SENEGAL

PL 480 TITLE III (FOOD FOR DEVELOPMENT) PROGRAM
JOINT GOS/USG EVALUATION REPORT

FOR

THE PERIOD FROM OCTOBER 1,1982 TO MAY 1,1984

JUNE 1984

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SECTION I: EXECUTIVE SUMMARY

This report examines Senegal PL 480 Title III program implementation between October 1982 (the date of the most recent evaluation) and May 1984. It should be mentioned from the outset that the 1982 effort was a mid-term evaluation and that in 1985, a final evaluation of the four-year Title III program will occur. As such, this report should be viewed as an interim evaluation report. While reviewing program and sub-project implementation, commodity sales, and Special Account status in some detail, no attempt is made to address some of the larger questions: the appropriateness of 20% broken rice for Senegal PL 480 programs; is Title III an appropriate program for a country like Senegal; future PL 480 program design. These questions are best addressed in a comprehensive final evaluation.

Since the last evaluation, a number of important development have taken place which have had impact on the Title III program. Most significantly, in March and April of 1984, the Ministry of Finance ordered the Caisse de Perequation et de Stabilisation des Prix (CPSP) to make substantial deposits to the Title III Special Account.

As a result, the financial resources necessary to fund projects sufficiently and in a timely manner are now in place. Although most projects are still one to two years behind in accomplishing objectives due to past funding deficiencies, there appear to be no serious obstacles to meeting most first-thru-third tranche project objectives by the end of 1985.

A. POLICY OBJECTIVES

The original Program Agreement identified four policy areas where it was hoped Title III would have impact. These were: strengthening the role of rural development agencies; strengthening the role of farmer cooperatives; reviewing (and revising) agricultural pricing and marketing policies; and managing and conserving Senegal's natural resource base.

The last year and one half has been a time of transition regarding agricultural sector policy reform. In November 1983, a series of GOS/donor conferences were held to discuss reforms in the above areas. Since that time, dialogue has continued between the GOS and the donors, and new agricultural policy is currently being formulated. New policies are essentially concerned with: streamling the role of rural development agencies and government services that intervene in the agricultural sector; cooperative reform through greater responsibilization of village sections and producer groups within cooperatives; the establishment of a new credit program; lightening the government's role in marketing and establishing higher producer prices for agricultural commodities; and giving greater priority to reforestation and land conservation activities.

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B. COMMODITY ISSUES

Throughout 1983, the CPSP had great difficulty in selling Title III rice despite numerous measures which were attempted in an effort to move the 20% brokens. These measures included: lowering the price of Title III rice to make it equal to the price of Thai rice; selling on credit; temporarily holding Thai rice off the markets; and linking sales to merchants of Thai rice with Title III rice.

The experience with fourth tranche sorghum was markedly different as it sold quickly at a break-even price for the GOS.

C. THE SPECIAL ACCOUNT

Difficulties in selling Title III rice have had a direct impact on GOS ability to deposit funds into the Special Account and thus qualify for loan forgiveness.

These difficulties were compounded by the fact that the CPSP once again used Title III sales proceeds to pay for ocean freight and handling charges for the third and fourth tranches (this money has now been reimbursed to the Special Account by the CPSP).

As of the end of April 1984, enough money had been deposited into the Special Account to qualify for second tranche loan forgiveness. For the third tranche, 921,861,438 CFA has been deposited. With a deposit requirement of 2,476,352,265 CFA, 1,554,490,827 CFA still remains to be deposited before the third tranche loan can be forgiven.

As of the end of March 1984, 10,446 tons of fourth tranche sorghum had been sold for a value of 872,292,938 CFA. Fourth tranche rice had not yet begun to sell because the price had not yet been officially determined (however it began to sell in May).

D. PROGRAM MANAGEMENT

For the most part, 1982 evaluation recommendations for program management were accepted by the GOS and implemented. These recommendations included: establishment of life of project CFA budgets; standardization of procedures for planning and reporting dollar expenditures for local currency projects; appointment of additional staff at the CPSP in order to more closely monitor Title III commodity sales and bank accounts; withholding of disbursements to projects which have been negligent in furnishing all necessary reports; and suggestions for future PL 480 program design.

Two recommendations were not followed and this evaluation report basically reiterates a need for their implementation. The first recommendation concerns the fact that the Secretariat's offical role remains unclear. The Management Committee should assign the Secretariat its roles and responsibilites, as well as the means to carry out those responsibilities.

The second recommendation that was not implemented concerned the establishment of an official Title III per diem policy for Management Committee, Secretariat, and project personnel travel. After discussions with Management Committee members, this report recommends that the best system (i.e. one that

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comes closest to meeting actual expenses without being administratively cumbersome) would be one whereby a flat rate is automatically paid for meals, with reimbursement of hotel expenses upon presentation of a receipt.

A number of developments having potentially significant impact on Title III program implementation have occurred since the last evaluation. These developments include: intensified program monitoring on the part of the Management Committee and USAID; the establishment of modified financial reporting systems for projects; the GOS decision to transfer the CPSP from the Ministry of Commerce to the Ministry of Finance; and substantial commodity sales deposits by the CPSP into the Special Account in March/April 1984.

The net effect of all these developments is that the potential exists to greatly improve program implementation in the near future. However, several outstanding issues must be dealt with before this can occur.

As previously mentioned, the roles and responsibilities of the Secretariat need to be more clearly defined by the Management Committee. Secretariat responsibilities examined by the committee should include: required reports; Program Management budget elaboration procedures; and justification of Program Management expenditures.

In addition, Management Committee decision-making effectiveness can be increased. First, a comprehensive indemnity policy is needed. Secondly, a number of steps can be taken to facilitate communication and information-sharing between the committee and project chiefs. These include: more frequent committee meetings; distribution of Management Committtee meeting minutes to project chiefs; and periodic meetings between the committee and the ensemble of project directors.

Concerning certain administrative procedures, the new financial reporting systems have proven to be effective in facilitating a more thorough monitoring of project expenditures, but some fine-tuning is still needed. The National Contract Adjudication Commission (CNCA) has proven to be a major obstacle to timely implementation of Title III studies and construction activities. The Management Committee should examine both of these areas to see if improvements can be made that will have a favorable impact on program implementation.

E. PROJECT IMPLEMENTATION

Last year's evaluation stated that the overriding reasons for why project implementation was lagging was slow rice sales. Although sales improved somewhat in the latter half of 1983, and the GOS made substantial deposits to the Special Account in March/April 1984, inadequate financing continued to be a major obstacle to project implementation over much of the last 18 months. For a number of projects, it has been estimated that project progress is roughly 18 months to two years behind schedule. However, now that sufficient funds are available, allocations should be made on a more timely basis and there should no longer be serious financial obstacles to project implementation.

Each project has been reviewed in light of:

1. Original project objectives;

2. Project status at the time of the last evaluation (October 1982);

3. Project status at the present time(May 1984) — what objectives have been met, general progress and problems encountered since the 1982 evaluation;

4. Future project objectives from the present time until project completion;

5. Project budget and allocations received; and

6. Summary with recommendations concerning outstanding issues.

F. EVALUATION TEAM MEMBERSHIP

The evaluation team was made up of:
David Kingsbury, USAID/ADO/LC;
Olga Seda Paquéguy, USAID/FFP;
Mamadou Moustapha Thioune, Ministry of Plan and Cooperation, Bureau of Planification.

This effort was greatly aided by the input of several members of the Title III Management Committee: Mamadou Mademba Ndiaye (Ministry of Plan); Ahmadou Badara Sy (Ministry of Plan); and Norman Rifkin (USAID/ADO/LC). In addition, Assane Samb (Title III Secretariat), Don Rassekh (USAID/ADO/LC), Vara Lafoy (USAID/FFP), and the GOS project directors were of great assistance.

SECTION II: PROGRAM OBJECTIVES AND POLICY ANALYSIS

Senegal's Title III Program targets four areas of long term policy reform:

A) Strengthening the role of rural development agencies (RDA's);

B) Strengthening the role of farmer cooperatives;

C) Reviewing (and revising) agricultural pricing and marketing policies;

D) Managing and conserving the country's natural resource base.

Senegal's Plan de Redressement or National Reform Plan deals directly with three (A, B, C) of these targeted reforms:

A) The Plan sought to re-organize national and rural development agencies and thereby decentralize their management, reduce their costs of operations, and increase their efficiency. Whereas the plan has scored some successes, the main instrument of this reform, the Program Performance Contract ("contrat-plan") has not been as effective as hoped in giving clearer definition to the responsibilities of the RDA's and in assuring them the resources they require.

-In 1980, the Government dissolved ONCAD and SONAFOR (the parastatal responsible for rural wells), thus displacing 4,600 employees. At the same time, however, the Government created SONAR as a "light" (700 employees) and "temporary" organization to handle seed and fertilizer distribution.

-SAED (the RDA responsible for development of the Senegal River Basin) has been given greater autonomy as a "société nationale". In addition, SAED itself has decentralized to give officials at the level of the irrigated perimeters more authority. As a result, SAED is realizing greater production at less cost.

-SODEVA, responsible for the Groundnut Basin, has been trimmed back from 1882 workers (in 1979) to 1362 (in 1983).

-The Government has concluded program contracts with some RDA's (SAED, SODEVA and SODEFITEX in Eastern Senegal) but not with others (SOMIVAC in the Casamance). The RDA's are expensive to run, costing an estimated $23 million in operating subsidies in 1982/83, charges which the Government depends heavily upon donor agencies to support.

-Despite the intention declared in the Reform Plan, the Government has not succeeded in clarifying the roles of the various agencies working in rural areas. It has not cut back on overlapping functions performed by the RDA's, SONAR, the centralized ministry services (livestock, agriculture, etc.), and the Rural Expansion Centers (CER's).

B) With regard to strengthening the role of farmer cooperatives, the GOS planned to create and develop village sections within the "cooperatives" to carry out production and marketing operations and to provide an effective system of mutual accountability for the repayment of funds borrowed. The

Government has officially set up the village sections, empowered with the right of direct access to credit. Doubt persists, however, as to the voluntary nature of these new cooperative structures.

-By November 1983, the Government had established nearly all of the 4,400 village sections which it decreed appropriate. For reasons of administrative convenience, however, the Government determined that no section may be smaller than 300 members, and thus may have to include two or more villages. Based on recent experience by IFAD and the Caisse Centrale, there is some doubt that many of the village sections represent the cohesiveness believed necessary if they are to take collective responsibility for the repayment of funds borrowed from the new National Agricultural Credit Fund (CNCAS).

C) Concerning agricultural pricing and marketing policies, the GOS planned to promote food production and stimulate agricultural exports. In fact, although the GOS has raised producer prices across the board, the overall result has been neglible.

-In April 1981, peanut prices rose from 50 CFA/kg to 70 CFA/kg, minus a 10 CFA/kg levy to cover a portion of SONAR's seed distribution costs. Unfortunately, as rains were good in 1981/82 and peanut production rose sharply causing government liabilities to rise, the international price for peanut oil subsequently plunged from $1,042/MT to $585/MT. With no flexibility in the fixed producer price, Senegal's Price Equalization and Stabilization Board (CPSP) was obliged to absorb a $51.5 million deficit over 1981/82 and 1982/83, a debt which was passed on to the national banks.

-In April 1981, the Government also raised the official farm gate prices of millet and sorghum, by 25 percent. In April 1983, official prices rose again by another 10-20 percent for rice, millet, and maize. These moves were negated, however, by two factors: the price to the consumer of imported rice and wheat remained lower than that of domestically produced cereals; and the abolition of ONCAD eliminated any domestic marketing system which had existed for cereals. The government and donors became fully aware of a further point, that if millet is to be marketed in urban areas, it must be tranformed to make it competitive with imported cereals, both in length of shelf-life and in ease of preparation.

-The government ordered an extensive audit of the CPSP, performed by the firm of Arthur Anderson in 1982. Recently, in February 1984, the government placed the CPSP under the Ministry of Finance to ensure tighter financial management and to trim the CPSP's role in handling key agricultural products.

D) With regard to the management and conservation of Senegal's natural resources, the GOS is now in the process of revising its National Forestry Code in order to more rationally develop, maintain, and preserve the natural resource base. GOS planning calls for development of fuelwood, construction wood, and charcoal production, improved management of forestry reserves, dune stabilization, land rehabilitation, and the implantation of windbreaks and fruit trees. A variety of models are to be used including farming systems which will integrate forestry, agricultural production and livestock development. Significant Title III resources, particularly in the fourth tranche, are directly earmarked for dune stabilization, village woodlot development, conservation activities and the refurbishing of national nursery infrastructure.

Relationships between GOS services concerned with forestry and related environmental development are vague and need better definition. The recently created Ministry of the Environment is expected to take the lead in clarifying these relationships to assure rational forestry and conservation development.

SECTION III: COMMODITY ISSUES

A. RICE

At the time of the October 1982 evaluation, the GOS was still holding 11,000 MT out of a total of 13,500 MT of FY 81 rice which had arrived in June/July 1981. Added to this was 24,000 MT from the FY 82 program which arrived just before the evaluation took place for a total of 34,500 MT of Title III rice. This rice was not being bought, even though the wholesale price had been lowered from 179 CFA/kg to 142 CFA/kg in April 1982.

Faced with this dilemma and not wishing to hold Thai rice off the market to force sales of a markedly higher-priced rice, in December 1982 the GOS agreed to lower the price of Title III rice to 110 CFA/kg. Even at this much lower price, Title III rice did not sell quickly. In fact, at the end of August 1983, 20,600 MT of Title III rice were still on hand.

On August 19,1983, the President announced consumer price hikes on a number of commodities, including rice. The official wholesale price of rice went from 85 CFA to 120 CFA/kg. The price of Title III rice was also raised to 120 CFA/kg. The next month, Thai rice was held off the market for about 10 days and 6,725 MT was sold during the month. However, reluctant to continue to hold off the preferred Thai rice any longer, subsequent sales of Title III rice slowed again even though available at the same price as Thai: October - 1,173 MT; November - 308 MT; December - 373 MT.

In January 1984, a review of the situation was made by the Ministry of Finance, resulting in certain decisive measures. These included depositing the full amount required by the Program Agreement, although it meant depositing 83,017,948 CFA ($207,545) over and above the amount received from sales proceeds, and also covering 1,095,000,000 CFA ($ 2,737,500) of ocean freight costs from its own resources. The GOS also decided to speed up sale of the remaining rice (some of which had been in-country 2 and 1/2 years) by tying the purchase of Thai and Title III rice. As a result, the last of the old rice was finally sold at the end of April 1984.

In the meantime, under the FY 83 extension, another 11,058 MT of rice was imported, arriving in October 1983. The only way Senegal will be able to sell this rice even at a 54 CFA/kg loss is again to force sales by tying it to Thai purchases, and this is presently being done.

B. SORGHUM

As part of the FY 83 extension of Title III, 24,608 MT of sorghum was imported, arriving in October 1983. Because of the poor harvests caused by drought this past rainy season, the sorghum has moved quickly, even though it is selling at a break-even price of 85 CFA/kg . Admittedly, one reason that the sorghum went so quickly was the loan of 11,800 MT for emergency distribution as soon as it was put on the market(1). However, even aside from this, the sorghum has sold satisfactorily (January 20 thru February 20 - 8,821 MT; March - 1,626 MT; April - 313 MT).

(1). It is estimated that this credit will be fully paid by the end of September 1984.

SECTION IV: THE SPECIAL ACCOUNT

A. INTRODUCTION

The FY 82 Evaluation reported the slow pace of Title III rice sales, which continued in FY 83. In order to solve the problem, in December 1982 the GOS further reduced the selling price from 142 CFA/kg to 110 CFA/kg. In August 1983, the official wholesale price was raised to 120 CFA/kg, for both Thai and Title III rice. Despite these actions, the rice still did not sell as quickly as expected since consumers still preferred 100% broken rice. In January 1984 the GOS decided to have wholesalers buy a portion of Thai rice and a portion of Title III rice as a prerequisite to their having a rice quota. These two steps helped to dispose of the Title III rice. However, in 1983 CPSP also took a decision to accord credit sale to wholesalers, an action which led to an unforeseen problem: the CPSP has had difficulties in recovering payments from credit sales.

In addition, the CPSP again used Title III sales proceeds (1,095,000,000 CFA) to pay for ocean freight for the third and fourth tranches commodities, although the Second Amendment to the Program Agreement has provisions prohibiting utilization of sales proceeds for purposes other than project allocations. However, the CPSP has started to put these funds back into the Title III Special Account.

It is nevertheless important to note that besides the charges for ocean freight, CPSP had to pay the operational costs for the 2nd, 3rd and 4th tranches. These expenses were included the handling, transfer and storage of commodities, and represent an expenditure absorbed by CPSP. Measures should therefore be taken to reimburse CPSP for these expenses.

B. SALES GENERATIONS

1. First Tranche

As noted in the last evaluation, the first tranche rice was completely sold by the end of CY 1981 and all the proceeds, amounting to 1,431,124,782 CFA, were deposited into the Special Account, thus satisfying the l.c. deposits requirements.

2. Second and Third Tranches

The second and third tranches of rice are expected to generate 4,400,150,702.66 CFA. As of the end of March 1984, total sales generations amounted to 3,918,796,725 CFA, of which 2,198,514,598 CFA were generated by cash sales, 484,358,102 CFA were recovered from credit sales, leaving 1,235,924,025 CFA still to be recovered (see Table IV.A.). The remaining stock of 2,161.274 MT should generate 482,353,957 CFA in order to meet the local currency generations deposits requirements for both tranches.

As discussed above, slow pace of sales forced the CPSP to accept credit terms to wholesalers in order to expedite disposal of the rice, which had been in storage for two and a half years. Although the Second Amendment stipulates that sales proceeds should be deposited into the Special Account fourteen days after the CPSP receives payment, due to the slow trickling in of sales

Table IV.A.: 2nd and 3rd Tranches

Rice Sales Status

	Quantity Sold	CFA Value
(1) Sales from 9/81 to 10/82	2,538.488	372,649,839
11-12/82	493.204	54,901,133
Sales 81/82	3,031.692	427,550,972
(2) 1983 Sales		
January	654.681	71,788,731
February	3,195.936	353,670,039
March	2,105.127	233,634,648
April	1,407.684	154,915,692
May	165.230	18,176,640
June	1,028.848	115,220,192
July	1,906.742	210,456,861
August	2,376.552	271,306,092
September	6,723.933	814,788,836
October	1,173.026	141,777,087
November	308.114	37,654,466
December	373.163	45,254,858
Sales in 1983	21,419.036	2,468,644,142
(3) 1984 Sales:		
January	1,154.333	139,497,128
February	1,712.817	205,489,397
March	3,111.084	375,215,086
Sales thru March	5,978.234	720,201,611
(4) Sales to CSA (credit)	2,700.000	302,400,000
(5) TOTAL SALES THRU MARCH 1984:	33,128.962	3,918,796,725

3. Fourth Tranche

- Rice

The GOS is awaiting complete disposal of second and third tranche rice before starting to sell the 11,000 MT of rice from the fourth tranche. It is expected that second and third tranche rice will be all sold before the end of May 1984.

- Sorghum

The fourth tranche 24,608 MT of sorghum went on sale in January 1984. As indicated in the commodity issue part of the present evaluation, sorghum is selling well. As of the end of March 1984, 10,500 MT sorghum had been sold, generating 872,292,938 CFA. Of this quantity, 4,000 MT were sold on credit to SONADIS, a national distribution agency.

A separate special account has been opened at Citibank for the fourth tranche sales proceeds.

C. LOCAL CURRENCY DEPOSITS

Deposits of sales proceeds into the Title III Special Account are directly linked to the status of rice sales.

1. First Tranche

All l.c. deposit requirements (1,431,124,782 CFA) were deposited in April 1982. This amount was allocated to projects so that the loan offset for the first tranche was totally met.

2. Second Tranche

Although sales from both the second and the third tranches have generated 3,918,796,725 CFA, to date only 2,845,659,875 CFA has been deposited in the Special Account, thus satisfying the l.c. deposit requirement of 1,923,798,427 CFA for the second tranche (see Table IV.B.). The difference (1,073,136,850 CFA) between sales proceeds and the amount actually deposited represents unrecovered payments from credit sales, and a small portion (206,000 CFA) of what the CPSP has to reimburse because they had used it to pay ocean freight.

Table IV.B.: 2nd Tranche L.C. Deposits Into the Special Account

L.C. REQUIREMENTS:		1,923,798,437
L.C. DEPOSITS:		
5 April 82		90,000,000
20 April "		8,200,000
23 June "		20,000,000
24 Aug. "		45,000,000
6 Oct. "		90,000,000
6 April 83		400,000,000
30 Aug. "		50,000,000
31 Aug. "		50,000,000
16 Nov. "		106,617,812
23 Dec. "		64,986,002
	Cumulative total end 83	924,803,814
18 Jan. 84		1,774,992
19 Jan. "		2,108,702
20 Jan. "		7,923,500
24 Jan. "		1,864,890
26 Jan. "		10,265,334
	Cumulative total JAN	948,741,232
29 Feb. 84		4,000,000
	Cumulative total end FEB	952,741,232
1 Mar. 84		38,000,000
2 Mar "		490,000,000
5 Mar. 4		1,200,000
7 Mar. 84		13,000,000
9 Mar. "		10,000,000
28 Mar. "		418,857,205
	CUMULATIVE TOTAL	1,923,798,437

3. Third Tranche

The l.c. deposit requirement for the third tranche is 2,476,352,265 CFA. Of this amount, 921,861,438 CFA has been deposited into the Special Account, leaving a balance due of 1,554,490,827 CFA. It is clear that deposits started to be counted against the third tranche requirements only when all requirements of the second tranche had been satisfied.

Table IV.C.: 3rd Tranche L.C. Deposits Into the Special Account

L.C. REQUIREMENTS:	2,476,352,265
L.C. DEPOSITS:	
28 Mar. 84	81,142,795
2 Apr. "	494,911,138
12 Apr. "	30,00,000
16 Apr. "	11,000,000
17 Apr. "	23,100,000
20 Apr. "	105,707,505
25 Apr. "	159,000,000
26 Apr. "	17,000,000
CUMULATIVE DEPOSITS	921,861,438
BALANCE DUE INTO SPECIAL ACCOUNT	1,554,490,827

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4. Fourth Tranche

- Rice

As indicated previously, the GOS has not started selling the fourth tranche rice yet, waiting for the second and third tranche stocks to be depleted, in order to avoid a confusion in accounting.

- Sorghum

Of the 872,292,938 CFA generated from the sales of sorghum (see Table IV.D.), 538,292,938 CFA were generated by cash sales of which 463,174,500 CFA have been deposited in the Title III Special Account at USB and are in the process of being transferred to the fourth tranche Special Account opened at Citibank. The 334,000,000 CFA generated by credit sales to SONADIS is still to be recovered.

Table IV.D.: 4th Tranche Sales - Sorghum

	Quantity Sold	CFA Value
20 Jan. thru 20 Feb. 1984	4,820.628	402,521,938
	4,000.000	334,000,000
March 1984	1,626.000	135,771,000
Total sales thru March 1984	10,446.628	872,292,938

SECTION V: PROGRAM MANAGEMENT

A. INTRODUCTION

The purpose of this section is threefold. It will first examine management-related recommendations that were made by the last evaluation team and how successful the GOS and USAID have been in carrying them out. Secondly, significant developments over the last 18 months that have not been mentioned in the context of last year's recommendations will be discussed. Lastly, we will identify outstanding issues that have arisen since the last evaluation and propose recommendations that if accepted by the GOS and USAID, may aid in resolving those issues, thus contributing to improved program implementation.

The information presented in this section has been gleaned primarily from interviews with Title III Management Committee members, the Title III Executive Secretary, GOS and USAID project managers, and review of relevant documents.

B. REVIEW OF RECOMMENDATIONS FROM THE 1982 EVALUATION REPORT

The 1982 evaluation presented a total of 13 recommendations. Six of these recommendations dealt directly with management issues and an additional three dealt with future program design. These nine recommendations will be discussed here.

1. Recommendation 5

The evaluation team recommended that the Management Committee establish life of project CFA budgets based on budget submissions from each project manager. These budgets were set at a December 1982 Management Committee meeting.

2. Recommendation 6

This recommendation was concerned with the procedures for plannning and reporting dollar expenditures for local currency projects. The only project for which this was an issue was the Agricultural Policy studies being implemented by Princeton University and the Ministry of Plan. Procedures identified by the evaluation team were instituted shortly after the evaluation.

3. Recommendation 8

The evaluation team recommended that the Management Committee officially assign to the Secretariat its duties and responsibilities and provide the Secretariat with the authority to make routine expenditures.

In June 1983, the Management Committee accepted a modified form of this recommendation: "It is recommended that the Management Committee study practical means to render the Secretariat more efficient in the execution of those tasks which have devolved upon it"(1).

Although these issues have been discussed at Management Committee meetings, the Secretariat has not been officially assigned its role and remains unable to make routine expenditures without prior written approval from the Bureau of

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Debt and Investment. The reasons for this are unclear, but it is hoped that with the recent appointment of a new director of Debts and Investments, progress can be made on this recommendation.

Very recently (May 9,1984), a document which outlined procedures to be followed for proper administrative and financial monitoring by the Secretariat was distributed to members of the Management Committee by the Bureau of Debt and Investment. It is expected that additional documents which aim to clarify the role of the Secretariat will be elaborated for review and adoption by the Management Committee.

4. Recommendation 9

The evaluation team proposed that the GOS appoint additional staff to the CPSP in order to follow Title III commodity sales and bank account status. In June 1983, a CPSP agent was officially designated to follow the Title III program .

5. Recommendation 10

It was recommended that the Title III Agreement be amended in order to permit Management Committee members and Secretariat staff to be reimbursed by the management budget for actual travel costs for Title III-related missions.

This recommendation has not been implemented due to uncertainty on the part of Committee members as to whether they could adopt a position that is not in accordance with official GOS policy concerning per diem, and due to an inability to agree on what formula to use in determining actual costs.

The GOS recently adopted a new per diem policy that sets a sliding scale rate (from 3500-6000/CFA/day) depending on the budget level for which the project manager is responsible. However, this formula still does not come close to meeting actual costs if one stays in a hotel.

It now appears that the Management Committee may propose a formula whereby a flat rate would be paid for meals and reimbursement of hotel expenses would be paid upon presentation of a receipt. If accepted by the Ministry of Finance, this policy would also apply to Title III project personnel when they travel.

6. Recommendation 11

Due to irregular reporting by project managers, the evaluation team proposed that projects that have not submitted all necessary reports receive no additional allocations until reports are submitted and expenses justified.

In 1983, reporting by project chiefs continued to be sporadic. This led the Management Committee to review existing reporting systems and to instruct project chiefs to submit to the Secretariat justifications of all past expenses and revised estimates of future budgets. From March-May 1984, funds were actually withheld from one institution (ISRA) on the condition that justification of past expenses and more comprehensive budgets be provided.

Although reporting has improved, constant vigilance on the part of the Management Committee, the Secretariat, and USAID will continue to be needed.

7. Recommendations 7, 12, and 13

These recommendations dealt with future program planning. The evaluation team proposed that no further PL 480 agreements be authorized until it was demonstrated that second and third tranche rice was selling at a reasonable pace. It was also recommended that if broken rice was available that a one-year PL 480 program (either Title I or Title III) be negotiated. Any future agreements should consider the financing of projects that were of high priority in the context of Senegal's Economic Recovery Program as well as expanding then-existing Title III projects and studies.

In early 1983, the GOS and USAID jointly decided to request a one-year extension of the current Title III program. When it was learned that 100% brokens would not be available, the GOS demonstrated interest in a program including sorghum. As a result, a one-year $8 million half-rice, half-sorghum program was submitted to AID Washington (later reduced by Washington to $7 million). This program included extensions of the ISRA and Princeton Agricultural Policy studies, the Dune Stabilization, Millet Transformation, and ENEA projects, as well as additional activities: environmental and hydrogeological studies; forestry and conservation activities; and rural development projects (2). The inclusion of several forestry and conservation projects reflected the GOS' increasing awareness and concern that agricultural development activities can not be led independently of efforts to rehabilite and protect the natural resource base.

C. SIGNIFICANT PROGRAM MANAGEMENT DEVELOPMENTS SINCE JANUARY 1983

A number of developments having potentially significant inpact on Title III program implementation have occurred since the last evaluation. These developments include: intensified program monitoring on the part of the Management Committee and USAID; the establishment of modified financial reporting systems for projects; the GOS decision to transfer the CPSP from the Ministry of Commerce to the Ministry of Finance; and substantial commodity sales deposits by the CPSP into the Special Account in March/April 1984.

1. Intensified Program Monitoring

It is fair to say that the Management Committee has taken a more active role in overseeing the Title III program since the last evaluation. The Committee has met a total of 12 times in the last 18 months, and informal communication between members is constant. Decisions by the committee to request detailed justifications of past expenditures, new budgets, and insistence on stricter financial control have aided in tightening up program management.

USAID's program monitoring capabilities have also been reinforced. At the time of the last evaluation, USAID monitoring consisted of part-time follow-up by the deputy agricultural development officer and by project managers.

In January 1983, a Non-Project Assistance Division of the Agricultural Development Office was created. It was originally staffed by a division coordinator and his assistant (3) who arrived in January 1983 and November 1982 respectively. In October 1983 an additional assistant was hired (4). The ADO Non-Project Assistance Division monitors primarily Title III (in collaboration with the Food for Peace Officer), but also follows the Agricultural Development Assistance and Economic Support Fund programs.

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2. New Financial Reporting Systems

In March 1984, the Management Committee instructed GOS project directors to give a full accounting of past expenses charged to their Title III accounts as well as updated annual budgets. For the most part, this process is finished.

A new monthly financial reporting system was also launched. Due to the irregularity of allocations, project chiefs would often submit justifications and receipts sporadically to the Secretariat. Often this resulted in the Executive Secretary being forced to go through large piles of receipts that were only submitted when a new allocation was imminent. This occasionally resulted in delays in disbursement of funds and in inefficient identification of disallowable expenditures.

With the new system, project chiefs must submit several short reports to the Secretariat every month identifying expenditures by budget category and reconciling them against bank statements and the quarterly budget plan (formulaire III). It is hoped that the regularization of the financial review process will greatly improve financial monitoring of Title III projects.

As mentioned earlier in this section, constant vigilance on the part of the Management Committee, the Secretariat and USAID will be required in order to ensure that this system is respected. Projects that are delinquent in following these procedures should not receive additional disbursements until they have submitted the required documentation.

3. Transfer of the CPSP

In February 1984, responsibility for supervision of the CPSP was transfered from the Ministry of Commerce to the Ministry of Finance. As mentioned in the policy section of this report, this was done to ensure tighter financial management of the CPSP by the ministry that would eventually be called upon to make up any deficits incurred.

In the context of Title III, this was a very positive development. Before the transfer, the Ministry of Finance had very little leverage in requesting the CPSP to abide by the Program Agreement. Now, the Ministry of Finance instructs and the CPSP executes.

4. Substantial Deposits to the Special Account

In a series of meetings held in March 1984 the Ministry of Finance instructed the CPSP to deposit into the Special Account those sums necessary to meet loan forgiveness requirements for the second tranche and fully fund those projects to be financed by second and third tranche proceeds.

As a result, in the months of March and April alone, a total of 1,892,000,000 CFA (6-8 million dollars) was deposited into the Special Account. The Management Committee is now in the position of having a substantial reserve of funds that can be allocated in a timely and organized fashion. As originally conceived, the Management Committee was to make allocations on a quarterly basis. Now the committee will finally be able to do this. More than anything else, the presence of sufficient funds should contribute significantly to the effectiveness of program implementation.

It is important to note that the total deposit requirement to the Special Account for the first thru third tranches is 5,831,275,485 CFA. However in order to fully fund projects earmarked for this financing, a total of only 4,834,281,500 CFA is necessary. Thus when total deposit requirements are met, there will be a one billion CFA surplus in the Special Account. The GOS and USAID are currently engaged in the process of identifying ways in which this money can be utilized.

D. OUTSTANDING ISSUES AND RECOMMENDATIONS

As mentioned earlier in this section, last year's evaluation recommend that the Secretariat's role was in need of official clarification. This remains the case. Thus it is recommended that the Management Committee officially assign the Secretariat its roles and responsibilities. The document detailing these responsibilities should be widely circulated so that all concerned parties know what these responsibilities are.

The original Program Agreement specifies the following:

> "The Management Commission will be supported by a full-time Secretariat which will be responsible for preparing periodic and special reports; draft the annual report; approve evaluation systems for each project; assist in the implementation of the evaluation systems; and other duties as delegated by the Management Commission."(5)

While the Secretariat is involved in approving and implementing evaluation systems for projects (i.e. quarterly progress reports and monthly financial reports) and in several other activities, the Secretariat is not adequately involved in the preparation of periodic and annual reports; nor in the preparation of the Program Management budget. It is recommended that the Management Committee identify those reports that should be prepared for review by the committee. It would be most logical if the reporting procedures followed by the Secretariat were similar to those currently being followed by the project directors (i.e. quarterly project implementation reports and monthly financial reports for justifying expenses).

Moreover, it would be advisable that the Secretariat formulate a yearly Program Management budget for clearance by the Bureau of Debt and Investment and approval by the Management Committee. Allocation and disbursement decisions to Program Management should be made using the same criteria as for projects(i.e. all reports should be in order, with justification of 80% of expenditures before disbursement).

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Finally an annual program report should be drafted by the Secretariat for approval by the Management Committee. This comprehensive report should examine:

> "...progress achieved under the program, including a comparison of results with projected targets, a description of how commodities were used, an accounting for funds generated and their uses, and the outstanding balances at the end of the most recent (USG) fiscal year."(6)

2. Management Committee Decision-Making

There are several areas where the Management Committe has either not made decisions that need to be made, or has made decisions and not formally contacted project chiefs in an expeditious manner.

As mentioned earlier, the committee has been unable to decide upon a comprehensive indemnity policy for Management Committee members and project personnel. This not only concerns per diem rates for travel but indemnities for responsibility, housing, etc. It is evident from discussions with project personnel and Management Committee members that there is need for establishment of a comprehensive indemnity policy for the Title III program. It appears that the previously-mentioned proposition to fix flat rates for meals, and reimbursement of hotel expenses upon presentation of receipts is reasonable. Following the new GOS policy for all other indemnities also seems reasonable. Thus it is recommended that the Management Committee formulate a comprehensive indemnity policy proposal for the Title III program for review and approval by the Ministry of Finance.

On the whole, the Management Committee has communicated effectively with project directors and most decisions have been arrived at quickly and efficiently. However, a number of project chiefs felt that certain key committee decisions either reached them in an informal fashion or were greatly delayed in reaching them officially. For example, the ITA project chief claimed that it was decided by the Committee in March 1983 to increase the Millet Transformation budget by 70,000,000 CFA. However no official communication arrived at ITA until October, thus making it difficult for ITA to determine what the official budget actually was.

Management Committee members themselves suggested three ways to render decision-making more efficient and communication between the Committee and project heads clearer. We fully concur with these proposals.

a. More frequent committee meetings: It was suggested that dates be automatically fixed for committee meetings and that they occur more frequently. The committee president felt that if meetings were held twice a month, this would serve to address problems in a more expeditious fashion. Meetings would be shorter and if members occasionally decided that there were no outstanding issues to be discussed, the committee would simply wait another two weeks before meeting again.

b. Distribution of minutes: At present, committee meeting minutes are only distributed to members of the committee and observers. It was suggested that they also be distributed to project chiefs. In this way, all concerned parties will be consistently informed of decisions arrived upon at committee meetings.

c. Meetings between the Management Committee and project directors: In order to increase first-hand contact between committee members and project chiefs, periodic meetings (semi-annually or more frequently) should be held to which committee members and all project directors are invited. The purpose of such meetings would be for the participants to discuss ways to improve program and project implementation. Participants would discuss problems with the aim of finding concrete solutions in order to increase the effectiveness of the program.

3. New Financial Reporting Systems

The new financial reporting procedures whereby monthly justifications are required will greatly improve the ability of the Secretariat to monitor project expenditures. However, with any new system, there are always minor adjustments to be made. One project chief pointed out that the previous policy of justifying expenses to the 80% level before receiving additional funds could conflict with monthly justifications. For example, if a disbursement was possible on May 15 and justifications had been received at the Secretariat through the end of April, it could be possible that those justifications totalled less than 80% of the previous disbursement (because more than 20% could have been spent between May 1-15). Even though the project chief was following the new monthly policy, he would be ineligible for a disbursement because of the 80% rule.

In discussions with the Secretariat, a proposal was arrived upon that should remedy this situation. Both expenditure justification procedures should be retained. Project directors should continue to submit monthly justifications. However, when the moment arrives that the Management Committee decides to allocate funds to a project, the project director should still submit justifications to the 80% level, even if this means justifying expenses during a month that is not yet finished. This should ensure that acceptable expenditure levels are fully justified before making new disbursements, while not slowing disbursements significantly.

A document detailing procedures for disbursement of funds to projects should be drafted for approval by the Management Committee. It should then be circulated to GOS project managers so that they are fully aware of these procedures.

4. Contracting Procedures Under Title III

In discussions with a number of project chiefs, it became apparent that GOS procedures concerning invitations for bids and contracting was a major obstacle to timely project implementation. The only project that had no such problem was ENEA. ITA, ISRA, and Dune Stabilization had all experienced significant delays in getting approval from the National Contract Administration Commission (CNCA) for the awarding of study and construction contracts. These delays have ranged from six months to two years. Last year's evaluation claimed that priority review and approval had been set up for Title III-related contracts. Because contracting will continue to be an important element of a number of projects in the near future (ISRA Decentrlization, ITA, Dune Stabilization, and the Hydrogeological study), it would behoove the Management Committee to reexamine this question in order to determine if contracting procedures could be accelerated while at the same time respecting GOS rules and regulations.

E. CONCLUSIONS

In summary, it appears that the potential exists to greatly improve program implementation in the immediate future. Now that significant funds are available, it appears that Title III can serve Senegal as a viable resource for financing development projects. This is a claim that could not be made as recently as six months ago.

With increased resources, the Management Committee's obligation to develop comprehensive procedures for program monitoring which are fair and efficient has also increased. It appears that the Management Committee has taken significant steps in this direction. It is hoped that acceptance of the recommendations detailed in this section will aid the Management Committee in more effectively implementing the Title III program.

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1. Author's translation of a letter addressed to the Director of USAID from the Minister of Plan and Cooperation, June 25,1983 (3072/MPC/DFP/PL).
2. See Briefing Document for Title III Extension Projects (FY 84), USAID Senegal, September 1983.
3. Norman Rifkin and Don Rassekh
4. David Kingsbury
5. Program Agreement PL 480 Title III, May 16 1980, Annex B, Item IV A.I.
6. Title III Guidance Message, AID Washington, October 7 1982, p. 20.

SECTION VI: PROJECT IMPLEMENTATION

A. OVERVIEW

Last year's evaluation stated that the overriding reason for why project implementation was lagging was slow rice sales. Although sales improved somewhat in the latter half of 1983, and the GOS deposited substantial sums to the Special Account in March/April 1984, scarcity of funds continued to block project implementation over much of the last 18 months. A February 1984 letter from the Director of USAID to the Minister of Finance detailed the impact of slow generation of rice proceeds on project implementation. For those projects most severaly affected (ENEA, Dune Stabilization, Cooperative Storage), it was estimated that project progress was roughly 18 months to two years behind schedule.

Now that substantial resources are available, it is hoped that allocations can be made on a more timely basis and in sufficient sums so as not to impair project implementation.

Project budgets and allocations through May 1984 are detailed in Table VI.A.

The methodology for examining project inplementation was based on the following:

1. Individual meetings with each project chief, relevant personnel, and the appropriate USAID project monitors. The purpose of these meetings were to:
   a. compare originally projected targets with actual achievement of objectives;
   b. identify and examine problems and successes encountered in the course of project implementation;
   c. reach a consensus on future project objectives; and
   d. analyze continuing constraints to effective project implementation with an eye towards formulating recommendations for acceptance by project chiefs and Management Committee.

2. Review of relevant documents and project reports;

3. Visits to project sites.

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TABLE VI.A.: BUDGET ALLOCATIONS TO TITLE III PROJECTS
May 1984

PROJECTS*	BUDGET (CFA)	ALLOCATED	%	REMAINDER
ISRA-Ag.Policy Studies	150,000,000	150,000,000	100	0
Princeton Ag.Policy Studies	129,000,000**	169,000,000	131	0
ISRA Decentralization	1,000,000,000	298,400,000	30	701,600,000
Cooperative Storage	1,100,000,000	488,970,000	44	611,030,000
Dune Stabilization	1,400,000,000	657,200,000	47	742,800,000
OFADEC	181,961,500	158,000,000	87	23,961,500
Millet Transformation	130,320,000	100,000,000	77	30,320,000
ENCR	82,000,000	82,000,000	100	0
ENEA	515,000,000	515,000,000	100	0
Caritas	14,000,000	14,000,000	100	0
Program Management	80,000.000	80,000,000	100	0
Total	4,882,281,500	2,712,570,000	56	2,129,711,500

- The total deposit requirement to the Special Account for the first thru third tranches is 5,831,275,484 CFA.

* Does not include Cooperative Training (45,000,000 CFA) which has not received funds, nor Diourbel Village Woodlots (685-0247) which received 7,000,000 CFA in August 1983.

** The Princeton budget is based on dollars, and not CFA. The actual amount is 521,000 dollars.

DECENTRALIZATION OF RESEARCH - ISRA

A. OBJECTIVES

The 1979 Economic Recovery Plan (Plan de Redressement) cited decentralization of agricultural research as one of its priorities in the agricultural sector. Since that time, ISRA and the donors have begun work on establishing or improving the physical and human resource infrastructure at six research centers in each of Senegal's distinct agroclimatic zones.

This Title III activity is composed of three elements: construction and renovation of laboratories and researcher housing in the regions; purchase of equipment for these facilities; and operating costs for research undertaken by ISRA's Production Systems Department and Macro-Economic Unit. Title III funds complement construction under the $19.5 million World Bank decentralization project, and research financed under the USAID Casamance Integrated Rural Development project (685-0205) and the Agricultural Research and Planning project (685-0223).

B. PROJECT STATUS - OCTOBER 1982

At the time of last year's evaluation, no construction work had yet begun due to contracting delays and GOS inability to furnish counterpart funds required prior to disbursement by the World Bank. Some equipment had been purchased for the research stations. Farming systems research had been begun in March 1982, and none of the MSU Macro-Economic Unit personnel had yet arrived in Senegal.

C. PROJECT STATUS - MAY 1984

Concerning research, a number of activities have gotten fully underway since the last evaluation. The Lower Casamance Farming Systems Research team completed its second full season of research and published a detailed report on farming systems in the Lower Casamance for the 1982-83 season. In addition, FSR teams are now complete in the Senegal River Basin and the Sine Saloum.

In order to make research more immediately applicable to farmer needs, research protocols are being negotiated between ISRA and the RDA's. In the Lower Casamance, ISRA and SOMIVAC have been working together since 1982. An accord was signed with SODEFITEX (in Eastern Senegal) in 1983 and a second one is now being negotiated. At present, agreements are being negotiated between ISRA and SODEVA in the Groundnut Basin, and SAED in the Senegal River Basin. It is expected that the SODEVA and SAED agreements will be finalized this year.

In 1983, the Macro-Economic Unit was reinforced with the arrival of two MSU economists. ISRA and the GOS are currently reviewing a proposed three-year work plan (1984-86) which seeks to prioritize research activities to be undertaken by the MEU.

Perhaps most importantly, 8 of the 24 U.S.-trained ISRA researchers returned to Senegal since the last evaluation. Researchers are being trained in economics, rural sociology, zoology and livestock science, agronomy, soil science, entomology, and computer science. 19 of the 24 researchers should have returned to ISRA by June 1985.

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Construction activities have still not begun. This is largely due to contracting delays and GOS inability to satisfy World Bank conditions precedent to disbursement. These conditions were met in May 1983 and ISRA is now ready to begin construction.

It should be noted that in March 1984 the Title III Management Committee decided not to allocate funds to the Decentralization project until ISRA gave a full accounting of past expenses and submitted a detailed budget against which future expenses could be justified. This process has been an arduous one but the Management Committee now seems satisfied that ISRA has improved its performance: a detailed accounting of past expenses for the Decentralization project and the Agricultural Policy studies is near completion, and a viable budget has been submitted for ISRA's fourth tranche budget.

D. BUDGET

The total budget for this project is 1,000,000,000 CFA. To date, only 298,400,000 CFA has been disbursed. The breakdown of allocations follows:

DATE	AMOUNT (CFA)
October 1982 (cumulative)	193,400,000
March 1983	50,000,000
June 1983	15,000,000
August 1983	15,000,000
November 1983	25,000,000
TOTAL	298,400,000

Of the remaining 700,000,000 CFA, approximately 500,000,000 CFA will be needed for construction. ISRA has not yet indicated how they will divide the remaining 200,000,000 CFA between equipment and operating costs.

E. FUTURE PROJECT OBJECTIVES

ISRA has submitted detailed 1984 work plans for Production Systems Department and Macro-Economic Unit activities throughout Senegal. Activities include: farming systems research in the Lower Casamance, Senegal River Basin, and the Sine Saloum; marketing studies on cereals in the Groundnut Basin and Senegal River Basin, livestock in the Ferlo, and vegetables in the Niayes; and research on themes such as improved irrigation and post-harvest technologies, alternative energy sources, livestock breeding and treatment of diseases, anti-salinization technology, and agroclimatology.

Construction should also begin shortly. Contracts have been signed for the construction of offices and laboratories in Tambacounda and Velingara, and lodgings in Tambacounda (4), St-Louis (2), Kolda (4), Dahra (5) and Djibelor (1). Another contract for eight lodgings in St-Louis is currently being formulated and it is projected that all Title III and World Bank construction should be finished by mid-1986.

F. SUMMARY AND RECOMMENDATIONS

After discussions with the project director and field researchers at Djibelor, we were very impressed with the farming systems orientation taken by ISRA and with those efforts that have been undetaken to more closely link research with

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extension. Increased dialogue between ISRA and the RDAs is to be encouraged. It is also our opinion that the training component of the Agricultural Research and Planning Project is a potentially valuable contribution in building the long-term capability of ISRA to do agricultural and economic research.

Despite past problems with weak financed management, it appears that ISRA has made a significant effort to account for past expenses and to establish budgets against which expenses can be justified. The Management Committee should continue to encourage this process.

Concerning budgets, ISRA should submit a budget to the Management Committee for the remaining 700,000,000 CFA. Because reliable figures already exist for the construction component, a budget for construction should be submitted immediately. When reliable figures for the remaining 200,000,000 CFA exist (equipment purchase and operating costs), ISRA should submit these budgets as a basis upon which the Management Committee can determine allocations.

ISRA - AGRICULTURAL POLICY STUDIES

A. OBJECTIVES

This project consists of two studies (one on pricing policy for cereals and the other on marketing policy for cereals) and operating costs for ISRA research. The studies were to first review existing literature in their respective fields and identify areas where further research was needed, and then to develop, test, and improve computer models which would aid government decision-makers to better understand pricing and market structures in Senegal. As noted in the last evaluation, both studies were contracted to SONED (a local consulting firm) in May 1982 for a value of 94,700,000 CFA.

B. PROJECT STATUS-OCTOBER 1982

At the time of the last evaluation, ISRA was completing its cereals production surveys for the marketing study, SONED was working in a preliminary report of Price Policy study findings, and entering the pricing model and cereals price and production data into the computer. In addition, the evaluation team noted that ISRA lacked the technical personnel necessary in order to effectively oversee the policy studies.

C. PROJECT STATUS - MAY 1984

The report on Traditional Cereals Markets was submitted by SONED in August 1983 (10 weeks late) and the initial price policy model was operational as of May 1983. Other reports (design of an interregional grain trade model, testing and improvement of the initial pricing model) were scheduled to be completed in the last quarter of 1983, but to date have not been submitted to ISRA.

The study on Traditional Cereals Markets has been judged inadequate by ISRA. According to the project director, original terms of reference were overly ambitious and impossible to carry out, sampling data is too scanty to have any

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statistical validity, and ISRA did not have the technical expertise necessary to adequately supervise the SONED studies (the first Dakar-based MSU economist did not arrive until July 1983).

Concerning the pricing model, data is based on information from 1973-74. ISRA has requested that SONED update this data to incorporate elasticity and demand curves for 1983.

D. BUDGET

ISRA has received the full 150,000,000 CFA budgeted for agricultural policy studies. ISRA is holding up payment of a portion of the SONED money until various technical problems with the studies are cleared up. A breakdown of project allocation is presented below:

DATE	AMOUNT (CFA)
October 1982 (cumulative)	43,000,000
December 1982	20,000,000
March 1983	50,000,000
June 1983	10,000,000
August 1983	10,000,000
November 1983	5,000,000
March 1984	12,000,000
TOTAL	150,000,000

E. FUTURE PROJECT OBJECTIVES

ISRA and SONED are currently discussing ways in which these studies can be improved so that they can be of some use to researchers and GOS policy makers. New project objectives will result from this on-going dialogue.

It should be mentioned that the Macro-Economic Unit and Production Systems Department at ISRA are either currently undertaking or are planning to implement marketing studies for specific crops in several regions of Senegal (cereals in the Groundnut Basin, Casamance, and Senegal River Basin, vegetables in the Niayes). Now that the MSU team is fully in place and U.S.-trained Senegalese researchers are returning to ISRA (4 of the 24 trainees are agricultural economists), ISRA should have the technical capacity to more effectively supervise and implement agricultural policy studies.

F. SUMMARY AND RECOMMENDATIONS

While it is unfortunate that these studies have not yet yielded the benefits that were hoped for, it is encouraging that ISRA's capacity to formulate, implement, and review economic research is being reinforced. The experience of performing marketing studies in several regions of Senegal should provide ISRA personnel with valuable research experience, and should aid GOS policy makers and rural development agents in making more rational decisions concerning investment in the agricultural sector.

Concerning the Title III funded studies, it is recommended that the Management Committee explore with ISRA and SONED ways to valorize those studies that have already been done, or find alternative studies that can be financed with the remaining money.

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AGRICULTURAL POLICY STUDIES - PRINCETON UNIVERSITY AND THE MINISTRY OF PLAN AND COOPERATION

A. OBJECTIVES

This project is a collaborative effort between Princeton University and the Ministry of Plan and Cooperation. The research is designed to study GOS agricultural development policy and strategies with an emphasis on demonstrating to the GOS how to evaluate the factors of risk and uncertainty when selecting policy and investment options.

Specific topics to be examined, in addition to the implications of uncertainty on development policy decisions, include: the impact of various development strategies on the balance of payments and macroeconomic policies; donors' objectives; the evolution of agricultural production in the Groundnut Basin and the role of SODEVA; past agricultural strategies and their effect on credit and marketing institutions; and the nature and role of rural credit and cooperative organization under the current reforms.

B. PROJECT STATUS-OCTOBER 1982

As of the last evaluation, several researchers had made trips to Senegal in order to gather information for their research. It was envisaged that first drafts of the papers (in English) would be available by the summer of 1983 and that final papers would be completed by September 1984.

C. PROJECT STATUS-MAY 1984

The following papers have been circulated in English and translated into French:

"Agriculture and Risk: An Overview of Some Issues Facing the Senegalese Economy," Stiglitz;

"Small Countries in Monetary Unions" The Case of Senegal," deMacedo;

"Formal and Informal Financial Markets in Rural Senegal," Tuck;

"Agro-Industrial Processing and Agricultural Pricing Under Undertainty: Senegalese Groundnuts," Gersowitz;

"Senegal's Cooperative Experience, 1907-1960," Tignor;

"Dimensions of State Intervention in the Groundnut Basin," Waterbury;

"The Senegalese Peasant: How Good is our Conventional Wisdom?," Waterbury;

"Agreegate Uncertainty in the Senegalese Economy," Gersowitz;

"Circulaire 32 Revisited: The Senegalese Cooperative Experience, 1960-1983," Gellar.

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"Rural Development Policy and Peasant Survival Strategies" (Gellar) exists in English but has not yet been translated. The following two papers have summaries in English but are not yet complete:

"AID, Aid Donors and Senegalese Agriculture," Lewis; and

"Consumption Risks and Migration as an Economic Strategy in Senegal," Montgomery.

Another researcher , Jammeh ("Non-Market Constraints on Policy Choice") is currently gathering information in Senegal.

In October 1983, six of the ten Princeton researchers come to Senegal in order to receive feedback from USAID personnel during a two-day conference. Another conference was planned for March 1984 during which Senegalese experts would critique first drafts. Due to lack of Title III funds, the conference was cancelled. Since that time, Princeton and the Ministry of Plan have been examining alternate ways for Senegalese experts to provide input.

In discussions with the Senegalese project manager, a number of problems were discussed. The difficulty of accounting for dollar expenses and monitoring a U.S.-based project, the lack of Senegalese participation in the original design and actual research activities, and the general sentiment that this is a USAID initiative, and not a GOS project, were all mentioned by the GOS project manager as constraints blocking the effectiveness of this activity.

Concerning the difficulty of accounting for dollar expenses, last year's evaluation recommended that dollar expenditures be expressed in CFA terms by using the exchange rate on the date of transaction, and that the Management Committee periodically revise the Princeton budget to reflect exchange rate fluctuations. Although this has been done (the project accountant and the USAID Title III Financial Manager have worked together on the exchange rate problem and the Title III Management Committee voted additional funds from the Fourth Tranche for Princeton), financial monitoring has taken up an inordinate amount of time.

As for Senegalese participation, several study proposals were submitted for consideration. However, Princeton and the Ministry of Plan agreed that the proposals were either two broad in scope or otherwise poorly defined. The Ministry of Plan is currently examining the possibility of identifying experts who would critique individual papers and receive remuneration for eventual publication of the critiques.

D. BUDGET

The original budget was $464,000. In early 1984 it was revised upwards to $521,000 to reflect unanticipated expenses. CFA allotments to the project are detailed below:

DATE	AMOUNT (CFA)
October 1982 (cumulative)	17,000,000
March 1983	60,000,000
November 1983	15,000,000
March 1984	62,000,000
May 1984	15,000,000
TOTAL	169,000,000

This sum represents approximately $464,000. Thus $61,000 or roughly 26,000,000 CFA (assuming an exchange rate of 425 CFA/dollar) remains to be disbursed to Princeton.

E. FUTURE PROJECT OBJECTIVES

Several activities remain before project completion:

1. Distribution by the Ministry of Plan of French versions to appropriate experts;

2. Formulation and implementation of a plan by the Ministry and Princeton for critiquing of these papers;

3. Finalization of reports in English and French by Princeton researchers;

4. Publication and distribution of a final study volume.

Hopefully this can all be achieved before the end of 1984.

F. SUMMARY AND RECOMMENDATIONS

In the immediate future, priority should be placed on developing a plan for the distribution and critiquing of the reports by Senegalese experts. The procedures for doing this should be agreed upon between the Ministry of Plan, Princeton, and USAID. This should aid in improving the quality of the studies as well as in increasing Senegalese participation in the project.

The Senegalese project manager had one suggestion that we felt was valid. He expressed the belief that it would be more proper for Princeton to address letters directly to the Ministry of Plan with a copy to USAID: in the past the opposite has been the case.

The Princeton studies have highlighted the complexity of funding dollar activities with local currency. In the future, the use of Title III funds for dollar expenses should be avoided whenever possible.

ENEA

A. OBJECTIVES

This project was designed to support the training of sufficient numbers of middle-level technicians to staff GOS rural development agencies and technical and administrative services by constructing and renovating facilities, and purchasing equipment.

The National School for Applied Economics (ENEA) trains rural cadres in land use planning, animation, cooperative administration, planning, statistics and practical intermediate-level education. ENEA has graduated about 900 development technicians, 84 percent of whom have continued in the government agencies for which they were trained.

ENEA is presently staffed by 18 full-time-professors, 80 percent of whom have university or post-graduate qualifications and half of whom are Senegalese. Under the Rural Management Training project (685-0256), a substantial three year grant has been given to ENEA for staff development in conjunction with Texas Tech. University.

Concerning Title III funding, the following activities were planned for ENEA:

- Construction of 7 dormitories (with a capacity for housing 200 students);

- Construction of a teaching unit (with amphitheater and library);

- Construction of a conference room and a student lounge;

- Renovation of one dormitory, two teaching units, and one administrative building.

B. PROJECT STATUS-OCTOBER 1982

At the time of the last evaluation, it was estimated that work was approximately 90% completed. All that remained were various finishing touches such as wiring, painting and installation of plumbing fixtures.

C. PROJECT STATUS-MAY 1984

Since the last evaluation, very little progress has been made. This is due solely to lack of funds due to slow sales of Title III rice. The ENEA director indicated that if funds had been in place from the beginning, the project would have been completed by mid-1982. Moreover, the project has been considerably more expensive due to inflation.

D. BUDGET

The original project budget was $1,640,000. The Second Amendment raised this to $2,201,000 or 515,000,000 CFA. As of March 1984, all of this money had been allocated to ENEA. The breakdown is as follows:

DATE	AMOUNT (CFA)
October 1982 (cumulative)	332,191,000
December 1982	20,000,000
March 1983	100,000,000
June 1983	25,000,000
August 1983	10,000,000
November 1983	25,000,000
March 1984	2,809,000
TOTAL	515,000,000

It should be mentioned that an additional 170,000,000 CFA has been budgeted for ENEA in the Fourth Tranche. This money is needed in order to complete current construction, create access roads, and equip buildings constructed with Title III funds. The Ministry for Higher Education, which had earlier agreed to provide the equipment, can not do so because of Senegal's financial crisis.

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On May 7 1984, the Management Committee allotted the full amount to ENEA. Thus ENEA has received all money due from the four year Title III program.

E. FUTURE PROJECT OBJECTIVES

The project director estimates that all work at ENEA will be completed before the beginning of the upcoming school year.

F. SUMMARY AND RECOMMENDATIONS

As stated above, the only real problem with this project has been the unavailability of Title III funds on a regular basis. Construction work appears to be of good quality and there no longer appears to be any constraint to finishing the project by the end of August 1984.

COOPERATIVE STORAGE PROJECT - CSA

A. OBJECTIVES

The purpose of this project is to construct 100 multi-functionnal warehouses to be managed by agricultural cooperatives. These 400-ton capacity warehouses were to be constructed at the rural community level. 75 of the warehouses were to be constructed in the Groundnut Basin (the Sine Saloum, Diourbel, Thies, and Louga regions) and the remaining 25 in the regions of Eastern Senegal and the Casamance. As originally planned, the first 50 warehouses were to have been completed in Year 1; an additional 25 in Year 2; and the final 25 in Year 3. Due to start-up delays, last year's evaluation revised these objectives to 50 warehouses in Year 2, and 50 warehouses in Year 3. In addition, a training project for cooperative members in the project zone was to have been designed and implemented by the GOS Cooperative Service.

B. PROJECT STATUS - OCTOBER 1982

According to last year's evaluation team, 38 warehouses had been completed and it was expected that the remaining 12 from the first tranche would be finished by the end of 1982.

The evaluation cited the 1981 dissolution of ONCAD (the organism originally responsible for project implementation) and shortage of Title III funds as factors contributing to slow project progress.

C. PROJECT STATUS -MAY 1984

The first 50 warehouses were completed in December 1983. The keys were officially turned over to the Cooperative Service the following month. At that time, the Management Committee decided to suspend further construction until the GOS and USAID had had time to reflect on the utility of additional warehouses and on the level of priority of this type of project.

From visits to several warehouse sites and discussions with project and USAID engineers, it appears that the quality of construction is good despite

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frequent work stoppages and demoralization resulting from lack of Title III resources. The only major technical problem encountered had to do with original site selection. A number of warehouses are located in depresssions and rain threatens to erode away foundations.

Concerning the Cooperative Training project, the Cooperative Service submitted a proposal to the Management Committee in March 1983. The committee rejected this proposal because members felt that it was not as clearly linked to the warehouse project as it should have been. A revised proposal was not actively pursued by the Committee as members were hesitant to take on a new activity when insufficient funds existed for on-going projects.

D. BUDGET

The budget for the construction of 100 warehouses is 1,100,000,000 CFA. Of this, 488,970,000 CFA has been received. The breakdown is as follows:

DATE	AMOUNT (CFA)
October 1982 (cumulative)	363,970,000
December 1982	30,000,000
March 1983	40,000,000
August 1983	15,000,000
November 1983	20,000,000
March 1984	20,000,000
TOTAL	488,970,000

E. FUTURE PROJECT OBJECTIVES

Future objectives depend on whether the GOS and USAID decide to go ahead with additional warehouses. The CSA has indicated that they are ready to begin construction of an additional 25 warehouses (14 in the Casamance and 11 in Easten Senegal). On May 7 1984, the Management Committee decided that a special evaluation of this project would be done and instructed the Secretariat to draft terms of reference for this study.

F. SUMMARY AND RECOMMENDATIONS

As mentioned above, despite funding delays and except for the dubious placement of some warehouses, construction appears to be of generally good quality. As for warehouses located in depressions, the project director stated that the placement of laterite around the base of the warehouses would prevent erosion. We recommend that the CSA submit a plan for this to USAID for technical review and eventually to the Management Committee for a decision on additional allocations.

It also appears that training members of the project zone cooperatives in warehouse management and proper stocking techniques is very important. The Cooperative Service should submit a detailed project proposal and budget to the Management Committee as soon as possible.

Because we had only a limited amount of time to spend at this project, we did not feel it would be fair to judge whether or not additional warehouses would be useful. We feel that the Management Committee's decision to do a special analysis of the utility of future construction is a good one. Terms of

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reference for this study should include an analysis of whether this type of project still figures as a priority in the context of the new GOS policy towards agricultural cooperatives, agricultural production in future construction zones, existing storage capacity, an indication of how effectively cooperatives function in the target zones, and at what level cooperative members would be willing to participate in construction of warehouses.

If the GOS and USAID do decide to construct additional warehouses, any future implementation design should incorporate the following elements:

1. The CSA and USAID should jointly visit and approve all new building sites in order to avoid the mistake of building in areas with heavy risk of erosion;

2. Formulas should be found to more actively involve cooperative members in construction: supplying unskilled labor; cash contributions, and/or warehouse equipment are several possibilities;

3. Accompanying cooperative training programs should take place before, during, and after warehouse construction -- not simply after final reception. This is another way to more actively involve cooperative members in the project.

DUNE STABILIZATION

A. PROJECT OBJECTIVES

This project has as its goal the planting of three tree species (casuarina, eucalyptus, and anacardium) in order to stabilize sand dunes on a 73 kilometer stretch of coast north of Dakar (Noto-Kayar-Mboro). Encroachment by the dunes threatens to bury a fertile vegetable-producing zone (the Niayes) which lies directly behind the dunes. Original objectives were the plantation of 3700 hectares by the end of 1983 and the construction of 10 buildings to serve as offices and lodging for project forestry agents.

B. PROJECT STATUS - OCTOBER 1982

At the time of the last evaluation, two planting season had occurred. 1400 ha of maritime dunes and 150 ha of continental dunes had been planted for a total of 1550 ha. Original project objectives through Year 2 were 1850 ha -- thus a shortfall of 300 ha.

In addition, 10 buildings were to have been constructed during the first year. Due primarily to contracting delays with the National Contract Administration Commission (CNCA), no firm had yet been identified as of January 1983.

C. PROJECT STATUS - MAY 1984

It was originally foreseen that 1850 ha were to be planted in Year 3 of the project, thus achieving 3700 ha and project completion. Instead only 650 ha (345 ha of maritime dunes, 280 ha of continental dunes, and 25 ha of village woodlots) were planted for a total of 2200 ha through Year 3. It is now

estimated that in order to reach project objectives, plantation will have to continue through 1985.

This situation is the result of lack of funds due to slow sales of Title III rice. In 1983, workers went on strike twice because they had not been paid. Moreover the project director stated that it was very difficult to set objectives for a planting compaign when he had no firm idea as to what his actual budget allocations would be. As a result, the Forestry Service has been cautious in setting yearly objectives.

Despite all this, project personnel have proven themselves quite adept at minimizing costs and getting work done despite funding problems. Now that the funding situation appears to have improved, those problems cited above will hopefully be alleviated.

D. BUDGET

The original budget was fixed at 1,400,000,000 CFA. At the time of the last evaluation, 365,200,000 CFA had been received. Allocations since that time are listed below:

Date	Amount (CFA)
October 1982 (cumulative)	365,200,000
December 1982	15,000,000
March 1983	70,000,000
June 1983	30,000,000
August 1983	37,000,000
November 1983	60,000,000
March 1984	50,000,000
May 1984	60,000,000
TOTAL	687,200,000

E. FUTURE PROJECT OBJECTIVES

Over the next two years, most planting will occur on continental dunes as maritime dune plantation was almost completed during the first three years. 1984 goals are 100 ha of maritime dunes and 550 ha of continental dunes. One important activity will be the planting of replacement trees where seedlings have died. 1983 had very poor rainfall and it is estimated that survival rates were only 65-70%. Thus it is foreseen that 400 ha of replacement trees will be planted in 1984.

In 1985, the remaining 850 ha will be planted (all on continental dunes).

It should also be mentioned that Fourth Tranche funds are being allocated to the Kebemer dune stabilization project (to the north of Kayar) and to the Kayar project in order to extend activities south to Pikine. Kebemer goals through 1985 are:

- -200 ha of maritime dune plantation;
- -100 ha of continental dune plantation;
- -400 ha of Acacia albida intercropping in farmer's fields;
- -40 kilometers of windbreaks in the Niayes;
- -Maintenance of present plantations.

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Concerning construction, no progress has occurred since the last evaluation. The project director is currently examining possible modifications that would reduce costs. A new dossier will have to be submitted to the CNCA and the project director did not want to hazard a guess as to when administrative procedures would be finished so that construction could begin.

F. SUMMARY AND RECOMMENDATIONS

As mentioned above, project personnel have performed admirably despite budgetary constraints and with the improved financial outlook, they should have no problem in reaching 3700 ha by the end of 1985.

However, it would be a mistake to conclude that the work of stabilizing the dunes will be finished 18 months from now. Plantation maintenance, protection from livestock and illegal cutting, sylvicultural operations (thinning, limited harvesting, planting of replacement trees), accompanying research, establishment of windbreaks, and extension work with vegetable producers are all activities that should be considered by the GOS as post-1985 activities in the project zone. It is not too early to begin thinking about design and implementation of these activities.

As for construction, now that Title III funds are finally becoming increasingly available, this project activity should receive attention from the Management Committee. Because only 18 months remain until project completion, the Management committee should reevaluate whether original construction objectives are still valid or whether scaled-down plans would be appropriate as these buildings will be essentially supporting a maintenance operation, and not a full-blown plantation project.

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MILLET TRANSFORMATION (ITA)

A. PROJECT OBJECTIVES

This project combines U.S. bilateral assistance (project no. 685-0250), in-kind constributions of salaries and equipment by the GOS, and Title III funds. PL 480 funds are used for costs of local studies, equipment purchase, and operating expenses. The project seeks to develop pre-processed millet-based foods that can be produced and marketed by the Senegalese private sector. The ultimate goal is that domestically-produced millet will take the place of imported rice, thus reducing Senegalese dependence on external food sources and lightening the balance of payments deficit.

It was originally planned that a series of local studies and research activities would be done in order to develop millet-based products and test their technical and economic feasibility in the marketplace. Along with product development, studies were to be done concerning:

1. Consumer food habits and attitudes;
2. Millet supply;
3. Marketing development;
4. Process engineering;
5. Plant location;
6. Financial analysis;
7. General feasibility.

These studies were to be contracted to local firms, with guidance from ITA and an expatriate technical assistant assigned to the project.

B. PROJECT STATUS - OCTOBER 1982

Due to the delayed arrival of the technical assistant (September 1982 instead of January 1982) project implementation was delayed. As of January 1983, invitations for bids were about to be made for the Millet Supply and Marketing Development studies, and a project work plan was being formulated.

C. PROJECT STATUS - MAY 1984

According to a recent evaluation of the project, progress is approximately 10 months behind the revised schedule formulated in early 1983. Project implementation has been slowed by several factors: cumbersome administrative procedures for contracting local studies; delays in equipment procurement and in recruitment of project personnel; and some uncertainty as to what the exact level of Title III funding was to be.

Nevertheless, food product research is well underway. Prototypes of instant couscous, weaning food, and various staple products (flour, cracked grain, and semolina) have been developed. In addition, tests on milling methods and packaging materials have been performed.

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In early 1983, it was decided not to do the Consumer Habits and Attitudes survey because it was judged that sufficient knowledge could be gleaned from other recently-completed studies.

The evaluator and ITA strongly felt that the completed Millet Supply study was without value, and given its importance to the Financial Analysis and General Feasibility studies, must be redone. Fortunately, other studies will not be delayed if a new Millet Supply study is launched. A new study would cost about 5 million CFA.

The Market Development Study began in January 1984 — 8 months behind schedule. None of the other studies have begun although bidding and contracting procedures are in process.

D. BUDGET

The original Title III project budget was 130,320,000 CFA. ITA requested an additional 70,000,000 CFA in March 1983 and the Management Committee approved this request in principle. However, due to lack of funds in the second and third tranches, the Management Committee decided to program these funds from the fourth tranche. To date, no fourth tranche funds have been allocated. As of May 7, 1984, the total orginal 130,320,000 CFA had been allocated. Allocations since the last evaluation are listed below:

DATE	AMOUNT (CFA)
October 1982 (cumulative)	25,000,000
March 1983	25,000,000
June 1983	10,000,000
August 1983	10,000,000
March 1984	30,000,000
May 1984	30,320,000
TOTAL	130,320,000

E. FUTURE PROJECT OBJECTIVES

As noted above, the recent evaluation estimated that due primarily to tedious contracting procedures, the project was roughly 10 months behind schedule. With this in mind, the evaluator made a number of recommendations concerning future project implementation. Revision of objectives will depend on whether ITA and USAID decide to accept these recommendations. It was recommended that a revised work schedule be formulated and this will be done shortly. This plan would include a new Millet Supply study; immediately beginning contracting procedures for the Plant Location and Financial Viability studies; incorporation into the General Feasibility study of case studies on previous failed attempts to market pre-processed millet products; and extension of the bilateral project completion date by at least one year.

F. SUMMARY AND RECOMMENDATIONS

Unfortunately, the Millet Supply study has proven to be of marginal utility at best. This is partly due to the fact that the CNCA threw out two of the four initial bids due to bureaucratic technicalities, thus limiting ITA to a choice between two impefect proposals.

The Martketing Development study appears to be a more worthwhile endeavor as ITA and USAID insisted, and the CNAC finally accepted, the idea of choosing a firm that had furnished the most viable proposal instead of simply opting for the cheapest proposal.

Due to the importance of a valid Millet Supply study (no rational private firm will consider entering this market without valid base-line data on availibility of the raw product), it is recommended that the Millet Supply Study be redone and that USAID, ITA, and the Title III Management Committee agree on the best way to finance this study.

We also concur with the bilateral evaluation proposal that the project completion date be extended by at least one year.

OFADEC - INTEGRATED DEVELOPMENT PROJECT

A. OBJECTIVES

In order to increase agricultural production and improve rural living conditions, OFADEC (a Senegalese non-governemental organisation) has been engaged in integrated development in the Department of Tambacounda since 1977. This resettlement project is organized around agricultural cooperatives (with between 70 and 200 members) which have as their activities food and cash crop production, livestock raising, health, and literacy.

B. PROJECT STATUS - OCTOBER 1982

At the time of the last evaluation, 9 villages had been established with a total cultivated area of 1046 hectares (bananas, rice, millet, corn, peanuts, and vegetables). Villages had been located near the Gambia River to facilitate irrigated cultivation of bananas, vegetables and rice.

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Farmers were receiving assistance from OFADEC in the form of equipment and input loans, and food for work. The project was designed so that cooperatives would pay back all debts over a period of five years.

Irrigated banana cultivation was organized collectively using pumping and canalization systems more or less similar to those traditionally used with rice.

C. PROJECT STATUS - MAY 1984

Since the last evaluation, OFADEC operations expanded from 9 to 14 villages with a total cooperative membership of 1277. Rainy season harvests suffered due to low rainfall levels -- roughly 500 mm instead of the usual 900-1000 mm.

In 1983, OFADEC began to institute a new irrigation system for bananas. Instead of a traditional canalization system, a system of piping with spickets and hoses placed in individual cooperative member plots was developed. Collective labor has been somewhat deemphasized.

This system has a number of advantages: it uses water more economically with much less evapotranspiration and a more even distribution to each plant; it reduces maintenance costs and labor requirements that are constantly needed in a canalization system; and it facilitates individualized organization of labor which farmers and OFADEC all agree heightens motivation and increases productivity. Farmer income has risen dramatically under this new organization. Farmers with one quarter hectare plots netted approximately $1500 this last year from bananas alone.

This system is in operation in three villages. It is planned to gradually transfer all existing villages to the spicket and hose system, as well as in new villages to be established along the Gambia River.

Curently 27,5 ha of irrigated banana perimeters are in production. An additional 47 ha using the modified system are programmed. This will bring banana cultivation to a total of 74,5 ha.

Concerning the process of "weaning off" villages from food aid and fully reimbursing credit, 4 villages completed this process since the last evaluation, 5 have partially reimbursed, and 5 have not yet begun.

D. BUDGET

The budget for OFADEC was established at 181,961,500 CFA. To date OFADEC has received 143,000,000 CFA. The breakdown of allocations is as follows:

DATE	AMOUNT (CFA)
October 1982 (cumulative)	73,000,000
December 1982	10,000,000
June 1983	10,000,000
August 1983	10,000,000
November 1983	10,000,000
March 1984	30,000,000
TOTAL	143,000,000

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E. FUTURE PROJECT OBJECTIVES

For the upcoming agricultural compaign, a total of 1407 ha of rainfed cultivation is foreseen: 733 ha will be devoted to cereals production (sorghum, millet, corn and rice) and 674 ha to other cultures (peanuts, manioc, and beans).

As previously mentioned, an aditional 47 ha of spicket and hose irrigation will be established this year for a total of 74,5 ha.

F. SUMMARY AND RECOMMENDATIONS

In general, it appears that this project has served to significantly increase revenues in the target villages. It is estimated that for banana cultivation alone, average earnings are approximately 600,000 CFA a year for individual cooperative members.

It is certainly worth noting that during our visit we were impressed by the level of dedication demonstrated by OFADEC agents; by the good rapport that exists between OFADEC and the farmers; and by the level of responsibilization that has been transferred to the cooperatives.

There are two outstanding issues that concern possible expansion of OFADEC activities in the Tambacounda zone. The first has to do with literacy training and the second concerns a proposal to finance the establishment of three new villages.

It is apparent that a number of OFADEC cooperatives are at a stage where literacy training (with an initial emphasis on numeracy) could greatly facilitate increased responsibilization. OFADEC attempted a literacy program in national languages during the early days of the project (circa 1977-78), but farmers only expressed an interest in learning how to read and write in French — a task OFADEC could not fulfill. Now, after several years of cooperative development, there appears to be a renewed interest in literacy in national languages. This is probably due to the fact that farmers now have a better idea of what skills are necessary to properly manage a cooperative, and these skills can be acquired by becoming literate in national languages.

The regional coordinator in Tambacounda stated that training texts in Mandinka, Pulaar, and Wolof are currently being prepared, and that a modest financing would be desirable in order to reproduce and distribute these documents, as well as launch a literacy program. This seemed to be a potentially valuable addition to the OFADEC project. Thus, it is recommended that OFADEC draft a literacy project funding proposal on a very modest scale for consideration by the Management Committee.

OFADEC has already proposed to the Management Committee a project for the establishment of an additional three villages on the Gambia River. The cost was estimated at 90,000,000 CFA. After review of the proposal, it was felt that there was not enough detail to make a well-considered decision. We recommend that OFADEC submit to the Management Committee a more detailed proposal, complete with project objectives, budget, and a work calendar. If the committee feels it to be a valid proposal, and if surplus funds remain in the Special Account, it should be submitted to AID Washington in the form of a proposed amendment to the Program Agreement.

PROGRAM MANAGEMENT

Activities of the Management Committee and the Secretariat are described in Section V of this document.

Allocations for Program Management are detailed below:

DATE	AMOUNT (CFA)
October 1982 (cumulative)	31,800,782
March 1983	5,000,000
August 1983	5,000,000
November 1983	5,000,000
March 1984	15,000,000
May 1984	18,199,218
TOTAL	80,000,000

In May 1984, an allocation of 30,000,000 CFA was voted to Program Management. Of this, 18,199,218 CFA is from the Third Tranche, and 11,800,782 CFA is from the Fourth Tranche. 80,000,000 CFA is reserved for Program Management from the Fourth Tranche.

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ANNEX A: 1984 EVALUATION REPORT RECOMMENDATIONS

A. MANAGEMENT

1. It is recommended that the roles and responsibilities of the Title III Secretariat be officially defined by the Title III Management Committee. It should be stressed that the Secretariat's main role is to promptly execute Management Committee decisions. The Management Committee should also identify those periodic reports that should be prepared by the Secretariat for review by the committee.

2. It is recommended that the Secretariat formulate a yearly Program Management budget proposal for clearance by the Bureau of Debt and Investment and approval by the Management Committee. Allocation and disbursement decisions to Program Management should be made using the same criteria as for projects.

3. It is recommended that the Secretariat prepare an annual Title III program implementation report for approval by the Management Committee. This report should examine progress achieved under the program, including a comparison of results with projected targets, a description of how commodities were used, an accounting for funds generated and their uses, and the outstanding balances at the end of the most recent (USG) fiscal year.

4. Because the CPSP is no longer under the tutelage of the Ministry of Commerce, it is recommended that membership of the Ministry of Commerce on the Management Committee be dropped as its presence is no longer required.

5. It is recommended that the GOS and USAID continue to work together to identify ways in which the foreseen one billion CFA third tranche surplus can be used to further GOS development goals in the rural sector.

6. Because there are now sufficient funds available to make project allocations in a more orderly manner than in the past, it is recommended that projects receive allocations on a quarterly basis.

7. It is recommemded that the Management Committee formulate a comprehensive indemnity and per diem policy for Management Committee, Secretariat, and project personnel. The per diem policy should include a system of flat rates for meals and reimbursement of hotel expenses upon presentation of a receipt. The general indemnity policy should be in accordance with officially established GOS policy.

8. In order to render the Management Committee a more effective decision-making body and to facilitate greater contact between the committee and project directors, it is recommended that:

a. More frequent committee meetings be held (preferably twice a month);

b. Minutes of Management Committee meetings be distributed to project directors; and

c. Semi-annual meetings be held between the Management Committee and the ensemble of project directors.

d. If the Management Committee has serious reservations about allocating funds for specific purchases, the concerned project director should be invited to a committee meeting in order to defend the proposed purchase.

9. It is recommended that the new financial reporting systems be retained with one minor modification: when eligible for a disbursement, project directors should not only furnish expenditure justifications to the end of the proceeding month, but also to the 80% level of the value of the last disbursement. Procedures for disbursement should be officially adopted by the Management Committee and a written text then circulated to GOS project directors.

10. It is recommended that the Management Committee continue the policy of withholding funds from projects which have not furnished adequate financial reporting. It is also recommended that timely submission of technical reports be a prerequisite for disbursement of funds to projects.

11. It is recommended that the Management Committee reexamine contracting activities in order to determine if these procedures can be accelerated while respecting GOS regulations.

12. It is recommended that the CPSP submit to the Secretariat all required reports in a more timely manner. Moreover, it is recommended that commodity sales data be more consistent. It often occurs that figures presented by the CPSP vary from one month to another.

13. While recognizing that credit sales to merchants have ceased, it is recommended that credit sales to government institiutions (i.e. SONADIS and the CSA) also be stopped. In-kind reimbursements, or long delays in payment, make it very difficult to clearly establish the exact status of the Title III account.

B. PROJECTS

1. Concerning ISRA Decentralization it is recommended that a budget for the remaining 700,000,000 CFA be submitted as soon as possible.

2. Concerning ISRA Agricultural Policy studies, it is recommended that the Management Committee explore with ISRA and SONED ways to valorize those studies that have already been done, or find alternative studies that can be financed with the remaining money.

3. Concerning the Ministry of Plan/Princeton University Agricultural Policy studies, it is recommended that priority be given to developing a plan for the distribution and critiquing of reports by Senegalese experts.

4. Concerning the Plan/Princeton studies, it is recommended that Princeton address letters directly to the Ministry of Plan with copies to USAID, and no longer directly to USAID with copies to Plan.

5. Concerning the Cooperative Storage project, it is recommended that the Management Committee carry out its proposal to do a special analysis of the usefulness of further warehouse construction as soon as possible.

6. It is recommended that the Cooperative Service submit a detailed Cooperative Training project proposal and budget as soon as possible for training cooperative officers of the 50 CSA warehouses already constructed.

7. If the GOS and USAID decide to construct additional warehouses, it is recommended that future project implementation design include the following:

a. The CSA and USAID should jointly visit and approve all new building sites in order to avoid the mistake of building in areas with heavy risk of erosion;

b. Formulas should be found to more actively involve cooperative members in construction;

c. Accompanying cooperative training programs should take place before, during and after warehouse construction.

8. Concerning the Dune Stabilization project, it is recommended that the Forestry Service begin reflecting upon post-1985 maintenance activities in the project zone.

9. Concerning construction of lodging and office facilities for the Dune Stabilization project, it is recommended that the Management Committee and the Forestry Service reevaluate whether original construction objectives are still valid or whether scaled-down plans would be more appropriate.

10. Concerning the Millet Transformation project, it is recommended that the Millet Supply study be redone and that ITA, the Title III Management Committee, and USAID agree on the best way to finance this study.

11. It is recommended that OFADEC draft and submit a literacy project funding proposal for consideration by the Management Committee.

12. It is recommended that OFADEC submit a more detailed proposal concerning the establishment of three additional villages for consideration by the Management Committee. If the committee feels it to be a valid proposal, and if surplus funds are available in the Special Account, it should be submitted to AID Washington in the form of a proposed amendment to the Program Agreement.

ANNEX B: TERMS OF REFERENCE FOR THE PL 480 TITLE III ANNUAL REPORT

I. OBJECTIVE

For a period of 5 weeks (April 24-May 28, 1984), the evaluation team will review, evaluate, and prepare an annual report on the progress and accomplishments of the PL 480 Title III program in Senegal for the period from October 1982-April 1984. The purpose of the annual report is to:

A. Serve as the fourth report on implementation of the PL 480 Title III program;

B. Provide recommendations regarding any procedural and managerial changes that would support future effective implementation of the mission's Local Currency Program;

C. Provide recommendations concerning possible modifications of program objectives, funding levels, or policy objectives that would be critical for program continuation;

D. Indicate how successful USAID and the GOS have been in implementing recommendations from the last program evaluation (received in January 1983).

II. STATEMENT OF WORK: THE FOLLOWING ISSUES SHOULD BE ADDRESSED IN THE ANNUAL REPORT:

A. Policy issues

Comment on overall economic and agricultural policies and reforms to which Title III is contributing.

1. The annual report should examine whether policy reforms targeted by Title III complement and are consistent with structural and agricultural policy reforms currently under discussion between the GOS and the donor community.

2. In addition it should examine whether the Title III program contributes tangibly to the adoption and/or implementation of GOS policies and priorities supported by U.S. assistance in Senegal.

3. An assessment should also be made as to whether the provision of PL 480 rice 20% brokens supports GOS' cereals policy. Has the provision of U.S. PL 480 rice in any way reduced GOS cereals imports? Has there been any balance of payments benefit?

B. Commodity issues

From a financial and market point of view, what commodities, or mix of commodities, appear to be optimal for (1) not causing a disproportionate loss to the GOS? and (2) rapid sales?

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C. Project implementation issues

Discuss current progress and compare achievements to the benchmarks and goals previously set for the period. Analyse shortfalls, citing reasons why plans were not realized. Propose alternative strategies for achieving the Title III objectives where necessary, and propose new benchmarks for the coming year. Questions shall include, but are not limited to, the following:

1. What is the status of each project? Explain reasons for progress or lack of progress. How have delays in receipt of funding affected project progress?

2. If impact can be measured, what is the impact of each project?

3. Are some projects more important than others in terms of their direct, proximate relationship to overall program goals? Have the management attention and resources devoted to these projects reflected their priority?

D. Management issues

Examine the background and current structure of the Title III program at the program and project levels. Discuss the roles of the cooperating recipient government agencies in fulfilling the terms of the agreement. Questions shall include, but are not limited to the following:

1. Is the organization of the Management Committee and the Title III Secretariat appropriate to their responsibilities? Do they effectively make and implement decisions?

2. How effective has the Stabilization Fund (CPSP) been in managing Title III rice sales and depositing local currency in the Special Account?

E. Accountability issues

Provide an accounting of funds generated by sales, funds used, and end-of-fiscal-year balances. Include an accounting of the status of loan forgiveness.

F. Recommendations

Present recommendations for improvements in the program.

G. Follow up meeting

Present conclusions and recommendations to representatives of the ministries of Finance, Plan and Commerce. During the meeting, discuss the implications of the conclusions and ways to implement the recommendations.

H. Sources of information

Obtain information essential to the evaluation by:

1. Interviewing each GOS Title III Project Manager and USAID Project Monitor;

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2. Interviewing Title III Management Committee members and the Secretariat;

3. Interviewing other people with relevant experience.

I. Reports

Upon completion of this work, the evaluation team shall submit a final report in twelve copies in English and in French as follows:

1. Three (3) copies to:
Ms. Sarah Jane Littlefield
Mission Director
USAID/Senegal

2. Three (3) copies to:
Mr. Cheikh Hamidou Kane
Minister of Plan and Cooperation
Government of Senegal

3. Three (3) copies to:
Mr. Mamoudou Touré
Minister of Finance and Economic Affairs
Government of Senegal

4. Three (3) copies to:
Mr. Abdourahmane Touré
Minister of Commerce
Government of Senegal

The final report shall reflect the joint U.S./GOS evaluation team's efforts, findings, observations,and recommendations accomplished as a result of performance under this evaluation. The report shall include specific recommendations for:

A. Continuing, postponing, or terminating the Title III program;

B. Increasing the effectiveness with which Title III addresses the major policy issues stipulated in the project paper and agreement;

C. Ensuring the program's continued relevance to USAID and GOS development strategies;

D. Improving GOS and USAID management capabilities; and

E. Facilitating project progress.

ANNEX C: PERSONS INTERVIEWED

Kemo Baladio - USAID
Cooperative members-villages of: Dangalma, Ndoulo, Sambé (Departments of Bambey and Diourbel)
Daby Diallo - USAID
Abba Diémé - CSA
Diawar Dieng - GOS Forestry Service
Adrian Dumont - ISRA/Dakar
Jacques Faye - ISRA/Dakar
Dr. Mokhtar Hamdy - ITA
Mulumba Kamuanga - ISRA/Djibelor
Fatou Ly - CPSP
John Mc Mahon - USAID
Ababacar Ndiaye - ITA
Mamadou Mademba Ndiaye - Ministry of Plan and Cooperation
Mamadou Ndiaye - OFADEC
Mazid Ndiaye - OFADEC
Madické Niane - Director ISRA/Djibelor
Don Rassekh - USAID
Norman Rifkin - USAID
Samba Sall - ISRA/Djibelor
Assane Samb - Title III Secretariat
Mubarak Seck - ITA
Ahmadou Badara Sy - Ministry of Plan and Cooperation
Chiekh Tidiane Sy - ENEA
Mamadou Traoré - USAID

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