategy and the joint donor strategy for negotiation and implementation of a meaningful PASA agreement with the GOS. Macroeconomic stabilization strategy is specifically predicated on increasing flows of donor assistance on concessional terms to promote economic growth and stabilize financial aggregates; whereas forcing GOS/donor agreement on a meaningful PASA agreement may require at least temporary withdrawal of donor support for agricultural sector activities.

If the donors actually withhold funds over an extended period to force GOS compliance on the PASA, then there will be serious consequences for the macroeconomic program. If, on the other hand, donors merely reallocate funds previously destined for the agricultural sector to activities in other sectors; then the GOS/IMF macroeconomic program would benefit but pressures on the government to formulate and implement a meaningful PASA would be greatly reduced.

2. Clearly, there are mounting political and popular pressures to resist -- and/or stall -- on implementing the more difficult policy changes required in both the macroeconomic and sectoral structural adjustment programs. If the well-established GOS predisposition to stall on critical policy initiatives is reinforced by the chronic syndrome of too much donor money chasing too few good development opportunities in Senegal, then the prospects for a meaningful PASA will be greatly reduced.

3. The minimal capacities within the line ministries and agencies to do agricultural policy formulation, sector planning and program/project implementation will continue to hinder progress on both the formulation and implementation of a PASA agreement.
4. There has been no obvious progress in negotiations between the West African Monetary Union and the French on a new currency arrangement for the CFA Franc. The continued overvaluation of the CFA Franc has major and highly negative impacts on Senegalese abilities to implement an export-driven growth strategy and/or to provide any real incentives for positive changes in domestic agricultural production and food consumption patterns. At the same time, the severe limitations of the "second best measures" alternative to devaluation have become more evident every day in Francophone West Africa.
5. One must never forget that -- even if new macroeconomic and agricultural sector policy making efforts were suddenly to remove all economic distortions from Senegalese markets and promote full private sector participation -- the brutal underlying fact remains that the country has a mediocre agricultural resource base. Even in an optimal economic and agricultural policy environment, one must accept the basic facts that there is a very limited capacity for an aggregate supply response from the agricultural sector and that any such response will occur only with significant lags.

Moreover, any aggregate agricultural supply response will undoubtedly be at best muted -- if not negated -- by growing population pressures -- particularly on the cropland with the least potential -- i.e. the Groundnut Basin and its northern extensions -- and the existing impediments to internal population migrations to more productive areas of the country.

C. Apparent Opportunities in the Agricultural Sector Meriting Further Investigation by USAID/Senegal

1. When all is said and done, continued donor pressure on and assistance to the GOS in formulating and implementing a meaningful PASA to introduce fundamental policy changes in the rice market and in the agro-industrial filieres and to remove the remaining barriers to private participation in agricultural sector activities are probably the two most constructive things USAID can continue to foster in the present context.
2. Continued assistance to rehabilitate and increase competitiveness in banking sector and financial markets appears to be essential for all sectors of the Senegalese economy.

3. There appears to be ample scope of joint donor support for agricultural research -- particularly applied research on productivity-augmenting technologies for major cereals, oil and confectionary groundnuts, and legumes in dryland areas between the 400 and 800 rainfall isohyets. Support for socio-economic research related to food security and agricultural sector issues should also continue. However, USAID might wish to investigate channeling its funding for such activities through other agencies in the government than ISRA, unless compelling evidence emerges to show that ISRA researchers are more likely to be directly involved in sector policy formulation, implementation and evaluation in the future than they appear to have been in the recent past.
4. There is a continuing and increasingly critical need to foster increased staff capacities in line ministries in agricultural policy analysis, program planning, implementation of essential government support activities, and evaluation of both PASA and ministerial interventions in the sector. Continued donor and GOS reliance on resident expatriates to perform these functions appears to the author to be both untenable and undesirable.
5. There appears to be a void in GOS investment and program planning with respect to more effective crop protection and prevention of post-harvest crop losses. A number of documents reviewed reported significant losses in the agricultural sector from inadequate crop protection and/or unnecessary losses in harvesting, processing and/or storing various crops.
6. If market liberalization and privatization of agro-industrial networks proceed as stipulated in the PASA, it will be a greater need to support better export market analyses for existing and potential Senegalese agricultural exports, an export promotion and marketing assistance program for private sector entrepreneurs, and more effective technological transfers to privatized agro-industrial firms to lower costs and improve operating efficiencies.
7. And, finally, there is a clear need for donor assistance in developing more effective responses to problems posed by overuse and abuse of the country's natural resource base and the marked environmental deterioration of areas like the Groundnut Basin and the Ferlo.

REPORT ANNEXES

ANNEX A -- STATISTICAL TABLES AND FIGURES

Annex A Table 1

Senegal: Selected Economic and Financial Indicators, 1985/86-1989/90 1/

	1985/86	1986/87	1987/88	1988/89 Est.	1989/90 Prog. 2/	Rev. prog.
(Annual changes in percent, unless otherwise specified)						
National income and prices						
GDP at constant prices	4.2	4.2	4.4	0.6	4.6	4.6
GDP deflator	8.3	5.0	2.5	1.9	2.0	2.0
Consumer prices 3/	9.4	0.4	-2.6	-1.9	2.0	2.0
External sector						
Exports, f.o.b. (in SDRs)	-2.1	-0.4	10.4	11.4	-0.4	-0.4
Imports, f.o.b. (in SDRs)	3.4	-0.5	3.1	5.1	-3.5	-3.5
Non-oil imports, f.o.b. (in SDRs)	14.0	-0.6	0.4	8.0	-3.5	-1.5
Export volume	0.1	-0.8	12.7	4.0	-2.2	1.4
Import volume	11.2	1.7	-5.0	-1.0	-0.3	-3.7
Terms of trade (deterioration -)	5.1	11.7	-9.8	0.8	5.3	0.6
Nominal effective exchange rate (end of period; depreciation -)	6.3	4.6	2.2	3.5	...	...
Real effective exchange rate (end of period; depreciation -)	7.3	-2.0	-8.8	-0.2	...	...
Government financial operations						
Revenue	7.3	14.8	0.2	-2.3	12.3	12.3
Total expenditure and net lending	4.6	7.4	0.8	5.9	4.8	5.0
Of which: total current and capital expenditure	(0.9)	(6.6)	(5.8)	(-0.9)	(3.4)	(2.2)
Money and credit						
Domestic credit 4/	14.3	10.7	9.2	0.1	-4.9	-11.2
Credit to the Government (net) 4/	5.5	0.6	1.8	-2.9	-0.3	-2.0
Credit to the economy 4/						
Including crop credit 4/	8.8	10.1	7.4	3.0	-4.6	-9.2
Excluding crop credit 4/	4.1	0.9	1.9	15.0	-3.4	-7.2
Money and quasi-money (M2)	2.6	17.4	1.2	7.1	5.0	5.5
Velocity (GDP relative to M2) 5/	4.2	3.9	4.1	4.0	4.0	4.0
Interest rates (end of period)						
Minimum rate on time deposits 6/	9.0	8.0	8.0	9.5	...	...
Money market rate for overnight deposits	7.8	8.0	7.5	9.0	...	...
(In percent of GDP, unless otherwise specified)						
Overall fiscal surplus or deficit (-)						
Commitment basis, excluding grants	-3.9	-2.6	-2.6	-4.0	-2.8	-2.8
Cash basis, excluding grants	-4.9	-4.6	-5.2	-4.3	-4.3	-4.3
Payments arrears of the Government and public agencies (annual change in billions of CFA francs)	-9.6	-14.0	-14.0	—	-8.5	-8.5
Gross domestic investment	14.2	15.0	14.9	15.0	15.2	15.2
Gross domestic savings	4.2	7.0	8.2	8.9	10.2	10.2
External current account deficit (-)						
Excluding official grants	-15.6	-11.3	-10.2	-9.6	-8.3	-8.3
Including official grants	-10.0	-6.1	-5.1	-4.5	-3.0	-3.0
External debt 7/	78.5	74.0	76.7	80.0	78.2	78.2
Debt service ratio (in percent of exports of goods and services, and private transfers)	29.1	29.7	31.2	31.1	31.3	31.3
GDP at current market prices (in billions of CFA francs)	1,223.1	1,338.2	1,432.9	1,467.7	1,564.9	1,564.9
Overall balance of payments surplus or deficit (-) (in millions of SDRs) 8/	-28.0	86.4	-27.4	46.8	79.7	103.7
Gross official foreign reserves (in weeks of imports)	0.2	0.4	0.4	0.4	...	...

Sources: Data provided by the Senegalese authorities; and Fund and World Bank staff estimates.

1/ Fiscal year ending June 30.

2/ ERS/89/218.

3/ Index of consumer prices in Dakar for the average Senegalese family.

4/ Annual percentage change over beginning-of-period money stock.

5/ GDP relative to end-June broad money stock.

6/ Minimum rate on time deposits in excess of one year and in amounts of more than CFAF 2 million; the actual rates generally follow the money market quotations closely.

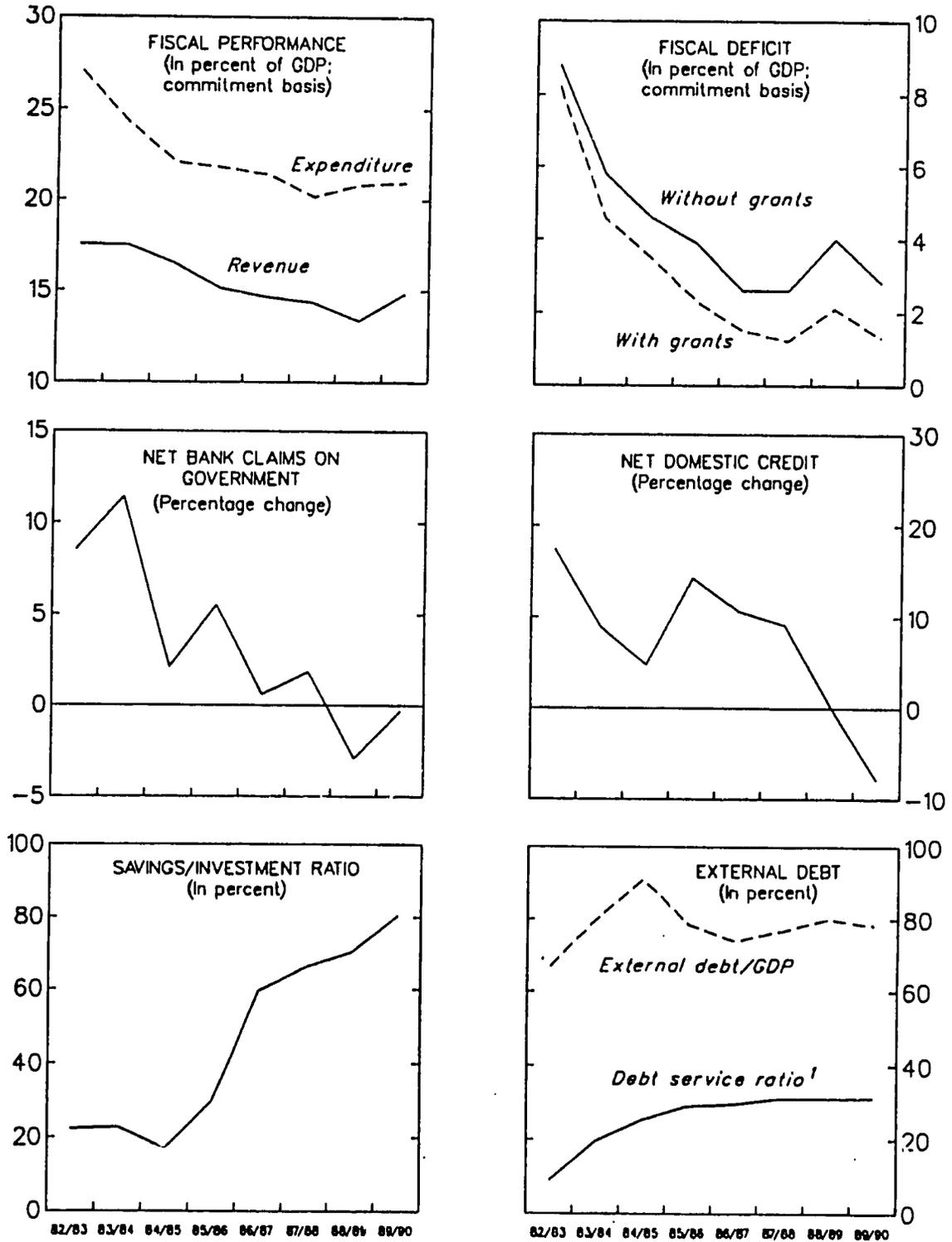
7/ Public and publicly guaranteed debt, including Fund credit and central bank liabilities.

8/ After debt rescheduling.

49

Annex A Figure 1

SENEGAL
KEY ECONOMIC POLICY INDICATORS, 1982/83–1989/90

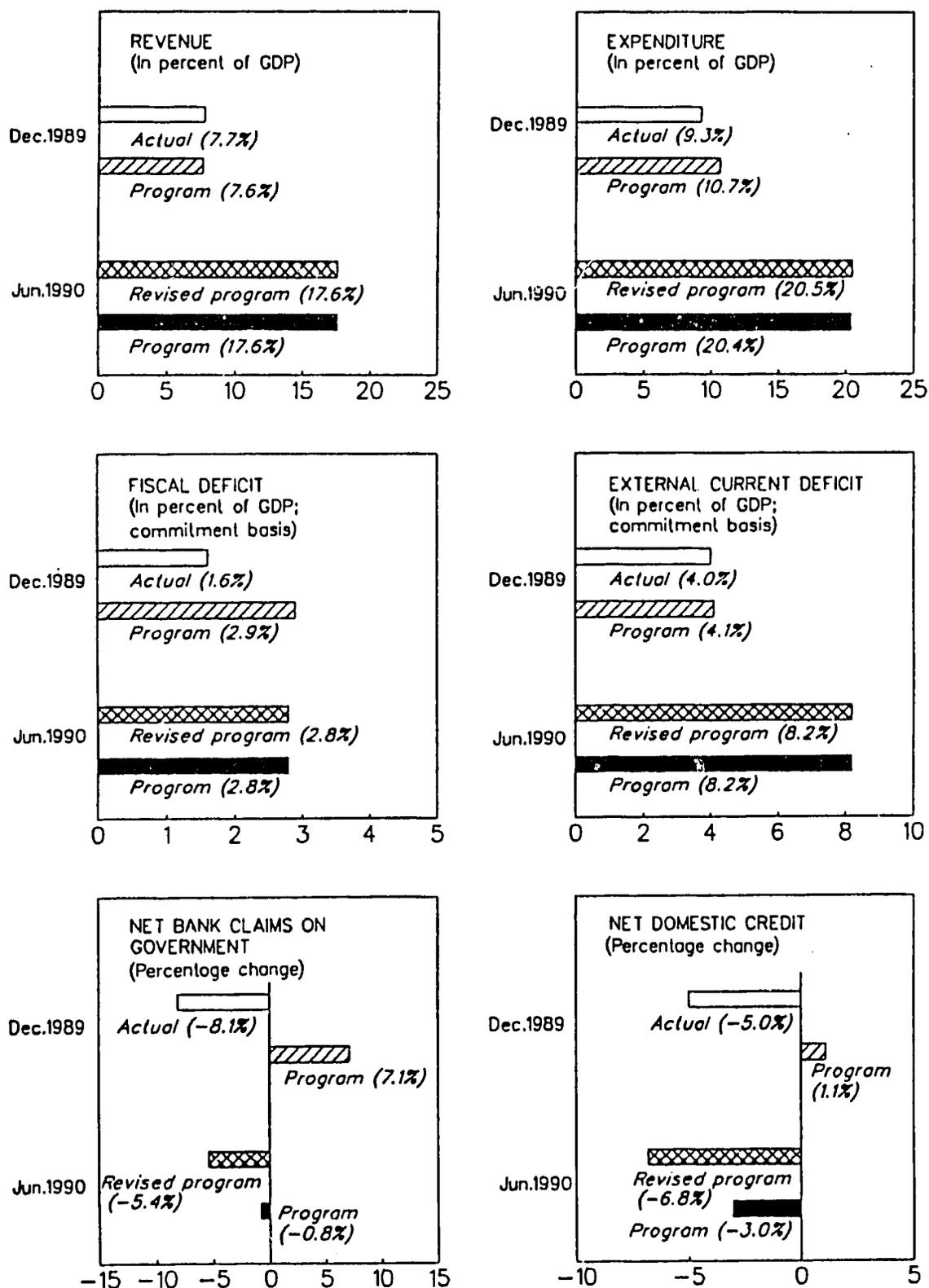


Sources: Data provided by the Senegalese authorities; and staff estimates.

¹In percent of exports of goods and services, and private transfers; before debt relief.

Annex A Figure 2

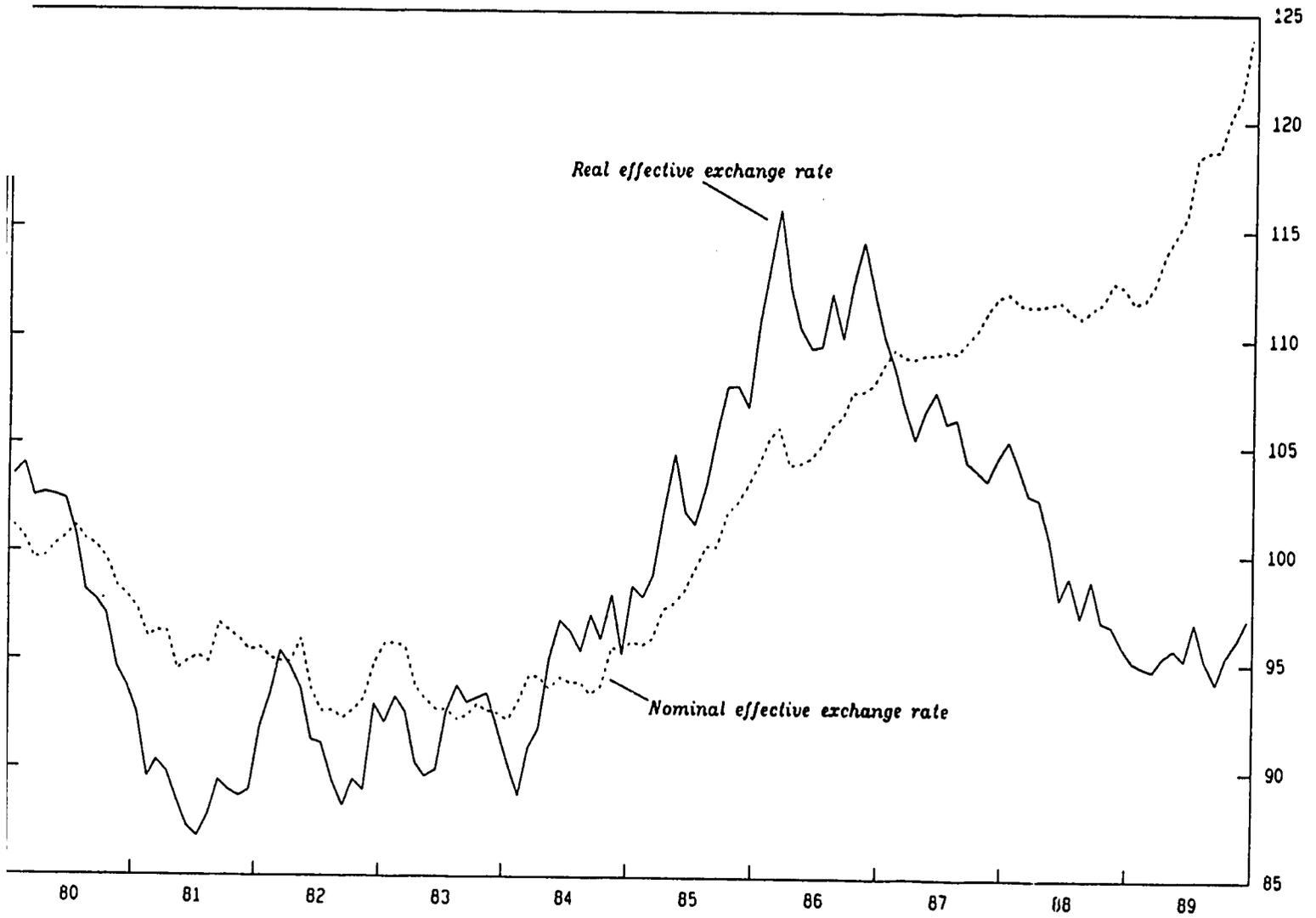
SENEGAL
KEY ECONOMIC POLICY INDICATORS, 1989/90



Sources: Data provided by the Senegalese authorities; and staff estimates.

Annex A Figure 3

SENEGAL
NOMINAL AND REAL EFFECTIVE EXCHANGE RATES
JANUARY 1980-DECEMBER 1989
(Period average; 1980=100)



Source: IMF, Information Notice System.

Annex A Table 2

Table 2. Senegal: Summary and Time Frame for Macroeconomic and Structural Adjustment Policies, 1989/90-1991/92

	Objectives	Strategies and Measures	Timing 1/
1. <u>Investment programming</u>	Optimize allocation of available resources within a macroeconomic and sectoral framework. Place greater emphasis on directly productive and priority rehabilitation activities.	Adopt an appropriate public investment program for each year in the context of a three-year rolling public investment program.	June 1989, June 1990, and June 1991.
	Evaluate financing requirements, recurrent cost, and debt service implications of projects.	Rationalize budget preparation and ensure close coordination of ministries involved.	1989/90, 1990/91, and 1991/92.
	Strengthen capabilities of technical ministries to undertake project identification, feasibility studies, and monitoring.	Transfer responsibilities for project identification and preparation to certain technical ministries.	1989/90, 1990/91, and 1991/92.
		Adopt and periodically review sector investment strategies.	1989/90, 1990/91, and 1991/92.
		Adopt uniform approach to project preparation and appraisal.	1989/90.
	Improve overall control and monitoring of public investment expenditure.	Consolidate the investment outlays financed by foreign grants and loans with the regular budget monitoring and expenditure control processes.	1989/90.
		Improve the monitoring of projects.	1989/90, 1990/91, and 1991/92.
2. <u>Agricultural policy reform</u>	Expand and diversify production; increase net contribution to public finances; narrow price distortions.	Pursue and develop the reform process envisaged in the New Agricultural Policy, including gradual elimination of price distortions and subsidies and disengagement of Government from productive and commercial activities.	1989/90, 1990/91, and 1991/92.
		Finalize an Agricultural Development Policy statement (LPDA).	1989.
a. Cereals sector	Promote substitution of domestic coarse grains for imported rice.	Test suitable technologies at different scales of production.	1989/90, 1990/91, and 1991/92.
		Set criteria for adjusting price of rice to provide an adequate degree of protection for local cereals.	1989.

Table 2 (continued). Senegal: Summary and Time Frame for Macroeconomic and Structural Adjustment Policies, 1989/90-1991/92

Objectives	Strategies and Measures	Timing ^{1/}
	Rationalize domestic pricing of rice.	1989/90, 1990/91, and 1991/92.
	Develop capacity in the Ministry of Rural Development (MDR) to use and improve agricultural pricing model.	1989/90.
Move toward less costly and more sustainable policy for irrigation.	Implement third <u>Lettre de Mission</u> of SAED <u>2/</u> relating to phased disengagement from productive and commercial activities, full-cost pricing of water for farmers benefiting from double cropping, and autonomy and privatization of rice milling activities.	1989/90, 1990/91, and 1991/92.
b. Groundnut sector	Reduce financial deficit of groundnut sector.	Rationalize SONACOS' groundnut processing capacity. <u>2/</u>
	Adopt a flexible system for the determination of producer prices in line with world market conditions.	1989/90, 1990/91, and 1991/92.
	Carry out technical and financial study of SONACOS and institute regular independent audits.	1989/90.
	Revise protocol between SONACOS and the Government.	December 1989.
	Strengthen the guarantee fund for groundnuts to monitor the financial performance of SONACOS and associated enterprises.	1989.
	Privatize the commercialization of confectionery groundnut.	1991.
c. Cotton sector	Reduce cost to public finances.	Prepare recovery program for SODEFITEX <u>2/</u> to include technical performance, internal economy measures, and progressive reduction of subsidy on inputs.
d. Sugar sector	Reduce cost of producing sugar.	Prepare plan of action to further increase productivity of CSS. <u>2/</u>
	Renegotiate the agreement on the determination of domestic sugar prices.	1989/90 and 1990/91.
	Reduce cost to the CSS.	Link reference price for local industrial users to world market prices.

Table 2 (continued). Senegal: Summary and Time Frame for Macroeconomic and Structural Adjustment Policies, 1989/90-1991/92

	Objectives	Strategies and Measures	Timing <u>1/</u>
e. Rural credit	Increase sustainability of rural credit system.	Draw up plan for the reform of the agricultural credit system.	1989.
		Open the capital of the CNCAS to private participation and increase its commercial autonomy. <u>2/</u>	1989.
		Prepare program for recovery of overdue loans and advances; set up analytical accounting system, and institute annual external audit for the CNCAS.	1989/90.
f. Diversification and export promotion	Develop cash crops for domestic consumption and export. Stimulate domestic and foreign investment for the development of high-yield crops.	Prepare plan of action to promote diversification, including steps to facilitate marketing and export of fruits and vegetables.	1989/90.
g. Land tenure	Improve the land tenure system and reduce administrative obstacles to the productive use of land.	Define and introduce an initial series of studies, consultations, and specific measures designed to improve the land tenure system.	1989/90.
		Review regulations and administrative system governing the allocation of irrigated land in the Fleuve to foster more intensive land use.	1989/90.
		Prepare and introduce a rural code.	1989/90.
h. Natural resource conservation and management	Develop national and region-specific approaches to the productive management and conservation of natural resources.	Set up an administrative framework for implementing and evaluating pilot natural resource conservation and management activities.	1989/90.
i. Fisheries policies	Preserve contributions of fisheries to national income and to public finance.	Finalize a study of fishery prospects in Senegal and develop an action plan for the sector.	1989/90.
j. Strengthening of the Ministry of Rural Development	Strengthen policymaking capacity.	Establish small strategy unit within the MDR to program and implement agricultural policies. <u>2/</u>	1989/90.
<u>Industrial policy reform</u>	Develop the industrial sector by alleviating the existing rigidities in the labor market, production costs, and administrative regulations.	Assess the impact of the measures taken during the first phase of implementation of the New Industrial Policy and adopt appropriate actions.	1989/90.
a. Protection system	Rationalize the system of protection to enhance competitiveness and improve export and revenue performance.	Continue review of the system of reference prices.	1989/90 and 1990/91.

Table 2 (continued). Senegal: Summary and Time Frame for Macroeconomic and Structural Adjustment Policies, 1989/90-1991/92

	Objectives	Strategies and Measures	Timing ^{1/}	
		Implement recommendations of studies on special agreements for SAR, CSS, and SOCOIM. ^{2/}	1989/90.	
b.	Provision of investment incentives	Foster private sector development.	Review the level and composition of corporate taxation, and identify possible reductions in corporate tax burden, and ways to simplify its administration.	1989/90.
c.	Simplification of labor laws and other regulations	Foster employment and labor mobility.	Introduce a two-tier labor market under which labor and wage legislation will be substantially relaxed for new and small- and medium-scale enterprises, as well as companies in the free zone or in the process of being restructured.	1989/90.
		Start the process of comprehensive review of labor legislation and freeze minimum wages for a period of three years. Introduce greater flexibility in nominal wage.	1989/90.	
	Eliminate administrative constraints on the trade of industrial products.	Review the regulatory environment and implement a program of rationalization of various institutions involved in quality control, economic control, investment, and export promotion (including the free trade zone).	1989/90.	
<u>Energy policy</u>	Develop local sources of supply, maximize efficiency (both of energy consumption and of its production/distribution), and raise revenues for the public sector.	Implement new energy pricing and taxation system to improve efficiency and transparency in the operations of the petroleum refinery.	1989/90.	
		Begin deregulating distribution and retailing of petroleum products.	1990/91.	
		Reduce, in a phased manner, energy prices for industrial users.	1990/91, and 1991/92.	
<u>Parapublic sector reform</u>	Promote the efficiency of the parapublic sector, through rationalizing financial relations between the Government and the enterprises.	Reduce substantially direct subsidies from the 1988/89 levels.	1989/90, 1990/91, and 1991/92.	
		Eliminate government guarantee and interest subsidies of parapublic borrowing.	1989/90.	

Table 2 (continued). Senegal: Summary and Time Frame for Macroeconomic and Structural Adjustment Policies, 1989/90-1991/92

Objectives	Strategies and Measures	Timing ^{1/}
	Limit overdrafts to the level of end-June 1989 and eliminate the Central Accounting Office by restructuring the public enterprises into autonomous public establishments or state corporations.	1989/90.
	Update the accounting of the end-1988 stock of verified cross-arrears and continue their settlement.	1989/90, 1990/91, and 1991/92.
	Ensure harmonization of financial commitments in performance contracts with budgetary allocation; monitor and enforce compliance with contractual obligations.	1989/90 and 1990/91.
	Conclude performance contracts with eight public enterprises and initiate negotiations for other enterprises.	1989/90.
Reduce the scope of the parapublic sector through liquidation and privatization of nonstrategic enterprises.	Engage firms qualified to assist in the privatization process.	1989/90.
	Privatize 35 enterprises and liquidate at least 10.	1989/90, and 1990/91.
	Prepare and implement rehabilitation programs for public enterprises.	1989/90, 1990/91, and 1991/92.
	Prepare and implement a plan of action to accelerate the privatization process.	1989/90, 1990/91, and 1991/92.
	Examine feasibility of creating a secondary market in shares and implement action plan.	1989/90.
Streamline and reform the Government's institutional setting for overseeing parapublic enterprises.	Develop an information system to improve monitoring of economic and financial performance of the parapublic sector.	1989/90.
	Improve the system of administrative supervision over public enterprises.	1989/90.
6. <u>Fiscal policy</u>	Continue to improve the Government's fiscal operations.	1989/90, 1990/91, and 1991/92.
a. Revenue	Improve revenue performance and reduce reliance on exceptional resources by shifting to a more stable revenue base.	1989/90, 1990/91, and 1991/92.

Table 2 (continued). Senegal: Summary and Time Frame for Macroeconomic and Structural Adjustment Policies, 1989/90-1991/92

Objectives	Strategies and Measures	Timing 1/
Increase tax yields.	Reduce the higher rate value-added tax from 50 percent to 30 percent and expand its coverage.	September 1989.
	Raise the customs duty rate from 10 percent to 15 percent.	September 1989.
	Reduce the underinvoicing of imports by introducing a minimum duty on underinvoiced items.	September 1989.
	Reinforce the mechanism for recovery of tax arrears.	1989/90, 1990/91, and 1991/92.
	Introduce a global income tax to replace the current schedular system.	January 1990.
	Introduce a separate corporate profit tax.	1989/90.
	Introduce withholding taxes on nonwage incomes, to be credited against the global income tax liabilities.	1989/90.
	Complete the modernization of the customs services, especially the valuation section, and the computerization of customs clearance procedures to reduce fraud.	September 1989.
	Maximize the surplus of the CPSP by implementing a system of wheat purchases through international competitive bidding.	November 1989.
	Introduce a more transparent pricing and taxation system for petroleum products, and mobilize the prospective surpluses of the oil sector in support of the budget.	1989/90.
Widen the tax base.	Develop gradually the taxation of the informal sector and other selective measures, such as the reform of the advance cash payments on account of "patente," the presumptive tax on commercial and industrial benefits, and the selective and gradual application of the value-added tax (VAT).	1989/90, 1990/91, and 1991/92.
	Re-examine the special tax agreements with enterprises with a view to reducing exemptions.	1989/90, 1990/91, and 1991/92.

92

Table 2 (continued). Senegal: Summary and Time Frame for Macroeconomic and Structural Adjustment Policies, 1989/90-1991/92

	Objectives	Strategies and Measures	Timing ^{1/}
		Extend the application of the value-added tax to the commerce and service sectors and eliminate the present tax on services.	January 1990.
		Introduce a revised tax on urban property on the basis of a fiscal cadastre.	1990/91 and 1991/92.
		Implement the reform of the taxation of foreign-financed projects.	1989/90, 1990/91, and 1991/92.
b. Expenditure	Maintain tight limits on current government outlays.	Control the wage bill by compressing the indemnities, while keeping the wage drift to a minimum.	1989/90.
		Reduce the wage bill to CFAF 125 billion on the basis of the recommendations of the studies to be completed in September 1989.	1990/91 and 1991/92.
		Make adequate provisions for materials, supplies, maintenance, and the provision of essential social services, as well as for the redeployment fund.	1989/90, 1990/91, and 1991/92.
		Progressively reduce budgetary subsidies.	1989/90, 1990/91, and 1991/92.
	Rationalize administrative structures.	Define a training and redeployment program for civil servants.	1989/90.
c. Fiscal discipline	Strengthen the allocation of available resources.	Improve the monitoring of the Treasury's special and correspondent accounts on the basis of the recommendations made by a Fund technical assistance mission.	1989/90, 1990/91, and 1991/92.
		Take steps to integrate the recording and monitoring of all external grant and loan assistance within the budgetary process.	1989/90, 1990/91, and 1991/92.
d. Domestic arrears	Eliminate all currently verified domestic arrears of the Government and public agencies.	Allocate adequate resources to liquidate such arrears.	1989/90.
7. <u>Credit policy</u>	Conduct a prudent credit policy consistent with the growth, inflation, and balance of payments target.	Keep the growth of domestic liquidity below that of nominal GDP to curb aggregate demand.	1989/90, 1990/91, and 1991/92.
	Improve the financial position of the banking system.	Implement the reform of the banking system involving, inter alia, a reduction in government shareholdings to below 25 percent. Undertake removal or provisioning of bad debts, and consolidation by the BCEAO.	1989/90.

Table 2 (concluded). Senegal: Summary and Time Frame for Macroeconomic and Structural Adjustment Policies, 1989/90-1991/92

	Objectives	Strategies and Measures	Timing ^{1/}
		Restructure, rehabilitate, and/or liquidate the banks facing difficulties.	1989/90.
		Strengthen supervision of deposit money banks by the Central Bank (BCEAO), the Ministry of Economy and Finance, and the Banking Control Commission.	1989/90, 1990/91, and 1991/92.
	Mobilize domestic savings and improve resource allocation.	Follow a flexible interest rate policy.	1989/90, 1990/91, and 1991/92.
8. <u>External debt management</u>	Limit external debt service burden to manageable proportions.	Keep new external borrowing on nonconcessional terms to a strict minimum, while intensifying efforts to mobilize resources in the form of grants.	1989/90, 1990/91, and 1991/92.
		Make adequate provisions for the settlement of debt service obligations so as to avoid any external payments arrears.	1989/90, 1990/91, and 1991/92.
	Strengthen debt management.	Extend computerization system to monitor medium- and long-term debt as well as grants.	1989/90, 1990/91, and 1991/92.
9. <u>Social impact</u>	Minimize short-term adverse income distribution and social cost impact of various adjustment measures.	Review experience with employment fund with a view to expanding it.	1989/90.
		Prepare a standard-of-living survey.	1989/90 and 1990/91.
		Initiate socioeconomic studies aimed at identifying projects and programs for the most vulnerable groups.	1989/90, 1990/91, and 1991/92.
		Explore alternative means to enable the poor to have access to training and credit.	1989/90, 1990/91, and 1991/92.
		Sponsor public works program for employment creation.	1989/90.
10. <u>Environment</u>	Arrest degradation of environment.	Research appropriate farming techniques to reverse soil degradation and encourage their implementation.	1989/90, 1990/91, and 1991/92.
		Adopt new forestry code and take measures to arrest loss of forest cover.	1989/90, 1990/91, and 1991/92.
		Improve urban waste disposal.	1989/90, 1990/91, and 1991/92.

^{1/} Where a single date is indicated, it means that the measure(s) will be in effect no later than that date; where one year or several years are noted, it means that action will be taken in each year.

^{2/} SAED, Senegal's river valley development agency; SONACOS, groundnut oil processing company; SEPPA, confectionery groundnut company; SODEFITEX, textile development agency; CNCAS, agricultural credit company; MDR, Ministry of Rural Development; SAR, Senegal's petroleum refinery; CSS, Senegal's sugar company; SOCOCIM, cement company; CPSP, price equalization and stabilization fund.

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Annex A Table 3

Senegal: Selected Economic and Financial Indicators, 1985/86-1992/93

	1985/86	1986/87	1987/88	1988/89		1989/90 Prog.	1990/91	1991/92	1992/93
				Prog. 1/	Preli. act.				
<u>(Annual changes in percent, unless otherwise specified)</u>									
National income and prices									
GDP at constant prices	4.2	4.2	4.4	4.2	0.6	4.6	3.7	3.8	3.8
GDP deflator	8.3	5.0	2.5	2.4	1.9	2.0	2.4	2.4	2.4
Consumer prices 2/	9.4	0.4	-2.6	...	-1.9	2.0	2.4	2.4	2.4
External sector									
Exports, f.o.b. (in SDRs)	-2.1	-0.4	10.4	11.8	11.4	-0.4	9.4	9.6	9.6
Imports, f.o.b. (in SDRs)	3.4	-8.5	3.1	6.4	5.1	-3.5	3.6	5.9	6.4
Non-oil imports, f.o.b. (in SDRs)	14.0	-0.6	0.4	9.9	8.0	-3.5	3.6	5.9	6.4
Export volume	0.1	-0.8	12.7	12.8	4.0	-2.2	5.7	5.4	5.1
Import volume	11.2	1.7	-5.0	1.3	-1.0	-0.3	2.6	0.5	0.5
Terms of trade (deterioration -)	5.1	11.7	-9.8	1.7	0.8	5.3	2.5	-1.2	-1.5
Nominal effective exchange rate (end of period; depreciation -)	6.3	4.6	2.2	...	3.5	...	...	...	...
Real effective exchange rate (end of period; depreciation -)	7.3	-2.0	-8.8	...	-0.2	...	...	...	...
Government financial operations									
Revenue	7.3	14.8	0.2	8.5	-2.3	12.3	10.0	10.0	10.0
Total expenditure and net lending	4.6	7.4	0.8	4.4	5.9	4.8	2.7	-2.8	1.6
Of which: total current and capital expenditure	(0.9)	(6.6)	(5.8)	(1.1)	(-0.9)	(3.4)	(-0.1)	(2.3)	(1.9)
Money and credit									
Domestic credit 3/	14.3	10.7	9.2	-3.0	0.1	-4.8	1.6	0.5	1.8
Credit to the Government (net) 3/	5.5	0.6	1.8	1.2	-2.9	-0.3	-0.2	-3.3	-2.5
Credit to the economy 3/									
Including crop credit 3/	8.8	10.1	7.4	-4.2	3.0	-4.5	1.8	3.9	4.3
Excluding crop credit 3/	4.1	0.9	1.9	3.3	15.0	-3.4	1.6	3.6	4.3
Money and quasi-money (M2) 4/	2.6	17.4	1.2	5.2	7.1	5.0	4.5	4.5	4.5
Velocity (GDP relative to M2) 4/	4.2	3.9	4.1	4.2	4.0	4.0	4.1	4.2	4.2
Interest rates (end of period) 5/									
Minimum rate on time deposits 5/	9.0	8.0	8.0	9.0	9.5	...	...	...	...
Money market rate for overnight deposits	7.8	8.0	7.5	9.0	9.0 6/	9.0 6/	...	...	...
<u>(In percent of GDP, unless otherwise specified)</u>									
Overall fiscal surplus or deficit (-) 7/									
Commitment basis, excluding grants	-3.9	-2.6	-2.6	-1.8	-4.0	-2.8	-1.5	0.8	2.3
Cash basis, excluding grants	-4.9	-4.6	-5.2	-3.9	-4.3	-4.3	-1.5	0.8	2.3
Payment arrears of the government and public agencies (annual change in billions of CFAF)	-9.6	-14.0	-14.0	-8.5	—	-8.5	—	—	—
Gross domestic investment	14.2	15.0	14.9	14.5	15.0	15.2	16.2	17.5	17.5
Gross domestic savings	4.2	7.0	8.2	8.6	8.9	10.2	12.2	14.1	14.7
External current account deficit (-)									
Excluding official grants	-15.6	-11.3	-10.2	-9.1	-9.6	-8.3	-6.9	-6.1	-5.2
Including official grants	-10.0	-6.1	-5.1	-4.0	-4.5	-3.0	-1.8	-1.2	-0.6
External debt 8/	78.5	74.0	76.7	74.0	80.0	78.2	76.1	72.7	68.4
Debt service ratio (in percent of exports of goods and services, and private transfers) 7/	29.1	29.7	31.2	30.6	31.1	31.3	28.6	26.8	24.7
GDP at current market prices (in billions of CFA francs)	1,223.1	1,338.2	1,432.9	1,527.8	1,467.7	1,564.9	1,660.3	1,764.6	1,876.8
Overall balance of payments surplus or deficit (-) (in millions of SDRs) 9/	-28.0	86.3	-27.4	71.6	46.8	79.7	26.9	36.6	27.1
Gross official foreign reserves (in weeks of imports)	0.2	0.4	0.4	...	0.4	...	...	...	...

Sources: Data provided by the Senegalese authorities; and Fund and World Bank staff estimates and projections.

1/ Refers to the revised program (ERS/89/18).

2/ Index of consumer prices in Dakar for the average Senegalese family

3/ Annual percentage change over beginning-of-period money stock.

4/ GDP relative to end-June broad money stock.

5/ Minimum rate on time deposits in excess of one year and in amounts of more than CFAF 2 million; the actual rates generally follow the money market quotations closely.

6/ Since May 22, 1989.

7/ Before debt rescheduling.

8/ Public and publicly guaranteed debt, including Fund credit and central bank liabilities.

9/ After debt rescheduling.

55

ANNEX B
SUMMARY TABLES FOR THE GOVERNMENT SECTORAL INVESTMENT PROGRAM
[1985-1990]

ANNEX B TABLE 1
SUMMARY OF INVESTMENT PROGRAMMED BY THE GOVERNMENT OF SENEGAL
FOUR THREE YEAR PROGRAMS (1987/90 - 1990/93)

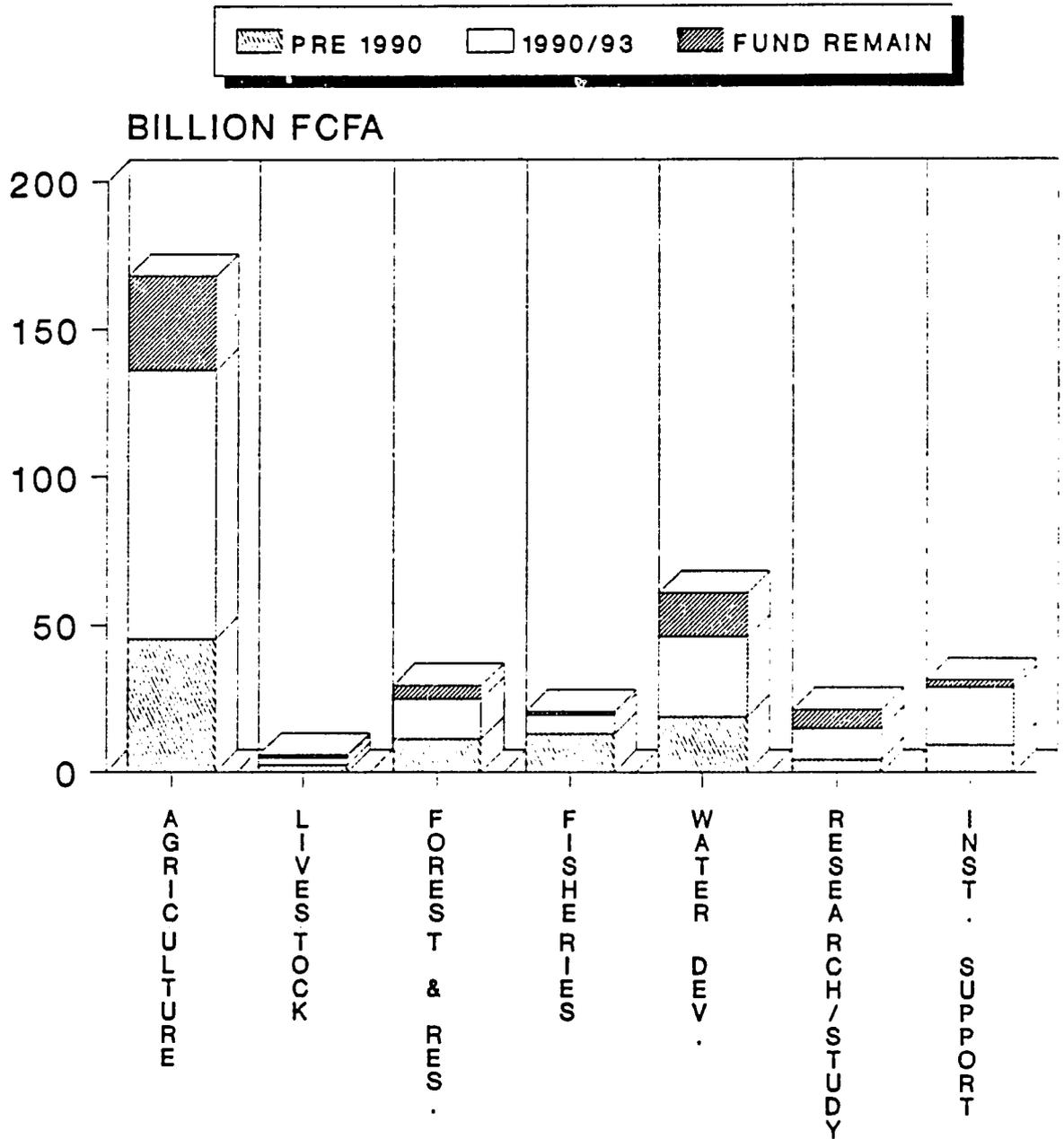
	<u>Total Program Funding</u>	<u>Pre-Program Disbursements</u>	<u>Program Years</u>				<u>Post-Program Pipeline</u>		
			<u>1987/88</u>	<u>1988/89</u>	<u>1989/90</u>	<u>1990/91</u>		<u>1991/92</u>	<u>1992/93</u>
(MILLIONS OF FCFA)									
<u>FIRST THREE YEAR PROGRAM (1987-90)</u>									
Agriculture	157 378	22 336	24 614	23 415	21 367		65 646		
Livestock	10 680	2 424	2 350	2 313	2 137		1 456		
Forestry/Natural Resources	37 362	15 107	5 484	3 750	4 124		8 897		
Fisheries	22 092	7 914	4 811	4 790	3 207		1 370		
Water Development	52 787	18 441	15 263	8 837	6 032		4 224		
Total Sector investment	280 309	66 222	52 522	43 105	36 867		81 593		
Total Investment Program	738 145	178 480	145 052	129 988	103 615		181 010		
<u>SECOND THREE YEAR PROGRAM (1988/91)</u>									
Agriculture	168 263	42 803		27 116	31 647	25 086	41 611		
Livestock	6 711	3 037		1 241	936	711	786		
Forestry/Natural Resources	29 128	16 248		3 988	2 925	1 578	4 389		
Fisheries	20 402	5 274		2 173	5 355	4 345	3 255		
Water Development	43 909	8 559		8 473	13 084	8 150	5 643		
Agricultural Research/Studies	31 311	21 336		3 854	2 105	1 590	2 426		
Institutional Development	13 027	1 450		5 073	4 349	1 836	319		
Total Sector investment	312 751	98 707		51 918	60 401	43 296	58 429		
Total Investment Program	882 257	221 731		140 000	193 949	185 874	191 203		
<u>THIRD THREE YEAR PROGRAM (1989/92)</u>									
Agriculture	162 000	44 887			34 183	29 015	22 633	31 282	
Livestock	5 701	1 144			1 609	797	784	1 367	
Forestry/Natural Resources	30 477	8 263			5 328	4 758	3 745	8 383	
Fisheries	17 574	7 784			2 695	4 544	387	2 164	
Water Development	71 171	16 290			15 772	15 042	8 636	15 431	
Agricultural Research/Studies	8 084	2 930			1 394	1 768	1 336	656	
Institutional Development	24 570	12 952			5 750	2 738	717	2 413	
Total Sector investment	319 577	94 250			66 731	58 662	38 238	61 696	
Total Investment Program	991 629	269 284			158 343	187 651	168 226	208 125	
<u>FOURTH THREE YEAR PROGRAM (1990/93)</u>									
Agriculture	168 181	45 411				35 924	30 539	24 113	32 194
Livestock	5 759	2 471				681	1 207	401	999
Forestry/Natural Resources	29 548	11 344				6 119	4 476	2 980	4 629
Fisheries	20 570	12 982				3 878	2 125	605	980
Water Development	60 888	18 950				13 755	6 893	6 457	14 831
Agricultural Research/Studies	21 311	4 270				4 001	3 515	3 090	6 435
Institutional Support	31 452	9 235				8 942	6 941	3 728	2 606
Total Sector investment	337 709	104 663				73 300	55 696	41 376	62 674
Total Investment Program	1 120 025	253 404				182 464	194 895	177 575	311 687

SOURCE: MINISTERE DU PLAN ET DE LA COOPERATION, PROGRAMMES TRIENNAL D'INVESTISSEMENTS PUBLICS, 1987/1988 - 1990/1993.

Annex B Figure 1

Government of Senegal Investment Program 1990/1993

Investment by Sub-Sector



Source : Ministère du Plan et de la Coopération, Programme Triennal d'Investissements Publics 1990-1993. République du Senegal, Dakar, Senegal. Mars 1990.

56

Annex B Table 2
Government of Senegal Investment Program for the Agricultural Sector [1990/93]
Projected Investment by Sub-Sector and Donor Type

Sub-Sector/ Donor Type	Total Cost	Expended Prior to 1990	Available for Program	Pipeline After 1993
(in Millions of CFA Francs)				
Agriculture Sub-Sector	168,181	45,411	90,576	32,194
Bilateral Donor Agencies	88,556	21,846	50,039	16,671
Multilateral Donor Agencies	46,338	14,195	27,278	4,865
External Development Banks	11,045	2,847	5,610	2,588
Local Resources	20,318	6,523	7,649	6,146
Unsecured as Yet	1,924	0	0	1,924
Livestock Sub-Sector	5,759	2,471	2,289	999
Bilateral Donor Agencies	2,288	783	1,050	455
Multilateral Donor Agencies	807	620	187	0
Local Resources	2,314	1,068	952	294
Unsecured as Yet	350	0	100	250
Forestry and Natural Resources Sub-Sector	29,548	11,344	13,575	4,629
Bilateral Donor Agencies	15,353	6,071	7,493	1,789
Multilateral Donor Agencies	10,240	3,951	4,315	1,974
External Development Banks	520	323	97	100
Local Resources	3,435	999	1,670	766
Fisheries Sub-Sector	20,570	12,982	6,396	1,192
Bilateral Donor Agencies	14,476	9,406	3,878	1,192
Multilateral Donor Agencies	3,210	2,167	1,043	0
Local Resources	2,884	1,409	1,475	0
Water Development Sub-Sector	60,888	18,950	27,107	14,831
Bilateral Donor Agencies	33,903	13,635	17,431	2,837
Multilateral Donor Agencies	2,460	210	2,250	0
External Development Banks	9,722	4,222	5,130	370
Local Resources	2,713	883	1,416	414
Unsecured as Yet	12,090	0	880	11,210
Agricultural Research and Studies Sub-Sector	21,311	4,270	10,606	6,435
Bilateral Donor Agencies	5,473	3,308	1,761	404
Multilateral Donor Agencies	6,156	99	3,466	2,591
External Development Banks	267	0	267	0
Local Resources	9,415	863	5,112	3,440
Institutional Support Sub-Sector	31,452	9,235	19,611	2,606
Bilateral Donor Agencies	15,247	5,002	10,114	131
Multilateral Donor Agencies	9,804	1,463	6,621	1,720
External Development Banks	749	236	513	0
Local Resources	5,652	2,534	2,363	755
Total Sectoral Investment Program	337,709	104,663	170,160	62,886

Source: Ministère du Plan et de la Coopération, Programme Triennal d'Investissements Public 1990-1993. République du Senegal, Dakar, Senegal. Mars 1990.

Annex B Table 3
Government of Senegal Investment Program for the Agricultural Sector [1990/93]
Projected Investment by Sub-Sector and Donor Type

Sub-Sector/ Donor Type	Total Cost	Expended Prior to 1990	Available for Program	Pipeline After 1993
(in Percent)				
Agriculture Sub-Sector	49.8	43.4	53.2	51.2
Bilateral Donor Agencies	26.2	20.9	29.4	26.5
Multilateral Donor Agencies	13.7	13.6	16.0	7.7
External Development Banks	3.3	2.7	3.3	4.1
Local Resources	6.0	6.2	4.5	9.8
Unsecured as Yet	0.6	0.0	0.0	3.1
Livestock Sub-Sector	1.7	2.4	1.3	1.6
Bilateral Donor Agencies	0.7	0.7	0.6	0.7
Multilateral Donor Agencies	0.2	0.6	0.1	0.0
Local Resources	0.7	1.0	0.6	0.5
Unsecured as Yet	0.1	0.0	0.1	0.4
Forestry and Natural Resources Sub-Sector	8.7	10.8	8.0	7.4
Bilateral Donor Agencies	4.5	5.8	4.4	2.8
Multilateral Donor Agencies	3.0	3.8	2.5	3.1
External Development Banks	0.2	0.3	0.1	0.2
Local Resources	1.0	1.0	1.0	1.2
Fisheries Sub-Sector	6.1	12.4	3.8	1.9
Bilateral Donor Agencies	4.3	9.0	3.3	1.9
Multilateral Donor Agencies	1.0	2.1	0.6	0.0
Local Resources	0.9	1.3	0.9	0.0
Water Development Sub-Sector	18.0	18.1	15.9	23.6
Bilateral Donor Agencies	10.0	13.0	10.2	4.5
Multilateral Donor Agencies	0.7	0.2	1.3	0.0
External Development Banks	2.9	4.0	3.0	0.6
Local Resources	0.8	0.8	0.8	0.7
Unsecured as Yet	3.6	0.0	0.5	17.8
Agricultural Research and Studies Sub-Sector	6.3	4.1	6.2	10.2
Bilateral Donor Agencies	1.6	3.2	1.0	0.6
Multilateral Donor Agencies	1.8	0.1	2.0	4.1
External Development Banks	0.1	0.0	0.2	0.0
Local Resources	2.8	0.8	3.0	5.5
Institutional Support Sub-Sector	9.3	8.8	11.5	4.1
Bilateral Donor Agencies	4.5	4.8	5.9	0.2
Multilateral Donor Agencies	2.9	1.4	3.9	2.7
External Development Banks	0.2	0.2	0.3	0.0
Local Resources	1.7	2.4	1.4	1.2
Total Sectoral Investment Program	100.0	100.0	100.0	100.0

Source: Ministère du Plan et de la Coopération, Programme Triennal d'Investissements Public 1990-1993, République du Sénégal, Dakar, Senegal, Mars 1990.

Annex B Table 4
Government of Senegal Investment Program for the Agricultural Sector [1990/93]
Projected Investment by Donor Type and Donor Agency

Donor Type and Donor Agency	Total Cost	Expended Prior To 1990	Available For Program	Pipeline After 1993
		(in Millions of CFA Franc)		
Bilateral Donors	175,296	60,051	91,766	32,479
Abu Dhabi	4,650	3,515	1,135	0
Belgium	817	164	522	131
Benelux Countries	4,476	1,114	3,059	303
Canada	14,753	7,490	6,678	585
Finland	1,097	710	355	32
France (CCCE)	24,725	10,194	10,959	3,572
France (FAC)	2,035	1,527	508	0
Holland	2,513	0	2,513	0
Italy	46,605	18,457	23,639	4,509
Japan	13,956	6,797	6,947	212
Kuwait	6,500	1,000	4,900	600
North Korea	6,930	0	3,444	3,486
Norway	243	0	243	0
Saudi Arabia	9,803	895	6,592	2,316
Sweden	957	0	637	320
United States (AID)	20,215	6,477	11,245	2,493
West Germany (GTZ)	7,274	1,711	2,801	2,762
West Germany (KfW)	7,747	0	5,589	2,158
Multilateral Donors	79,015	22,705	45,160	11,150
African Development Fund	11,217	4,612	6,313	292
CILSS	217	87	130	0
European Community (FED)	22,763	10,839	11,924	0
FAO	1,542	594	655	293
OPEC	2,262	210	1,860	192
United Nations (UNDP)	5,270	1,651	3,072	547
World Bank	12,006	450	7,792	3,764
World Bank (FIDA)	8,628	2,568	2,504	3,556
World Bank (IDA)	15,110	1,694	10,910	2,506
External Development Banks	22,303	7,628	11,617	3,058
African Development Bank	267	0	267	0
Arab Development Bank	6,705	1,720	4,174	811
Islamic Development Bank	6,250	323	4,492	1,435
West African Development Bank	9,081	5,585	2,664	812
Local Resources	46,731	14,279	20,637	11,815
Government of Senegal				
BCI	28,913	10,751	11,950	6,212
CNCAS	442	399	143	0
Dakar	105	55	50	0
Recurrent	9,947	835	4,744	4,368
SAED	591	130	403	58
SCIDESP	1,054	550	410	94
Local Participants	5,679	1,659	2,937	1,083
Unsecured as Yet	14,364	0	980	13,384
Total Sectoral Investment Program	337,709	104,663	170,160	62,886

Source: Ministère du Plan et de la Coopération, Programme Triennal d'Investissements Publics 1990-1993. République du Senegal, Dakar, Senegal. Mars 1990.

- 61 -

Annex B Table 5
Government of Senegal Investment Program for the Agricultural Sector [1990/93]
Projected Investment by Donor Type and Donor Agency

Donor Type and Donor Agency	Total Cost	Expended Prior To 1990	Available For Program	Pipeline After 1993
		(in Percent of Total Investvest)		
Bilateral Donors	51.9	57.4	53.9	37.3
Abu Dhabi	1.4	3.4	0.7	0.0
Belgium	0.2	0.2	0.3	0.2
Benelux Countries	1.3	1.1	1.8	0.5
Canada	4.4	7.2	3.9	0.9
Finland	0.3	0.7	0.2	0.1
France (CCCE)	7.3	9.7	6.4	5.7
France (FAC)	0.6	1.5	0.3	0.0
Holland	0.7	0.0	1.5	0.0
Italy	13.8	17.6	13.9	7.2
Japan	4.1	6.5	4.1	0.3
Kuwait	1.9	1.0	2.9	1.0
North Korea	2.1	0.0	2.0	5.5
Norway	0.1	0.0	0.1	0.0
Saudi Arabia	2.9	0.9	3.9	3.7
Sweden	0.3	0.0	0.4	0.5
United States (AID)	6.0	6.2	6.6	4.0
West Germany (GTZ)	2.2	1.6	1.6	4.4
West Germany (KFW)	2.3	0.0	3.3	3.4
Multilateral Donors	23.4	21.7	26.5	17.7
African Development Fund	3.3	4.4	3.7	0.5
CILSS	0.1	0.1	0.1	0.0
European Community (FED)	6.7	10.4	7.0	0.0
FAO	0.5	0.6	0.4	0.5
OPEC	0.7	0.2	1.1	0.3
United Nations (UNDP)	1.6	1.6	1.8	0.9
World Bank	3.6	0.4	4.6	6.0
World Bank (FIDA)	2.6	2.5	1.5	5.7
World Bank (IDA)	4.5	1.6	6.4	4.0
External Development Banks	6.6	7.3	6.8	4.9
African Development Bank	0.1	0.0	0.2	0.0
Arab Development Bank	2.0	1.6	2.5	1.3
Islamic Development Bank	1.9	0.3	2.6	2.3
West African Development Bank	2.7	5.3	1.6	1.3
Local Resources	13.8	13.6	12.1	18.8
Government of Senegal				
BCI	8.6	10.3	7.0	9.9
CNCAS	0.1	0.3	0.1	0.0
Dakar	0.0	0.1	0.0	0.0
Recurrent	2.9	0.8	2.8	6.9
SAED	0.2	0.1	0.2	0.1
SODESP	0.3	0.5	0.2	0.1
Local Participants	1.7	1.6	1.7	1.7
Unsecured as Yet	4.3	0.0	0.6	21.3
Total Sectoral Investment Program	100.0	100.0	100.0	100.0

Source: Ministère du Plan et de la Coopération, Programme Triennal d'Investissements Publics 1990-1993. République du Sénégal, Dakar, Senegal. Mars 1990.

62

Annex B Table 6
Government of Senegal Investment Program for the Agricultural Sector [1990/93]

Sub-Sector and Donor	Total Cost	Expended Prior To 1990	Available For Program	Pipeline After 1993
(in Millions of CFA Franc)				
Agriculture Sub-Sector	168,181	45,411	90,576	32,194
Abu Dhabi	4,650	3,515	1,135	0
Benelux Countries	2,424	466	1,655	303
Canada	142	133	9	0
France (CCCE)	15,460	6,137	6,698	2,625
France (FAC)	570	370	200	0
Italy	27,135	6,055	17,600	3,480
Japan	2,521	2,227	294	0
Kuwait	4,000	0	4,000	0
North Korea	6,930	0	3,444	3,486
Norway	243	0	243	0
Saudi Arabia	9,803	895	6,592	2,316
United States (AID)	2,904	1,332	1,431	141
West Germany (GTZ)	4,027	716	1,149	2,162
West Germany (KFW)	7,747	0	5,589	2,158
European Community (FED)	17,633	8,901	8,732	0
OPEC	1,842	0	1,650	192
World Bank (FIDA)	5,162	2,187	1,100	1,875
World Bank (IDA)	15,110	1,694	10,910	2,506
African Development Fund	6,591	1,413	4,886	292
Arab Development Bank	3,885	470	2,874	541
Islamic Development Bank	2,650	0	1,415	1,235
West African Development Bank	4,510	2,377	1,321	812
<u>Government of Senegal</u>				
BCI	12,399	4,738	4,445	3,216
CNCAS	325	255	70	0
Recurrent	5,247	835	1,924	2,488
SAED	591	130	403	58
Local Participants	1,756	565	807	384
Unsecured as Yet	1,924	0	0	1,924
Livestock Sub-Sector	5,759	2,471	2,289	999
France (CCCE)	1,119	0	664	455
France (FAC)	500	482	18	0
United States (AID)	669	301	368	0
European Community (FED)	807	620	187	0
<u>Government of Senegal</u>				
BCI	1,260	518	542	200
SODESP	1,054	550	410	94
Unsecured as Yet	350	0	100	250
Forestry and Natural Resources Sub-Sector	29,548	11,344	13,575	4,629
Benelux Countries	2,052	648	1,404	0
Canada	5,000	2,520	1,895	585
Finland	1,097	710	355	32
Sweden	957	0	637	320
United States (AID)	3,000	1,198	1,550	252
West Germany (GTZ)	3,247	995	1,652	600
African Development Fund	1,960	1,576	384	0
European Community (FED)	1,739	774	965	0
FAO	1,542	594	655	293
United Nations (UNDP)	1,533	626	907	0
World Bank (FIDA)	3,466	381	1,404	1,681

62

Islamic Development Bank	520	323	97	100
<u>Government of Senegal</u>				
BCI	1,507	678	707	122
Local Participants	1,928	321	963	644
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Fisheries Sub-Sector	20,570	12,982	6,396	1,192
Canada	6,711	3,837	2,874	0
France (CCCE)	1,035	819	216	0
Italy	1,580	600	0	980
Japan	5,150	4,150	788	212
African Development Fund	2,666	1,623	1,043	0
European Community (FED)	544	544	0	0
<u>Government of Senegal</u>				
BCI	1,314	581	733	0
Dakar	105	55	50	0
Local Participants	1,465	773	692	0
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Water Development Sub-Sector	60,888	18,950	27,107	14,831
Canada	2,250	1,000	1,250	0
France (CCCE)	2,237	671	1,429	137
Holland	2,513	0	2,513	0
Italy	14,783	9,044	5,739	0
Japan	3,620	420	3,200	0
Kuwait	2,500	1,000	900	600
United States (AID)	6,000	1,500	2,400	2,100
European Community (FED)	2,040	0	2,040	0
OPEC	420	210	210	0
Arab Development Bank	2,820	1,250	1,300	270
Islamic Development Bank	3,080	0	2,980	100
West African Development Bank	3,822	2,972	850	0
<u>Government of Senegal</u>				
BCI	2,713	883	1,416	414
Unsecured at Yct	12,090	0	880	11,210
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Agricultural Research and Studies Sub-Sector	21,311	4,270	10,606	6,435
France (CCCE)	874	48	471	355
Italy	3,107	2,758	300	49
United States (AID)	1,492	502	990	0
United Nations (UNDP)	400	99	301	0
World Bank	5,756	0	3,165	2,591
African Development Bank	267	0	267	0
<u>Government of Senegal</u>				
BCI	4,715	863	2,292	1,560
Recurrent	4,700	0	2,820	1,880
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Institutional Support Sub-Sector	31,452	9,235	19,611	2,605
Belgium	817	164	522	131
Canada	650	0	650	0
France (CCCE)	4,000	2,519	1,481	0
France (FAC)	965	675	290	0
Japan	2,665	0	2,665	0
United States (AID)	6,150	1,644	4,506	0
CILSS	217	87	130	0
United Nations (UNDP)	3,337	926	1,864	547
World Bank	6,250	450	4,627	1,173
West African Development Bank	749	236	513	0
<u>Government of Senegal</u>				
BCI	5,005	2,490	1,815	700
CNCAS	117	44	73	0
Local Participants	530	0	475	55

Total Sectoral Investment Program	337,709	104,663	170,160	62,886
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Source: **Ministere du Plan et de la Cooperation, Programme Triennal d'Investissements Publics 1990-1993. Republique du Senegal, Dakar, Senegal. Mars 1990.**

Annex B Table 7
Government of Senegal Investment Program for the Agricultural Sector [1990/93]

Sub-Sector and Donor	Total Cost	Expanded Prior To 1990	Available For Program	Pipeline After 1993
(in Percent of Total Sector)				
Agriculture Sub-Sector	49.8	43.4	53.2	51.2
Abu Dhabi	1.4	3.4	0.7	0.0
Benelux Countries	0.7	0.4	1.0	0.5
Canada	0.0	0.1	0.0	0.0
France (CCCE)	4.6	5.9	3.9	4.2
France (FAC)	0.2	0.4	0.1	0.0
Italy	8.0	5.8	10.3	5.5
Japan	0.7	2.1	0.2	0.0
Kuwait	1.2	0.0	2.4	0.0
North Korea	2.1	0.0	2.0	5.5
Norway	0.1	0.0	0.1	0.0
Saudi Arabia	2.9	0.9	3.9	3.7
United States (AID)	0.9	1.3	0.8	0.2
West Germany (GTZ)	1.2	0.7	0.7	3.4
West Germany (KFW)	2.3	0.0	3.3	3.4
European Community (FED)	5.2	8.5	5.1	0.0
OPEC	0.5	0.0	1.0	0.3
World Bank (FIDA)	1.5	2.1	0.6	3.0
World Bank (IDA)	4.5	1.6	6.4	4.0
African Development Fund	2.0	1.4	2.9	0.5
Arab Development Bank	1.2	0.4	1.7	0.9
Islamic Development Bank	0.8	0.0	0.8	2.0
West African Development Bank	1.3	2.3	0.8	1.3
<u>Government of Senegal</u>				
BCI	3.7	4.5	2.6	5.1
CNCAS	0.1	0.2	0.0	0.0
Recurrent	1.6	0.8	1.1	4.0
SAED	0.2	0.1	0.2	0.1
Local Participants	0.5	0.5	0.5	0.6
Unsecured as Yet	0.6	0.0	0.0	3.1
Livestock Sub-Sector	1.7	2.4	1.3	1.6
France (CCCE)	0.3	0.0	0.4	0.7
France (FAC)	0.1	0.5	0.0	0.0
United States (AID)	0.2	0.3	0.2	0.0
European Community (FED)	0.2	0.6	0.1	0.0
<u>Government of Senegal</u>				
BCI	0.4	0.5	0.3	0.3
SODESP	0.3	0.5	0.2	0.1
Unsecured as Yet	0.1	0.0	0.1	0.4
Forestry and Natural Resources Sub-Sector	8.7	10.8	8.0	7.4
Benelux Countries	0.6	0.6	0.8	0.0
Canada	1.5	2.4	1.1	0.9
Finland	0.3	0.7	6.2	0.1
Sweden	0.3	0.0	0.4	0.5
United States (AID)	0.9	1.1	0.9	0.4
West Germany (GTZ)	1.0	1.0	1.0	1.0
African Development Fund	0.6	1.5	0.2	0.0
European Community (FED)	0.5	0.7	0.6	0.0
FAO	0.5	0.6	0.4	0.5
United Nations (UNDP)	0.5	0.6	0.5	0.0
World Bank (FIDA)	1.0	0.4	0.8	2.7

66

Islamic Development Bank	0.2	0.3	0.1	0.2
<u>Government of Senegal</u>				
BCI	0.4	0.6	0.4	0.2
Local Participants	0.6	0.3	0.6	1.0
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Finances Sub-Sector	5.1	12.4	3.8	1.9
Canada	2.0	3.7	1.7	0.0
France (CCCE)	0.3	0.8	0.1	0.0
Italy	0.5	0.6	0.0	1.6
Japan	1.5	4.0	0.5	0.3
African Development Fund	0.8	1.6	0.6	0.0
European Community (FED)	0.2	0.5	0.0	0.0
<u>Government of Senegal</u>				
BCI	0.4	0.6	0.4	0.0
Dakar	0.0	0.1	0.0	0.0
Local Participants	0.4	0.7	0.4	0.0
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Water Development Sub-Sector	18.0	18.1	15.9	23.6
Canada	0.7	1.0	0.7	0.0
France (CCCE)	0.7	0.6	0.8	0.2
Holland	0.7	0.0	1.5	0.0
Italy	4.4	8.6	3.4	0.0
Japan	1.1	0.4	1.9	0.0
Kuwait	0.7	1.0	0.5	1.0
United States (AID)	1.8	1.4	1.4	3.3
European Community (FED)	0.6	0.0	1.2	0.0
OPEC	0.1	0.2	0.1	0.0
Arab Development Bank	0.8	1.2	0.8	0.4
Islamic Development Bank	0.9	0.0	1.8	0.2
West African Development Bank	1.1	2.8	0.5	0.0
<u>Government of Senegal</u>				
BCI	0.8	0.8	0.8	0.7
Unsecured at Yet	3.6	0.0	0.5	17.8
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Agricultural Research and Studies Sub-Sector	6.3	4.1	6.2	10.2
France (CCCE)	0.3	0.0	0.3	0.6
Italy	0.9	2.6	0.2	0.1
United States (AID)	0.4	0.5	0.6	0.0
United Nations (UNDP)	0.1	0.1	0.2	0.0
World Bank	1.7	0.0	1.9	4.1
African Development Bank	0.1	0.0	0.2	0.0
<u>Government of Senegal</u>				
BCI	1.4	0.8	1.3	2.5
Recurrent	1.4	0.0	1.7	3.0
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Institutional Support Sub-Sector	9.3	8.8	11.5	4.1
Belgium	0.2	0.2	0.3	0.2
Canada	0.2	0.0	0.4	0.0
France (CCCE)	1.2	2.4	0.9	0.0
France (FAC)	0.3	0.6	0.2	0.0
Japan	0.8	0.0	1.6	0.0
United States (AID)	1.8	1.6	2.6	0.0
CILSS	0.1	0.1	0.1	0.0
United Nations (UNDP)	1.0	0.9	1.1	0.9
World Bank	1.9	0.4	2.7	1.9
West African Development Bank	0.2	0.2	0.3	0.0
<u>Government of Senegal</u>				
BCI	1.5	2.4	1.1	1.1
CNCAS	0.0	0.0	0.0	0.0
Local Participants	0.2	0.0	0.3	0.1

Total Sectoral Investment Program	100.0	100.0	100.0	100.0
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Source: Ministere du Plan et de la Cooperation, Programme Triennal d'Investissements Publics 1990-1993. Republique du Senegal, Dakar, Senegal. Mars 1990.

Annex B Table 8
Government of Senegal Investment Program (1990/93)
Breakdown of Total Investment by Region

Region	Ag Research	Agric- ulture	Fisheries	Forestry	Instit. Develop	Live- stock	Water Develop	Total Program	Percent Total
(in Millions of CFA Francs)									
Dakar			3,117	314	16			3,447	1
St. Louis	800	73,867	1,790	3,831	1,877		7,311	89,476	26
Louga	3,257	6,096		3,599	1,571	2,550		17,073	5
Diourbel				5,136				5,136	2
Fatick		2,716		1,688				4,404	1
Thies			3,148	2,018				5,166	2
Groundnut Basin				1,233				1,233	0
Sine Saloum						1,607	11,512	13,119	4
Kolda		43,242		3,853				47,095	14
Ziguinchor	63	24,336	5,908				17,117	47,424	14
Tambacounda	565	9,161		2,230				11,956	4
South/Southeast							360	360	0
Ziguinchor/ Tambacounda							659	659	0
National	16,626	8,763	6,607	3,570	27,988	1,602	23,929	89,085	26
Total Program	21,311	168,181	20,570	29,548	31,452	5,759	60,888	337,709	100
Percent of Program	6	50	6	9	9	2	18	100	100

Source: Derived from Ministère du Plan et de la Coopération, Programme Triennal d'Investissements Publics 1990-1993. République du Senegal, Dakar, Senegal. Mars 1990.

Annex B Table 9
Government of Senegal Investment Program [1990/93]
Breakdown of Total Sector Program by Region

Region	Ag Research	Agric- ulture	Fisheries	Forestry	Instit. Develop	Live- stock	Water Develop	Total Program
(in Percent of Sectoral Investment by Region)								
Dakar			15.2	1.1	0.1			1.0
St. Louis	3.8	43.9	8.7	13.0	6.0		12.0	26.5
Louga	15.3	3.6		12.2	5.0	44.3		5.1
Diourbel				17.4				1.5
Fatick		1.6		5.7				1.3
Thies			15.3	6.8				1.5
Groundnut Basin				4.2				0.4
Sine Saloum						27.9	18.9	3.9
Kolda		25.7		13.0				13.9
Ziguinchor	0.3	14.5	28.7				28.1	14.0
Tambacounda	2.7	5.4		7.5				3.5
South/Southeast							0.6	0.1
Ziguinchor/ Tambacounda							1.1	0.2
National	78.0	5.2	32.1	12.1	89.0	27.8	39.3	26.4
Total Program	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Percent of Program	6	50	6	9	9	2	18	100.0

Source: Derived from Ministère du Plan et de la Coopération, Programme Triennal d'Investissements Public 1990-1993. République du Sénégal, Dakar, Sénégal. Mars 1990.

Annex B Table 10
Government of Senegal Investment Program (1990/93)
Breakdown of Regional Investment by Sub-Sector

Region	Ag Research	Agric- ulture	Fisheries	Forestry	Instit. Develop	Live- stock	Water Develop	Total Program
(in Percent of Regional Investment by Sub-Sector)								
Dakar			90.4	9.1	0.5			100.0
St. Louis	0.9	82.6	2.0	4.3	2.1		8.2	100.0
Louga	19.1	35.6		21.1	9.2	14.9		100.0
Diourbel				100.0				100.0
Fatick		61.7		38.3				100.0
Thies			60.9	39.1				100.0
Groundnut Basin				100.0				100.0
Sine Saloum						12.2	87.8	100.0
Kolda		91.8		8.2				100.0
Ziguinchor	0.1	51.3	12.5				36.1	100.0
Tambacounda	4.7	76.6		18.7				100.0
South/Southeast							100.0	100.0
Ziguinchor/ Tambacounda							100.0	100.0
National	18.7	9.8	7.4	4.0	31.4	1.8	26.9	100.0
Total Program	6.3	49.8	6.1	8.7	9.3	1.7	18.0	100.0
Percent of Program	6	50	6	9	9	2	18	100.0

Source: Derived from Ministère du Plan et de la Coopération, Programme Triennal d'Investissements Public 1990-1993. République du Senegal, Dakar, Senegal. Mars 1990.

ANNEX C
SUMMARY TABLES FOR THE MAJOR DONOR DEVELOPMENT
ASSISTANCE PROGRAMS [1985-1989]

Annex C Table 1
Status of World Bank Group Operations in Senegal
Summary Statement of Loans and IDA Credits
(LOA Data as of 1/30/1990 and MIS Data as of 2/27/1990)

Loan or Credit Number	Fiscal Year	Purpose	Total IDA Credit	Undisbursed	Closing Date
(in US \$ million less cancellations)					
C11030-SEN	1981	Forestry	9.30	2.19	12/31/1989*
C13100-SEN	1983	Rural Health	15.00	3.30	12/31/1990*
CF0130-SEN	1984	T.A. Urban Mgmt. & RE	2.95	0.17	12/31/1989*
C13980-SEN	1984	Parapublic II T.A.	11.00	0.67	12/31/1989*
C14060-SEN	1984	Eastern Senegal Rural Development	16.10	4.35	6/30/1990*
C14590-SEN	1984	Dakar Port III	2.65	0.84	6/30/1991*
C15540-SEN	1985	Water Supply II	24.00	1.15	6/30/1993
C17100-SEN	1986	Energy Sector Rehabilitation	20.00	9.95	6/30/1991
C17140-SEN	1986	Telecoms II	17.69	12.76	6/30/1993
C17350-SEN	1987	Primary Education Development	12.00	7.71	6/30/1995
C18550-SEN	1988	Irrigation IV	33.60	29.64	6/30/1994
C18680-SEN	1988	Industry Sector	33.00	30.00	6/30/1998
C18840-SEN	1988	Municipal Housing Development	46.00	40.93	3/31/1995
C19100-SEN	1988	T.A. Development Management	17.00	14.14	6/30/1994
C18021-SEN	1989	SAL III	5.50	0.00	2/28/1990
C19920-SEN	1989	Small Rural Operations II	16.10	13.95	6/30/1998
C20750-SEN	1990	Public Works & Employment	20.00	21.43	10/31/1992
C20770-SEN	1990	Banking/Financial Sector	45.00	34.16	6/30/1991
C20900-SEN	1990	SAL IV	80.00	80.00	
Total Number of Active IDA Credits = 19		Total	426.89	307.34	

Total of 40 IDA Credits Closed totaling US \$ 440.07 million.

Total IDA Credits -- i.e. total approved, repayments and outstanding balance represent both active and inactive credits -- totaling US \$ 866.96 million -- or which US \$ 15.60 million has been repaid and US \$ 851.36 is the outstanding balance.

Total of 20 Loans closed totaling US \$ 129.33 million -- of which US \$ 56.18 million has been repaid and US \$ 73.15 million is the outstanding balance. No loans outstanding.

Source: World Bank, Senegal: Second Agricultural Research Project, IDA/R90-28. World Bank, Washington, D.C., 5 March 1990.

Note : * Indicates revised closing date

Annex C Table 2
Statement of IFC Investments in Senegal as of 30 September 1989

Fiscal Year	Recipient	Type of Business	Loan	Investment	Total
1967	Societe Industrielle d'Engrais	Fertilizer Plant	2.45	1.01	3.46
1972/1974	BUD Senegal	Vegetable Exports	-	0.84	0.84
1974	SOFISEDII	Development Finance Company	-	0.34	0.34
1980	Banque de l'Habitat du Senegal	Money and Capital Market	-	0.46	0.46
1980	Societe Hoteliere du Barachois	Tourism	3.00	-	3.00
1982	Industries Chimiques du Senegal	Fertilizer Plant	25.00	-	25.00
1984	African Seafood	Fish Processing Plant	3.29	0.91	4.20
1988	SOTIBA-STWPAFRIC	Print Manufacturing	3.20	-	3.20
1988	Industries Chimique du Senegal II	Fertilizer Plant	12.00	0.15	12.15
	Total Gross Commitments		48.94	3.71	52.65
	Less Cancellations, Terminations, Repayments, Sales and Leases		32.34	1.85	34.19
	Total Commitments Held by IFC		16.60	1.86	18.46

Source : World Bank, Senegal: Second Agricultural Research Project, IDA/R90-28. World Bank, Washington, D.C.. 5 March 1990.

Annex C Table 3

Italian Bilateral Development Program

Numero	Titre	Secteur	Organisme	Financ.*	Type
005.0	UNITE TECHNIQUE SEN-ALI - I PHASE -	ADMINISTR/UTL	D.G.C.S.	1642.85	SU
018.0	COOPERATIVES DE SINDIAM - MECANISATION AGRICOLE	AGRICULTURE	FIAT	553.000	SU
028.0	PROJET D'IRRIGATION A BAKEL	AGRICULTURE	LANDSYSTEM	460.000	SU
035.0	REALISATION DE 3 UNITES AGROPASTORALES - ETUDE	AGRICULTURE	DAUGH WATSON	424.000	SU
047.0	INTERV. AGRO/SANITAIRE ARRONDISSEMENT KAFFRINE	AGRICULTURE	ONG COMI	326.260	SU
062.0	PROGRAMME DE LUTTE ANTIACRIDIEENNE	AGRICULTURE	D.G.C.S.	700.000	SU
073.3	ONVS MECANISATION ET RECL. PERIMETRES IRRIGUES	AGRICULTURE	ITALIMPIANTI/ONVS	14402.017	SU
090.0	DEVELOPPEMENT RURAL DANS LA REGION DU GANDIOLAIS	AGRICULTURE	ONG CROCEVIA	610.320	SU
093.0	LANCEMENT D'UN PROJET EN APICULTURE	AGRICULTURE	ONG CARITAS	30.093	SU
094.0	LANCEMENT D'UNE FERME AGRICOLE PILOTE	AGRICULTURE	ONG CARITAS	165.465	SU
095.0	LANCEMENT D'UNE FERME PILOTE (B)	AGRICULTURE	ONG CARITAS	165.111	SU
096.0	INSTALLATION D'UN GROUPE DE PRODUCTEURS	AGRICULTURE	ONG CARITAS	148.177	SU
100.0	INSTALLATION D'UN GROUPE PILOTE (A)	AGRICULTURE	ONG CARITAS	104.133	SU
034.0	INSTALLAT.PILOTE TRANSFORMATION FRUITS ET LEGUMES	AGRO/ALIMENTAIRE	VETTORI E MANGHI	394.300	SU
025.0	AIDE ALIMENTAIRE	ALIMENTAIRE	D.G.C.S.	3179.480	SU
025.1	PROGRAMME AGRICOLE D'URGENCE	ALIMENTAIRE	D.G.C.S.	46.750	SU
025.2	PROGRAMME ALIMENTAIRE D'URGENCE	ALIMENTAIRE	D.G.C.S.	22.223	SU
025.4	FOURNITURES AIDES ALIMENTAIRES	ALIMENTAIRE	D.G.C.S.	7937.000	SU
025.5	PROGRAMME D'AIDE ALIMENTAIRE SEMESTRIEL 1988	ALIMENTAIRE	D.G.C.S.	2000.000	SU
025.6	AIDE ALIMENTAIRE - PROGRAMMATION 88	ALIMENTAIRE	D.G.C.S.	6000.000	SU
025.7	AIDE ALIMENTAIRE - PROGRAMMATION 89	ALIMENTAIRE	D.G.C.S.	5000.000	SU
025.8	AIDE ALIMENTAIRE 89 - INTERVENTION D'URGENCE	ALIMENTAIRE	D.G.C.S.	1000.000	SU
048.0	COURS DE FORMATION PROFESS. SANITAIRE ET RURAUX	DIVERS/SERVICES	ONG CPS	34.000	SU
048.1	COURS FORMATION PROFESS. SANITAIRES ET RURAUX -EXT	DIVERS/SERVICES		30.000	SU
007.0	FORMULATION DRI CASAMANCE	DRI	D.G.C.S.	189.508	SU
004.0	PROGRAMME APROTECH (I PHASE)	DRI	ONG COSPE	2196.900	SU
023.0	BUREAU POUR L'ECONOMIE D'ENERGIE	ENERGIE	CESEN	844.000	SU
026.0	ASSISTANCE TECHNIQUE A LA SENELEC	ENERGIE	ENEL	547.300	SU
078.0	ETUDE DE FAISABILITE LABORATOIRE MESURES SENELEC	ENERGIE	ENEL	198.000	SU
045.0	COURS DE LANGUE ITALIENNE - EXPERTS -	FORMATION	D.G.C.S.	206.174	SU
024.0	A.T. AU MINISTERE DE L'URBANISME - U.T.P. -	HABITAT	D.G.C.S.	1569.313	SU
012.0	EAU POTABLE POUR LES VILLAGES MPAL, FASS, RAO, SAKAL	HYDRAUL/INFRASTR	SINCO	7369.000	SU
030.0	ETUDE STOCKAGE DES EAUX DE RUISSELLEMENT	HYDRAULIQUE	INC/TECHNITAL	1160.417	SU
042.0	EAU POTABLE REGIONS DE FATICK ET KAOLACK	HYDRAULIQUE	LANDSYSTEM	17290.000	SU
044.0	GESTION DE COOPERATIVES SECTEUR TEXTILE - EXPERTS	INDUS./ARTISANAL	D.G.C.S.	100.286	SU
038.0	CHEMIN DE FER TAMBACOUNDA-PORT DE BARGNY-PLANIFIC.	INDUSTRIE	SPEASYNESIS	5531.000	SU
061.0	USINE DE PRODUCTION DE SACS EN FIBRE KENAF	INDUSTRIE	GARDELLA	30000.000	CR
008.0	ASSISTANCE AUX COOPERATIVES - B.I.T.	INDUSTRIE/ARTIS.	B.I.T.	2830.286	SU
027.0	AMELIORATION DE LA NAVIGABILITE DU FLEUVE SALOUM	INFRASTR./TRANSP	SAUTI	145.000	SU
043.0	REHABIL.CHEMIN DE FER MALEM-HODDAR.TAMBA.(I PHASE)	INFRASTR./TRANSP	R.I.C. S.p.a.	18700.000	CR
003.0	REALISATION DE PISTES RURALES - UNSO (I PHASE)	INFRASTRUCTURE	UNSO	12500.000	SU
003.1	REALISATION DE PISTES RURALES - UNSO EXTEN.I PHASE	INFRASTRUCTURE	UNSO	2800.000	SU
009.0	HOPITAL DE TAMBACOUNDA - EQUIPEMENTS -	SANTE	D.G.C.S. - COGEFAR -	2100.000	SU
025.3	PROGRAMME SANITAIRE D'URGENCE	SANTE	D.G.C.S.	1470.000	SU
025.6	TRANSPORT DE 10 UNITES SANITAIRES MOBILES	SANTE	D.G.C.S.	145.684	SU
031.0	UNITES MOBILES D'URGENCE - 10 AMBULANCES	SANTE	D.G.C.S.	291.482	SU
032.0	HOPITAL DE LOUGA - I PHASE -	SANTE	D.G.C.S.	3484.574	SU
033.0	ASSIST. TECHNIQUE MINISTERE DE LA SANTE - I PHASE	SANTE	D.G.C.S.	1037.736	SU
097.0	PROGRAMME ELARGI DE VACCINATION 17 PAYS AFRICAINS	SANTE	UNICEF	568.680	SU
029.0	ENVOI MATERIEL DIVERS A MISSION DE NGUENIER JOAL	SOCIAL	D.G.C.S.	3.500	SU
051.0	CONSTRUCTION D'UNE FERME PILOTE A BARGNY E.I.S.N.V	ZOOTECNIE	GECOSYSTEM	3147.000	SU

Total in Millions of Lira

TOTAL..... : 161801.020

Source: Italian Embassy, Dakar, Senegal

Note : Programs listed above have ended

75

Annex C Table 4
Italian Bilateral Development Program
List of Active Programs

Numero	Titre	Secteur	Organisme	Financ. #	Type
003.1	UNITE TECHNIQUE SEN-MLI - II PHASE	ADMINISTR/UTL	D.G.C.S.	7500.000	SO
007.0	INTERVENTION AGRICOLE DANS L'ARRONDIS. DE KOUNGHEUL	AGRICULTURE	ONG COM.	259.600	SO
022.0	DEVELOPPEMENT AGRO-FORESTAL DU CENTRE NORD	AGRO-ALIMENTAIRE	ONG COSPE	2497.557	SO
046.0	PROJET INTEGRE AGROPASTORAL DE L'AMAMBE	AGRO-ZOOTECNIE	SAN MARCO PROGETTI	9341.000	SO
050.0	COOPERATION AVEC E.I.S.M.V. DE DAKAR - I PHASE	AGRO-ZOOTECNIE	UNIVERSITA' DI PISA	672.376	SO
089.0	DEV. DES GROUPE DE COOPERATIVES FEMININES LOUGA	ARTISANAL	ONG CISV	702.961	SO
099.0	COMMODITY AID	DIVERS	BANCA MONDIALE	30000.000	SO
002.0	PROGRAMME DRI CASAMANCE/PRIMOCHA	DR	COSVINT	115828.000	SO
004.1	PROGRAMME PROCAS (II PHASE)	DR	ONG COSPE	2121.929	SO
021.0	PR. DEV. HYDRO. AGRICOLE REGION MATAM E CENTRE NORD	DR	ITALTEKMA	42091.000	SO
080.0	PROGRAMME D'URGENCE DANS LE DEPARTEMENT DE SEDHIOU	DRI/INFRASTRUCT	D.G.C.S.	1800.000	SO
037.0	EAU POUR LES VILLAGES	ENERGIE/FENR	S.E.S.	11372.000	SO
059.0	COOPERATION AVEC L'UNIVERSITE DE DAKAR	FORMATION	UNIVERSITA' DI TRENTO	3900.000	SO
079.0	FORMATION POUR LE C.F. DE DAKAR MARINE I PHASE	FORMATION	ITEC	539.000	SO
105.0	APPUI FORMATION A LA COMMUNAUTE RURALE COUMBACARA	FORMATION	ONG CELIM	731.300	SO
011.0	SASSAINISEMENT VILLE DE SAINT LOUIS	HYDRAUL/INFRASTR.	SINCO/ITALCONSULT	16156.000	CR
052.0	PROMOTION PLURISECTORIELLE REGIONE THIES, DIOURBEL	HYDRAULIQUE	ONG L.V.I.A.	3175.349	SO
101.0	COOPERATIVES DE PRODUCTION - ASSISTANCE TECHNIQUE	INDUSTRIE/ARTIS.	ONG ISCOS	1010.880	SO
043.1	REHABIL. CHEMIN DE FER MALEN-HODDAR-TANBA (II PHASE)	INFRASTR./TRANSP.	R.I.C. S.p.a.	15000.000	CR
104.0	REHABILITATION ROUTE N.2 SAINT LOUIS - MATAM	INFRASTRUCTURES	ICEE	15000.000	SO
010.0	DIESELISATION DES PIROGUES (1500 MOTEURS)	PECHE	RUGGERINI MOTORI S.P.A.	6880.000	CR
039.0	USINE DE MISE EN CONSERVE SARDINES PILCHARD	PECHE	SWISSITAL/MOSTES	15512.000	CR
041.0	FOURNITURE 5 BATEAUX DE PECHE AMERGER/EX SOMOUDEV	PECHE	CANTIERI RIUNITI SENIGALLIA	11960.000	SO
041.1	FOURNITURE 5 BATEAUX DE PECHE AMERGER/EX SOMOUDEV	PECHE	CANTIERI RIUNITI SENIGALLIA	10010.000	CR
032.1	HOPITAL DE LOUGA - II PHASE -	SANTE	D.G.C.S.	5300.000	SO
091.0	PROGRAMME DISPENSAIRES	SANTE	ONG CARITAS	3750.000	SO
092.0	ANIMATION SOCIO-SANITAIRE	SANTE	ONG PROMOZIONE SVILUPPO	369.858	SO
098.0	PROGRAMME ELARGI DE VACCINATION 26 PAYS AFRICAINS	SANTE	UNICEF	7540.854	SU
106.0	INTERVENTION SOCIO-SANITAIRE A THIOCE OUEST	SANTE	ONG CPS	199.274	SU
Total in Millions of Lira			TOTAL.....	343222.880	

Source : Italian Embassy, Dakar, Senegal

ANNEX D
SUMMARY TABLES FOR PROJECTED MAJOR DONOR
DEVELOPMENT ASSISTANCE PROGRAMS [1990-1994]

Annex D Table 1
World Bank Country Strategy for Senegal
Proposed and Current Lending Programs

FY90	SAL IV	53.0	SAL IV	53.0
	Financial SECAL	30.0	Financial SECAL	1.0 ¹
	Agricultural Research	20.0	Agricultural Research II	18.5
	Agricultural Services	20.0	Agricultural Extension	1.0 ¹
	Transport SECAL	45.0	Transport SECAL	45.0
	Total	168.0		118.5
FY91	Agriculture SECAL I	20.0	Agricultural SECAL I	20.0
	Human Resources SECAL I	20.0	Public Works/Employment	20.0
	Public Works/Employment	20.0	Energy II	60.0
			Human Resources SECAL I	(20.0) ²
	Total	60.0		100.0
FY92	Private Sector Promotion	30.0	Water Supply III	50.0
	Municipal Infrastructure (Services, Water & Sanitation)	25.0		
	Total	55.0		50.0
FY93	Environmental Management	20.0	Environmental Management	20.0
	SAL V (Public Sector Management)	50.0	SAL V	50.0
			Human Resources SECAL II	20.0
			Private Sector Promotion	(n.a.) ²
	Total	70.0		90.0
FY94	Human Resources SECAL II	30.0	Urban IV	25.0
	Irrigation Sector Development	20.0	Irrigation Sector Development	20.0
	Total	50.0		45.0
	Total FY90 to FY94	403.0		403.0
	Annual Average	80.6		80.7

Source: World Bank, Senegal Country Strategy Paper. World Bank, Washington, D.C.. 21 June 1989.

Notes : ¹ Projects to be properly funded after IDA allocations for fiscal year are finalized.

² Project funding in parenthesis is in reserve. Funding is excluded from the totals.

Annex D Table 2
World Bank Country Strategy for Senegal
Development Strategy Statement

Core Objective	Operational Definition	Policy Instruments/Targets
<p>Reduce dependence and vulnerability of the economy.</p>	<p>Establish or maintain momentum towards financial stability as necessary pre-condition for further growth; and improve efficiency of resource utilization in the public sector.</p>	<p><u>Budget Deficit:</u> To be eliminated 1991/92 through increased revenue mobilization by enhanced compliance cost recovery and by control of public expenditures through reduction in civil service expenditure to 43 % of all current expenditures by 1991/92 and elimination of industrial/commercial public enterprises by 1991/92.</p> <p><u>Current Account Deficit:</u> To be reduced to 3 % of GDP (including official transfers) by 1991/92 through demand management.</p> <p><u>External Debt:</u> Debt service ratio to be reduced through rescheduling and increase in proportion of debt in form of concessional aid.</p> <p><u>Public Investment Programming:</u> Public investments not to exceed 10 % of GDP and systematic use of 10 % rate of return hurdle.</p>
<p>Consolidate national production potential and its endogenous development</p>	<p>Resumption of sustainable growth based on exploitation of domestic endowments and promotion of dynamic export-oriented private sector.</p>	<p><u>Private Sector:</u> Improve incentives to private sector production deregulation. Step-up export incentives.</p> <p><u>Agriculture:</u> Liberalize trade in commodities and inputs and promote producer group activities to facilitate credit and marketing. Encourage efficient exploitation of irrigation potential by private sector.</p> <p><u>Financial Sector:</u> Revitalize banking system through "work-outs" of insolvent institutions and introduction of effective prudential regulations.</p> <p><u>Infrastructure:</u> Improve service reliability through better maintenance funded with expanded cost recovery measures.</p> <p><u>Human Resources:</u> Promote skills through on-the-job training.</p>

Improve interregional and urban/rural balance of production and living conditions.

Reduce income distribution disparity; promote equity; focus on absolute poverty.

Human Resources: Provide funding for provide health care and education. Promote reduced fertility.

Environment: Conserve productivity of rural production base through incentives, legal and technical measures to promote sound environmental management.

Source: World Bank, Senegal Country Strategy Paper. World Bank, Washington, D.C.. 21 June 1989.

Annex D Table 3
Italian Bilateral Development Program

Numero	Titre	Secteur	Organisme	Financ. #	Type
061.2	USINE PILOTE KEMAF - ETUDE ET EXPERIMENTATION	AGRICULTURE	LANDSYSTEM	19000.000	SU
088.0	COOPERATION AVEC L'ITA	ALIMENTAIRE		2000.000	SU
053.0	EXTENSION STATION RADIO COTIERE SOMATEL	COMMUNICATIONS		8600.000	CR
019.0	PROGRAMME DE DEVELOPPEMENT RURAL INTEGRE DE MATAM S	ORL		40000.000	SU
058.0	CENTRE PROFESSIONNEL DE THIES	FORMATION		2000.000	SU
069.0	RENFORCEMENT ENSEPT	FORMATION		2000.000	SU
079.1	FORMATION POUR LE C.F. DE DAKAR MARINE - II PHASE	FORMATION	ITEC	1000.000	SU
024.1	A.T. AU MINISTERE DE L'URBANISME	HABITAT	UNIVERSITA' DI VENEZIA - I.U.A.V.	4000.000	SU
030.1	REALISATION DE STOCKAGE DES EAUX DE RUISSELLEMENT	HYDRAULIQUE	ITALGENCO (?)	32000.000	SU
036.0	ETUDE ALIMENTATION EAU POTABLE DES ILES DU SALOUM	HYDRAULIQUE	AIC PROGETTI	2571.000	SU
042.1	EAU POTABLE REGIONS DE FATICK ET KAOLACK - EXTENS.	HYDRAULIQUE	LANDSYSTEM (?)	21512.000	SU
052.1	PROMOTION PLURISECTORIELLE THIES ET DIOURBEL PH.II	HYDRAULIQUE	ONG L.V.I.A.	779.156	SU
056.0	A.T. MINISTERE HYDRAULIQUE POUR MANUTENTION - D.E.M.	HYDRAULIQUE	LANDSYSTEM (?)	6920.000	SU
057.0	A.T. ET RENFORCEMENT AU MINIST. HYDRAUL. ET SONEES	HYDRAULIQUE	SIMCO (?)	19000.000	SU
061.1	A.T. USINE DE PRODUCTION DE FIBRE KEMAF	INDUSTRIE/AGRO	GARDELLA	5000.000	SU
043.2	A.T. REHAB.CHEMIN DE FER MALEM-HODDAR-TAMBA-KIDIRA	INFRASTR./TRANSP.		2293.192	SU
060.0	ASSISTANCE TECHNIQUE AU CEREEQ	INFRASTRUCTURE		1500.000	SU
067.0	PARCELLES ASSAINIES	INFRASTRUCTURE		17000.000	CR
010.1	DIESELISATION DES PIROGUES -ASSISTANCE TECHNIQUE	PECHE	RUGGERINI MOTORE S.P.A.	500.000	SU
017.0	PROJET PECA	PECHE		15000.000	CR
040.0	PROJET CAPECHE	PECHE		4000.000	CR
049.0	PLAN DIRECTEUR EQUIPEMENT FRIGORIFERE	PECHE	COMARCH-INTENS	1020.000	SU
086.0	AFRICAMER	PECHE		500.000	CR
002.2	SANTE DE BASE - PRIMOCA	SANTE	D.G.C.S.	8000.000	SU
009.1	HOPITAL DE THMBACOUNDA - ASSISTANCE TECHNIQUE -	SANTE	D.G.C.S.	4358.000	SU
019.1	PROGRAMME DRE DE MATAM - SECTEUR SANITAIRE	SANTE	D.G.C.S. - ONG	9400.000	SU
033.1	ASSIST. TECHNIQUE MINISTERE DE LA SANTE - II PHASE	SANTE	D.G.C.S.	3000.000	SU
076.0	CENTRES SANITAIRES DE DAROU MOUSTY ET BARGNY	SANTE		2600.000	SU
077.0	EQUIPEMENTS DE 10 CENTRES DE SANTE - I PHASE -	SANTE		1100.000	SU
012.1	EAU POTABLE VILLAGES MPAL, FASS, RAO, SAKAL - EXTENS.S	YDRAUL/INFRASTR	SIMCO (?)	6442.381	SU
050.1	FORMATION AVEC E.I.S.M.V. DE DAKAR - II PHASE	ZOOTECHE	UNIVERSITA' DI PISA	3000.000	SU
051.1	INSTALLATION BIOGAZ E.I.S.M.V.	ZOOTECHE	S.E.S.	2000.000	SU

Total in Millions of Lira

TOTAL..... : 248095.729

AMBASSADE D'ITALIE - DAKAR
UNITE TECHNIQUE LOCALE
LE 14/06/90

PROGRAMMES DE COOPERATION
P A Y S.....:SENEGAL
S T A T U S.....:FINAN. APPROUVE

Numero	Titre	Secteur	Organisme	Financ. #	Type
035.1	UNITES AGROPASTORALES - REALISATIONS	AGRICULTURE	TECHNIPLAN	2533.931	SU
038.1	ETUDE REHABIL.CHEMIN DE FER BARGNY-MALEM-HODDAR	INDUSTRIE	TECNOSYNESIS	1500.000	SU
003.2	REALISATION DE PISTES RURALES - UNSO (II PHASE)	INFRASTRUCTURE	UNSO	3000.000	SU

Total in Millions of Lira

TOTAL..... : 7033.931

Source : Italian Embassy, Dakar, Senegal

- 81

ANNEX E -- REPORT BIBLIOGRAPHY

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84

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