



Dynamise les entreprises sénégalaises



Prior to the flood



The flood



Saving what production one can



Aftermath of the flood
(only vetiver plants withstood the inundation)

Banana Plantations Destroyed by Gambia River Flooding

SIXTEENTH QUARTERLY PERFORMANCE REPORT

01 October 2003 – 31 December 2003

USAID PROJECT : 685-C-00-00-00002-00
SUBMITTED TO: USAID/SENEGAL
PRIVATE SECTOR STRATEGIC OBJECTIVE (SO1)
SUBMITTED BY: CHEMONICS INTERNATIONAL
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CHEMONICS INTERNATIONAL INC.

ACRONYMS

ACEP	<i>Alliance de Crédit et d'Épargne pour la Production</i>
ACRA	<i>Association de Coopératives rurales en Afrique et en Amérique Latine</i>
AFEPEs	<i>Association des Femmes pour la Promotion de l'entreprise au Sénégal</i>
APIMEC	<i>Association Professionnelle des Institutions Mutualistes ou Coopérative d'Épargne et de Crédit au Sénégal</i>
ARAN	<i>Associations rurales des Agriculteurs de Notto</i>
ARLS	<i>Associations Rurales de Lutte contre le Sida</i>
ASCVEC	<i>Association des Caisses Villageoises d'Épargne et de Crédit</i>
ASDI	<i>Agence Suédoise de Développement International</i>
AESCAW	<i>Association Socio-Educative et Culturelle des Agriculteurs du Walo</i>
AT/CPEC	<i>Assistance Technique aux Caisses Populaires et d'Épargne et du Crédit</i>
BNSTP	<i>Bourse Nationale de Sous-Traitance et de Partenariat du Sénégal</i>
BOA	Basic Ordering Agreement
CAMC	<i>Centre d'Arbitrage, de Médiation et de Conciliation</i>
CAMPC	<i>Centre Africain de Management et Perfectionnement des Cadres</i>
CAPAF	<i>Programme de Renforcement des Capacités des IMF en Afrique Francophone</i>
CCBM/EBI	<i>Comptoir Commerciale Bara Mboup - Espace Bureautique Informatique</i>
CECMAK	Mutuelle d'Épargne et de Crédit des Artisans de Kolda (MEC AK)
CESAG	<i>Centre d'Études Supérieures en Gestion</i>
CETF	<i>Centre d'Enseignement Technique Féminine</i>
CGAP	<i>Groupe Consultatif d'Assistance aux Plus Pauvres</i>
CIPE	Center for International Private Enterprise
CLEC	<i>Caisses Locales d'Épargne et de Crédit</i>
CLEC BAKEL	Caisses Locales d'Épargne et de Crédit de Bakel
CLIN	Contract Line Item

CMS	<i>Crédit Mutuel du Sénégal</i>
COCOGES	<i>Collectif des Femmes Commerçantes du Groupement Economique Sénégalais</i>
COFDEC	<i>Collectif des Femmes pour le Développement de l'Épargne et du Crédit</i>
CONACAP	<i>Conseil National pour la Promotion et le Développement des Caisses Populaires</i>
CREC	<i>Caisses Rurales d'Épargne et de Crédit</i>
CSE	<i>Centre de Suivi Ecologique</i>
CTC	Community Training Centers – Peace Corps
DID	<i>Développement International Desjardins</i>
ECI	Edelman Communications International
ENDA	<i>Environnement Développement en Afrique</i>
FDEA	<i>Femme Développement Entreprise en Afrique</i>
FEMUNI	<i>Association des Femmes de la Cité des Nations Unies</i>
FIARA	<i>Foire Internationale de l'Agriculture et des Ressources Animales</i>
FNGPF	<i>Fédération Nationale des Groupements de Promotion Féminine</i>
FNPJ	<i>Fonds National de Promotion de la Jeunesse</i>
GEC	<i>Groupement d'Épargne et de Crédit</i>
GERME	<i>Gérer Mieux Votre Entreprise</i>
GIE	<i>Groupement d'Intérêt Economique</i>
GOS	Government of Senegal
GRAMC	<i>Groupe de Recherches et d'Actions avec les Minorités Culturelles</i>
GTN	Global Technology Network
IBI	International Business Initiatives
ILO	International Labor Organization
INTER-CREC	<i>Entre les Caisses Rurales d'Épargne et de Crédit</i>
IPD-AOS	<i>Institut Pour le Développement / Afrique de l'Ouest Sahel</i>
ISPEC	<i>Institut Supérieur Panafricain d'Economie Coopérative</i>

IT	Information Technology
ITA	<i>Institut de Technologie Alimentaire</i>
KIR	Key Intermediate Result
LOP	Life of Project
MCEG NAFA	<i>Mutuelle de Crédit et d'Épargne et de Garantie</i> (Nafa is “billfold” in Wolof)
MEAC	Monitoring, Evaluation, Analysis and Communication
MEC	<i>Mutuelle d'Épargne et de Crédit</i>
MEC ARTZIG	Mutuelle d'Épargne et de Crédit des Artisans de Ziguinchor
MEC FADEC	<i>Mutuelle d'Épargne et de Crédit de la Fédération des associations Développement Communautaire</i>
MECFAM	<i>Mutuelle des Femmes du Mouvement Acapes</i>
PAEP	<i>Programme d'Appui à l'Entrepreneuriat Paysan</i>
PAID/WAS	Panafrican Institute for Development / West Africa Sahel (IPD-AOS)
PAMECAS	<i>L'Union des Mutuelles du Partenariat pour la Mobilisation de l'Épargne et du Crédit</i>
PAMEF	<i>Programme d'Appui à la Mobilisation de l'Épargne dans la Francophonie</i>
PKUMEL	Groupement d'Épargne et de Crédit de Pkumel (GEC PKUMEL)
PMC	Performance Management Consulting
PMP	Performance Monitoring Plan
PPMEH	<i>Projet de Promotion des Petites et Moyennes Entreprises Horticoles</i>
PROFEMU	<i>Programme des Femmes en Milieu Urbain</i>
RECEC	<i>Réseau des Caisses d'Épargne et du Crédit des Femmes de Dakar</i>
REMIX	<i>Réseau d'Études et d'Informations pour la Minimalisation des Risques d'Exploitations</i>
RESIG	<i>Réseau Sénégalais d'Institutions GERME</i>
RTT	Results Tracking Table
SEAD	Small Economic Activities Development

SMI	Savings Mobilization and Investment
SO	Strategic Objective
TDC	<i>Technologie Développement Consultance</i>
UFC	<i>Union des Femmes Commerçantes</i>
UGF-PAME	<i>Union des Groupements Féminins du Programme d'Appui aux Microentreprises</i>
UMEC	<i>Union des Mutuelles d'Epargne et de Crédit - Sédhiou</i>
UMECU	<i>Union des Mutuelles d'Epargne et de Crédit d'UNACOIS</i>
UM PAMECAS	<i>Union des Mutuelles du Partenariat pour la Mobilisation de l'Epargne et du Credit</i>
UNACOIS	<i>Union Nationale des Commerçants et Industriels du Sénégal</i>
UNACOIS-DEF	<i>Union Nationale des Commerçants et Industriels du Sénégal – Développement-Economie-Finances</i>
UNAFIBS	<i>Union Nationale des Acteurs de la Filière Banane Sénégalaise</i>
USAID	United States Agency for International Development
USU	Umbrella Support Unit

QUARTERLY PERFORMANCE REPORT

Dyna-Entreprise Senegal - Chemonics Contract

October 2003 – December 2003
Quarter 16 of 20

CONTRACTOR: Chemonics International, Inc.
CONTRACT #: 685-00-00-C-00002-00
REPORTING PERIOD: October 2003 – December 2003 (Quarter 16 of 20)
USAID OFFICE: Strategic Objective 1

I. EXECUTIVE SUMMARY

The dollar continued its precipitous decline throughout the quarter from above 550 FCFA to around 500 FCFA by the end of this reporting period. Dyna management anticipated continuation of this trend first identified over 12 months ago and began the project close-out process in June 2003 with the Dyna Tambacounda office. This process continued in the first quarter of FY 2004 by ceasing activities in the Ziguinchor Region and closing the Dyna office on December 5th. The dollar decline from a high of over 750 to its present level of around 500 FCFA has elicited draconian cut-backs in budgeted activities leading to reduced results.

Dyna's approach of local outsourcing of project activities exacerbates this negative impact because outstanding deliverable payments (i.e., accruals) denominated in FCFA become increasingly more expensive in dollar terms with each successive decline in the dollar. To avert any chance of not meeting contractually signed obligations project management took the drastic step of ceasing all new technical activities. The unfavorable exchange rate environment is expected to continue for the life of the project with Dyna management forecasting the dollar to drop below the 500 FCFA level before recovering some value later in the year. However, this will be too late to have any positive impact on project activity levels.

Dyna management converted most staff from employee to contractor status to register required severance payments on the project balance sheet before the dollar hit all time lows. These dollar sensitive accruals were mostly liquidated by the end of the quarter allowing the project to make more accurate budget projections. It also assured no staff member would have reason to take the project to labor court for non-payment of severance required by Senegalese labor law.

In spite of the dollar related problems priority technical activities continued as the project changed to direct provision of services instead of outsourcing; a tactical change required by the dollar valuation. The major activity this quarter was the Information Technology program for targeted Microfinance networks. The dollar value of this local procurement approached a half million US. Most all of the equipment procured was delivered and installed this quarter. Other microfinance sector activities continued with maximum use of interns to cut costs related to technical assistance. The MF team sought interest from other partners (Lux Development, Oikocredit, Planete Finance, etc.) to continue work begun with targeted MF clients.

The Business Development Team had the baleful experience of canceling a TechnoFoire scheduled for Thies this quarter. TechnoFoire's were by far the largest single expense

undertaken by the BDS division over the life of the project and the dollar's decline argued that a 4th TechnoFoire was not financially feasible. The BDS team also responded to this changing macroeconomic environment by "insourcing" rather than "outsourcing". In other words, when project funds would not purchase the same value of goods and services the project team members began providing the services themselves.

Extensive and intensive BDS support to nascent sectoral professional associations over the life of the project has begun to show results particularly in the horticulture, dairy and banana markets. A horticulture association (REPROMARK) is now present in Kolda Region. The *ad hoc* committee for dairy transmuted into a national federation (FENAFILS) this quarter. The national banana sector federation (UNAFIBS) showed its merit by organizing the response to the 2003 banana plantation flooding. UNAFIBS spearheaded efforts to collect information on the extent of this disaster and to lobby for assistance, exactly the role expected of a professional association. All three federations were assisted by Dyna partners and staff.

The impact on the banana sector became abundantly clear this quarter once the water receded to reveal the true extent of the devastation. Roughly two-thirds of 2003-04 national banana production evaluated at \$3.5 million (dollar at 550 FCFA) was lost. Another \$4 million was lost in fixed assets and plantations for a total loss of around \$7.5 million. While UNAFIBS has made a valiant effort to bring this disaster to the attention of local and international authorities very limited assistance has been provided these economic actors to re-establish this growing sector of the rural economy in Eastern Casamance.

As the project closes down earlier than expected because of the dollar decline, expected results have also declined. Reduced activities yield reduced results. This is especially evident at Dyna BDS where the early closing of regional offices has directly impacted results levels. The project will not obtain the projected targets of the FY 2004 Workplan. For microfinance the situation is not as drastic but results reporting has decreased as clients assume Dyna no longer has support to offer hence why report results. Letters informing MF clients of the need to continue reporting were sent but the flow of information has been noticeably reduced. Dyna staff will continue to remind MF clients of the need to report but the latter have correctly assumed that the sanction of not reporting on time is minimal given the closing of Dyna. The Dyna Monitoring and Evaluation team expects most MF clients will eventually report but not before established deadlines.

The Monitoring and Evaluation team continues to work on several digital film products including the conversion of a VHS film to digital media for the BASICS II project, the short film series on entrepreneur fiscal responsibility with UNACOIS assistance and a new film on the experience of a Kaolack entrepreneur who established a consulting business around the Making Cents training modules introduced to Senegal by Dyna.

Dyna's financial situation is now stable in face of a declining dollar because of the drastic measures implemented to close the project earlier than expected. This project slowdown is evidenced by the lowest quarterly expenditure total in two years (\$1.37 million). Labor CLIN costs will remain high as severance packages are paid. The Microfinance CLIN will register large expenditures reflecting the IT procurements. Obligation of the final tranche of funds will be absolutely necessary next quarter as will a reallocation of funds from the MF to the Labor CLIN, if the project is to avoid a negative cost overrun on the Labor CLIN.

II. BACKGROUND

This is the 16th Quarterly Report of the USAID Senegal funded project to support the Private Sector Strategic Objective (SO #1) implemented by Chemonics International, Inc. This 5 year project was designed to run from late 1999 to 2004 and is valued at \$26.463 million. The strategic objective is

to achieve sustainable increases in private sector income generating activities in selected sectors.

The two key intermediate results (KIRs) supported by this project are

- (1) *improved access to financial services by microenterprises and small business entrepreneurs and*
- (2) *adoption by more microenterprises and small/medium enterprises of best technical and managerial techniques.*

The project mandate is a geographic focus around Dakar's peri-urban surroundings (Pikine and Rufisque departments within Dakar Region and Thies Region) and rural areas in the south (Kolda, Tambacounda, and Ziguinchor regions). The implementing team is comprised of two in-country contractors (Chemonics International and the Umbrella Support Unit) and an expanded team including two subcontractors (International Business Initiatives and the Center for International Private Enterprise) plus the USAID Senegal Strategic Objective #1 team. The two technical teams within the project, Microfinance (MF) and Business Development Services (BDS or BizDev), correspond directly to the two KIRs listed above. The project is locally named "*DynaEntreprises Sénégalaises*" to denote the objective to "dynamize" or catalyze the entrepreneurial sector in Senegal by addressing the constraints confronting the private sector in their access to financial resources and quality of human, technical and managerial resources. Partners and clients shorten this formal name to "DynaEntreprises" or just "Dyna".

III. ADMINISTRATION

The Dyna Administrative and Financial Team comprises 4 operational divisions including Contracts, Logistics, Human Resources and Accounting. The major administrative activities this quarter were linked to the close-out of the DynaZiguinchor office (5th December), procurement of IT equipment for microfinance partners, slowdown in technical activities due to budget constraints linked to the lower US dollar, early departure by staff members in anticipation of project close-out and preparing the FY 2003 Annual Report and FY 2004 Workplan.

A. Contracts

This quarter saw a significant reduction in contracting activities due to the continual decline in the value of the dollar. The project stopped all new technical activities unless overwhelming arguments justified and budget resources allowed a specific request. This draconian measure was the result of continual monitoring of project FCFA denominated accruals and their steadily increasing dollar costs. Priority was given to complete the computerization process of major microfinance clients, a process initiated over a year ago. Consequently, only 4 new contracts were developed and signed this quarter of which 3 were computer equipment targeted to microfinance clients (CMS and ACEP). The 4th contract was for an intern to support the UMEC network in Sedhiou Department. The contract to furnish computing equipment to UMEC was signed at the very end of FY 2003 and implemented this quarter.

The total new computer equipment and related installation work this quarter was valued at over 231.7 million FCFA (\$463,000) for 3 microfinance clients (ACEP, CMS and UMEC) (see table at right). Such a large series of procurements required the services of the contracting, microfinance and logistics divisions of DynaDakar. As always, payment is not made until Dyna staff confirm that all equipment has been delivered and the necessary reception documentation is duly signed by the client acknowledging and approving receipt.

MFI CLIENT	PARTNER SERVICE PROVIDER	AMOUNT	
		FCFA	USD @ 500 FCFA/\$
ACEP	BULL Senegal	39,943,300	79,887
CMS	BULL Senegal	14,501,480	29,003
	Buhan & Teisseire	155,246,155	310,492
UMEC	CFAO Technologies	21,969,301	43,939
TOTAL		231,660,236	463,320

Table 1 : Local Computer Procurements this Quarter

Contracts remaining from previous quarters with outstanding deliverables included 38 fixed and 10 consultant contracts for a total of 703.4 million FCFA (\$1.4 million). These accruals are monitored weekly given the precipitous decline in the dollar and their subsequent increasing cost. By the end of this quarter the equivalent of \$873.957 had been charged against these accruals leaving a balance of \$532,878. The majority of the remaining contracts will be paid off in January 2004 except for a few of the computer procurements that will remain active through March 2004.

B. Logistics

The logistics division focused this quarter on inventory of IT equipment acquired over the last 6 months for multiple microfinance clients (ex., CMS, ACEP, PROFEMU, ACRA, UMEC). The team checked the origin of the purchased equipment, assured its conformity with USAID regulations, allocated

inventory control numbers and entered data in the master inventory database. The inventory database was revised this quarter to respond to USAID's request to have the material searchable by geographic region. The team seized this opportunity to make other improvements in the search options within the master inventory.

CATEGORY	TYPE	ACEP	CMS	UMEC	TOTAL
COMPUTER	SERVER	2	23	1	26
	WORKSTATION	19	81	10	110
	LAPTOP	2	0	3	5
PRINTER	LASERJET	7	0	1	8
	DESKJET	0	0	4	4
	MATRIX	9	41	0	50
UPS	500 VA	0	30	5	35
	3000 VA	1	6	0	7
	5000 VA	0	0	1	1
NETWORK	ROUTER	0	58	0	58

Table 2 : Computer Equipment Procured this Quarter for ACEP, CMS & UMEC

Exit notices were sent for office and home leases, insurance policies and public utilities (water, electricity, telephone and Internet). Rented office (Ziguinchor) and housing (Criss Juliard's home) were returned to their owners in the state they were rented per the lease agreements.

C. Human Resources

Human Resources activities focused this quarter on the close-out of the Ziguinchor office in December, preparation for the close-out of the Thies and Kolda offices in early 2004, and converting existing staff from employee to consultant status.

All DynaZiguinchor staff were released on December 5th after signing protocol agreements acknowledging no contentious issues remain between them and their employer. Staff signed these agreements and were given their severance checks in the presence of the Ziguinchor Labor Inspector. DynaDakar Administrative staff traveled to Ziguinchor to oversee the close-out including closing the petty cash and vehicle fueling systems, making data back-ups, archiving documents, verifying equipment, removing the computer network and returning the unallocated equipment and all archives to Dakar. The rented building was refurbished to its original state and returned to the owner before the end of the lease scheduled for December 31st.

Formal staff reduction letters including the final date of employment were sent to the Dyna staff in Thies and Kolda as required by Senegalese labor law. The DynaDakar Administrative staff traveled to these regions to explain the close-out process and prepare them for demobilization. By the end of the quarter the close-out process was well underway for all offices including Dakar. The majority of the DynaDakar staff will be released at the end of March 2004 leaving only a small group of roughly a dozen employees to oversee the final close-out of the project. This group will be responsible for drafting the final report, organizing and shipping the archives to Chemonics Washington plus closing the Dakar office and the expatriate houses.

By the end of this quarter most Dyna staff had been transferred from employee to contractor status. These new contracts are for a limited period, renewable if circumstances warrant. The transition from employee to contractor triggers payment of the severance package. This mechanism allows for a clear budget forecast because the severance costs are paid upfront and will not become more expensive with further anticipated decline in the value of the dollar. Overall Dyna staff levels reduced from 61 to 42 of which 27 are now contractors. Among the 15 remaining employees the majority (12) are in the Thies and Kolda offices which will be closed in January and February, respectively.

In addition to the DynaZiguinchor staff, six (6) other employees left Dyna this quarter, including the Administrative and Financial Director (DAF). The latter's responsibilities have been replaced internally by dividing them among 3 other employees and nominating Mamata Lo to the post of DAF coordinator. The DynaThies BDS technician, Massamba Diop, attended a conference in Mali from 13 to 17 November 2003 organized by the ILO to share lessons learned on the implementation and sustainability of GERME training products. DynaDakar began a series of monthly Senior Staff Meeting to increase communication during this close-out period to complement the regular internal all staff meetings.

D. Accounting

The Accounting Division began to feel the slowdown of project activities during this quarter. Routine tasks of financial management and oversight of project operations are generally a function of the level of technical activity. These tasks have begun to require less time as activities are not renewed. The exception has been work related to calculation, verification and payment of severance packages to Dyna staff members.

The principal tasks undertaken this quarter by the Accounting Team were :

- **Revision of the Life of Project budget** : The budget was revised to reflect the continued dollar decline. This new LOP budget will be revised in January with the departure of more staff and the rapidly declining value of the dollar.
- **Severance Packages** : The team assisted calculation of the severance packages to assure conformity with Senegalese labor law. The largest number of status changes were registered this quarter; 12 definitively departed and 27 changed from employee to consultant status.
- **Budget Monitoring** : The expenditure budget is recalculated and projected monthly upon reception of the voucher submitted to USAID.
- **Accruals** : Project accruals for the period October through December 2003 were calculated and submitted to USAID at their request.

E. Administration in the Next Quarter (January - March 2004)

- Close DynaThies on January 15th and DynaKolda on February 14th

- Release most DynaDakar staff on March 31st leaving roughly a dozen staff to oversee the final project close-out
- Assure an amendment is signed to obligate the remaining funds of the contract and to reallocate funds from the Microfinance CLIN to the Labor CLIN
- Revise the close-out budget to account for staff departures and continual decline in the dollar to FCFA exchange rate
- Complete the durable goods inventory by introducing the geographic element by region
- Draft and submit to USAID an approval request for the distribution of project funded durable goods to project partners and clients
- Complete the roll-out of the computer equipment to MFI clients
- Begin the archival storage process of project documentation for eventual shipping to the Chemonics Home Office

IV. MICROFINANCE SUPPORT - MFI

The principal activities undertaken by the microfinance team this quarter were monitoring on-going client assistance activities, the computerization program at targeted MF networks, and the ramifications of the DynaZig close-out and related technical activities.

A. Monitoring Ongoing Contracts. DynaMF technicians monitor contract specified deliverables from service providers to assure MF client needs are met and contractual obligations fulfilled. The majority of contracts signed by Dyna have been through pre-qualified, competitively bid pools of service providers (Basic Ordering Agreements - BOA). The contract period of 3 major MF BOAs (Training, Accounting Revision and Marketing) ended on December 31st and were not renewed. Nonetheless, microfinance technical assistance activities took place during the quarter in all zones of operation and are summarized below.

Ziguinchor

MUPROEL- Marketing and communication work to design new member passbooks, brochures, and advertising materials explaining MUPROEL's financial services were produced.

Tambacounda

CMECAT, GANDA, MECADER Tamba, MEC KABENDOU, MEC TINAARE –Interns were placed in these institutions under the supervision of local consulting firms to provide direct assistance to implement report recommendations.

RAFEG & APROVAG – Received and reviewed final monitoring and evaluation report.

UMEC – Team building exercise was held. Interns placed with UMEC completed their contract terms.

MECADER- Kolda – Interns are still working with this group.

Mutuelle des Artisans de Kolda – Training of staff and elected officials completed and initial follow-up monitoring visits were conducted on site.

Thies

MECART Notto – Accounting revision completed.

CAPEC SAM SA NGOR – Training of staff and elected officials completed.

ARAN and ARLS – Technical assistance provided in organizational development.

MEC FADEC – Accounting revision completed.

MEC PROPEM – Accounting revision completed.

Dakar

ACRA - Strategic planning exercise held and interns placed. Improved bookkeeping practices observed and a plan to organize regional offices was prepared.

UMECU - Trained 25 staff on new credit products developed in previous work carried out by REMIX and Jean Francois Guay (expatriate consultant). Included in the training was

the utilization of new loan documentation and procedures. DynaMF drafted the terms of reference for a task order to be competitively bid and funded by Lux Développement. The TOR is to conduct a strategic planning exercise and human resource plan for UMECU. This effort is part of Dyna's exit strategy to work with other donors who have interest in continuing capacity building assistance to Dyna clients.

PROFEMU – Held two strategic planning sessions to develop a roadmap leading to the creation of a network headquarters for PROFEMU that unites its branches. Office equipment and security enhancements were delivered to branch offices. DynaMF reviewed the final report of the accounting revision work and the interns.

PPMEH - Completed monitoring of interns by REMIX

RECEC – Ling Ling Phung, a Rotary Club Scholarship winner in Dakar, began a 6 month intern position. She is assisting RECEC headquarters to develop a functional MIS for information gathering, analysis, and distribution to decision-makers. Also noteworthy was the Cellule AT/CPEC of the Ministry of Finance granting formal network status to RECEC in December. RECEC is now the 5th such formally recognized network in Senegal to be recognized along with UMECU, CMS, PAMECAS, and UMEC (all Dyna clients).

MEC HANN - Training follow-up was held for technicians and elected committee members of this 6,800 member credit union.

UGF PAME – Received the final report on training.

IMCEC CCF - Final evaluation report of training completed. Marketing- communication documents developed.

FNGPF - Final evaluation report of work accomplished by 11 interns.

Sector Wide Activities

CAPAF training – the module on “Business Planning and Projections Using Microfin Software” was attended from 13-18 October by 10 participants co-sponsored by Dyna.

B. Equipment. The FY 2004 DynaMF workplan focused investment on information technology (IT) for its largest networked clients. Cost-benefit analysis demonstrated that, in terms of benefit per credit union member, the return was best on computer hardware, software and training provided to MF networks given the remaining assistance options. Significant progress was made this quarter to equip and train MF clients with IT equipment which are highlighted below by institution.

CMS - CMS requested IT assistance to correct security, communication and data transfer weaknesses in its technologically obsolete information system. Equipment was procured locally after developing technical specifications with CMS staff. Dyna supplied IT equipment will furnish 8 regions (except Ziguinchor and Dakar) and 6 regional offices. *Buhan et Teisseire's* original routers did not have the memory level specified in their contract which slowed deployment but was eventually corrected.

PAMECAS - PAMECAS continued deployment to branch offices of the IT equipment procured by Dyna and delivered in June. PAMECAS suspects problems with the servers and/or RAM memory and/or hard drives and used the local authorized Compaq dealer to

investigate. Any necessary repairs will be covered under international warranty and these problems are still under investigation.

RECEC - The headquarters was cabled and computer equipment installed to set up a local area network (LAN).

UMEC - Local suppliers supplied and installed computer equipment for UMEC branch offices in Sédhiou, Simbandi Brassou, Karantaba and Médina Wandifa. A LAN was cabled and equipped at the UMEC Sedhiou headquarters.

ACEP - Due to budgetary constraints linked to the dollar decline the initial plan to implement a comprehensive IT investment program to upgrade ACEP's information system was scaled back. Only the Dakar headquarters office was upgraded with equipment delivered and installed during this quarter.

C. Close-Out Activities.

Ziguinchor Office and Activities. DynaZig ceased operations on December 5th and the MF staff assisted the Administrative team to draft and distribute informational letters to all clients, partners and other stakeholders of the impending closure of the office and technical activities. The team also developed a transfer plan for the DynaZig office equipment to microfinance clients. A DynaMF technician led a brief training for clients to ensure they understood how the equipment should be accounted for in their books in compliance with relevant BCEAO regulations for decentralized financial structures. Finally, documents were classified, archived and transferred to DynaDakar.

Institutional Stakeholder Meetings. Four meetings were held with potential MF sector stakeholders this quarter to explore possible transfer of sector support activities after the departure of Dyna.

Planete Finance - This French organization presented its plan to establish an office in Dakar and to develop a website focused on microfinance in West Africa. Dyna promised to provide Senegal content from its rich files on the microfinance sector for their portal site. Discussions were also held on how best to support the nascent MF professional association and Dyna promised to provide some equipment transfers from its close-out if a physical locale is established for APIMEC prior to project closure.

Oikocredit – Oikocredit's director of credit operations visited Senegal to finalize pending dossiers to finance targeted credit unions. They plan to issue loans to MEC PROPEM (100 million FCFA) and UMECU (200 million FCFA) in the coming months. Both are Dyna clients that became more professional with our assistance and can now attract other donor assistance. They also announced plans to open an office in Senegal and are recruiting an operations manager.

ADA – LUX Développement – Lux is providing capacity building assistance to UMECU and it recently engaged a consultant from Deloitte and Touche to prepare a study on the next steps computerization needs of this network. It met with Dyna to exchange views on this activity.

Ministère de la Microfinance – Dyna participated in a meeting chaired by the Minister of Microfinance with a group of donors led by the Canadian International Development Agency. The purpose was to formulate a National Microfinance Policy. A research study is expected to be concluded by April 2004 that will define the appropriate roles for MFIs, the Central Bank, APIMEC, donors, and relevant government ministries.

D. Microfinance Next Quarter. Next quarter the Microfinance team will notify partners and clients of the completion of all technical activities, produce a post-Dyna action plan, and prepare summary sheets on investments made by the project by microfinance client.

V. BUSINESS DEVELOPMENT SERVICES - BDS

The first quarter of FY 2004 was the most difficult for the BDS team since the project's inception because of cutbacks in technical activities induced by the continual decline in the dollar, the closeout of regional offices and flooding in the Eastern Casamance. Most notable was the cancellation of the Thies TechnoFoire originally scheduled for this quarter. Most all Junior Expert and Consultant contracts were terminated this quarter reducing a valued Dyna support mechanism to targeted sectors. Both clients and partners have expressed their regret and sorrow to see Dyna's departure. The general sense of desolation among BDS actors was amplified by the devastation of the banana sector caused by flooding of the Gambia River. Nonetheless, the remaining team members continued their work presented in resume below.

During this quarter Dyna received multiple visits from other projects, donors and institutions regarding our approach and to request Dyna produced support materials. Dyna provided information and copies of support materials to APIX, PROMER, Digital Freedom Initiative (DFI), the *Agence Française de Développement* (AFD) and *Projet Info-Conseil*. The latter is focused on micro and small agribusiness enterprises. The support materials provided include the 3 case studies; sector studies for milk, bananas, neem, and improved stoves; Clive Bonnet's report on the cut chicken market; SODAGRI privatization; cybercafé training; fiscal responsibility; microfinance institutions; and websites.

AGRICULTURE

A. Horticulture : REPROMARK Created

The Dyna sponsored support program to Kolda horticulture producers begun in 2001 culminated in October 2003 with the creation of a federation of 3 professional associations comprised of 877 producers of which 91% are women (see table at right).

LOCALE	F	M	TOTAL
Bagadadji	181	17	198
Sare Oura	322	31	353
Sare Coly Sale	298	28	326
TOTAL	801	76	877

Table 3 : Kolda Horticulture Groups

A process to organize these sector actors was undertaken in addition to the improved production techniques promoted by Dyna sponsored training. The process led to the creation of the three producers groups by locale (see table above) and a federative body entitled REPROMARK (*Réseau des Producteurs Maraîchers de la Région de Kolda*). This federative body uniting 3 producer associations established formal operational statues and internal procedures. Three strategic objectives have been identified for promotion by REPROMARK; (1) quality production, (2) marketing and (3) revenue management.

B. Dairy : FENAFILS Created

The *ad hoc* committee of milk sector actors held a workshop on the 24th of October to discuss the creation of a formal, national federation. During this workshop roughly 30 sector actors discussed the founding statues and internal rules and regulations for a future dairy sector federation. The workshop closed by forming a committee tasked to prepare and organize a constitutive assembly to create the national federation. On the 20th of December in Dahra, the

Fédération Nationale des Acteurs de la Filière Lait locale du Sénégal (FENAFILS) was created in the presence of Livestock Ministry representatives.

The Constitutive General Assembly brought together over 200 producers, processors and marketers of milk and milk products from across the country (Kolda, Tambacounda, Ziguinchor, Kaolack, Fatick, Dakar, Matam, NDioum, Linguere and Dahra). The Assembly adopted the internal statutes for the federation, created the management structure, established the dues and fee structure and approved an initial FENAFILS Action Plan. The key elements of the 1st FENAFILS Action Plan are to (1) create a milk map for Senegal, (2) establish a model processing center and (3) integrate the management aids throughout the sector.



Photo # 1 : Constitutive General Assembly held at the Dahra Mayor's Office

The model processing center (Unité Témoin Lait - UTL) will serve as a reference point and training locale for milk processors. Rather than create a separate center a protocol agreement will be signed with an existing processing firm to serve as the UTL. The targeted firm will have a minimum capacity to process 500 liters per day and be operational for the last 5 years. FENAFILS will seek support to modernize the operation. Dyna previously committed support for the modernization process but withdrew financial assistance in response to the dollar decline. The present strategy is to approach the *Projet d'Appui au Opérateurs/trices du secteur de l'Agro-alimentaire* (PAOA) to elicit their interest in supporting this portion of the Action Plan.

Milk Sector Map : An initial activity promoted in the Action Plan of the newly constituted dairy producer's professional association is to produce a map of Senegal indicating the major areas of milk related activity similar to the banana, vetiver and microfinance maps previously supported by Dyna. The questionnaire to be administered during this geo-referenced sector census was produced by DynaKolda BDS technicians and members of the *ad hoc* milk committee. Data collection was still underway by the end of this reporting period. Dyna will subcontract the creation of the final map and report which will include paid advertising to reduce costs and assist the financial sustainability of this effort.

C. Slaughterhouse Privatization in Anambé (Vélingara)

Phase 2 of the SODAGRI Slaughterhouse privatization process was completed this quarter in collaboration with the local administrative bodies (*collectivités locales*) and interested herders. Both parties have expressed interest in owning shares in the privatized slaughterhouse. The next step in the process is to launch the tender process to identify the strategic partner scheduled to hold 45% of the shares in the privatized slaughterhouse.

D. Banana : Very Difficult Year for the Sector

After the devastation of the late August 2003 Gambia River flooding, banana producers in the Tambacounda Region have begun the recovery process. Initial efforts, coordinated in September by the newly created national federation UNAFIBS, were made to determine the extent of the damage and communicate that information to decision makers. UNAFIBS held a meeting in Tambacounda on 22 October with APROVAG members to prepare a synthesis report on the flood impacts on the banana sector. This report was finalized and released in November.

Dyna staff worked with UNAFIBS colleagues to study assistance options including lobbying support structures and donors to obtain disaster assistance. UNAFIBS representatives traveled to Dakar in late November to meet with the Ministry of Agriculture to lobby for disaster assistance. DynaDakar supported this effort by drafting a flood impact report in English that was submitted to Food For Peace (FFP) and SO #1 on 15 December 2003 based on the UNAFIBS November report. The domestic banana production lost for the 2003-04 season has been estimated at 20,000 tons representing roughly two-thirds of national production.

This 50-year frequency flood combined with the close-out of the Dyna project have combined to leave the banana sector in an extremely vulnerable position after several years of significant progress noted by the creation of the national federation, improved production techniques and post-production handling. At the end of this reporting period UNAFIBS efforts to lobby for disaster assistance had fell on deaf ears and they focused hopes on their next meeting scheduled for January 2004. During this meeting UNAFIBS will attempt to resuscitate the domestic banana sector by appealing to interested support structures (donors, projects, ONGs, etc.), informing State entities of the economic losses to the national and regional economy from the flood, studying the possibilities of re-launching the sector on the basis of best practices (production, handling, *in vitro* plants, etc.), and the creation of a demonstration plantation to promote these best practices.

Information and Communication Technology

E. Rural Radio. The radio programs contracted by Dyna from Radio Xun Pang of Ndiass continued in October and November 2003. The themes of these programs included professional training and market information on mangos, fish and livestock. For each of these 3 markets the various aspects of the value chain are presented and discussed (production, processing and marketing). Invited guests are economic actors active in the market under discussion. The quality and success of this programming has interested the private company Manobi who is interested in signing a contract with Xun Pang to promote their products during these entrepreneurial radio programs. Dyna staff are also working with ENDA Graf and the PANOS Institute to prepare a map of rural radios in Senegal.

F. Websites. With the approaching end of the project BDS staff focused efforts on assuring the Dyna sponsored sites will remain viable after the project closes. Five websites are included in this retrocession activity; (1) tender bids (www.appel-d-offres.sn), (2) Thies artisans (www.senartisanat.sn), (3) BNSTP subcontracting (www.bnstp.com), (4) Senegal bananas (www.banane-senegal.com) and (5) innovations made in Senegal (www.innovtech.sn). The retrocession conditions will be made explicit in Protocol Agreements to be signed between Dyna and the prospective website hosts.

Tender Bids : This highly successful site (36,500 hits to-date) that was a catalyst for the transparent and broad diffusion of tender bids in Senegal will be transferred to the local IT firm that developed the site with Dyna support, DIRECO.

Thies Artisans : To assist the smooth transfer of management responsibility for this site Dyna sponsored website management training of 4 Artisan Village members in Thies from 19 to 21 December. In addition to training in website management the members were also introduced to FrontPage, PhotoShop, Flash and Swish.



Photo 2 : Artisan Village Members Trained in Thies

BNSTP Subcontracting : To prepare this site for handover to new ownership an update of the entrepreneur database was undertaken. The site now reflects this new database and will be handed over to BNSTP for future management via a protocol agreement.

Senegal Bananas : This site was revised to improve its visibility and utility prior to retroceding the site and its management to the national federation of banana sector actors (UNAFIBS). New elements introduced include Banana Supply and Amounts Marketed that provide a forum to announce price, quantity and quality information. For example, the farmgate price for bananas in Tambacounda has recently risen from 140 to 155 FCFA per kilogram.

Senegal Innovates : After a year of operation this site's sponsors will launch an Information Day in February 2004 to promote their site. The Information Day will also provide the opportunity for these actors to meet and discuss the stakes and interests in continuing this website.

PROFESSIONAL ASSOCIATIONS

Support for the professionalization of selected business associations continued during this quarter. Training was held on enterprise internal communication strategies and techniques for the members of the *Association pour la Pérennité de l'Entreprise Familiale* (APEFA). The training was based upon real cases involving APEFA members and was attended by 14 members of which 4 were women. Follow-up is presently underway and involves drafting a communication plan for APEFA for the next 5 years. Given budget constraints the brochure planned for the *Association des Handicapés Physiques de Mbour* was produced in-house at Dyna rather than subcontracted. The Association is responsible for the costs of reproduction.

G. Management Aids. The previously developed and introduced management aids for professional associations and enterprises was further monitored during this reporting period. Follow-up training in the use of these aids was held for the 7 original participants in Tambacounda from 15 to 16 October. During this second phase of the program the participants clearly understood the usefulness of the management aids and the need to maintain a regular accounting system in their business activities. Given the heightened interest in these management aids the next logical step would be to perform a training of trainers. The objective would be to create a sufficient number of competing trainers to create a market for training in these management aids. However, the cutback in technical activities due to the dollar decline and reduced time remaining in the project precludes further support to this activity.

NATURAL RESOURCE MANAGEMENT

H. Sustainable Agriculture & Soil Protection

Horticulture in Les Niayes (Mboro). A year after the first demonstration sites were established in the Niayes the protective effects of vetiver for horticulture producers are apparent (wind-block, anti water erosion, dune stabilization, etc.). These positive properties have demonstrated to producers their own financial interest in using vetiver. The annual 100,000 FCFA cost to producers for removing sand in the pumping basins is no longer necessary when vetiver is used. Early adopters of vetiver technology who planted nurseries have begun to register plant sales to other producers who now recognize the positive impact of this grass. The first registered sale was noted by Cheikh Guèye of Touba Ndiaye who sold 60 slips at 40 FCFA each for the creation of a new site in Fass Boye. The positive results noted in Mboro led the *Projet pour la Promotion de l'Entreprises Horticole* (PPMEH) to diffuse this experience to their other zones within the Niayes. A nursery is planned for Niaga and 10 model farmers have been chosen to promote their vetiver experiences.

Irrigation Canals in Podor (SAED). The Junior Expert employed by Dyna to assist the local population and SAED resulted in the creation of a demonstration site along the irrigation canal in the Ngallenka Valley. The local population responded by creating an *Initiative Rurale pour la Renaissance du Vetiver* (IRREV) uniting 20 villages across 4 rural communities. This local rural initiative decided to create vetiver nurseries for each of the 49 GIE in their zone. A total of 100,000 FCFA was budgeted by SAED to purchase young vetiver plants from private nurseries to establish these village nurseries.

Feeder Road Infrastructure at the Industries Chimiques du Sénégal (ICS). Dyna previously made a PowerPoint presentation on the possible uses of vetiver to the technical heads of 5 divisions at the *Industries Chimiques du Sénégal* (ICS). ICS intends to launch a terms of reference to recruit a service provider to establish a test site to protect a 1 billion FCFA feeder road connecting the Tôbène quarry to the phosphate processing plant. The Dyna BDS team assisted the ICS Environment and Security Division to draft the Terms of Reference. Dyna BDS will also provide technical assistance once the work is underway and during the follow-up period assuming these occur before the final closeout of the project.

OTHER – Cross Cutting

I. International GERME Workshop in Bamako : The second workshop of the international GERME network (RIG) was held from 17 to 19 November in Bamako. Dyna was invited to attend by the ILO and sent the DynaThies BDS Coordinator, Massamba Diop, to represent the Dyna GERME experience. Nine (9) countries from the sub-region were represented including Mali, Benin, Burkina, Niger, Cote d'Ivoire, Mauritania, Togo, Guinea and Senegal. Dyna prepared a presentation summarizing the results of the ILO-Dyna partnership to promote GERME in Senegal that was greatly appreciated by the assembled participants. ILO, ASDI and other regional GERME service providers were especially pleased with the market development approach used by Dyna in Senegal. The Senegal quantitative data concerning the GERME trainings presented by Dyna represented the only example of its kind among attending countries. Other country representatives stated that the Dyna example of quantitatively monitoring a partnership agreement would be duplicated upon return to their own country programs.

BDS Next Quarter. The BDS Team will focus next quarter on activities related to 3 subsectors (milk, banana and neem), retrocession of the sector websites to assure sustainability, continued technical assistance to targeted professional associations and synergy with other projects interested in continuing Dyna initiated activities.

VI. MONITORING, EVALUATION, ANALYSIS AND COMMUNICATION - MEAC

The October through December period represents the 1st quarter of fiscal year 2004. In spite of the budget constraints imposed by the steady decline in the value of the dollar, the MEAC team was able to complete the majority of its planned quarterly activities which are outlined below.

A. Monitoring. Monitoring activities continue to focus on quarterly results reporting from the two technical divisions of Dyna. The quarterly performance results for both MFI and BDS are presented in Annexes A and B, respectively. In general, microfinance client institutions have not reported their Oct-Dec 2003 quarterly figures by this writing (15th January). Only 15% of Dyna MF clients had reported by this deadline. This performance is partly due to the close of these clients' fiscal year (Jan to Dec), the usual problems of reporting data within 15 days of the close of a quarter, the end of year holidays and MF client perception that the cost of not reporting to Dyna has diminished with the impending closing of the project. However, the MEAC team will continue to put pressure on these clients to report. For BDS the situation is more structural with reduced results expected given the reduced level of activity as the project closes and the dollar continues to decline. For example, the results expected from the Thies TechnoFoire were all lost when this event was canceled for budget reasons.

1. *TRAINET.* Computer virus problems continue to hinder the use of this software program to monitor and report on USAID funded training activities. Dyna computer technicians were able to eliminate the most recent viruses affiliated with the program at the end of the quarter. MEAC staff will resume data entry in January 2004.

2. *Other.* During this quarter the MEAC team contributed to and coordinated the preparation of various reports for USAID (ex., FY 2003 Annual Report and FY 2004 Annual Workplan). The Team also provided USAID with several synthesis tables to complement and clarify key aspects of the Annual Report.

B. Evaluation. The Blanket Ordering Agreement (BOA) to contract Monitoring and Evaluation activities expired on the 30th of September and was not renewed due to budget constraints. Since that time no new evaluation activity has been undertaken.

C. Information & Communication Technology – ICT.

1. *Videography.* During this quarter MEAC staff members completed the filming portion of the Entrepreneur's Fiscal Responsibility series with members of UNACOIS serving as actors. The editing is now underway and should be completed next quarter. Preparatory work was initiated in December to produce a short film on a Making Cents facilitator in Kaolack, Alioune Samb, who has successfully developed a business using these training modules. This film will be shot and edited during the next quarter.

MEAC staff also converted VHS films to CD-ROM for the USAID funded Health project BASICS II. This effort was undertaken in the spirit of synergy and to provide additional input for the Information Kiosk. In a similar vein, Dyna staff assisted a Belgian funded project in Diourbel (*Projet d'Appui à la région Médicale de Diourbel – ARDM*) to produce two digital films to promote village hygiene.

2. Case Studies. The 3 Case Studies were burned to CD-ROM and distributed to the sector actors, local business training institutions (ex., ENEA, CESAG, ISM, HECI) and other partners expressing interest (ex., APIX). Note that the business training institutions had been associated with the case study process from the beginning, particularly ENEA. Recall that the 3 Case Studies are (1) The Organization of the Banana Subsector in Senegal, (2) Cabinet Sud Informatique and (3) The Professionalization of a Microfinance Institution – RECEC.

3. Information Technology. Dyna IT staff members attended an introductory seminar to the Microsoft Office System 2003 which provides some interesting collaborative work elements not available in earlier versions. IT staff also worked hard to remove all traces of viruses and worms on the Dyna network. As the project concludes the quarterly IT follow-up meetings with PAMECAS have been increased to monthly.

D. Other. APIX and the private eco-tourism firm *Rêve d'Afrique* both requested and received full copies of the digital maps used by Dyna. Similarly, APIX requested and received a full series of the reports, documents, and support materials produced by Dyna these last four years. APIX staff requested these materials to provide content for their Internet Portal on Investment Opportunities in Senegal. Staff members and consultants continued to collect geo-referenced data on the milk subsector for subsequent creation of a Milk Map for Senegal.

E. MEAC Next Quarter. During the next quarter the MEAC team will complete the Fiscal Responsibility short films and the conversion of the supporting materials for the BASICS II project. The film on the Making Cents trainer will also be completed to document how an entrepreneurial individual used these training modules to create a business for himself and others. Other team members will continue to enter training data into the TRAINET system.

VII. FINANCIAL STATUS

The present financial reporting period covers the calendar months of September 2003 through November 2003 because of the one-month lag in submitting and registering expenditure vouchers. Total expenditures of \$1.37 million during this three-month period were the lowest since the same period two year's past reflecting the concerted effort to reduce project activities in face of the decline in the purchasing power of the dollar and project close-out in FY 2004. Total invoiced to-date represents 86% of the contracted amount and 90% of obligated funds (\$25,250,000 obligated to-date).

Table #4 below presents project expenditure information by monthly invoice, Contract Line Item (CLIN) and percent of total expended per line item during the project. The LOP budget, LOP balance and the amount obligated to-date are also presented. The major expenditures during this quarter were in the Labor line item as Dyna staff members were released from their contracts and severance payments made in conformity with Senegalese labor law. The Labor line item will continue to absorb the majority of expenses in the coming months as all staff are either released or converted to contractor status both of which require resolution of the severance package. Large expenditures in the Microfinance CLIN are also expected in the coming months as the project disperses funds for the procurement of computer equipment for three microfinance networks (ACEP, CMS and UMEC) estimated at \$463,320 (see the Administration section of this report for details). All of these FCFA denominated costs are higher than originally budgeted due to the precipitous decline in the US dollar which has lost over one-third of its value in the last year and a half.

	LOP	Invoices 1-46	47	48	49	Total Invoiced To-Date	% of CLIN Expended	LOP Budget Balance
	BUDGET	Nov-99 to Aug-03	Sep-03	Oct-03	Nov-03			
Labor	12,385,822	10,339,444	240,899	349,903	346,169	11,276,414	91%	1,109,408
Material & Equipment	998,303	945,092	1,518	-616	37	946,031	95%	52,272
BDS	1,647,800	1,484,025	26,157	12,646	18,101	1,540,930	94%	106,870
MF	10,402,192	7,867,757	151,397	109,683	76,089	8,204,927	79%	2,197,265
Base Fee	658,412	572,812	11,601	12,168	13,164	609,744	93%	48,668
Award Fee	371,062	162,014	0	0	0	162,014	44%	209,048
25,250,000	26,463,090	21,371,143	431,571	483,784	453,560	22,740,059	86%	3,723,532

Table 4: Invoices Submitted to USAID by Chemonics (Sep. through Nov. 2003)

With 90% of obligated funds already expended and significant accruals for both severance packages and the microfinance computerization program, the project will require the final tranche of obligated funds (\$1,213,090) early next quarter. Labor severance costs have been higher than expected because of the decline in the purchasing power of the dollar. Obligation of the last tranche of funds will be insufficient to cover the total accruals to the Labor CLIN. An amendment to the contract to reallocate funds across line items will be required next quarter to avoid a negative Labor CLIN. Thus, in addition to an amendment to obligate the remaining funds an additional amendment will be required to reallocate funds from the Microfinance CLIN to the Labor CLIN early next quarter.

ANNEX A Indicators, Targets and Quarterly Results - Microfinance

ANNEX B Indicators, Targets and Quarterly Results – Business Development Services

DynaEntreprises Microfinance Performance Indicators

#	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASURE	FISCAL YEAR 2004		
			TARGETS	Q1	DATA SOURCE
KIR 1.2 : IMPROVED ACCESS TO FINANCIAL SERVICES					
1.2.1	Number of institutions using full cost-recovery interest rates and fees	<i>Among institutions receiving assistance from DynaEntreprises</i>	29	9	Dyna MFI Partners
1.2.2	Number of institutions with delinquency rates below 10% and loan losses under 5% of the institution's loan portfolio	<i>Number with delinquency rate below 10%</i>	34	7	Dyna MFI Partners
		<i>Number with loan losses below 5%</i>	34	8	Dyna MFI Partners
1.2.3	Number of savers disaggregated by gender	<i>Number of male</i>	63 792	13 941	Dyna MFI Partners
		<i>Number of female</i>	65 324	28 199	
		<i>Number of male groups</i>	1 301	395	
		<i>Number of female groups</i>	6 469	1 494	
		<i>Number of mixed groups</i>	4 999	894	
1.2.4	Number of borrowers disaggregated by gender	<i>Number of male</i>	26 259	3 328	Dyna MFI Partners
		<i>Number of female</i>	37 986	9 096	
		<i>Number of male groups</i>	338	71	
		<i>Number of female groups</i>	4 577	356	
		<i>Number of mixed groups</i>	1 291	236	
1.2.5	Value of loans offered	<i>Amount of loans</i>	15 670 328 927	1 842 025 985	Dyna MFI Partners
1.2.6	Value of savings collected	<i>Amount of savings</i>	12 644 470 642	1 262 213 789	Dyna MFI Partners
1.2.7	Branch offices trained	<i>Number</i>	60	0	Dyna MFI Partners
1.2.8	Managers & tellers trained	<i>Number</i>	141	0	Dyna MFI Partners
1.2.9	Share of all decentralized financial system loans at the National Level provided by USAID funded partners	<i>Ratio of the value of loans offered by Dyna-funded partners to the value of loans offered by all Microfinance institutions reported by the Ministry of Finance regulatory body</i>	19%	Reported annually	Dyna MFI Partners, The Microfinance Unit (Cellule AT/CPEC) of the GOS Ministry of Finance

Note : 21% of branch offices submitted their report on time.

DynaEnterprises Business Development Services Performance Indicators

KIR 1.3 : Increased Use of Best Technical and Managerial Practices

#	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASURE	Fiscal Year 2004 Q1						Fiscal Year 2004 YTD						Fiscal Year 2004 Plan
			Dakar	Kolda	Tamba	Thies	Zig	TOTAL	Dakar	Kolda	Tamba	Thies	Zig	YTD TOTAL	
1.3.1	# Participants from SMEs, consulting firms, associations and groups that purchase business training.	Total # of fee paying participants	14	0	7	0	0	21	14	0	7	0	0	21	300
		# Private sector participants	14	0	7	0	0	21	14	0	7	0	0	21	150
		# Ag-related participants*	3	0	0	0	0	3	3	0	0	0	0	3	100
		# Female participants	4	0	1	0	0	5	4	0	1	0	0	5	
		# Youth participants (18-30 yrs)	3	0	0	0	0	3	3	0	0	0	0	3	
		# Disabled participants	0	0	0	0	0	0	0	0	0	0	0	0	
1.3.2	# New products and services offered by BDS providers.	Total # new products & services	2	2	1	0	0	5	2	2	1	0	0	5	40
		Total # ag-related products & services	2	1	1	0	0	4	2	1	1	0	0	4	40
1.3.3	# SMEs acquiring quality technical assistance (not training) from BDS providers.	Total # of SMEs receiving BDS support	258	5	0	14	0	277	258	5	0	14	0	277	800
1.3.4	# SMEs, consulting firms, associations and groups that access market and technical information.	# SMEs accessing information	5002	12	30	1184	0	6 228	5 002	12	30	1184	0	6 228	15 000
		# SMEs accessing information (not web site)	82	12	30	1 184	0	1 308	82	12	30	1 184	0	1 308	-
		# SMEs purchasing information	82	0	30	0	0	112	82	0	30	0	0	112	800

RAPPORT TRIMESTRIEL DE PERFORMANCE

DynaEntreprises Sénégalaises – Contrat Chemonics

Octobre 2003 – Décembre 2003

Trimestre 16 sur 20

CONTRACTEUR : Chemonics International, Inc.
CONTRAT # : 685-00-00-C-00002-00
PERIODE DU RAPPORT : Octobre 2003 – Décembre 2003 (trimestre 16 sur 20)
BUREAU USAID : Objectif Stratégique #1

I. SOMMAIRE EXECUTIF

Le dollar continue de baisser ce trimestre en passant de 550 F CFA à un peu plus de 500 F CFA à la fin de cette période de reporting. La direction de Dyna a anticipé une poursuite de cette tendance identifiée pour la première fois il y a de cela 12 mois et a entamé le processus de close-out du projet avec la fermeture du bureau de Tambacounda en Juin 2003. Ce processus a continué durant le premier trimestre de l'année fiscale 2004 avec la fin des activités dans la région de Ziguinchor et la fermeture du bureau de Dyna le 5 Décembre. La chute du dollar de 750 à son niveau actuel d'environ 500 F CFA a entraîné des coupures drastiques dans les activités budgétisées.

L'approche de Dyna de recourir à l'expertise locale pour les activités du projet a aggravé l'impact négatif car le paiement des livrables en cours (c'est à dire les charges à payer) libellé en F CFA devient plus cher en dollar avec chaque baisse successive du dollar. Pour parer à toute éventualité de ne pas honorer les engagements signés, la direction du projet a pris la mesure drastique de n'entamer aucune nouvelle activité technique. On peut penser que l'environnement défavorable du taux de change sera de mise pour la durée du projet avec les prévisions de la direction de Dyna sur la baisse du dollar en dessous de 500 F CFA avant de retrouver un autre niveau au courant de l'année. Cependant, il sera trop tard pour avoir un quelconque impact positif au niveau des activités du projet.

La direction de Dyna a transformé pour la plupart du staff les contrats d'employés en contrats d'entreprise pour enregistrer le paiement des indemnités de départ dans les comptes du projet avant que le dollar n'atteigne des taux bas. Ces charges sensibles au dollar ont été presque liquidées à la fin du trimestre, permettant ainsi au projet d'avoir des projections sur le budget plus exactes. Cela permet aussi de s'assurer qu'aucun membre du staff n'aura raison d'assigner le projet à l'inspection du travail pour non paiement des indemnités exigées par la loi sénégalaise.

En dépit des ces problèmes liés au dollar, les activités techniques continuent comme le projet a opté pour offrir directement les services plutôt que de recourir aux prestataires de services ; un changement tactique dicté par l'appréciation du dollar. L'activité majeur ce trimestre a été le programme de Technologie d'Information à destination des réseaux de Microfinance ciblés. La valeur en dollar de cette acquisition locale tourne autour du demi million de dollar US. La plupart des équipements acquis ont été livrés et installés ce trimestre. D'autres activités de microfinance continuent à travers une utilisation maximale de stagiaires pour réduire les coûts liés à l'assistance technique. L'équipe MF a pensé à d'autres partenaires (Lux Development, Oikocredit, Planète Finance, etc.) qui pourraient être intéressés dans la poursuite du travail entamé avec les clients MF cibles.

L'équipe BDS a eu le sinistre expérience d'annuler une TechnoFoire prévue à Thiès ce trimestre. La TechnoFoire est de loin la plus grande activité, en termes de dépense,

entreprise par le département BDS durant la durée du projet. La baisse continue du dollar a montré que la 4^{ème} TechnoFoire n'était pas financièrement faisable. L'équipe BDS s'est aussi adapté à ce changement de l'environnement macroéconomique en utilisant les ressources humaines internes au projet plutôt qu'en faisant appel à l'expertise externe. En d'autres termes, lorsque les fonds du projet ne permettent plus d'acheter la même valeur de biens et services, les employés du projet commencent à offrir eux-mêmes les services.

Depuis le début du projet, l'appui en BDS considérable et intensif en direction du secteur naissant des associations professionnelles commence à donner des résultats en particulier dans le maraîchage, les filières lait et banane. Une association maraîchère (REPROMARK) existe maintenant à Kolda. Ce trimestre, le comité ad hoc de la filière lait s'est transformé en fédération nationale (FENAFILS). La fédération nationale de la filière banane (UNAFIBS) a montré son mérite en faisant face aux inondations dont les plantations de banane ont été victimes en 2003. L'UNAFIBS a initié les efforts pour collecter l'information sur l'étendue du sinistre et a mené un lobbying pour recevoir de l'assistance, exactement le rôle attendu d'une association professionnelle. Toutes ces trois associations ont été assistées par les partenaires et le staff de Dyna.

L'impact sur la filière banane est devenu largement visible ce trimestre une fois que la décrue a permis de voir l'étendue du désastre. Près de deux tiers de la production de banane pour 2003-2004 évaluée à 3,5 millions de dollars a été perdu (avec le dollar à 550 F CFA). 4 autres millions de dollar ont été perdus dans les immobilisations et les plantations, ce qui fait une perte totale d'environ 7,5 millions de dollar. Bien que l'UNAFIBS ait fait un vaillant effort en portant le désastre à l'attention des autorités locales et internationales, très peu d'assistance a été accordée à ces acteurs économiques pour leur permettre de restaurer ce secteur de l'économie rurale en pleine croissance dans l'Est de la Casamance.

Tout comme la clôture du projet se fait plus tôt que prévu à cause de la baisse du dollar, les résultats attendus sont aussi en baisse. La réduction des activités entraîne une baisse des résultats. Ceci est surtout manifeste au niveau de Dyna BDS où la fermeture anticipée des bureaux régionaux a un impact direct sur les résultats. Les objectifs prévus dans le plan de travail de l'année fiscale 2004 ne seront pas atteints. Pour microfinance, la situation n'est pas aussi dramatique mais la fourniture des résultats a baissé du moment où les clients présumant que puisque Dyna ne donne plus d'appui alors pourquoi envoyer des résultats. Des lettres, pour informer les clients MF de la nécessité de continuer de fournir des résultats, ont été envoyés mais le flot d'information a considérablement baissé. Le staff de Dyna continue de rappeler aux clients MF de la nécessité du reporting mais ces derniers ont bien deviné que la sanction suite à un retard de fourniture de résultats est minime avec la fermeture imminente de Dyna. L'équipe Monitoring Evaluation de Dyna espère que la plupart des clients MF vont fournir les résultats mais pas dans les délais établis.

L'équipe Monitoring Evaluation continue de travailler sur plusieurs films digitales dont la conversion d'un film VHS en digital pour le projet BASICS II, les sketches sur la fiscalité avec l'appui de l'UNACOIS et un nouveau film sur l'expérience d'un entrepreneur qui a démarré une entreprise de conseil autour des modules de la formation Making Cents introduite au Sénégal par Dyna.

La situation financière de Dyna est stable à cause des mesures drastiques prises par la direction pour clôturer le projet plus tôt que prévu. Le résultat du ralentissement du projet est manifeste avec le plus faible niveau de dépenses enregistré ce trimestre depuis deux ans (1,37 millions de dollar). Le CLIN Labor sera élevé car les indemnités de départ ont été payées. Le CLIN Microfinance va enregistrer de grosses dépenses reflétant les acquisitions IT. La mise à disposition de la dernière tranche de fonds sera absolument nécessaire le prochain trimestre ainsi qu'une réaffectation des fonds de MF au CLIN Labor, si le projet veut éviter un déficit dans le CLIN Labor.